

Lowell Light and Power

Policy 3

All-Employee Handbook

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Policy 3-1

MISSION STATEMENT

"We strive to provide a positive work environment with competitive wages, personal respect and opportunity for professional growth".

INTRODUCTION

The Board of Lowell Light and Power (the "Utility") consists of five members appointed by the Lowell City Council. Board member terms are four (4) years. The Board members collectively elect a Chairperson of the Board. The Board's most important role is its written policies, policy-based decisions, and the appointment of the Superintendent (General Manager).

Lowell Light & Power is responsible for the administration and operation of electric utility facilities and services. The Utility's ability to perform these functions and provide these services is directly related to the efficiency of the employees working for the Utility. An important factor in attracting and keeping efficient and fully trained employees is the establishment of current and uniform employee policies and procedures.

The *General Manager* (Superintendent) is responsible for the implementation of these policies and procedures and the overall coordination of all employee matters. The contents of the Personnel Handbook apply to all individuals employed by Lowell Light & Power.

Penalties imposed as a result of infractions of these policies may be modified by the Utility when extenuating circumstances are found.

The Utility remains free to unilaterally change, suspend or modify any or all of the working conditions described in the handbook without giving cause or justification to employees.

All employees are responsible for knowing, understanding and following the policies and procedures within the handbook. Employees are invited and encouraged to address questions to their supervisor, or the General Manager at any time.

The Board accordingly adopted the policies and procedures in this Employee Handbook.

Chairperson of the Board of LL&P

Date

Policy 3-2

General Procedure

Section 2.0 Employer Expectations

Within this Personnel Handbook are the fundamental elements of Lowell Light and Power's operating principles. This handbook is provided for guidance only and is not a contract; policies and procedures may be changed at any time.

You, as an employee, are valued, trusted and depended upon by your supervisor, co-workers, customers and the general public. It is your willingness to work safe, learn, teach, cooperate and communicate what the Utility relies on to meet its obligations of service and reliability to its customers.

It is important that all employees know and understand what is expected of them in order to meet the standards of quality and efficiency required to represent the Utility.

Thank you for being honest, respectful, dependable, safe, loyal, punctual and flexible. These are a few of the qualities and expectations the Utility needs and relies on from its employees.

Section 2.1 Board Responsibility

The Board's role is its written policies and procedures, policy-based decisions, and the appointment and discharge of the Superintendent (General Manager).

Section 2.2 General Manager Responsibility

The General Manager is responsible for the implementation of these policies and procedures and overall coordination of all employee matters.

Policy 3-3

Employment Laws and Policies

Section 3.0 Equal Employment Opportunity

The Utility does not, and will not discriminate for or against any employee or applicant for employment or promotion because of age, sex, race, religion, creed, color, national origin, ancestry, height, weight, marital status, sexual orientation, disability or covered veteran status. This policy applies to all aspects of employment on the job, and applies to benefits to the extent required by law.

No employee or applicant will be coerced, intimidated, interfered with or discriminated against for filing a complaint or assisting in an investigation for the corresponding federal and state laws.

Section 3.1 Immigration Law Compliance

The Utility is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

Section 3.2 Americans with Disabilities Act

The Utility will not discriminate against a qualified individual on the basis of disability in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.

Section 3.3 Sexual Harassment

The Utility will not tolerate sexual harassment in the workplace. Sexual Harassment occurs whenever unwelcome conduct on the basis of gender affects a person's job. It is defined by the Equal Employment Opportunity Commission (EEOC) as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to the conduct is made either explicitly or implicitly a term or condition of an individual's employment, or
- Submission to or rejection of the conduct by an individual is used as a basis for employment decisions affecting such individual, or

- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

A second type of unlawful sexual harassment is referred to as a hostile environment. Unlike a quid pro quo, which only a supervisor can impose, a hostile environment can result from the gender-based unwelcome conduct of supervisors, co-workers, customers, vendors, or anyone else with whom the victimized employee interacts on the job. The behaviors that have contributed to a hostile environment include:

- Unfulfilled threats to impose a sexual quid pro quo.
- Discussing sexual activities;
- Telling off-color jokes;
- Unnecessary touching;
- Commenting on physical attributes;
- Displaying sexually suggestive pictures;
- Using demeaning or inappropriate terms, such as "Babe";
- Using indecent gestures;
- Sabotaging the victim's work;
- Engaging in hostile physical conduct;
- Granting job favors to those who participate in consensual sexual activity;
- Using crude and offensive language

Any employee, who believes that he /she have been subject to unlawful sexual harassment, should immediately report the conduct to either their immediate supervisor or the General Manager. Any reported violations of this policy will be investigated thoroughly, with appropriate disciplinary action taken up to termination against any employee who is found to have engaged in conduct which violates this policy. There will be no retaliation against employees for any good faith allegations of sexual harassment.

