



Benton Municipal Light & Waterworks

DBA: Benton Utilities

Employee Handbook

Table of Contents

Introduction	
Foreword	4
Benton Utilities Mission Statement	4
Management Policy Statement	5
Organizational Structure	5
General Policies	6
Severability	6
Freedom of Information Act	7
Public Information Officers	7
Diversity	
Equal Employment Opportunity Statement	8
Benton Utilities' Anti-harassment ⁹⁵ Policy and Complaint Procedure	8
Definitions of Harassment	8
Americans with Disabilities Act	10
Employment	11
Requirements	11
Arkansas Right to Work Law	11
Employee Classification Categories	12
At-Will Employer Statement	12
Workplace Safety	12
General Statement	12
Tobacco-Free Workplace	13
Workplace Bullying	13
Violence in the Workplace	14
Employee Conduct & Work Rules	15
Conduct Toward the Public	16
Dress Code	16
Progressive Discipline	17
Separation of Employment	18
The Hiring Process	20
Job Posting & Advertising	20
Employment Applications	20
Screening & Selection	20
Internal Transfers/Promotions	21
Post-Offer Pre-Employment Conditions	22
Motor Vehicle Record Checks	22
Nepotism, Employment of Relatives and Personal Relationships	24
Compensation	25
Performance & Salary Review	25
Pay Periods & Paychecks	26
Timekeeping	26
Meal/Rest Periods	26
Overtime Pay	27
Compensatory Time	27
On-Call Pay	27
Administrative Pay Corrections	28
Payroll Deductions	28
Garnishment & Liens	28

Up-Grade Pay	29
Shift Differential Pay	29
Pay for Emergency Services	29
Employee Travel & Reimbursement	29
Training	29
Benefits	30
Employee Health Benefits	30
COBRA (Health Benefits Continuation)	30
Worker's Compensation	30
Retirement Benefits	31
Social Security	31
Unemployment Compensation	32
Flexible Spending Account	32
Complaint Resolution	33
Open Door Policy	33
Use of Benton Utilities' Property	33
Use Of Benton Utilities Name & Logo	33
Use of Equipment & Vehicles	33
Cellular Phones	33
Computers, Internet & Email Use	34
Time Off & Leaves of Absence	36
Holidays	36
Vacation	36
Sick Leave	37
Family & Medical Leave Act	38
Catastrophic Leave Program	43
Maternity Leave	45
Uniformed Services / Military Leave	45
Funeral / Bereavement Leave	46
Personal Leave of Absence	46
Military Leave of Absence	47
Workplace Expectations	48
Confidentiality	48
Conflicts of Interest	48
Outside Employment	48
Attendance / Hours of Work	49
Inclement Weather Policy	50
Attendance & Punctuality	51
Electronic Communication & Internet Use	51
Social Media - Acceptable Use	52
Solicitations, Distributions & Posting of Materials	52
Employment with Benton Utilities	53
Personnel Records	53
Employment Handbook Acknowledgement & Receipt	54

FOREWORD

Benton Utilities

Whether you have just joined our staff or have been at Benton Utilities for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider the employees of Benton Utilities to be one of its most valuable resources. This handbook has been written to serve as the guide for the employer/employee relationship.

There are several things to keep in mind about this handbook. First, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to the Human Resource department. Neither this handbook nor any other company document confers any contractual right, either express or implied, to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will with or without cause and without prior notice by the company, or you may resign for any reason at any time. No supervisor or other representative of Benton Utilities (except the General Manager or the Benton Public Utilities Commission) has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will try to inform you of any changes as they occur.

Some subjects described in this handbook are covered in detail in official policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies are controlling and override any statements made in this or other documents.

BENTON UTILITIES MISSION STATEMENT

The mission and commitment of Benton's Public Utility Commission is to provide its customers with efficiently managed and operated electric, water and wastewater services at competitive rates and to methodically establish and maintain a strategy for not only meeting current needs, but address the future demands the City's anticipated growth may place on the system.

MANAGEMENT POLICY STATEMENT

The Benton Public Utilities' Commission possesses the sole right to operate and manage the affairs of Benton Utilities.

ORGANIZATIONAL STRUCTURE

Benton Utilities operates under the direction of the Public Utility Commission. The Benton Utilities organization is chartered, organized and operating under the laws of the State of Arkansas and ordinances of the City of Benton.

The Public Utility Commission was established effective February 1, 2005 by Ordinance No. 46 of 2004 in order to provide the most efficient operation and management of the utility departments. The Commission is composed of five (5) residents who serve for five-year terms.

Public Utilities Commissioners

Chairman – Charles Best
Phil Miller
Gary Ferrell
Rob Livers
Jim Martin

General Manager

Terry McKinney

Administrative Supervisor – Madeline Wilson

Project Manager – Steve DiCicco

Risk Manager – Blake Wilson

Accounting Department

Comptroller - Cindy Hawkins

Billing Services Supervisor – Valeria Holden

Human Resources – Mollie Wright

Electric Department

Manager – Jeff Barnett

Assistant Manager – Gary Fitzhugh

Procurement Department

Manager – Linda McAdoo

Wastewater Department

Manager – Jonathan Buff

Assistant Manager – Randy Hawkins

Water Department

Manager – Dewayne Hood

Water Distribution Supervisor – Jennings Sewell

Water Purification Supervisor – Josh Ramsey

GENERAL POLICIES

Purpose

This Personnel Handbook contains policies, practices and procedures that are necessary to implement and administer Benton Utilities personnel system. By adopting this Handbook, Benton Utilities endeavors to achieve consistent treatment for all employees through the establishment of uniform guidelines and systematic procedures.

This Handbook does not represent an employment contract or any aspect of an employment contract and should not be construed as such.

Scope

All employees of Benton Utilities are subject to the application of the personnel policies and procedures described in this Handbook.

Definitions

EMPLOYEE—An individual who is compensated by and provides a service to Benton Utilities regardless of the number of hours of work performed during an given time period or the length of the term of employment.

EXEMPT EMPLOYEE—Employee who not eligible for overtime as defined by the Fair Labor Standards Act.

FULL-TIME EMPLOYEE—Employee who is regularly scheduled to work in a position that has daily, weekly and monthly hours as established by Benton Utilities for full-time work.

NON-EXEMPT EMPLOYEE—Employee who is eligible for overtime compensation as defined by the Fair Labor Standards Act.

OVERTIME—Hours worked in excess of 40 hours during a regular work week.

PART-TIME EMPLOYEE—Employee who is regularly scheduled to work in a position whose daily, weekly, or monthly hours are less than the hours established for full-time employees.

SUPERVISOR—Person who has been designated to oversee other employees in a department.

TEMPORARY EMPLOYEE—an employee hired for an intermittent or specified period of time, for a season, for a job of limited duration or for a non-recurring work project.

WORK WEEK—Seven (7) day period beginning at 7:00 a.m. on Monday.

AMENDMENTS AND REVISIONS

Authority for the administration of these personnel policies is delegated to the General Manager and these provisions supersede all existing policies and practices. They may not be amended or added to without the express written approval of the General Manager and the Benton Public Utilities' Commission.

Since personnel practices and procedures are in a constant state of change, Benton Utilities will continuously review this Handbook for amendments or revisions that might better serve the needs of Benton Utilities and its employees. As such, this Handbook has been designed to be routinely updated and amended as the need arises.

Benton Utilities shall have the exclusive right to change, alter, delete, add or modify any provision of these personnel policies at any time, with or without notice. Changes made to these policies shall be communicated through standard communication channels and/or through revisions to this manual, however advance notice may not always be possible.

This policy manual supersedes all previous manuals, letters, memoranda, resolutions, and understandings unless other-wise noted.

DISTRIBUTION LIST

A copy of this manual and all subsequent revisions or amendments shall be distributed to all employees and Public Utilities Commission members.

SEVERABILITY

Should any of the provisions of the Benton Utilities Employee Handbook be determined to the contrary to federal, state, or local law, the remaining provisions of the Employee Handbook shall remain in full force and effect.

To the extent that any law provides additional or different benefits or rights to employees, the provisions of this Handbook shall be deemed to include those statements of law.

FREEDOM OF INFORMATION ACT

Benton Utilities' business shall be performed in an open and public manner and in compliance with the Arkansas Freedom of Information Act, codified at Ark. Code Ann. § 25-19-101 et seq. Under the Freedom of Information Act, meetings of the governing body of the Utilities are open to the public and "public records" maintained by Benton Utilities must be made available to the public for inspection during regular business hours. Copies of Utilities documents covered by the Freedom of information Statue are available at a cost of \$.10 per page.

A "public record" includes "writings, recorded sounds, films, tapes, electronic or computer-based information, or data compilations in any medium, required by law to be kept or otherwise kept, and that constitute a record of the performance or lack of performance of official functions that are or should be carried out by a public official or employee, a governmental agency, or any other agency wholly or partially supported by public funds or expending public funds." All records maintained in public offices, or by public employees within the scope of their employment, are presumed to be public records unless the records fall within one of the exemptions enumerated in the act or other provisions of the state law.

Request for Freedom of Information documents are to be handled by the Administrative Supervisor in conjunction with the affected Department Head. If the record is not readily available, the request is to be forwarded to the General Manager.

PUBLIC INFORMATION OFFICERS

The General Manager or Benton Public Utilities Commission shall designate a Public Information Officer (PIO). The PIO shall review all releases of official information to the public which pertain to the operations or general business of Benton Utilities or the Benton Public Utilities Commission. The PIO shall also serve as the central contact person for the media outlets. Once the release has been approved the PIO shall forward the release to the designated recipients. The PIO may be the General Manager or a designated employee of Benton Utilities. "Official information" is defined as being that information authorized by Benton Utilities for release to the public, including but not limited to, emergency bulletins, power outages, public event schedules, street closings, etc.

No other employee or volunteer worker for Benton Utilities and its Commission shall be authorized to author and release official information to the public. This prohibition includes, but is not limited to, release of information to the news media as well as posting on the internet. However, this prohibition is not intended to restrict the First Amendment Rights of any individual and their ability to disseminate information nor is it intended to prohibit any elected official from disseminating information to the public.

DIVERSITY

Equal Employment Opportunity Statement

Benton Utilities provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. Benton Utilities complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

Benton Utilities expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of Benton Utilities employees to perform their expected job duties is absolutely not tolerated.

Benton Utilities' Anti-harassment Policy and Complaint Procedure

Benton Utilities is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, Benton Utilities expects that all relationships among persons in the office will be business-like and free of bias, prejudice and harassment.

It is the policy of Benton Utilities to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran. Benton Utilities prohibits any such discrimination or harassment.

Benton Utilities encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of Benton Utilities to promptly and thoroughly investigate such reports. Benton Utilities prohibits retaliation against any individual who reports discrimination or harassment or who participates in an investigation of such reports.

Definitions of Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not-so-subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that denigrates or shows hostility or aversion toward an

individual because of his/her race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, citizenship, genetic information or any other characteristic protected by law.

Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace, on company time or using company equipment via e-mail, phone (including voice messages), text messages, tweets, blogs, social networking sites or other means.

Individuals and Conduct Covered

These policies apply to all applicants and employees, whether related to conduct engaged in by fellow employees or someone not directly connected to Benton Utilities (e.g., an outside vendor, consultant or customer). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Complaint Process

Individuals who believe they have been the victims of conduct prohibited by this policy statement or who believe they have witnessed such conduct should discuss their concerns with their immediate supervisor, Human Resources or any member of management.

When possible, Benton Utilities encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action alone will resolve the problem. Benton Utilities recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

Benton Utilities encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, although no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately.

If a party to a complaint does not agree with its resolution, that party may first appeal to the General Manager. If resolution is not agreed upon at that time, then final appeal can be made to the Benton Public Utilities Commission.

False and malicious complaints of harassment, discrimination or retaliation may be the subject of appropriate disciplinary action up to and including termination.

Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA)

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act, known as the ADAAA, are federal laws that prohibit employers with 15 or more employees from discriminating against applicants and individuals with disabilities and that when needed provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of Benton Utilities to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is our company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

Benton Utilities will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation and/or if the accommodation creates an undue hardship to Benton Utilities. Contact the Human Resource department with any questions or requests for accommodation.