Section 3.4 Violence in the Workplace

The Utility will not tolerate threats or acts of violence committed by or against employees. For purposes of this work rule, the following definitions shall apply:

Act of violence means any intentional, reckless, or grossly negligent act that would reasonably be expected to cause physical injury or death to another person.

Threat of violence means any intentional communication or other act that threatens an act of violence and would cause a reasonable person to feel terrorized, threatened, or fear physical injury or death to oneself or another person. Any threat of violence, whether verbal, written, visual or by gesture, will be presumed to be an expression of intent to do harm to another person.

Workplace means an office or building owned or leased by the Utility, customer's property or service territory in which employees are assigned to work. It includes any Utility common grounds or parking area used by employees assigned to or working in the office or building.

Explosive means any bomb, grenade, missile, or other dangerous device designed to expand suddenly and release internal energy resulting in an explosion.

Firearm means a weapon from which a dangerous projectile may be expelled by an explosive, gas, or air.

Act or Threat of Violence

An act of violence or a threat of violence that is work-related or occurs in the workplace is strictly prohibited. Any employee who is subjected to or is aware that another employee is being subjected to an act of workplace or work-related violence or a threat of imminent violence shall immediately take appropriate measures to ensure his or her personal safety. The employee shall then promptly report the incident to appropriate law enforcement personnel and his/her own supervisor. The supervisor shall immediately notify the General Manager of the incident.

Non-imminent acts or threats of violence shall be reported to the employee's supervisor. If the employee's supervisor is the individual engaging in violence or making a violent threat, the employee shall report the incident to another supervisor or the General Manager.

All reports of an act of violence or a threat of workplace or work-related violence will be investigated and appropriately addressed. The appointing authority shall take reasonable action to protect employees when a credible report of a violent act or threat of violence is received.

If a supervisor or General Manager receives information regarding an alleged act of violence, receives a threat of violence, or has a reasonable suspicion that an employee may have transported a firearm or explosive on Utility property without authorization, the supervisor, General Manager or other appropriate authority may conduct a search of desks, lockers, and any other storage space located on Utility property as part of the effort to investigate and appropriately address the situation.

Employees shall not sabotage or cause malicious destruction of or damage to Utility property, resources, work products, electronic files, or the property of another employee, customer or a member of the general public.

Reporting

Employees are obligated to report to management if any of the following circumstances occur:

- The employee is subjected to workplace or work-related violence by a supervisor, manager, co-worker, or other person.
- The employee witnesses a supervisor, manager, co-worker, or other person in the workplace engaging in workplace or work-related violence involving another person.
- The employee receives a protective or restraining order, which lists Utility-owned or leased premises as a protected area. (A copy of such order shall be provided to the Utility's management.)

A supervisor or manager who witnesses, or is made aware of by one who witnesses, a subordinate employee engaging in workplace or work-related violence, threatening behavior, or making threats of violence or has unauthorized possession of a firearm or explosive is obligated to report the behavior to the appointing authority and to take prompt and appropriate remedial action.

Any violation of this work rule may result in discipline, up to and including termination of employment.

Section 3.5 Weapons

Weapons, licensed or unlicensed, are prohibited on Utility property; even in personal vehicles. Examples include: firearms, knives, explosives, ammunition, pellet guns, paintball guns, tasers, bows, arrows and swords.

Violations may subject employees to discipline up to and including termination of employment.

Section 3.6 Proprietary Information/Confidentiality /Red Flag Rules

All employees are responsible for protecting the Utility's confidential and sensitive information, which includes anything that could potentially be used to place the Utility or its employees, customers or Board members at a disadvantage.

Specific examples of sensitive information include:

- Plans, strategies, tactics or organizational structure not announced to the public
- Financial data or operations results not announced to the public
- Employees' personal information, including addresses, phone numbers, performance evaluations, Social Security numbers, personal health information and disciplinary records (Red Flag Rules)

- Customer records such as billing information, credit status and other personal information available to employees (Red Flag Rules)

An employee should presume information is sensitive unless demonstrated otherwise and hold that information in confidence. Examples of some exceptions: if the communication of information is consistent with your normal job duties or you are authorized to disclose it by your supervisor, the General Manager or member of the Board.

Section 3.7 Use of Internet, E-Mail, Computer, and Communication Systems Usage Policy

The use of the Utility's Electronic Communications Systems, including computer systems, fax machines, and all forms of e-mail and Internet access, are provided for conducting Utility business. Personal use of the electronic communication system, e-mail system or the Internet is acceptable as long as it is not inappropriate and occurs during personal time (such as lunch or other breaks), and does not result in expense to the Utility.

Electronic communication should not be used to solicit or sell products or services that are unrelated to the Utility's business; distract, intimidate or harass coworkers or third parties; or disrupt the workplace.

Use of the Utility's computers, electronic communications 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:

- Participating in any way in the creation or transmission of unsolicited commercial e-mail ("spam") that is unrelated to legitimate Utility business;
- Engaging in private or personal business activities, including excessive use of instant messaging and chat rooms except as allowed on personal time;
- Misrepresenting oneself or Lowell Light & Power;
- 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 Utility'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 that could be misconstrued as representing the viewpoint of Lowell Light & Power;

- Causing congestion, disruption, disablement, alteration or impairment of the Utility's networks or systems
- Maintaining, organizing, or participating in non-work related Web logs ("blogs"), Web journals, "chat rooms", or private/personal/instant messaging other than as allowed on personal time;
- Failing to log off and secure, controlled-access computer and other form of electronic data system to which you are assigned, if you leave such computer or system unattended;
- Accessing any gambling web site; and/or
- Defeating or attempting to defeat security restrictions on Utility systems and applications.

Using Lowell Light & Power's computer systems to access, create, view, transmit, or receive racist, sexist, threatening, or otherwise objectionable or illegal material is strictly prohibited. "Material" is defined as any visual, textual, or auditory entity. Such material violates the Utility's anti-harassment policies and is subject to disciplinary action. The Utility's electronic mail system, Internet access, and computer systems must not be used 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 Utility's resources for illegal activity may lead to disciplinary action, up to and including discharge and criminal prosecution. The Utility 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 Utility's automated systems during non-personal time is expressly forbidden.

Ownership and Access of Electronic Mail, Internet Access; and Computer Files

Lowell Light & Power owns the rights to all data and files in any computer and network system used in the Utility. The Utility 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 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 the Utility's equipment are not private and are subject to viewing, downloading, inspection, release, and archiving by management at all times. The Utility 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 policy and state and federal laws. No employee may access another employee's computer, computer files, or electronic mail messages without prior authorization from either the employee or General Manager.

Lowell Light & Power 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 may lead to disciplinary action, up to and including discharge.

Confidentiality of Electronic Mail

As noted above, **electronic mail is subject at all times to monitoring**, and release of specific information is subject to applicable state and federal laws and the Utility's 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.

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.

Internet Browser(s)

The Internet is to be used to further Lowell Light & Power's mission, to provide effective service of the highest quality to the Utility'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 access are the Utility's 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 computer equipment and software.

Employees are individually liable for any and all damages incurred as a result of violating Lowell Light & Power's security policy, copyright and licensing agreements.

Personal Electronic Equipment

The Utility prohibits the use of any type of camera phone, cell phone camera, digital camera, video camera, or other form of image-recording device and any type of voice recording device without the express permission of the Utility's General Manager and of each person whose image is recorded inside designated restricted areas; except as such use is an identified part of completing one's assigned work.

Employees shall not bring personal computers to the workplace or connect them to the Utility's electronic systems unless expressly permitted to do so by the General Manager. Any employee bringing a personal computing device; including cell phones with text messaging capability and Internet access or, image recording device onto the Utility's premise thereby gives permission to management to inspect the personal computing device or image recording device at any time to analyze any files, other data, or data storage media that may be within or connectable to the personal computer or image recording device in question.

Violation of these policies, or failure to permit an inspection of any device covered by this policy, may result in disciplinary action, up to and including immediate termination of employment. In addition, the employee may face both civil and criminal liability from Lowell Light & Power or from individuals whose rights are harmed by the violation.

Employees who disagree with a supervisor's judgment regarding their violation of these policies should discuss their concerns with their supervisor. If an employee is not satisfied, he/she may appeal such violation judgment to the General Manager.

Section 3.8 Removal of Utility Assets

No LL&P asset, vehicle, tool or piece of equipment (collectively referred to as "belongings" for the purpose of this Section) may be removed from or used on LL&P property for personal use with the exception of utilizing LL&P belongings on LL&P property that pose no financial and/or safety risk and/or liability at the discretion of management. And on the contrary, no personal belonging(s) may be used in the process of performing work for LL&P during the course of completing a job assignment, except if certain conditions, described later in this Section, are met. This includes all motorized, electronic, mechanical and hand operated items.

All belongings, LL&P issued or personal, used in the process of doing work for LL&P during the course of completing a job assignment must meet all LL&P safety standards.

Should an occasion arise when a personal belonging is required for completing a job assignment, e.g.; travel to classes and off-site meetings or any job-related activity in which a LL&P belonging is unavailable or does not exist, with the written permission of the employee, LL&P may choose to utilize the employee's personal belonging(s) upon determination of proper and adequate insurance coverage(s) and compliance with all LL&P safety standards. LL&P will not be responsible for any damage that may occur to the employee's belonging(s) while being used during a job assignment. The employee will be required to sign a waiver form prior to using any personal belonging acknowledging this condition. When an employee's belonging is used for a job assignment, the employee will be reimbursed at the proper IRS or State of Michigan rate in accordance with applicable rule.