EMPLOYMENT

Age:

The minimum age for part-time employment with Benton Utilities is sixteen (16) years. Employees who hold full-time jobs must be at least seventeen (17) years of age or older with high school diploma or equivalent. There is no maximum age for employment and no mandatory retirement age so long as the employee is physically and mentally capable of performing their assigned job duties in a safe manner subject to any restriction of U.S. Fair Labor Standards Act and Age Discrimination in Employment Act.

Immigration Law Compliance:

Employers are required by federal law to verify that every person hired after November 6, 1986, is authorized to work in the United States. (Immigration Reform and Control Act – Public Law 99-603). Benton Utilities is committed to employing only United States citizens and aliens who are authorized to work in the United States. Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form, I-9, and present documentation establishing identity and employer eligibility.

Former employees who are rehired must also complete the I-9 form if they have not completed this form with Benton Utilities within the past three years, or if their previous I-9 is no longer retained or valid.

Questions concerning immigration law issued should be directed to the Human Resources Department.

Arkansas Right to Work Law

The Arkansas Constitution protects you against discrimination in employment because of your membership or non-membership in a labor union. Specifically, Amendment 34 to the Arkansas constitution provides that:

“No person shall be denied employment because of membership or affiliation with or resignation from a labor union, or because of refusal to join or affiliate with a labor union; nor shall any corporation or individual or association of any kind enter into any contract, written or oral, to exclude from employment members of a labor union or persons who refuse to join a labor union, or because of resignation from a labor union; nor shall any person against his will be compelled to pay dues to any labor organization as a prerequisite to or condition of employment.”

Employee Classification Categories

Benton Utilities determines the definitions of employment classifications in order for employees to understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and Benton Utilities.

Each employee belongs to one of the following categories:

Regular Full Time Employees – Those employees, not in a temporary, who are regularly scheduled to work Benton Utilities full time schedule. They are eligible for the Utility’s benefits package subject to the terms, conditions and limitations of each benefit program.

Part-Time/Temporary Employees – Those individuals hired as interim replacements to temporarily supplement the work force or to assist in the completion of a specific project. Employment assignments in this category are generally of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until notified of a change. They are not eligible for Benton Utilities’ fringe benefit programs.

In addition to the above noted categories, each employee is designated as “nonexempt” or “exempt” in compliance with the Fair Labor Standards Act, Public Law 99-150 (FLSA). Nonexempt employees are entitled to overtime pay under certain circumstances. Exempt employees are excluded from specific provisions of the FLSA and do not receive overtime pay. An employee’s nonexempt or exempt classification may be changed only upon written notification from Benton Utilities.

These definitions are not intended to create any contractual or other legal rights. It does not alter the Utility’s at-will employment policy nor does it create an employment contract for any period of time.

AT-WILL EMPLOYER

Benton Utilities is an at-will employer. This means that Benton Utilities or any utility employee may terminate the employment relationship at any time for any reason with the understanding that neither has an obligation to base that decision on anything but his or her intent not to continue the employment relationship. No policies, comments or writings made herein or during the employment process shall be construed in any way to waive this provision

This handbook is not intended to create contractual or other legal rights. It does not alter the Benton Utilities at-will employment policy nor does it create an employment contract for any period of time.

WORKPLACE SAFETY

It is the responsibility of each employee to conduct all tasks in a safe and efficient manner complying with all local, state and federal safety and health regulations and program standards, and with any special safety concerns for use in a particular area or with a client.

Although most safety regulations are consistent throughout each department and program, each employee has the responsibility to identify and familiarize her/himself with the emergency plan for his/her working area.

It is the responsibility of the employee to complete an Accident Report for each safety and health infraction that occurs by an employee or that the employee witnesses. Failure to report such an infraction may result in employee disciplinary action, including termination.

Furthermore, management requires that every person in the organization assumes the responsibility of individual and organizational safety. Failure to follow company safety and health guidelines or engaging in conduct that places the employee, client or company property at risk can lead to employee disciplinary action and/or termination.

The Risk Manager working with Management shall have the responsibility to develop and the authority to implement the safety and health program in the interest of a safer work environment.

Failure to observe safety regulations may result in disciplinary action up to and including termination.

Use of Intoxicants - The consumption of alcohol and/or other intoxicants is strictly prohibited while an employee is on duty. Employees are not to consume intoxicants while off duty to such a degree that it interferes with or impairs the performance of their duties. Employees involved in any unauthorized use, possession, transfer, sale, manufacture, distribution, purchase or presence of alcohol on city property or reporting to work with detectable levels of alcohol shall be subject to disciplinary action including immediate termination.

Substance Dependency Assistance – Employees with questions or concerns about substance dependency or abuse are encouraged to contact the Human Resource Administrator to receive assistance or referrals to appropriate resources in the community. Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisors or the Human Resource Administrator without fear of reprisal.

Tobacco-Free Workplace - It is the policy of Benton Utilities to prohibit the use of tobacco products on all company premises in order to provide and maintain a safe and healthy work environment for all employees.

The tobacco-free workplace policy applies to:

- All areas of company buildings.
- All company-sponsored off-site conferences and meetings.
- All vehicles owned or leased by the company.
- All visitors (customers and vendors) to the company premises.
- All contractors and consultants and/or their employees working on the company premises.
- All employees, temporary employees and student interns.

The use of tobacco products is permitted in designated areas only.

Employees who violate this policy will be subject to disciplinary action up to and including immediate discharge.

Workplace Bullying - Benton Utilities defines bullying as “repeated inappropriate behavior, either direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the place of work and/or in the course of employment.” Such behavior violates the company Code of Ethics, which clearly states that all employees will be treated with dignity and respect.

The purpose of this policy is to communicate to all employees, including supervisors, managers and executives, that the company will not tolerate bullying behavior. Employees found in violation of this policy will be disciplined up to and including termination.

Bullying may be intentional or unintentional. However, it must be noted that where an allegation of bullying is made, the intention of the alleged bully is irrelevant and will not be given consideration when meting out discipline. As in sexual harassment, it is the effect of the behavior upon the individual that is important. Benton Utilities considers the following types of behavior examples of bullying:

- **Verbal bullying:** Slandering, ridiculing or maligning a person or his/her family; persistent name calling that is hurtful, insulting or humiliating; using a person as the butt of jokes; abusive and offensive remarks.
- **Physical bullying:** Pushing, shoving, kicking, poking, tripping, assault or threat of physical assault; damage to a person’s work area or property.
- **Gesture bullying:** Nonverbal threatening gestures or glances that convey threatening messages.
- **Exclusion:** Socially or physically excluding or disregarding a person in work-related activities.

Violence in the Workplace

All employees, customers, vendors and business associates must be treated with courtesy and respect at all times. Employees are expected to refrain from conduct that may be dangerous to others.

Conduct that threatens, intimidates or coerces another employee, customer, vendor or business associate will not be tolerated. Benton Utilities resources may not be used to threaten, stalk or harass anyone at the workplace or outside the workplace. Benton Utilities treats threats coming from an abusive personal relationship as it does other forms of violence.

Indirect or direct threats of violence, incidents of actual violence and suspicious individuals or activities should be reported as soon as possible to a supervisor, law enforcement, Human Resources, Risk Manager or any member of management. When reporting a threat or incident of violence, the employee should be as specific and detailed as possible. Employees should not place themselves in peril, nor should they attempt to intercede during an incident.

Employees should promptly inform the Human Resource department of any protective or restraining order that they have obtained that lists the workplace as a protected area. Employees are encouraged to report safety concerns with regard to intimate partner violence. Benton Utilities will not retaliate against employees making good-faith reports.

Benton Utilities will promptly and thoroughly investigate all reports of threats of violence or incidents of actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as possible. Benton Utilities will not retaliate against employees making good-faith reports of violence, threats or suspicious individuals or activities. In order to maintain workplace safety and the integrity of its investigation, Benton Utilities may suspend employees suspected of workplace violence or threats of violence, either with or without pay, pending investigation.

Anyone found to be responsible for threats of or actual violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

Benton Utilities encourages employees to bring their disputes to the attention of their supervisors or Human Resources before the situation escalates. Benton Utilities will not discipline employees for raising such concerns.

EMPLOYEE CONDUCT & WORK RULES

It is not possible to list all the forms of behavior and conduct considered unacceptable. Types of behavior and or conduct Benton Utilities considers inappropriate includes, but is not limited, to the following,

- Falsifying employment, time card information, work performance reports, or other Benton Utility records.
- Violating Benton Utilities nondiscrimination and or harassment policy
- Soliciting or accepting gratuities from citizens that would give unfair advantage to one customer over another
- Excessive absenteeism or tardiness as determined by the department head
- Abusive, excessive, unnecessary, or unauthorized use of Benton Utilities property
- Reporting to work under the influence of drugs or alcohol impairing the employee's ability to perform the job duties to which they assigned, or endangering fellow employees, or members of the general public.
- Participating in the manufacture, possession , use, sale, distribution or transportation of illegal drugs, including alcohol
- Buying, possessing, or using alcoholic beverages while on Benton Utilities property, including in Benton Utility issued vehicles, on duty, or using alcohol beverages in any amount while engaged in Benton Utilities business, including while participating in Benton Utilities sponsored training
- Fighting or using obscene, abusive, or threatening language or gestures
- Theft of property or unauthorized removal or possession of property, from co-workers, citizens, or Benton Utilities
- Unauthorized possession of firearms on Benton Utilities premises, in Benton Utilities vehicles, or while on Benton Utilities business
- Disregarding safety or security regulations or a violation of health/safety rules, whether such action results in injury or not
- Insubordination
- Neglect or carelessness resulting in damage to Benton Utilities property or equipment

Should an employee's performance, work habits, or conduct become unsatisfactory and/or unacceptable, and in violation of either of the above referenced items or any other Benton Utilities policy, rules, or regulations, an employee shall be subject to disciplinary action up to and including termination.

Any conviction for violation of City, State, or Federal Laws is to be reported to the Human Resource Department within 5 days. Depending on the nature of the illegal activity, termination of employment may be initiated immediately. Indictment of illegal activity may result in immediate suspension without pay.

As with any policy, management staff should serve as role models for compliance with this policy and are encouraged to regularly remind employees of their responsibilities in complying with these provisions.

Employee Courtesy

Courtesy is the responsibility of every employee. Everyone is expected to be courteous, polite, and friendly to our customers, vendors, and suppliers as well as to their fellow employees. No one should be disrespectful or use profanity or any other language which injures the image or reputation of Benton Utilities.

CONDUCT TOWARD THE PUBLIC

An employee of Benton Utilities is expected to accept certain responsibilities, adhere to acceptable principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. This not only involves compliance with all Federal, State, and local laws but a sincere respect for the rights and feelings of others, and demands and employee refrain from behavior that might be harmful to themselves, co-workers, the citizens, and or Benton Utilities.

In dealing with the public, each employee must attempt to make their conduct one which inspires respect for both themselves and Benton Utilities, further one which generates the cooperation and approval of the public.

Employees of Benton Utilities are expected to treat every member of the public with courtesy, patience, respect, and understanding in correspondence, telephone conversations, and personal interactions with the public. An employee of Benton Utilities should observe the highest standards of professionalism at all times. Whether on duty or off duty, the employee's conduct reflects on Benton Utilities. Failure to adhere to this policy can result in disciplinary action up to an including termination.

When an employee is not certain of the correct response to an inquiry from the public, they should refer the inquiry to the individual or the department that can provide the most satisfactory response to the inquiry. It is better to admit a lack of knowledge than to provide erroneous information.

DRESS CODE

A reasonable dress code is necessary to ensure that all employees dress and groom themselves in a manner to promote safety, efficiency, and a positive public image of Benton Utilities.

Management reserves the right to determine appropriate dress and grooming at all times. The following is a guideline and is not meant to be all-inclusive. Management reserves the right to use discretion in all matters of professionalism and appearance, even when an employee may technically be in compliance.