Section 3.9 Cell Phone Policy

The Utility recognizes that modern telecommunications devices are essential to the efficient and effective completion of job tasks; therefore, the Utility provides various communication devices to its employees. Due to the fact that cell phones are issued to the employee for “round the clock” use, cell phones create greater opportunity for personal use than other forms of communications. Personal use of a Utility owned cell phone by an employee is considered a taxable fringe benefit to the employee. The purpose of this policy is to describe the parameters of Utility cell phone use and the guidelines of the cell phone policy.

This policy applies to all employees using cell phones provided and funded by the Utility. A Utility owned cell phone is one that was purchased by the Utility or authorized representative with Utility funds. A personal call is one not related to Utility business or service to the public.

The primary responsibility for complying with this policy lies with the General Manager. The General Manager will identify each departmental cell phone needs, determine the best combination of cell phone and service plan for the department and implement an interdepartmental review procedure to ensure that phones are used for their intended purpose and that the billings are accurate. The General Manager or designated representative will ensure that all Utility owned equipment is recovered in the event that an employee is terminated, leaves the employ of the Utility or a service plan is terminated.

Policy Outline

- a. Utility owned cell phones are intended for conducting the business of the Utility.
- b. The Utility will require employees to reimburse the Utility for extra billing charges.
- c. Employees will reimburse the Utility for personal calls that result in long distance, roaming or other charges over and above the plan rate.
- d. The General Manager or a designated representative will review cell phone bills to ensure compliance with this policy.

Reimbursement of personal cell phone charges made during working hours does not allow the employee indiscriminate use of the Utility cell phone for personal use while on the job. Discretion in personal use must still be used during work hours and excessive personal use by employees during work hours may be subject to termination of Utility cell phone use and/or disciplinary action.

Section 3.10 Employment of Relatives

Employment of relatives of the General Manager or Board members will require approval of the Board. All other employment of relatives of employees shall be at the

discretion of the General Manager, with this information being shared with the Board. Any cases which the General Manager deems appropriate may be submitted to the Board for approval.

Section 3.11 Social Media

This policy provides guidance for employee use of social media, which should be broadly understood for purposes of this policy to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a simultaneous manner.

Procedures:

1. The following principles apply to professional use of social media on behalf of LL&P as well as personal use of social media when referencing LL&P.
2. Employees should be aware of the effect their actions may have on their images, as well as LL&P's. The information that employees post or publish may be public information for a long time.
3. Employees should be aware that LL&P's managers may observe content and information made available by employees through social media. Employees should use their best judgment in posting material that is neither inappropriate nor harmful to LL&P, its employees, or customers.
4. Although not an exclusive list, some specific examples of prohibited social media conduct include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.
5. Employees are not to publish, post or release any information that is considered confidential or not public. If there are questions about what is considered confidential, employees should check with the Human Resources Department and/or their supervisor.
6. Social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. Employees should refer these inquiries to authorized LL&P spokespersons.
7. If employees encounter a situation while using social media that threatens to become antagonistic, employees should disengage from the dialogue in a polite manner and seek the advice of a supervisor.

8. Employees should get appropriate permission before you refer to or post images of current or former employees, Board members, vendors or suppliers. Additionally, employees should get appropriate permission to use a third party's copyrights, copyrighted material, trademarks, service marks or other intellectual property.
9. Social media use shouldn't interfere with employee's responsibilities at LL&P. When using LL&P's computer systems, use of social media for business purposes is allowed (ex: Facebook, Twitter, LL&P's blogs and LinkedIn), but personal use of social media networks or personal blogging of online content is prohibited, except on a break or lunch, and may result in disciplinary action.
10. Subject to applicable law, after-hours online activity that violates LL&P's Personnel Handbook or any other company policy may subject an employee to disciplinary action up to and including termination.
11. If employees publish content after-hours that involves work or subjects associated with LL&P, a disclaimer should be used, such as this: "The postings on this site are my own and may not represent LL&P's positions, strategies or opinions."
12. It is required employees keep LL&P's related social media accounts separate from personal accounts, if practical.

Section 3.12 Whistle Blower

Personal values and organizational culture are the foundation of whistle blowing. This Whistle Blower Policy is intended to encourage and enable employees and Board members to raise serious concerns internally so that LL&P can address and correct inappropriate conduct and actions.

It is contrary to the values of LL&P for anyone to retaliate against any board member, manager, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, suspected fraud, or suspected violation of any regulation governing the operations of LL&P. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

LL&P suggests that employees, department managers, the General Manager and Board members share their questions, concerns or complaints within the chain of command* unless the first person in the chain is the subject of the violation or suspected violation. For example, the department manager should go to the General Manager unless the General Manager is the subject of the complaint. In that case the complaint would go to the Board. If the person or persons are not satisfied with the response received, the

report of the violation or suspected violation may be submitted to the next level of authority.

Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicated a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The party or parties handling the LL&P complaint will notify the person who submitted it and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

*The chain of command begins with staff employees, then the department manager, the General Manager, the LL&P Board, the Lowell City Council and/or the City Attorney

Section 3.13 Use of Tobacco

Lowell Light & Power prohibits the use of any tobacco product by any person at any time in LL&P and City facilities, vehicles, and equipment and on LL&P property. In addition, LL&P prohibits the use of any tobacco product for LL&P employees who are "on the clock" for LL&P. The only exception to this would be utilizing permissible public locations off LL&P property during paid breaks.

1. "Any tobacco product" includes spit tobacco, cigarettes, e-cigarettes, cigars, or any other product defined by the FDA as "tobacco".
2. "Any person" includes staff, visitors, groups, and any other individual.
3. "Any time" means 24 hours per day, seven days per week, 365 days per year.
4. "On the clock" means being on duty for LL&P, whether in Lowell or out-of-town, while being compensated.

LL&P administration shall:

1. Communicate this policy in writing and verbally to employees, contractors, and visitors on LL&P property through signage.
2. Implement procedures for consistent and fair enforcement.
3. Provide resources for tobacco cessation upon request.
4. Ensure that visitors who violate the policy discontinue using the tobacco product or leave the premises.

Policy 3-4

Employment Standards

Section 4.0 Employment Applications

The Utility relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data present throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the Utility's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Section 4.1 New Employee Orientation

New employees will receive an orientation commencing on their first day on the job. The orientation includes, but is not limited to:

- completion of all necessary employment forms (e.g.; payroll withholding, direct deposit, emergency contact and copies of identification documents)
- copy of job description(s) for which they were hired
- job performance and expectations by supervisor
- copy of Employee Handbook
- Employee Handbook review by supervisor
- any and all safety manuals/materials related to their job

Section 4.2 Job Descriptions

All positions within the Utility are based on job descriptions created to provide a standard of education, qualifications, skills, knowledge and experience required to successfully perform all aspects of the job. Some positions may involve more than one job description. This is due to the multi-tasks that may be required to be performed by one person and cross-training necessary to assure a seamless operation when someone is absent for any reason.

Section 4.3 Termination of Employment

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.

Employees in the Line Department may keep their climbing gear, as it is specific to the individual employee, upon termination of service. Employees with 5+ years of service will not be required to pay for their gear. Employees with less than 5 years of service wishing to keep their climbing gear will be charged based on the original cost of the equipment and years of service, e.g.; 1 year or less: 80%; 2 years: 60%; 3 years: 40%; 4 years 20%. The employee may choose to have the required payment deducted from their final paycheck or invoiced and paid prior to their final day of service.

The following are examples of behavior or actions that may result in immediate termination by the Utility:

1. Theft, abuse, misuse, removal or deliberate destruction of Utility property, or the property of its employees, customers or the general public.
2. Possession, sale, use of or being under the influence of intoxicating beverages, marijuana, narcotics or any controlled substance while on duty, on Utility property, or in personal vehicles while on Utility Property.
3. Failing to notify your supervisor you are using a prescribed medication or over-the-counter medication that could interfere with your ability to perform your assigned duties in a safe and efficient manner.
4. Possession of weapons, licensed or unlicensed. Examples include: firearms, knives, explosives, ammunition, pellet guns, paintball guns, tasers, bows, arrows and swords.
5. Engaging in sexual harassment.
6. Use of abusive language, threatening, intimidating, coercing and/or fighting with co-workers, management, customers or the general public.
7. Obscene or indecent conduct.
8. Sleeping on duty or otherwise not being alert to perform assigned job duties.
9. Horseplay, creating a distraction, interfering with an employee or causing unsafe or unsanitary working conditions.
10. Falsifying records, reports, documents, or knowingly misrepresenting any information presented to management of the Utility. This includes, but is not limited to, time sheets, accident reports, customer billings, customer records, identification documents and educational certificates.
11. Failure to report errors/mistakes made during the course of daily job duties that could be considered falsifying Utility records, reports, billings and documents. Covering up or hiding errors regardless of intent by the employee or co-worker
12. Conducting personal business or performing duties of outside supplemental employment during Utility work hours or on Utility property.
13. Failing to report to work without proper notice or failure to provide requested proof of illness for an absence when requested.

14. Use of your position of employment with the Utility to directly or indirectly gain benefits, favors, money, advantages, privileges or anything of value other than regular compensation from the Utility.
15. Disregard or refusal to obey a direct order, either written or verbal, from a supervisor or the General Manager.
16. Destroying, altering or removing any materials or information posted by Utility management.
17. Supporting a restriction of output, slowdown or any unauthorized interruption of assigned duties.
18. Soliciting or receiving any gift, service, gratuity, loan, fee, or anything else of value which is offered or may be offered as a consequence of Utility employment.
19. Taking any other actions which interfere with the proper performance of an employee's assigned work or which would reflect negatively on the Utility.
20. Failing to comply with any provision in this Personnel Handbook or other applicable rules and regulations.