All employees are expected to report to work clean, neat, and appropriately dressed and groomed. Employees reporting to work inappropriately dressed or groomed may be sent home. Any employee sent home for this purpose will be charged vacation leave. If no leave is available to charge, non-exempt employees will receive no pay for the time not worked.

Clothing considered unnecessarily revealing, tight, provocative, offensive, distracting, sloppy, or otherwise inappropriate to the work place is prohibited. Examples of inappropriate dress or footwear include, but are not limited to, the following:

Excessively low-cut blouses or shirts, halter tops, strapless tops, spaghetti straps or tank tops with no cover-up or jacket, cropped tops, mini-skirts, skin tight pants, stretch tights or leotards, skirts split higher than three (3) inches above the knee, shorts, unauthorized tee shirts or tee shirts with offensive wording, clothing that may appear to the public as "gangster" clothing (i.e., "colors", scarves, or insignias, unauthorized head coverings or hats, baseball hats worn backwards), clothing that reveals undergarments (also called sagging), or clothing that is torn or has holes in it. Flip flops are not appropriate for the work place.

Denim blue jeans and cropped pants of any fabric may only be worn with specific department head approval.

Footwear must be appropriate for the position the employee holds. If safety shoes are a requirement of the position, they must be worn at all times while on duty. Athletic shoes may be worn with department head approval.

Piercings (other than on the ear lobe) must not be visible to the public while on duty.

Tattoos must be small or covered at all times. If visible, may not be offensive in nature.

Clothing or jewelry must not constitute a safety hazard to the employee or other employees if worn while working. In some instances, for safety considerations, long hair must be tied back and restrained to ensure the employee's safety. Loose clothing or dangling jewelry that poses a safety hazard to employees is also prohibited.

Fingernails should be clean and neatly groomed when reporting for work. If nail length is unnecessarily distracting or interferes with the efficient performance of job duties, the employee may be required to modify the length or decoration.

Strong cologne or perfume should not be used in the workplace since many people have allergies or sensitivities to them. If cologne or perfume presents a problem in a department or worksite, the department head may prohibit it from being worn in that department.

Hairstyles and hair colors that do not present a positive image to the public will not be allowed. Hair should be clean and neatly groomed and not pose a safety hazard.

Beards and mustaches are permitted insofar as they are clean and neatly groomed and do not pose a safety hazard.

Department heads may also establish and enforce a reasonable dress code for their departments or for specific positions that is not in conflict with the requirements herein, including requirements for specific styles of dress, i.e., business casual, relaxed casual, business suits, dress shirts, ties, parks athletic casual wear, uniforms, hats, safety shoes or other equipment to be worn by employees in their department. In those departments where uniforms are required, employees must wear the specified uniform, including a hat or cap, at all times unless authorized otherwise by the department head. Employees in such departments must report to work in uniforms that are neat, clean and in good repair.

Exceptions to the above rules will be made on an individual basis for claims of health. Requests for such exceptions must be made in writing to the department head citing the specific health reasons for requesting the exception. Verification of such requests will be made by requiring medical verification of the need for health reasons. The department head should consult the Human Resources Director for assistance in determining whether or not such requests qualify for a reasonable accommodation.

Failure on the part of any employee to conform to this policy or departmental policies may result in disciplinary action, including termination.

PROGRESSIVE DISCIPLINE

Every employee has the duty and the responsibility to be aware of and abide by existing rules and policies. Employees also have the responsibility to perform his/her duties to the best of his/her ability and to the standards as set forth in his/her job description or as otherwise established.

Benton Utilities supports the use of progressive discipline to address issues such as poor work performance or misconduct. Our progressive discipline policy is designed to provide a corrective action process to improve and

prevent a recurrence of undesirable behavior and/or performance issues. Our progressive discipline policy has been designed consistent with our organizational values, HR best practices and employment laws.

Outlined below are the steps of our progressive discipline policy and procedure. Benton Utilities reserves the right to combine or skip steps in this process depending on the facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. Some of the factors that will be considered are whether the offense is repeated despite coaching, counseling and/or training; the employee's work record; and the impact the conduct and performance issues have on our organization.

The following outlines Benton Utilities' progressive discipline process:

- **Verbal warning:** A supervisor verbally counsels an employee about an issue of concern, and a written record of the discussion is placed in the employee's file for future reference.
- **Written warning:** Written warnings are used for behavior or violations that a supervisor considers serious or in situations when a verbal warning has not helped change unacceptable behavior. Written warnings are placed in an employee's personnel file. Employees should recognize the grave nature of the written warning.
- **Performance improvement plan:** Whenever an employee has been involved in a disciplinary situation that has not been readily resolved or when he/she has demonstrated an inability to perform assigned work responsibilities efficiently, the employee may be given a final warning or placed on a performance improvement plan (PIP). PIP status will last for a predetermined amount of time not to exceed 90 days. Within this time period, the employee must demonstrate a willingness and ability to meet and maintain the conduct and/or work requirements as specified by the supervisor and the organization. At the end of the performance improvement period, the performance improvement plan may be closed or, if established goals are not met, dismissal may occur.

Benton Utilities reserves the right to determine the appropriate level of discipline for any inappropriate conduct, including oral and written warnings, suspension with or without pay, demotion and discharge.

Depending on the severity of the infraction, employees may be excluded from receiving any annual salary adjustment.

All personnel must realize that the steps in a progressive discipline system serve as general guidelines and are not mandatory. There are varying degrees of seriousness that pertain to performance and/or infractions of policies. There are certain instances where conduct and/or performance is of such a serious nature that immediate termination, without prior warning or consultation, may be the justified course of action.

Separation of Employment

Separation of employment within an organization can occur for several different reasons.

- **Resignation:** Although we hope your employment with us will be a mutually rewarding experience, we understand that varying circumstances cause employees to voluntarily resign employment. Resigning employees are encouraged to provide two weeks' notice, preferably in writing, to facilitate a smooth transition out of the organization. If an employee provides less notice than requested, the employer may deem the individual to be ineligible for rehire depending on the circumstances regarding the notice given.
- **Retirement:** Employees who wish to retire are required to notify their department manager and the Human Resource department in writing at least three (3) months before the planned retirement date.

It is the practice of Benton Utilities to give special recognition to employees at the time of their retirement. The recipient must be employed with Benton Utilities for fifteen (15) years to be fully vested and eligible for recognition.

- **Job abandonment:** Employees who fail to report to work or contact their supervisor for three (3) consecutive workdays shall be considered to have abandoned the job without notice, effective at the end of their normal shift on the third day. The supervisor shall notify the Human Resource department at the expiration of the third workday and initiate the paperwork to terminate the employee. Employees who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.
- **Termination:** Employees of Benton Utilities are employed on an at-will basis, and the company retains the right to terminate an employee at any time.

Return of Company Property

The separating employee must return all company property at the time of separation, including uniforms, cell phones, keys, PCs and identification cards. Failure to return some items may result in deductions from the final paycheck.

The separating employee shall contact the Human Resource department as soon as notice is given to schedule an exit interview. The interview will be on the employee's last day of work or another day, as mutually agreed on.

Accrued vacation leave will be paid in the last paycheck. No compensation for accrued sick leave will be given except upon retirement.

Health insurance terminates the last day of the month of employment, unless an employee requests immediate termination of benefits. Information for Consolidated Omnibus Budget Reconciliation (COBRA) continued health coverage will be provided. Employees will be required to pay their share of the dependent health and dental premiums through the end of the month.

Rehire

Former employees who left Benton Utilities in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the Human Resource department, and the applicant must meet all minimum qualifications and requirements of the position, including any qualifying exam, when required.

Supervisors must obtain approval from the Human Resource director or designee prior to rehiring a former employee. Rehired employees begin benefits just as any other new employee with the exception of former employees vested in retirement. Vested Retirement benefits will resume, when an employee is rehired. Previous tenure will not be considered in calculating longevity, leave accruals or any other benefits.

An applicant or employee who is terminated for violating policy or who resigned in lieu of termination from employment due to a policy violation will be ineligible for rehire.

THE HIRING PROCESS

(Initial Employment with Benton Utilities)

JOB POSTING & ADVERTISING

Notice of job openings with an accompanying job description will be distributed to utility departments for posting. Notices will be posted at least five (5) business days. Current employees who have held their position for at least six months may apply for the position, subject to the Utility Nepotism Policy. Any internal applicant must meet the minimum entry-level qualifications of the vacancy and have a satisfactory performance record. Priority in filling openings will be given to employees applying for 1) a promotional opportunity within their own department and 2) a full time position if they have a good performance record as a part time employee. Should a qualified applicant not express interest, an advertisement will be sent to the appropriate media throughout the relevant job market.

EMPLOYMENT APPLICATIONS

Applications for employment will be accepted for open or vacant positions from anyone who wishes to apply on forms provided by the utility. Application forms are available from the Human Resource Department at Benton Utilities, 1827 Dale Ave, Benton, AR 72015 during regular business hours, Monday-Friday from 7:00 a.m. until 4 p.m.

Benton Utilities relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in Benton Utilities' exclusion of the individual from further consideration for employment or termination of employment, if the person has been hired. Applications for part-time employment will not be accepted from persons under the age of sixteen (16) years of age, and applications for full-time Benton Utilities employment will not be accepted from persons less than seventeen (17) years of age with a high school diploma or equivalent.

SCREENING AND SELECTION

Authority to Hire

Interviews are conducted by at least three management personnel including the General Manager or his/her designee. Selection (hiring) decisions for non-department management employees shall be made by the Department Manager or the Assistant Department Manager, as appropriate. Decision authority as to which qualified applicant is to be hired for a supervisory or management position rests with the General Manager, who may consult with or delegate to supervisory personnel as necessary. Interviews will be conducted by the General Manager or such supervisory personnel as necessary.

All Benton Utilities employees who feel they are qualified for a posted position are encouraged to submit an application with the Human Resources Dept. and will receive full consideration during the process.

While Benton Utilities will endeavor at all times to promote from within, it reserves the right to transfer or hire the person it deems to be best suited for the position. Transfers must be mutually beneficial to the employee and Benton Utilities. Any requests to move from a position with a higher salary to a position with a lower salary will

result in a reduction in pay, unless otherwise approved by the General Manager. If the employee received approval for a transfer, there will be no loss of benefits accrued.

Departmental moves will be made without regard to length of employment. Only those rare instances where two (2) employees are equally qualified will tenure be considered.

The Human Resource Department shall screen employment applications to ensure applicants meet the minimum qualifications of vacant jobs. The Human Resource Department will then forward the applications of qualified applicants to Assistant Department Manager, Department Manager or General Manager.

Internal Transfers/Promotions

Employees with more than six months of service may request consideration to transfer to other jobs as vacancies become available and will be considered along with other applicants. At the same time, the company may initiate transfers of employees between departments and facilities to meet specified work requirements and reassignment of work requirements.

Benton Utilities offers employees promotions to higher-level positions when appropriate. Management prefers to promote from within and may first consider current employees with the necessary qualifications and skills to fill vacancies above the entry level, unless outside recruitment is considered to be in the company's best interest.

To be considered, employees must have held their current position for at least 6 months, have a satisfactory performance record and have no disciplinary actions during the last 6 months. Management retains the discretion to make exceptions to the policy.

Employment Reference Checks

It is the policy of Benton Utilities to check the employment references of applicants. The Human Resource Department shall check the employment references of applicants for employment with Benton Utilities.

The Human Resource Department shall respond to all inquiries regarding references for previous and current utility employees. Unless otherwise authorized by the individual job seeker, responses to reference check inquiries from other employers will confirm only dates of employment, job title and wage rates.

POST-OFFER PRE-EMPLOYMENT CONDITIONS

Physical

Post-offer pre-employment physicals and drug screens shall be required for every applicant hired by Benton Utilities. Such examinations shall be paid for by the utility and shall determine whether the applicant can perform the essential functions of the job for which they have applied, with or without reasonable accommodations. The examinations shall be conducted by licensed physicians selected by the utility. These medical files will be maintained in the physician's office with a summary report provided to Benton Utilities whether the employee can or cannot do the job and what, if any, restrictions are necessary to determine any work restructuring or accommodations. Although the physicians or other professionals make determinations relative to physical/mental requirements of the job and any direct safety threat determinations, their determinations are only recommendations; final authority to hire rests with Benton Utilities. Only in cases of emergency may an employee

begin work prior to the post-employment job offer medical examinations, but employment is contingent upon the applicant's passing such examinations.