If circumstances arise which are not covered by these examples listed above, the Utility will take appropriate disciplinary action.

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

Lowell
Light & Power

Policy 3-5

Employee Compensation

Section 5.0 Pay Days

Employees will be paid every other Wednesday. Paychecks will cover a two (2) week period which starts Monday and ends on the Sunday proceeding the pay day.

Section 5.1 Direct Deposit

Employees are encouraged to receive their pay checks via direct deposit in an account(s) at a financial institution(s) of their choice. A “pay stub” will be given to each employee to provide all accounting of time worked, earnings and deductions for both for the current pay period and year-to-date.

Section 5.2 Payroll Deductions

Employees may elect to have a portion of his/her net pay directed to more than one financial institution or account, e.g.; Christmas club, savings, checking, loans, etc.

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Policy 3-6

Absence Time

Section 6.0 Workers' Compensation Leave

Leaves of absence for a work-related injury or illness are granted to employees eligible to receive benefits under the State of Michigan's Workers' Compensation Law. Any injury on the job must be reported to your supervisor immediately; 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. Medical treatment may only be provided by a physician or medical treatment center recognized by the Utility as a preferred provider in regard to Workers' Compensation.

An employee returning to work after a leave due to a work-related injury or illness must submit adequate documentation from the treating medical provider stating the employee's ability to perform the essential functions of the job. All efforts will be made by the Utility to provide an employee with limited duty work should there be restrictions placed on the employee prohibiting them from returning to full duty.

Section 6.1 Military and Other Compensated Service

An employee who is called to active duty in the uniformed services has the right to be reemployed in his/her civilian job if:

- The employee provides advance written or verbal notice of his/her service.
- An employee has five years or less of cumulative service in the uniformed services while with the Utility.
- An employee returns to work after the conclusion of service; and
- The employee has not been suspended from service with a disqualifying discharge or under other than honorable conditions.
- An employee who is required to participate in annual active duty training with the reserve components of the Armed Forces of the United States shall be granted leave of absence for this purpose. If the compensation received from the military is less than the employee's normal pay, the employee shall be paid the difference, by the Utility, not to exceed two (2) weeks, ten (10) working days in any one (1) fiscal year.
- As of June 11, 2015, an employee who begins to participate (for the first time) in other civic related compensated duties approved by the General Manager, requiring time away during normal working hours and the compensation received is less than the employee's normal pay, the employee shall be paid the

difference, by the Utility, not to exceed eighty (80) hours of pay in any one (1) fiscal year.

An employee that is eligible to be reemployed will be restored to the job and benefits he/she would have received if he/she had not been absent due to military service or, in some cases, a comparable job.

Section 6.2 Volunteer Service

Employees wishing to volunteer during working hours, where they will not be receiving compensation, may be paid by the Utility for a period equal to one day's wages for the schedule being utilized at the time, up to ten (10) hours in one (1) fiscal year. The time off must be approved in advance by the employee's supervisor and for an organization recognized as using volunteers. The employee is required to provide documentation relating to the time and place of the volunteer service. Other time volunteering during working hours may be granted in accordance with the PTO policy.

Section 6.3 Parental Leave

Eligibility

All employees may take parental leave as it qualifies for FMLA; up to 12 weeks in a rolling 12-month period after working at least 1340 hours in the last rolling 12-month period. This parental leave may be PAID or UNPAID, as described by this policy. If the employee has accrued "PTO" they may use it to supplement their pay up so long as they are not made more than "whole" (i.e. their normal salary or wage based on regular straight-time hours worked) for each pay period.

Compensation

All full-time employees are entitled to receive LL&P paid parental leave for each birth or adoption. They are not required to use any available PTO during this time; using PTO is optional. The amount of LL&P paid parental leave taken will run concurrently with any entitlement for FMLA. LL&P paid parental leave, other than the use of PTO, will be structured as follows:

- Women who take parental leave before or after the birth of their child(ren) due to medical restrictions as directed by their physician may qualify for Short Term Disability (STD) after seven (7) calendar days of absence. They will need to apply as determined and in accordance with the current LL&P STD policy.
 - This policy is not intended to replace STD with LL&P paid parental leave. If an employee qualifies for STD, they are required to take STD leave and may supplement it with PTO so long as they are not made more than

“whole” (i.e. their normal salary or wage based on regular straight-time hours worked) for each pay period.

- Women who do not qualify for STD will be paid 100% of their regular straight-time wages for up to eight (8) weeks immediately after the birth or adoption of their child(ren).
- Spouses/Partners will be paid 100% of their regular straight-time wages for up to eight (8) weeks immediately after the birth or adoption of their child(ren).

Repayment

An employee who receives LL&P paid parental leave must return to work at the end of their parental leave for a minimum period equal the number of days they received LL&P paid parental leave. If employment is terminated voluntarily or for cause prior to this length of time, reimbursement of LL&P paid parental leave will be required

Section 6.4 **Civil Air Patrol Leave**

Employees who are members of the Civil Air Patrol will be excused from work for the purpose of responding to an emergency declared by the Governor or the President of the United States. Employees should provide as much notice as possible of their need to be absent and may be asked to provide proof of their volunteer service. Employees who are members of the Civil Air Patrol should inform the Company upon hire, or within 30 days of being qualified to provide emergency services.

Section 6.5 **Crime Victim Leave**

If an employee is the victim of a crime absent from work to serve as a witness in response to a subpoena, or at the request of the prosecuting attorney, the employee will be granted a witness leave without pay for such time as it is necessary to comply with the request. The Utility may request proof of the need for leave. This leave is unpaid, though employees will be allowed to use accrued paid time off, if any is available. Exempt employees will be paid in accordance with the Fair Labor Standards Act.

Section 6.6 **Voting Leave**

If an employee does not otherwise have three consecutive, nonworking hours to vote when polls are open because of their scheduled work hours, then the employee will be given up to 30 minutes of paid time to vote in any state or federal election and the rest of the time can be taken as unpaid. Employees must apply for leave in writing before the day of the election. The Utility may designate hours for employees to take leave.

Section 6.7 Witness Leave

Employees who need to attend court as a witness, to appear with a minor, or because they are the victim in a criminal case, will be granted leave in order to appear in court. The Utility may require proof of the need for leave. This leave is unpaid, though employees will be allowed to use accrued paid time off, if any is available. Exempt employees will be paid in accordance with the Fair Labor Standards Act.

Section 6.7 Lactation Accommodation

The Utility provides a supportive environment to enable breastfeeding employees to express breast milk during work hours for up to one year following the birth of a child. Accommodations under this policy include a place, other than a bathroom, that is shielded from view and free from intrusion from co-workers and the public which may be used by an employee to express breast milk. Discrimination and harassment of breastfeeding mothers in any form is unacceptable and will not be tolerated.



Lowell
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Policy 3-7

Disciplinary Action

Section 7.0 Discipline Policy

All employees are expected to conduct themselves in a manner which reflects positively upon the Utility. Employees should be courteous in their dealings with customers, co-workers and the general public. It is expected that employees follow the guidelines the Utility sets forth to maintain productive and harmonious working relationships. In the event a need arises to address misconduct or inappropriate actions by any employee, disciplinary action may be taken based on the severity of the situation as determined by the immediate supervisor. The goal of progressive discipline is to impose corrective action while facilitating performance improvement with the employee. The following describes the five levels of discipline:

- I. **Formal Discussion:** In cases of minor misconduct and offenses, the supervisor will have a meeting with the employee and discuss the issue and corrective action necessary by the employee. The discussion will be documented by the supervisor and maintained for future reference if needed.
- II. **Verbal Warning:** Should an employee continue the misconduct discussed during the **formal discussion** process in Step I, the supervisor will issue a **verbal warning** to the employee; or a supervisor may determine a **verbal warning** is immediately justified based on the employee's actions and/or behavior. This action will be documented and be placed in the employee's personnel file.
- III. **Written Warning:** A written warning is issued after the previous step(s) fail to produce corrective action by the employee; or the employee's actions and/or behavior are for more serious offenses. A written Disciplinary Warning letter will be issued to the employee. The letter will describe the offense(s), any previous discussions or warnings the employee received and detail for action that may take place if future offense(s) take place. Both the supervisor and the employee will sign the letter and a copy of it will be placed in the employee's personnel file.
- IV. **Suspension:** A disciplinary suspension may be imposed should the employee fail to meet the expectations outlined in previous discussions and/or verbal or written warnings. A suspension may be the first level in the disciplinary procedure should the misconduct warrant such action based on the severity of the offense(s). The employee will be notified of a disciplinary suspension in writing with details regarding the offense(s), the previous action(s) taken, if any, and the duration of the suspension. During the suspension period the employee will not be eligible for holiday pay, paid Personal Time Off and/or other

employee benefits as determined by the General Manager. The suspension letter will be signed by the employee, the employee's supervisor and the General Manager. A copy of the letter will be placed in the employee's personnel file.

- V. **Termination:** While the Utility may use any or all of the above described levels of disciplinary action in an attempt to correct misconduct and behavior concerns, termination may take place as the only action to resolve a serious and/or deliberate violation of the Utility's policies and procedures. Chapter 4, Section 3, provides examples of behavior or actions that may result in immediate termination by the Utility.

As with any action taken against an employee by his/ 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.