Psychological examinations may also be required at the discretion of Benton Utilities before or during employment.

Reports and records of all physical, psychological and mental exams shall be kept in the offices of physicians or mental health practitioners with only a summary report provided to Benton Utilities to be kept in a confidential file apart from the Personnel file. The Utility may share such information only in limited circumstances with supervisors, managers, first aid and safety personnel, government officials investigating compliance with the ADA, state workers' compensation offices, state second injury funds, workers' compensation insurance carriers, health care professionals when seeking advice in making reasonable accommodation determinations, and for insurance purposes.

Drug and Alcohol Testing

Post-Offer Pre-Employment drug screens shall be required for every applicant hired by Benton Utilities. Such examinations shall be paid for by the utility. Applicants are subject to testing for the use of alcohol and illegal substances. Questions and concerns regarding this should be addressed to the Human Resource Department.

Omnibus Transportation Employee Testing Act, 1991

It is Benton Utilities' intent to comply with all regulations and requirements of the Omnibus Transportation Employee Testing Act of 1991. Utility employees required to have a Commercial Driver's License (CDL) shall be required to submit to alcohol and drug testing in compliance with the 1991 Omnibus Transportation Act. These tests include pre-employment, post-accident, random, reasonable suspicion, return to duty and follow-up testing. Benton Utilities shall not permit an employee who refuses to submit to required testing to perform or continue to perform any activity that requires a CDL. All CDL drivers are required to read this material and sign a statement acknowledging that they have received a copy of the utility's Personnel Policies and Driver Information on Drug and Alcohol Testing Regulations.

MOTOR VEHICLE RECORD CHECKS

Purpose: The purpose of this policy is to investigate all work related accidents and incidents involving the use of utility owned vehicles and equipment to identify and correct unsatisfactory performance and enhance the protection of the public, our employees and reduce liability.

Policy: All work related accidents and incidents will be investigated to determine the actions of all involved and use this information, if warranted, to correct un-satisfactory performance in regard to the operation of utility vehicles and equipment by utility employees. Any employee involved in a possible injury accident or incident while operating any utility owned vehicle or equipment shall immediately call for medical and police services, and if able, notify their supervisor immediately as well.

Definitions

Work Related Motor Vehicle Accident – An accident involving the operation of a utility owned vehicle or equipment that cause death or injuries likely to result in death to any person or damage to private property totaling \$1,000 or more.

At-Fault Work Related Accident – A work related accident where it is determined by a police investigation that the actions of a utility employee in the operation of a utility owned vehicle or equipment contributed to the cause of the accident.

No-Fault Work Related Accident – A work related accident where it is determined by a police investigation that the actions of a utility employee in the operation of a utility owned vehicle or equipment did not contribute to the cause of the accident.

Work Related Incident – An incident involving the operation of a utility owned vehicle or equipment that causes damage to utility property or private property of less than \$1,000.

At-Fault Work Related Incident – A work related incident where it is determined by a supervisory investigation that the actions of a utility employee in the operation of a utility owned vehicle or equipment contributed to the cause of the incident.

No-Fault Work Related Incident – A work related incident where it is determined by a supervisory investigation that the actions of a utility employee in the operation of a utility owned vehicle or equipment did not contribute to the cause of the incident.

Work Related Moving Traffic Violation – Violation of motor vehicle and traffic law that result in the issuance of a traffic citation to an employee while operating a utility owned vehicle or equipment.

Procedures

Motor Vehicle Record Checks – Employees operating utility vehicles must provide proof of valid Arkansas driver's license on an annual basis to the Human Resources Department. Bi-annual checks of valid license will be performed.

Investigations

Employees will immediately report all work related accidents, incidents and moving violations to their supervisors for review and presentation to the Commission's General Manager as prescribed in this policy.

Post-Accident drug screens shall be required upon an employees' involvement in an injury accident whether they are the one injured or a co-worker is injured. Drug screening will also be required, when an employee is involved in an "At-fault" accident.

Work Related On Road Vehicle Accidents – It will be the responsibility of the Benton Police Department to investigate all work related accidents within the city limits to determine the cause of the accident. Work related accidents occurring outside the city limits will be investigated by the appropriate law enforcement agency. The

investigations will be documented on the Arkansas Motor Vehicle Crash Report. A copy of the Crash Report will be forwarded to the Commissions' General Manager by the employee's supervisor along with a review of the accident and any disciplinary recommendations based on the determination of a fault or no fault accident. Once a final disposition is made with regard to any supervisory recommendations, a copy of the file will be sent to Human Resources.

Work Related Accidents – It is the responsibility of the employee's supervisor to notify the Risk Manager and the Safety Committee to investigate all work related accidents. A copy of the investigation will be forwarded to the Commission's General Manager along with a review of the incident and any disciplinary recommendations based on the determination of a fault or no fault incident. Once a final disposition is made in regard to any supervisory recommendations, a copy of the file will be sent to Human Resources.

Work Related Incidents – It will be the responsibility of the employee's supervisor to notify the Risk Manager and the Safety Committee investigate all work related incidents. A copy of the investigation will be forwarded to the Commission's General Manager along with a review of the incident and any disciplinary recommendations based on the determination of a fault or no fault incident. Once a final disposition is made in regard to any supervisory recommendations, a copy of the file will be sent to Human Resources.

Work Related Moving Traffic Violations – It will be the responsibility of the employee's supervisor to investigate all work related moving violations and forward the finding to the Commission's General Manager with any disciplinary recommendations. Once a final disposition is made as to the supervisory recommendations, a copy of the file will be sent to Human Resources.

Disciplinary Actions – All disciplinary actions will be consistent with the Progressive Discipline Policy as outlined in the Benton Utilities Employee Handbook. Progressive Discipline as stated in the handbook is equitable and consistent discipline for unsatisfactory job performance and/or conduct in the workplace. By using progressive discipline it is the utilities hope that most performance and conduct problems may be corrected at an early stage, benefitting both the employee and Benton Utilities.

Benton Utilities reserves the right to determine the appropriate level of discipline for any inappropriate conduct, including oral and written warnings, suspension with or without pay, demotion and discharge.

Nepotism, Employment of Relatives and Personal Relationships

Benton Utilities wants to ensure that practices do not create situations such as conflict of interest or favoritism. This extends to practices that involve employee hiring, promotion and transfer. Close relatives, partners, those in a dating relationship or members of the same household are not permitted to be in positions that have a reporting responsibility to each other. Close relatives are defined as husband, wife, domestic partner, father, mother, father-in-law, mother-in-law, grandfather, grandmother, son, son-in-law, daughter, daughter-in-law, uncle, aunt, nephew, niece, brother, sister, brother-in-law, sister-in-law, step relatives, cousins and domestic partner relatives.

If employees begin a dating relationship or become relatives, partners or members of the same household and if one party is in a supervisory position, that person is required to inform management and Human Resources of the relationship.

Benton Utilities reserves the right to apply this policy to situations where there is a conflict or the potential for conflict because of the relationship between employees, even if there is no direct-reporting relationship or authority involved.

COMPENSATION

Performance and Salary Review

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal day-to-day basis. The goal of all written performance reviews is to provide a two-way avenue of communication between a supervisor and an employee. The purpose is to help an employee improve performance and be aware of the Benton Utilities reasonable expectations.

Performance appraisals are conducted on an annual basis unless deemed necessary by the General Manager, Department Manager or Assistant Manager for the need to do otherwise. Employees will receive a performance review on the established date each year. The performance appraisal will be discussed, and both the employee and manager will sign the form to ensure that all strengths, areas for improvement and job goals for the next review period have been clearly communicated. Performance evaluation forms will be retained in the employee's personnel file.

Merit increases are based on company performance and financials and are not guaranteed. A performance review does not always result in an automatic salary increase. The employee's overall performance and salary level relative to his/her position responsibilities are evaluated to determine if a salary increase would be warranted.

Budget allocations for merit increases are planned for and allocated before the start of each calendar year. The annual salary increase program is designed to assist management in planning and allocating merit and promotional increases that reward individual performance, that are market competitive and that are internally equitable.

Salary adjustments are occasionally requested or warranted at times other than the employee's scheduled annual salary reviews. Out-of-cycle salary increases must be preapproved by the department manager, HR and the General Manager. Human Resources will review all salary increase/adjustment requests to ensure internal equity and compliance with company policies and guidelines.

Additional formal performance appraisals shall be conducted on an annual basis. All written performance reviews are based on the employee's overall performance in relation to his/her job responsibilities and take into account the employee's conduct, demeanor, and record of attendance along with any tardiness. These reviews serve the purpose of providing both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths and discuss positive, focused approaches for meeting goals. Completed and signed performance evaluations shall be forwarded to the Human Resource Department for placement in respective employee files.

A satisfactory performance evaluation is a pre-requisite to a salary increase. However, a satisfactory performance evaluation will not always result in a salary adjustment.

Each fall, the General Manager of Benton Utilities presents the requested budget for the coming year to the Benton Public Utilities Commission for approval, in accordance with that Statutes of the State of Arkansas. Personnel costs are a component of that budget request. Available finances and overall needs of the Utility may result in adjustment of the proposed budget. All personnel issues identified in this handbook including employee compensation are subordinate to the approved budget and/or may be adjusted by the Public Utilities Commission during the year as the need arises.

At Benton Utilities, employees are evaluated on a scale of 1 to 5 with 5 being the highest evaluation possible. To help employees understand the evaluations better, scoring a 3 is basically meeting expectations of your job

criteria, scoring above a 3 is exceeding your job expectations and below is not meeting expectations of your job description.

New hires will be evaluated as necessary.

PAY PERIODS AND PAYCHECKS

Employees are paid bi-weekly. Pay periods begin on Monday and end on Sunday. Employees are paid on Friday following the end of the pay period. Each paycheck shall include earnings for all work performed through the end of the previous pay period. If the normal payday falls on a company-recognized holiday, paychecks will be distributed one workday before the aforementioned schedule.

Employees will be paid through direct deposit of funds to either a savings or checking account at the financial institution of their choice.

If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resource department.

No advancement pay without prior approval of the General Manager, and this will be limited to one per year.

TIMEKEEPING

Benton Utilities uses an electronic system to track time and attendance. Hours worked may be tracked by either a physical or bio-metric time clock or by computer software. Each non-exempt employee is required to clock in and out each day for all hours worked. Exempt employees are required to complete an electronic timesheet as needed to show use of time off. Department Heads are to ensure all electronic timesheets are reviewed and approved by 7:30 a.m. Monday immediately following the end of the pay period. Altering, falsifying or tampering with timesheets or time clocks will result in disciplinary action, up to and including termination.

Arriving early or leaving late for the employee's own convenience is not to be included in the working time and the employee is not to engage in work until the scheduled time. If an employee is late, leaves early, takes a long lunch hour, etc., appropriate entries should be made on the electronic timesheets.

Vacation leave, sick leave, etc. used during a pay period must be turned in for processing during the pay period's regular processing time. Department heads shall review and then approve respective employee's time records prior to submitting to payroll as a certification of its accuracy.

Meal/Rest Periods

The scheduling of meal periods at Benton Utilities is set by the employee's immediate manager with the goal of providing the least possible disruption to company operations.

Whenever possible, employee work schedules shall provide a fifteen minute rest period (break) during each four-hour work shift. Because this time is counted and paid as time worked, employees must not be absent from their workstations beyond the specified rest period time.

Most full time employees are provided with one unpaid meal period during each workday, if workload allows. Supervisors shall schedule meal periods to accommodate business

operations. Employees who work at 24-hour operation sites and are not relieved for a meal period are required to bring meals with them, stay at their work location, and eat their meal as the workload allows.

Impermissible Use of Meal Period and/or Rest Breaks

Neither the lunch period nor the rest break(s) may be used to account for an employee's late arrival or early departure or to cover time off for other purposes—for example, rest breaks may not be accumulated to extend a meal period, and rest breaks may not be combined to allow one half-hour long break.

OVERTIME PAY

Overtime will be paid for “hours actually worked: in excess of the hours scheduled per pay period set forth in the Hours of Work section of the Handbook.” If approved leave time such as Sick Leave is taken, overtime will only be paid for hours worked in excess of Fair Labor Standards Act limitations. However, vacation time will be counted as time actually worked with respect to the calculation of overtime.

Overtime work must be approved by the department head, in advance of work performed. Arriving early or leaving late for the employee’s own convenience is not to be included in the working time and the employee must not perform any duties for the utility during such intervals. If an employee is late, leaves early, takes a long lunch hour, etc., appropriate entries should be made on the time sheet indicating the actual time spent working on the job.

Employees who are exempt under the Fair Labor Standards Act (also referred to as salaried employees) receive no overtime pay.

COMPENSATORY TIME

Benton Utilities will provide payment for overtime worked by non-exempt employees and does not allow employees to choose compensatory time. Exempt employees are not eligible to receive compensatory time.

During busy periods employees may be required to work extended hours.

ON-CALL PAY

At the discretion of management, employees may be placed on-call to assure the efficient operation of Utility services after hours and on holidays.

Employees on-call for afterhours operations are to receive supplemental pay equal to 2 hours work per day for Monday through Friday and 4 hours per day on weekends and holidays. On-call hours do not count as time worked toward overtime hours. On-call employees called in to work are to receive credit for a minimum of two hours at overtime rate or actual time worked, whichever is greater. When a call-out is initiated and the two-hour overtime payment is begun, a second call-out during that timeframe will be considered a continuation of the initial call and will not be paid as a second call-out.

Employee's on-call not responding and reporting to work within 30 minutes shall be reprimanded for an unexcused absence.

Employees not on on-call status but called into assist the "on-call" crew will be compensated for all time worked.

ADMINISTRATIVE PAY CORRECTIONS

Benton Utilities takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that an error occurs in the amount of pay, the employee should promptly bring the discrepancy to the attention of his/her supervisor so that corrections may be made as quickly as possible.

PAYROLL DEDUCTIONS

Mandatory Deductions Include:

1. Federal Income Tax is determined by the number of withholding allowances the employee claims on the IRS W-4 form completed when the employee reports for work. The employee may submit a new W-4 withholding form at any time. Any changes will be reflected in the next pay period following submission of the required form.
2. State Income Tax. The amount to be deducted from a paycheck is determined by the number of withholding allowances the employee claims on the State Withholding Form when the employee reports for work.
3. Social Security – [FICA] – is computed on each employee's salary [unless exempt under the section 218 agreement] at a rate established by the Federal Government and may be changed at any time.
4. Optional Deductions – may be made upon authorization of the employee. Any such deductions are to be coordinated with the Human Resource Department.

GARNISHMENT AND LIENS

Garnishment is a legal process whereby amounts are withheld from an employee's paycheck to satisfy a debt the employee owes to a third person. When Benton Utilities receives notice an employee's wages are to be garnished, the Utilities is required by law to comply with the court order. Governmental liens resulting from claims for unpaid taxes, bankruptcy claims, and child support orders, must also be honored. When the Utilities receives a court order for garnishment or a salary lien, it must pay the required amount as directed by that legal process. Any defenses the employee wished to assert must be made to the court or governmental agency initiating the garnishment.

The Federal Wage Garnishment Law prohibits an employer from discharging an employee because their earnings have been subject to one garnishment. In cases of multiple garnishments, an employee may be subject to disciplinary action in accordance with Utility Policy on minimum conduct standards for Utility employees.

UP-GRADE PAY

Employees may upgrade to the next level of responsibility when performing the duties of the higher grade job position. Employees performing on-call or standby duty will not earn up-grade pay for stand by duty. The rate of pay shall be the employee's regular pay plus 3% for the hours performing the duties of a higher grade employee.

SHIFT DIFFERENTIAL PAY

Employees who work at 24-hour operations of the Utility will receive shift differential pay of \$.20 per hour for "B" shift (3:00 p.m. to 11:00 p.m.) and \$.35 per hour for "C" shift (11:00 p.m. to 7:00 a.m.). Shift differential pay does not apply to paid leave hours.

PAY FOR EMERGENCY SERVICES

The General Manager of Benton Utilities is authorized to declare an emergency, which could occur in the case of a natural disaster or during a threat to the public health and safety. During the time of such an emergency, employees shall be paid overtime when working past normal business hours as a direct result of the emergency.

EMPLOYEE TRAVEL AND REIMBURSEMENT

Employees will be reimbursed for reasonable expenses incurred in connection with approved travel on behalf of the company. Reasonable meal expense shall not exceed \$10.00 per meal unless otherwise approved by your supervisor. Employees will not be reimbursed for gratuities.

Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid the appearance of impropriety. If a circumstance arises that is not specifically covered in the travel policies, the most conservative course of action should be adopted.

Travel for staff must be authorized in advance. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Upon completion of the trip, and within 30 days, the traveler must submit a Travel Reimbursement Form and supporting documentation to obtain reimbursement of expenses. For more details, refer to the company intranet for detailed travel policies, procedures and authorization and reimbursement forms.

Exempt employees will be paid their regular salary for weeks in which they travel. Nonexempt employees will be paid for travel time in accordance with federal and state wage payment laws.

TRAINING

Benton Utilities is committed to continuing and on-going training for all employees. However, in addition to the formal training provided by the utility for various jobs, each employee has a responsibility of ascertaining for him/herself that they have sufficient training to enable them to perform their job. If the employee feels that additional training is needed, he should notify his department head. Employees are encouraged to identify training opportunities that will enhance the performance of the employee's job duties with Benton Utilities. Subject to available funds and departmental priorities, employees whose training has been approved in advance by the employee's supervisor or Department Head shall be entitled to reimbursement for all or a portion of the expenses incurred.

BENEFITS

EMPLOYEE HEALTH BENEFITS

Benton Utilities currently provides a group health plan for all full time employees. Detailed information concerning the health plan is available from the Human Resource Department. Each employee should receive information concerning the health benefits program during orientation for new employees. Benefits are subject to change as are any sharing of cost between employees and Benton Utilities. Continuation of this benefit is subject to an evaluation of Cost of Coverage and Finances on an annual basis.

COBRA (Health Benefits Continuation)

The federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Benton Utilities' health plan when a "qualifying event" would normally result in the loss of eligibility. Common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation, and a dependent child no longer meeting eligibility requirements.

Benton Utilities provides each eligible employee with a written notice describing right granted under COBRA when the employee becomes eligible for coverage under the health insurance plan. The notice contains important information about the employee's rights and obligations. Employees should contact the Human Resource Department for additional information.

WORKERS COMPENSATION

All Benton Utilities employees are covered under the Arkansas State Worker's Compensation Law. Any employee incurring an "on the job" injury should immediately notify their supervisor, Department Manager or Assistant Department Manager, Risk Manager, or Human Resource Department to initiate the "Employee Notice of Injury" form. Upon notification, the supervisor and or the Human Resource Department shall arrange for appropriate medical treatment and prepare the necessary reports. Rules and regulations concerning Worker's Compensation are posted on the department bulletin boards. During working hours as a Benton Utility employee, any employee that receives medical attention or any employee that contributed to an incident that caused an employee to sustain an injury that requires medical attention shall be required to submit to an alcohol test and a drug test. This test will be conducted immediately or as soon after the incident as is practical.

Injured employees may use Sick Leave and Annual Leave [paid vacation] as a coordinated benefit to maintain compensation equal to their regular pay without overtime during the recovery from a work related injury.

It is important for Worker's Compensation claim forms and other information to be delivered directly to the Human Resource Department. It is the employee's responsibility to ensure the Human Resource Department has the original copy of the initial notifications, doctor evaluations, excuses from duty, and written fitness for duty or return to work statements.

The company is covered under statutory state workers' compensation laws. Employees who sustain work-related injuries must immediately notify their department supervisor.

RETIREMENT BENEFITS

Benton Utilities currently provides retirement benefits under a defined benefit plan fully funded by Benton Utilities for all employees hired on or before December 31, 2011. Benton Utilities provides retirement benefits under a defined benefit plan partially funded by Benton Utilities for all employees hired after December 31, 2011. As a condition of employment with the Employer, each Employee included in the class of Employees eligible to participate hired after December 31, 2011, must agree to have his/her Compensation reduced on a payroll deduction basis as set forth in this section. The payroll deduction shall be 2% of compensation until the January 1 following the employee’s date of employment and 4% thereafter. Once a participant has completed 30 years of service, employee payroll deductions shall cease at the end of the calendar year.

Rehired employees begin benefits just as any other new employee with the exception of former employees vested in retirement. Vested Retirement benefits will resume, when an employee is rehired.

Retirement Vesting

<u>Years of Service</u>	<u>Vested %</u>
Less than 5	0
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100

All earned [“vested”] benefits under this plan are protected by Federal Law [ERISA]. Continuation of benefits to future retirees is evaluated annually and subject to the financial resources available to Benton Utilities. The plan may be changed or discontinued at any time. This plan is for continuation of salary only and does not include the cost of group health insurance, although, Benton Utilities currently allows retirees to purchase group medical benefits as a member of the employee group at the same cost as charged to Benton Utilities.

At the current time retirees not eligible for benefits under Social Security, Medicare, or Medicaid may continue coverage under the group plan at the employee’s expense. Employees may be required to provide proof of denial from these programs.

Additional Information is available upon request from Human Resources.

SOCIAL SECURITY

As an employee of Benton Utilities, you are covered by Federal Social and Medicare Insurance. A portion of the tax to fund this coverage is withheld from each paycheck and is based on a percentage of your gross salary. Benton Utilities pays a matching amount, which is credited to your account. The percentage of your gross salary which is

withheld for Social Security and Medicare purposes is set by federal law. If you have any questions about benefits under the Social Security system, call or visit the local Social Security Administration offices.

UNEMPLOYMENT COMPENSATION

Under certain circumstances you may be eligible for benefits through the Arkansas Employment Security Department. Any benefits available to you are established by Arkansas Legislature and AESD should be contacted directly for full information concerning benefits.

Flexible Spending Account

As part of the company's Flexible Benefits Plan, we currently offer an employee-funded flexible spending account (FSA) to regular full-time employees hired on or before January 1 of a calendar year. Plan participants may elect an annual amount of flexible dollars to pay for eligible health care expenses, including medical or dental insurance deductibles, copayments, and out-of-pocket costs for vision care and other types of care.

If eligible medical or dental expenses are less than the elected annual amount of flex dollars for that year, the balance will be forfeited.

POLITICAL ACTIVITY

As a citizen, employees have the right to engage in political activity while out of uniform. However, all political activity must be on the employee's own time, outside of working hours, or when the employee is on Annual Leave or Leave without pay. An employee may not use Benton Utilities offices, their affiliation with Benton Utilities, or the name, symbols, property, or supplies of Benton Utilities in any political activity. No political banners, posters, or literature may be placed or held in Benton Utilities offices. No political bumper stickers or decals may be placed on Benton Utilities vehicles or other Benton Utilities property.

An employee choosing to be a candidate for national or statewide elected office, will be placed on Leave of Absence without pay at the time of filing. An employee choosing to become a candidate for the Arkansas General Assembly, a County, or local office, and who draws an opponent, must take Annual Leave time to campaign.

SOLICITATION, FUND-RAISING AND GIFTS

Benton Utilities facilities may not be used for raising money not connected with an approved Benton Utilities activity or for the conduct of private business. No Benton Utilities employee may engage in solicitation, or fund raising activities while performing their duties for Benton Utilities. No Benton Utilities employee may accept or give any gifts as a part of or in connection with the performance of their duties for Benton Utilities. Approvals must be by the General Manager.

COMPLAINT RESOLUTION

OPEN DOOR POLICY

Employees who feel their rights under these personnel policies have been violated may initiate a review of the situation by making written request of the immediate supervisor within 10 days of such perceived violation, or to any other management level in this procedure at the employee's discretion.

If the situation has not been adjusted to employee satisfaction within 10 days, the written request is to be submitted to the Department Head and / or head of Human Resource Department.