Section 7.1 Employee Conduct

When you encounter situations that pose potential conflicts of interest or raise other ethical issues, try asking these questions:

- 1) Is it legal?
- 2) Does it align with our standards as written?
- 3) Is it consistent with the spirit of the law and the Utility's Policies and Procedures?
- 4) Is it safe?
- 5) Would I feel comfortable with my decision if the details of the situation were published or broadcast in the news media or become known to my friends and co-workers?
- 6) Is it fundamentally fair and honest?

If you answer NO to any of these questions, seek guidance by contacting your direct supervisor or General Manager. Failing to report or attempting to hide a violation also may lead to a range of possible disciplinary actions, up to and including termination of employment

Policy 3-8

Workplace Safety

Section 8.0 Working Safely

The Utility values the safety and security of our employees, customers and the general public above all else. No operational priority, business goal or service commitment justifies endangering a person's safety.

Sending employees home safely at the end of each day is more important than our bottom line. Whether you sit behind a desk or scale a utility pole, you can expect a workplace free of violence, weapons, drugs and alcohol.

We're determined to help prevent workplace accidents and injuries. You can expect us to provide the tools, equipment and training necessary to perform your job safely at all times.

Creating the safest possible work environment requires a commitment from you as well. Employees are required to follow all safety and security processes, including all policies and procedures outlined in the Utility's safety and operating manuals.

Part of maintaining the safest possible work environment is remaining vigilant to dangers that stem from a variety of internal and external sources, including violence, substance abuse and weapons.

Section 8.1 Stop The Job

Whether it's in the office or on the job site, we expect employees to stop the job the instant a potential safety hazard or uncertainty of any kind arises. Take a timeout to perform the task safely rather than rushing to finish under unsafe conditions. No employee will be expected to perform an unsafe task.

Section 8.2 Workers' Compensation

Benefits for Workers' Compensation must be approved by the Workers' Compensation carrier. To qualify for benefits the employee must comply with the following:

- 1) Any injury or illness must be reported to your supervisor as soon as practicable.
- 2) Provide all information and detail regarding the incident resulting in the injury or illness.
- 3) Any medical treatment received is provided by a Utility approved physician or medical care facility.

A thorough evaluation of the medical information provided by the Utility approved physician(s) will be made by the Workers' Compensation carrier.

An employee who becomes totally disabled due to a work-related accident or illness is eligible to receive benefits from the State of Michigan under the Workers' Compensation Act after seven (7) consecutive days, not including the date of injury.

An employee who is not totally disabled may be assigned "limited duty" work within the guidelines provided by the treating physician. If such "limited duty" work is assigned to the employee and the employee refuses the work assignment, he/she will be denied further benefits from Workers' Compensation and may receive disciplinary action up to and including discharge.



Policy 3-9

Miscellaneous

Section 9.0 Solicitation

The Utility restricts nonemployees from soliciting on Utility property and limits solicitation activities of employees. In general, you are allowed to solicit during work hours for events approved or sponsored by the Utility.

You are strictly prohibited from soliciting any product or service during work hours or on Utility property for the purpose of personal gain or profit. Any solicitation for non-profit or charity organizations you are associated with may be conducted on an occasional basis, during off duty time. Good judgment should be used concerning this type of activity.

Section 9.1 Prohibited Benefits

Employees shall adhere to and remain in compliance with the Prohibited Benefits Policy located in Lowell Light and Power's Governance Policies (Policy 2-16).

REVISIONS

This Policies and Procedures Manual may be revised prospectively at the discretion of Lowell Light and Power. In any situation in which insurance or other benefits are provided, the terms of the insurance policy or benefit plan control regardless of any statement contained in this Handbook. Lowell Light and Power reserves the right, at any time and without notice, to alter, modify, amend, or terminate these policies and benefits in any manner that it believes to be in its best interests. Such changes would have prospective application only.

No individual is authorized to make changes in the terms of this handbook except the board of Lowell Light and Power through written revision of this handbook.

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT

I acknowledge receipt of the Utility's Employee Handbook and agree to follow the guidelines within it. I also acknowledge the following:

1. Receipt of this handbook does not create a contract of employment or in any way alter my at-will employment status; the Utility or I can end the employment relationship at any time, with or without notice, and with or without cause.
2. I am not entitled to any specific sequence of disciplinary measures prior to termination.
3. Except for the at-will employment policy, this handbook may be modified at any time.
4. Violation of any policy in this handbook, or any policy included as an addendum, may be grounds for discipline, up to and including termination.
5. This handbook does not include every process, policy, and expectation applicable to employees, or my position specifically; I may be counseled, disciplined, or terminated for poor behavior or performance even if the behavior or performance issue is not addressed in the handbook.
6. Should any provision in this handbook conflict with federal, state, or local law, that provision only will be considered ineffective, while the rest of the handbook remains effective.
7. If I have questions regarding any policy in this handbook, or other expectations related to my behavior or performance, it is my responsibility to speak with my manager or Human Resources.

Signature

Printed Name

Date