If the situation has not been adjusted to the employee satisfaction within 15 days, a written request is to be made to the General Manager. A meeting will be scheduled to hear the employee's concerns. The decision of the General Manager will be final for all matters not otherwise provided by City Ordinance or Arkansas Statute, and delivered to the employee through the Human Resource Administrator within 10 days.

USE OF BENTON UTILITIES' PROPERTY

USE OF BENTON UTILITIES NAME & LOGO

The name of Benton Utilities is used in many official business contexts and for a wide range of purposes. The use of Benton Utilities name shall be limited to those activities that are in fact activities of Benton Utilities. Use of the Benton Utilities name and logo for public appearances, public statements and sponsorship of activities shall be approved by the General Manager in advance of their use.

USE OF EQUIPMENT & VEHICLES

Employees may use Benton Utilities equipment and supplies only for work- related purposes. Computers, telephones, long- distant access lines, photocopying machines, vehicles, machinery, tools, disposable supplies, and other equipment and materials may not be used for personal activities.

CELLULAR PHONES

This policy serves to outline the use of personal cell phones at work, the personal use of business cell phones by employees while driving.

PERSONAL CELLULAR PHONES

While at work employees are expected to exercise the same discretion in using personal cellular phones as expected for the use of company telephones. Personal calls during the workday regardless of the phone used can interfere with the employee productivity and be a distraction to others, creating a safety hazard.

Except for emergencies employees are expected to limit personal cellular calls to break time and lunch breaks. Benton Utilities is not liable for the loss of or damage to personal cellular phones brought into the workplace.

PERSONAL USE OF BENTON UTILITIES OWNED CELLULAR PHONES

When job needs require immediate access to an employee, Benton Utilities may issue a business cell phone to an employee for work-related communications. Such cell phones are to be used for business purposes only. Employees in possession of business cell phones are to protect them from loss, damage, theft, or unauthorized use. Upon resignation or termination, or at any time upon request, the employee may be asked to produce the phone for return or inspection. An employee unable to present a phone in good working condition will be expected to reimburse Benton Utilities for the cost of replacement.

SAFETY ISSUES FOR CELLULAR PHONE USE

Employees whose job duties include regular or occasional driving and who have a cell phone for business use are expected to refrain from using the cell while driving. Safety is a top priority. Regardless of the circumstances, including slow traffic or stopped traffic, employees are strongly advised to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short, use hands free options if available, refrain from discussion of complicated or emotional discussions and keep their eyes on the road. Special care should be taken in situations where there is traffic, inclement weather, or the employee is driving in an unfamiliar area.

Employees whose job duties do not specifically include driving as an essential function, but who are issued a business cell phone are also expected to abide by the provisions above. Under no circumstances are employees allowed to place themselves at risk in order to fulfill routine business needs.

Violations of this policy may result in disciplinary action, up to and including termination.

COMPUTERS, INTERNET & E-MAIL USE

Benton Utilities encourages the business use of computers and the internet [including electronic mail] as an integral part of its overall business operation.

Use of computers and the internet is encouraged to:

- Provide an efficient method to exchange information within Benton Utilities offices, between local governmental officials, and to the public.
- Provide sources of data to assist Benton Utilities employees in accomplishing their tasks
- Provide the required familiarity with emerging technologies demanded of those with careers in the information technology field and within the public sector generally.

It is unacceptable for a user to use, submit, publish, display, or transmit on Benton Utilities computer system or the internet network any information which:

- Violates or infringes on the rights of any person, including the right to privacy,
- Contains defamatory, false, inaccurate, abusive, obscene, pornographic, profane, sexually oriented, threatening, racially offensive, or otherwise biased discriminatory or illegal material;
- Violates Benton Utilities policy prohibiting harassment ;
- Restricts or inhibits other users from using the system or the efficiency of the computer systems;
- Encourages the use of controlled substances or used the system for the purpose of criminal intent;
- Uses the system for any other illegal, immoral, or unethical purpose,
- Non-business- Personal use.

Electronic Mail [E-mail] and FIOA

Email is considered network activity; thus, it is subject to all policies regarding acceptable / unacceptable uses of the Internet, and the user should not consider e-mail to be either private or secure.

Specifically forbidden in the use of E-mail is:

- Any activity covered by inappropriate use statements included herein;
- Sending / forwarding chain letters, virus hoaxes, urban legends, etc;
- Use of the “Everyone” or “all staff” mailing list without authorization by the Human Resource Department.

Because electronic messages are typically stored in one place and then forwarded to one or more locations, often without the specific knowledge of the originator, they are vulnerable to interception or unlimited use. Benton Utilities will attempt to provide an electronic messaging environment, which provides for data confidentiality and integrity. However, Benton Utilities cannot be responsible for Web-based E-mail systems such as Yahoo, Juno, Hotmail, etc. Benton Utilities employees should always be aware of the risk associated with the use of all E-mail systems.

- All computers, telephones and other electronic equipment are the property of Benton Utilities.
- Benton Utilities management reserves the right to monitor or access all employee internet, e-mail, computer, voicemail, and telephone usage for any business-related purpose.
- Benton Utilities prohibits sending any discriminatory, offensive or unprofessional messages via e-mail, text, voicemail or the internet.
- Video cameras may be used in areas other than restrooms, locker rooms, or rooms designated for changing clothes.
- An employee who violates any part of the policy will be disciplined and possibly terminated.

TIME OFF/LEAVES OF ABSENCE

Holiday Pay

Benton Utilities recognizes twelve paid holidays each year:

- New Year's Day
- Martin Luther King Jr. Day / Robert E. Lee Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Eve
- Christmas Day
- Employee's Birthday

An official holiday is on in which the business offices of the Utilities are closed. If a holiday occurs on a Saturday, it will be observed the previous workday. If it occurs on Sunday, it will be observed the next workday. To receive Holiday pay, the employee must be in a paid status on the workday preceding the Holiday and the workday following the Holiday. Employees in 24-hour operations who are required to work on Holidays will receive overtime pay (1 ½ regular rate) for the hours worked in addition to Holiday Pay.

Temporary/Part-time employees are not eligible for holiday pay.

Vacation

All full time employees accrue and are eligible for paid vacation benefits. Employees are eligible to start taking paid vacation as soon as they earn it. All leave must have prior approval by the appropriate supervisor. Temporary and part-time employees are not eligible for vacation benefits. Employees are encouraged to submit their vacation requests at least two weeks in advance. However, each department head or manager will decide whether his/her department's operation can continue effectively with less notice, and will determine the advance notice needed in that department. Employees may only use vacation time that they have actually accrued.

Maximum Accumulation: Beginning January 1, 2016, employees will not be allowed to carry over more than the equivalent of three weeks' vacation based on the employee shift. Any loss of unused hours in excess of the maximum above will occur on the pay period following January 1st of each year in order to allow use of time through the holiday season. Vacation hours are printed on bi-weekly paystubs and it is the employee's responsibility to schedule leave in order to prevent loss of time.

Accrual: The accrued vacation for each pay period is available to be taken during or after the pay period in which it was accrued. The accrual rate is as follows:

From date of hire through tenth anniversary date 3 Weeks 4.62 hours per pay period

From beginning of 11th year through 19th year

4 Weeks 6.15 hours per pay period

From beginning of 20th year until end of employment

5 Weeks 7.69 hours per pay period

A current employee who enjoys an accrual rate higher than that listed in the above table will retain the higher rate until his/her length of service would provide an increased accrual rate.

If an employee is on vacation and becomes sick or injured and would qualify for sick leave, they can change their status from vacation to sick leave by presenting a doctor's letter indicating the sickness or injury. This letter needs to be presented to the department manager prior to the time sheet being completed and submitted to the Human Resource Department, if possible.

To schedule vacation time, employees should submit a completed leave form to the supervisor at least two weeks before the requested leave. Employees must ensure that they have enough accrued leave available to cover the dates requested. Requests will be approved based on a number of factors, including department operating and staffing requirements. The supervisor should return the leave request to the employee within three business days of the date it is submitted indicating that the request has been approved or denied. If the request for vacation leave is denied, the supervisor should provide an appropriate reason on the form returned to the employee.

Vacation will be paid at the employee's base rate at the time the leave is taken. If a holiday falls during the employee's vacation, the day will be charged to holiday pay rather than to vacation pay.

Leave taken beyond an employee's available vacation balance may be unpaid unless otherwise required under state or federal law.

If employment is terminated, accrued unused vacation leave earned through the last day of active employment will be paid at the employee's base rate of pay at termination. In the event of the employee's death, earned unused vacation time will be paid to the employee's estate or designated beneficiary.

Sick Leave

Benton Utilities recognizes that inability to work because of illness or injury may cause economic hardships. For this reason, Benton Utilities provides paid sick leave to full time employees, as follows:

6.15 hours per pay period

Employees accrue sick leave from their date of hire but will not be eligible to use any leave until after 3 months of service with the Utilities. Time off may be charged against accumulated sick leave only for such days the employee is scheduled to work. An employee may be eligible for sick leave for the following reasons:

- 1) Personal illness or physical incapacity.
- 2) Quarantine of an employee by a physician or health officer.
- 3) Illness in the immediate family (parents, spouse, children, brothers and/or sisters, if they are the closest living relatives) which would require the employee to take care of the family member(s).
- 4) Medical, dental and optical visits.

An employee who is unable to report for work due to one of the previously listed leave reasons shall report his/her absence to the employee's supervisor or someone acting for the employee's supervisor as soon as possible. Employees failing to contact their supervisor within one (1) hour from the time the employee is expected to report to work may result in loss of paid leave.

Employees will not be paid for more than 56 hours of sick leave per year that is not substantiated by a doctor's excuse.

Sick leave is deducted in 15- minute increments. An employee who used all of his or her accrued sick leave may substitute vacation leave.

When a supervisor has evidence to suspect misuse of Sick Leave, the supervisor may require an attending physician's statement on the first day of absence. If the employee is unable to furnish verification, there may be a loss of paid leave available and misuse may result in disciplinary action. Sick leave taken immediately before or after a Holiday or vacation will require a Physician's statement in all cases.

An employee may use earned sick leave while receiving workers' compensation benefits only to the extent that the leave augments the employee's worker's compensation payment to an amount equal to that employee's regular pay without overtime.

Upon separation from Benton Utilities by either being eligible for retirement or death, employees will be paid for unused sick leave balance to a maximum of 720 hours in accordance with their vesting percentage. Employee is not required to start drawing retirement to receive this compensation.

Family and Medical Leave Act

Upon hire, Benton Utilities provides all new employees with notices required by the U.S. Department of Labor (DOL) on Employee Rights and Responsibilities under the Family and Medical Act.

The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns or disputes with this policy, you must contact HR in writing.

General Provisions

Under this policy, Benton Utilities will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered service member with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

Eligibility

To qualify to take family or medical leave under this policy, the employee must meet the following conditions:

- The employee must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written

agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.

- The employee must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act (FLSA) determine the number of hours worked by an employee. The FLSA does not include time spent on paid or unpaid leave as hours worked. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- The employee must work in a work site where 50 or more employees are employed by the company within 75 miles of that office or work site. The distance is to be calculated by using available transportation by the most direct route.

Type of Leave Covered

To qualify as FMLA leave under this policy, the employee must be taking leave for one of the reasons listed below:

- The birth of a child and in order to care for that child.
- The placement of a child for adoption or foster care and to care for a newly placed child.
- To care for a spouse, child or parent with a serious health condition.
- The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or as a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource manager.

If an employee takes paid sick leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: a) short-notice deployment, b) military events and activities, c) child care and school activities, d) financial and legal arrangements, e) counseling, f) rest and recuperation, g) post-deployment activities, and h) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

Covered active duty means:

- In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country.
- In the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in Title 10 U.S.C. §101(a)(13)(B).

The leave may commence as soon as the individual receives the call-up notice. (*Son or daughter* for this type of FMLA leave is defined the same as for *child* for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period.

- Military caregiver leave (also known as covered service member leave) to care for an injured or ill service member or veteran.

An employee whose son, daughter, parent or next of kin is a covered service member may take up to 26 weeks in a single 12-month period to take care of leave to care for that service member.

Next of kin is defined as the closest blood relative of the injured or recovering service member.

The term *covered service member* means:

- A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation or therapy or is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.
- A veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

The term *serious injury or illness* means:

- In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating.
- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service member, a qualifying (as defined by the Secretary of Labor) injury or illness that was incurred by the member in line of duty on an active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

Amount of Leave

An eligible employee may take up to 12 weeks for the first five FMLA circumstances above (under heading “Type of Leave Covered”) under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount of time the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA military caregiver leave circumstance above during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the company and each wishes to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

Employee Status and Benefits during Leave

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work.

Employee Status after Leave

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider.

Use of Paid and Unpaid Leave

All paid vacation, personal and sick leave runs concurrently with FMLA leave.

Disability leave for the birth of a child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA.

Intermittent Leave or a Reduced Work Schedule

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced-hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period).

Certification for the Employee's Serious Health Condition

The company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification for the Family Member's Serious Health Condition

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification of Qualifying Exigency for Military Family Leave

The company will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave

The company will require certification for the serious injury or illness of the covered service member. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Recertification

The company may request recertification for the serious health condition of the employee or the employee's family member when circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence.

Procedure for Requesting FMLA Leave

All employees requesting FMLA leave must provide the HR manager with verbal or written notice of the need for the leave. Within five business days after the employee has provided this notice, the HR manager will provide the employee with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the company's usual and customary notice and procedural requirements for requesting leave.

Designation of FMLA Leave

Within five business days after the employee has submitted the appropriate certification form, the HR manager will provide the employee with a written response to the employee's request for FMLA leave.

Intent to Return to Work from FMLA Leave

The company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

CATASTROPHIC LEAVE PROGRAM

Benton Utilities provides a voluntary Catastrophic Leave Bank Program allowing eligible, participating employees having exhausted all available leave balances (sick leave and vacation leave) to receive additional Catastrophic Leave benefits for extended absences.

Purpose

The purpose of the Catastrophic Leave Bank is to allow eligible, participating employees who will be able to return to work and have exhausted all available leave balances to receive additional sick leave benefits for extended absences upon submission of a properly documented application.

Eligibility

All regular full-time employees with a minimum of one year of service shall be eligible to participate if the initial contribution does not reduce the employee's accrued leave (sick and vacation leave) below 100 hours. All participation in this plan is voluntary.

Enrollment

Eligible employees may enroll in the plan by completing an enrollment form available from the Human Resource Department. Participation will begin immediately after the employee becomes eligible and submits a completed enrollment form. Participation requires completion of an Enrollment and Contribution Authorization form during a scheduled open enrollment period.

Open enrollment periods shall be January 1st through January 31st of each calendar year. Any employee may stop participation by notifying the Committee in writing of the intention to cease participation. The employee's participation will continue until the next plan enrollment period after receipt of a request for withdrawal from that employee. Such notice must be received by the Human Resource Department before the end of the scheduled enrollment period.

Contributions

Initial enrollment contributions will be for two (2) sick days (16 hours). After the initial contribution, the annual minimum of one day (8 hours) will be contributed automatically during the first pay period which occurs on or immediately after January 15th. Employees currently participating in the Catastrophic Leave Bank will continue to be enrolled in successive years regardless of ability to contribute while receiving approved leave time.

Catastrophic Leave Defined

Catastrophic Leave shall mean sick leave required for treatment or recovery of a non-job related injury or illness to the participating employee which exceeds two (2) weeks in duration as documents by an attending physician. In no event will such leave exceed the earliest of the end of the elimination period for Benton Utilities long-term disability program, or a return- to-work date established by the attending physician. Catastrophic Leave is for any participating employee. Any exceptions will be reviewed by the Benton Public Utilities Commission

Catastrophic Leave Review Committee

A committee (made up of four (4) participants in the Catastrophic Leave Bank Program) appointed by the General Manager will review all requests and documentation and will decide whether to grant Catastrophic Leave. The employee's Department Head shall also serve as a member of the review committee as the fifth committee member. The committee shall meet as required to review requests for a Catastrophic Leave approval. Approval of a Catastrophic Leave request shall require a vote of approval of three-fifths (3/5) majority of the Committee membership.

2016 Committee will be Dewayne Hood, Randy Hawkins, Mollie Wright, an employee chosen by his/her colleagues, and the Dept. Head of the employee making the request. In the event, the dept. head of the employee making the request is Dewayne Hood or Randy Hawkins, Madeline Wilson will fill the last position.

Request for Approval

Upon determination the requesting employee is a participant, and all required documentation is in place, the committee shall:

1. Complete a leave transfer approval form and forward it to the Benton Utilities Human Resource Department for required data entry.
2. Specify the number of hours granted and the next review date for that request.

Application Requirements

Application for Catastrophic Leave must be made on a standard form which must include, or have attached, an attending physician's signed statement which shows; diagnosis, prognosis, projected return-to-work date, plus any anticipated restrictions on the employee's work activities at that projected return date. If the statement is not provided on the physician's letterhead, the request must contain the name, address, and telephone number of the physician and a contact person at the physician's office or clinic.

Approval and / or Usage of Catastrophic Leave

The Committee's review shall ensure each of the following conditions has been met before approval of a request for Catastrophic Leave.

- Requesting employee is enrolled as a participant
- Proper documentation is complete and is provided in a timely manner
- All accumulated leave [inclusive of both Sick Leave and Annual Leave] has been exhausted. No Catastrophic Leave will be approved until all leave [inclusive of both Sick Leave and Vacation Leave] has been exhausted.

The decision of the committee to approve or deny Catastrophic Leave is final. The following conditions apply:

- The Committee will only approve requests which will keep the Catastrophic Leave Bank in a positive balance
- Catastrophic Leave will be established as a separate leave type and employees absent while using Catastrophic Leave will not accrue other leave types. Upon return to active status, leave accruals will resume.
- Leave contributed to the Catastrophic Leave Bank may not be restored to the contributing employee under any circumstance.
- Unused Catastrophic Leave credited to an employee will revert to the approval of disability benefits, should that return or approval of benefits occur prior to the exhausting of the credited Catastrophic Leave

- A recurrence of a condition causing the need for Catastrophic Leave within thirty (30) calendar days will be treated as a continuation of the same incident and will require only a written request from the employee for the resumption of Catastrophic Leave within the limits previously approved by the Committee. A recurrence beyond thirty (30) days of return to active status will be treated as a new case and will require submission of a new request form and documentation
- Participation and contribution to the Catastrophic Leave Bank will not affect participation or eligibility for any sick leave incentive program established by Benton Utilities.
- Contributions are made solely to the Catastrophic Leave Bank and may not be designated for any specific employee
- Participation in the Catastrophic Leave Bank program is from the initial enrollment date only. Participation cannot be made retroactive under any circumstances.

MATERNITY LEAVE

Benton Utilities shall not discriminate against any employee requesting an excused absence for medical disabilities associated with pregnancy. Regarding all employment related purposes, employees affected by pregnancy, childbirth, or related medical conditions shall be treated the same as persons disabled for non-pregnancy related reasons. Such leave requests shall be made and evaluated in accordance with the family / medical leave provisions outlined in this handbook and in accordance with all applicable State and Federal Law. An employee's accrued Sick Leave and Vacation Leave shall be granted for Maternity Leave after which leave without pay is to be used.

UNIFORMED SERVICES / MILITARY LEAVE

Military Leave of absence shall be granted to employees, except those occupying temporary positions, to attend scheduled drills or training, or if called to active duty with the U.S. armed services.

Employees who are members of a military service organization or Nation Guard shall be entitled to a military leave of fifteen (15) days per year with pay plus necessary travel time. Employees on two-week active duty training assignments or inactive duty training drills are required to return to work for the first regularly scheduled shift after the end of training.

Subject to term, conditions and limitations of the applicable plans for which the employee is otherwise eligible, health / dental / vision benefits shall be provided for the full term of a military leave of absence. Annual Leave and Holiday benefits shall continue to accrue during such an absence.

An employee called to active military duty shall notify their supervisor or Department Head as soon as reasonable practicable after receiving notice of the impending deployment, and provide a copy of his/her orders to the Human Resource Department as soon as possible. An employee called to active military duty shall be entitled to thirty (30) days paid military leave. Payments shall be calculated at eight [8] hours per day at the hourly rate of pay that the employee was being compensated on the date the employee began the period of active duty. Re-employment after active duty service, as well as provisions relating to pension and health benefits, shall be in compliance with the Uniformed Services Employment and Re-employment Right Act of 1994, as amended, and ACA 21-4-102. It is Benton Utilities' policy to honor and comply with the provisions of these statutes. Every reasonable effort will be made to return an eligible employee to his previous position or a comparable one. Employees on military leave shall be treated as though they were continuously employed for purposes of determining benefits based on length of service, such as the accrual rate of Annual Leave, and promotion and job seniority rights.

FUNERAL / BEREAVEMENT LEAVE

Bereavement leave of up to [3] days with full pay will be granted, in the event of a death of an immediate family member. Immediate family member shall include mother, father, brother, sister, son daughter, grandchild, and grandparents, whether by blood or by marriage; and those relatives living in the employee's household. Leave will not be paid if the employee is not scheduled to work during this time. The days the leave will be taken will be determined by the employee and his/her supervisor.

Upon prior approval of the supervisor or Department Head, un-paid travel time may be granted in situations where travel time is more than eight [8] hours is necessary.

The department head may grant funeral leave of not more than one [1] day per year for an employee to be a pallbearer or attend a funeral of someone not within the immediate family.

Leave for Voting

Benton Utilities employees are encouraged to exercise their legal right to vote and, if necessary, reasonable time off shall be granted for that purpose.

Jury Duty Leave

Employees shall be granted leave with pay for jury duty. Employees are also permitted to retain allowance for services from the court for such service.

To qualify for jury duty leave, employees must provide their supervisor or department head, with a copy of the notice from the court for jury service as early as possible after receipt thereof. Employees are expected to report for work whenever the court schedule permits. In addition, the employee must provide their supervisor or department head with proof of service on the jury when the employee's period of jury duty is completed.

Employees, who receive a subpoena for their testimony at trial, shall be eligible to receive court/jury duty leave by providing a copy of the subpoena to their supervisor or department head. Employees are expected to report for work prior to and following their testimony at trial.

Personal Leave of Absence

Employees who require time off in addition to vacation may request a personal leave of absence without pay for up to a maximum of 30 days. An extension may be approved in limited circumstances.

All regular employees employed for a minimum of 90 days are eligible to apply for an unpaid personal leave of absence. Job performance, absenteeism and departmental requirements will all be taken into consideration before a request is approved.

Please contact Human Resources for more information on request procedures.

The employee must return to work on the scheduled return date or be considered to have voluntarily resigned from his or her employment. Extensions of leave will only be considered on a case-by-case basis.

Military Leave of Absence

Benton Utilities is committed to protecting the job rights of employees absent on military leave. In accordance with federal and state law, it is the company's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under applicable law or company policy. If any employee believes that he or she has been subjected to discrimination in violation of company policy, the employee should immediately contact Human Resources.

Employees taking part in a variety of military duties are eligible for benefits under this policy. Such military duties include leaves of absence taken by members of the uniformed services, including Reservists and National Guard members, for training, periods of active military service and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. Subject to certain exceptions under the applicable laws, these benefits are generally limited to five years of leave of absence.

Employees requesting leave for military duty should contact Human Resources to request leave as soon as they are aware of the need for leave. For request forms and detailed information on eligibility, employee rights while on leave and job restoration upon completion of leave, refer to the policies, procedures and forms by contacting Human Resources.

WORKPLACE EXPECTATIONS

Confidentiality

Our clients and other parties with whom we do business entrust the company with important information relating to their businesses. It is our policy that all information considered confidential will not be disclosed to external parties or to employees without a “need to know.” If an employee questions whether certain information is considered confidential, he/she should first check with his/her immediate supervisor.

This policy is intended to alert employees to the need for discretion at all times and is not intended to inhibit normal business communications.

All inquiries from the media must be referred to the office of Benton Utilities General Manager.

Conflicts of Interest

Employees must avoid any relationship or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing their jobs. At times, an employee may be faced with situations in which business actions taken on behalf of Benton Utilities may conflict with the employee’s own personal interests. Company property, information or business opportunities may not be used for personal gain.

Conflicts of interest could arise in the following circumstances:

- Being employed by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while employed with Benton Utilities.
- Hiring or supervising family members or closely related persons.
- Serving as a board member for an outside commercial company or organization.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all company employees.

Employees with a conflict-of-interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their manager or the Human Resource department.

Outside Employment

Employees are permitted to engage in outside work or to hold other jobs, subject to certain restrictions as outlined below.

Activities and conduct away from the job must not compete with, conflict with or compromise the company interests or adversely affect job performance and the ability to fulfill all job responsibilities. Employees are prohibited from performing any services for customers on nonworking time that are normally performed by Benton Utilities. This prohibition also extends to the unauthorized use of any company tools or equipment and the unauthorized use or application of any confidential information. In addition, employees are not to solicit or conduct any outside business during paid working time.

Employees are cautioned to carefully consider the demands that additional work activity will create before accepting outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work overtime or different hours. If Benton Utilities determines that an employee’s outside work interferes with performance, the employee may be asked to terminate the outside employment.

Employees who have accepted outside employment may not use paid sick leave to work on the outside job. Fraudulent use of sick leave will result in disciplinary action up to and including termination.

ATTENDANCE / HOURS OF WORK

Hours of Work

The normal work schedule for full time employees shall be forty (40) hours per week. Starting time may vary by department or for a particular job duty depending on the needs of the utility.

Employees may not begin work prior to, or work beyond, regularly scheduled times unless specifically authorized by the Department Head. All such approvals are to be reported to the Human Resource Department on the employee time sheet, and summarized in a quarterly report.

Benton Utilities shall reserve the right to adjust and change hours off work, days of work and schedules to fulfill its responsibility to the citizens of Benton. In an emergency, previously scheduled hours of work, days of work, and work arrangements may be altered at the discretion of the department head. Changes in work schedules shall be announced as far in advance as practicable.

Attendance

Benton Utilities expects employees to be at work on time and on a regular basis. Poor attendance and excessive tardiness are disruptive to the work environment and may lead to disciplinary action, up to and including termination.

Absenteeism & Tardiness

Employees shall report to their workstations in accordance with the rules established by their Department Head. Should an employee be unable to report to work on time because of illness, that employee should provide their supervisor with proper notice prior to the start of their scheduled hours or as soon as practicable. Unjustified or repeated absenteeism and/or tardiness will result in disciplinary action, up to and including termination.

“Proper notice” is defined by Benton Utilities to be one (1) hour notice in advance of the time an employee should report for work. However, in the event the employee is incapacitated because of a Family and Medical Leave Act qualifying event, notice may be provided to Benton Utilities by an agent for the employee and may be provided by the employee as soon as possible under the circumstances.

An absence of an employee from duty, including any absence of one (1) day or part thereof (other than an absence authorized by this personnel handbook or by law), that is not authorized in advance by the Department Head or the employee’s supervisor should be deemed an unauthorized absence. Such absence shall be without pay and the employee will be subject to disciplinary action up to and including termination

Inclement Weather

In periods of inclement weather and in cases of exceptional circumstances beyond an employee's control, employees are required to contact their supervisor for instructions regarding job assignments for that particular workday. If an employee's department is open for business, the employee is expected to report for work. However, if in the employee's opinion, the conditions are too hazardous for him/her to get to work safely, he/she shall have the option of taking the time off as a vacation day. Any hours not worked will be "Leave without Pay" unless an employee opts to supplement with accrued vacation leave or make up hours within the seven day work period, with supervisor's authorizations. Regardless of the situation, an employee shall be expected to give his/her supervisor proper notice if he/she is unable to report for work.

On-call employees are expected to report for work under all conditions and are expected to make prior arrangement in preparation for their safely reporting for work under such conditions, unless otherwise approved by the Department Head. Further, any essential Utility employee, as determined by the department head, shall be required to report to work during inclement weather. If necessary, the Utility may transport such essential employee to and from work on that particular day.

Refusal to Work

A Benton Utilities employee's commitment is to public service. Any work stoppage, slowdown, strike or other intentional interruption of the operations of the Utility may cause the employee to forfeit his/her employment and result in the termination of the employee from Benton Utilities.

Fitness for Duty Exam

Whenever required by business necessity to ensure that an employee does not pose a health risk to themselves or others, Benton Utilities may require an employee to undergo a physical and/or mental fitness for duty examination. The employee may also be evaluated to determine their ability to perform the essential function of their job. Based on the findings of the exam and other job restructuring factors, the Human Resource Manager and/or Department Manager shall take such action that is necessary for the safety and general welfare of the employee, fellow employees, and general public at large.

Job Abandonment

Should an employee become absent from his/her job for a minimum of three (3) workdays without appropriate notice to the supervisor or department head, Benton Utilities shall consider that employee to have surrendered his/her job (i.e., resigned). Should a medical condition cause the absence and lack of proper notification then the Human Resource Administrator may re-evaluate the job surrendered as appropriate.

Attendance and Punctuality

Vacation and holidays must be scheduled with one's supervisor in advance. Sick leave may be used in the case of emergency or sudden illness without prior scheduling. Patterns of absenteeism or tardiness may result in discipline even if the employee has not yet exhausted available paid time off. Absences due to illnesses or injuries that qualify under the Family and Medical Leave Act (FMLA) will not be counted against an employee's attendance record. Medical documentation within the guidelines of the FMLA may be required in these instances.

Not reporting to work and not calling to report the absence is a no-call/no-show and is a serious matter. The first instance of a no call/no show will result in a final written warning. The second separate offense may result in termination of employment with no additional disciplinary steps. **A no call/no show lasting three days may be considered job abandonment and may be deemed an employee's voluntary resignation of employment.**

Electronic Communication and Internet Use

The following guidelines have been established for using the Internet, company-provided cell phones and e-mail in an appropriate, ethical and professional manner:

- Internet, company-provided equipment (e.g., cell phone, laptops, and computers) and services may not be used for transmitting, retrieving or storing any communications of a defamatory, discriminatory, harassing or pornographic nature.
- The following actions are forbidden: using disparaging, abusive, profane or offensive language; creating, viewing or displaying materials that might adversely or negatively reflect upon Benton Utilities or be contrary to Benton Utilities' best interests; and engaging in any illegal activities, including piracy, cracking, extortion, blackmail, copyright infringement, and unauthorized access of any computers and company-provided equipment such as cell phones and laptops.
- Employees may not copy, retrieve, modify or forward copyrighted materials, except with permission or as a single copy to reference only.
- Employees must not use the system in a way that disrupts its use by others. Employees must not send or receive large files that could be saved/transferred via thumb drives. Employees are prohibited from sending or receiving files that are not related to work.
- Employees should not open suspicious e-mails, pop-ups or downloads. Contact IT with any questions or concerns to reduce the release of viruses or to contain viruses immediately.
- Internal and external e-mails are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mail within and outside the company.
- Phone records are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when making and receiving phone calls and text messages.

Right to Monitor

All company-supplied technology and company-related work records belong to the company and not to the employee. Benton Utilities routinely monitors use of company-supplied technology. Inappropriate or illegal use or communications may be subject to disciplinary action up to and including termination of employment.

Social Media—Acceptable Use

Below are guidelines for social media use.

Employees may not post financial, confidential, sensitive or proprietary information about the company, clients, employees or applicants.

Employees may not post obscenities, slurs or personal attacks that can damage the reputation of the company, clients, employees or applicants.

When posting on social media sites, employees must use the following disclaimer when discussing job-related matters, *“The opinions expressed on this site are my own and do not necessarily represent the views of Benton Utilities.”*

Benton Utilities may monitor content out on the Internet. Policy violations may result in discipline up to and including termination of employment.

Solicitations, Distributions and Posting of Materials

Benton Utilities prohibits the solicitation, distribution and posting of materials on or at company property by any employee or nonemployee, except as may be permitted by this policy. The sole exceptions to this policy are charitable and community activities supported by Benton Utilities management.

Provisions:

- Nonemployees may not solicit employees or distribute literature of any kind on company premises at any time.
- Employees may only admit nonemployees to work areas with management approval or as part of a company-sponsored program. These visits should not disrupt workflow. An employee must accompany the nonemployee at all times. Former employees are not permitted onto company property except for official company business.
- Employees may not solicit other employees during work times, except in connection with a company-approved or sponsored event.
- Employees may not distribute literature of any kind during work times or in any work area at any time, except in connection with a company-sponsored event
- The posting of materials or electronic announcements are permitted with approval from Human Resources.

Violations of this policy should be reported to Human Resources.

EMPLOYMENT WITH BENTON UTILITIES

PERSONNEL RECORDS

Benton Utilities maintains an official ‘personnel file’ on each employee. This file contains the employee’s job application, resume, records of training, documentation of performance evaluations, salary increase information, disciplinary warning notices, letters of commendations, and other employment records.

Personnel files are the property of Benton Utilities, and access to the information they contain is restricted. Employees who wish to have a copy of their own file should submit a written request to the Human Resources Office. With reasonable advance notice, the employee may review their own personnel file in the offices and in the presence of the Human Resources Manager. No other person (except the employee’s supervisors, General Manager, Benton Utilities Council, and Human Resources personnel) may see an employee’s file unless a written request to examine is submitted to Human Resources.

Confidentiality of Records

The Utility makes every effort to keep your personnel records confidential to the extent provided by law. However, personnel records may be viewed by Utility officials who have a legitimate need to review them, such as: members of the Human Resource Department; your supervisor; your prospective supervisor if you have applied for a promotion or transfer; persons involved in the investigation or settlement of a formal grievance or complaint filed by an employee; and attorneys, agency and law enforcement personnel involved in an investigation or litigation in which your personnel records are relevant. Your records may also be copied and released in response to a lawfully issued subpoena or court order.

Under the Arkansas Freedom of Information Act, any citizen of the State of Arkansas may inspect and copy personnel records except to the extent that disclosure would constitute a clearly unwarranted invasion of personal privacy. Before citizens are allowed to inspect or copy your files pursuant to the Arkansas Freedom of Information Act, the following information will be removed or redacted from your file: social security and income tax information, medical and insurance information, and unlisted telephone numbers and addresses not intended for publication. Job performance records, including your performance evaluations, are disclosed only if there has been a final administrative resolution of a suspension or termination proceeding at which the records formed the basis for the suspension or termination, and there is a compelling public interest in their disclosure.

Changes to Personnel Data:

It is each employee’s responsibility to promptly notify the Human Resource Department of any changes in personnel / personal data including: personal mailing addresses, telephone numbers, marriage, divorce, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports.

Employee Handbook Acknowledgment and Receipt

I have received my copy of the Employee Handbook.

The employee handbook describes important information about Benton Utilities, and I understand that I should consult my manager or Human Resources regarding any questions not answered in the handbook. I have entered into my employment relationship with Benton Utilities voluntarily and acknowledge that there is no specified length of employment. **Accordingly, either I or Benton Utilities can terminate the relationship at will, with or without cause, at any time, so long as there is not violation of applicable federal or state law.**

This handbook and the policies and procedures contained herein supersede any and all prior practices, oral or written representations, or statements regarding the terms and conditions of my employment with Benton Utilities. By distributing this handbook, the company expressly revokes any and all previous policies and procedures that are inconsistent with those contained herein.

I understand that, except for employment-at-will status, any and all policies and practices may be changed at any time by Benton Utilities, and the company reserves the right to change my hours, wages and working conditions at any time. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify or eliminate existing policies. Only the Benton Public Utilities Commission has the ability to adopt any revisions to the policies in this handbook.

I understand and agree that nothing in the Employee Handbook creates, or is intended to create, a promise or representation of continued employment and that employment at Benton Utilities is employment at will, which may be terminated at the will of either Benton Utilities or myself. Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I understand and agree that employment and compensation may be terminated with or without cause and with or without notice at any time by Benton Utilities or myself.

I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee's Signature

Employee's Name (Print)

Date

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE