

**Alliance Regional Water Authority
Administrative Committee**

REGULAR MEETING



ALLIANCE WATER

COMMITTEE MEMBER PACKETS

Wednesday, November 13, 2019 at 3:00 P.M.

Kyle Public Works Facility
520 E, RR 150, Kyle, TX 78640

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS

Wednesday, November 13, 2019 at 3:00 P.M.
520 E. RR 150, Kyle, TX 78640

This Notice is posted pursuant to the Texas Open Meetings Act (Texas Government Code Chapter 551). The Administrative Committee of the Board of Directors of the Alliance Regional Water Authority (the Authority) will hold a meeting at 3:00 PM, Wednesday, November 13th, 2019, at the Kyle Public Works Facility, 520 E. RR 150, Kyle, Texas. Additional information can be obtained by calling Graham Moore at (512) 294-3214.

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENT PERIOD (Note: Each person wishing to speak must submit a completed Public Comment Form to the Executive Director or his/her designee before the public comment period begins.)

D. ITEMS FOR COMMITTEE ACTION OR DISCUSSION/DIRECTION

D.1 Consider approval of minutes of the Regular Administrative Committee Meeting held September 25, 2019. ~ *Graham Moore, P.E., Executive Director*

D.2 Discussion and possible recommendation to the Board to approve the Authority's Personnel Policies. ~ *Graham Moore, P.E., Executive Director*

D.3 Discussion and possible recommendation to the Board to approve the Executive Director's goals for fiscal year 2019-2020. ~ *Graham Moore, P.E., Executive Director*

D.4 Discussion and possible direction to Staff regarding the Authority's draft Staffing Plan. ~ *Graham Moore, P.E., Executive Director*

E. COMMITTEE MEMBER ITEMS OR FUTURE AGENDA ITEMS– no action to be taken.

F. ADJOURNMENT

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A. CALL TO ORDER

No Backup Information for this Item.

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B. ROLL CALL

NAME PRESENT

Mike Taylor

Councilmember Tracy Scheel

Mayor Jane Hughson

NON-VOTING MEMBERS PRESENT

Micah Grau

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS
Wednesday, November 13, 2019 at 3:00 P.M.
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- C. PUBLIC COMMENT PERIOD** (Note: Each person wishing to speak must submit a completed Public Comment Form to the Executive Director or his/her designee before the public comment period begins.)

Comments are limited to 3-minutes.

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Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS
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520 E. RR 150, Kyle, TX 78640

D.1 Consider approval of minutes of the Regular Administrative Committee Meeting held September 25, 2019. ~ *Graham Moore, P.E., Executive Director*

Attachment(s)

- 2019 09 25 Administrative Committee Meeting Minutes

Administrative Committee decision needed:

- Approval of minutes.



ALLIANCE WATER

Alliance Regional Water Authority

ADMINISTRATIVE COMMITTEE MEETING

MINUTES

Wednesday, September 25, 2019

The following represents the actions taken by the Administrative Committee of the Alliance Regional Water Authority (ARWA) in the order they occurred during the meeting. The Administrative Committee convened in a meeting on Wednesday, September 25, 2019 at the San Marcos Activity Center, 501 E. Hopkins, San Marcos, Texas.

- A. CALL TO ORDER.
Chair Taylor called the Alliance Water Administrative Committee to order at 1:51 p.m.

- B. ROLL CALL.
 - **Present: Taylor, Hughson, Scheel and Grau.**
 - **Absent: None.**

- C. PUBLIC COMMENTS
 - **None.**

- D. ITEMS FOR COMMITTEE ACTION OR DISCUSSION/DIRECTION
 - D.1 Consider approval of minutes of the Regular Administrative Committee Meeting held July 17, 2019 and the minutes of the Regular Administrative Committee Meeting held August 14, 2019. ~ *Graham Moore, P.E., Executive Director / Mark B. Taylor, General Legal Counsel*
 - **Motion to approve the minutes as presented was made by Ms. Hughson, seconded by Ms. Scheel and approved on a 3-0 vote.**

 - D.2 Discussion and possible action regarding follow-up of the Board of Directors actions regarding the Annual Performance Evaluation of the Executive Director. ~ *Graham Moore, P.E., Executive Director*
 - **The Committee clarified that the Executive Director is to submit draft goals to the Committee for their review and consideration, but ultimately will require approval by the full Board of Directors.**

- **The Committee also clarified that the Board understands that a budget adjustment may be required as a result of the change to the Executive Director's compensation.**
 - **No Action.**
- D.3 Discussion and possible action to recommend Board approval of the Authority's Personnel Policies. ~ *Graham Moore, P.E., Executive Director*
- **Committee discussed the limitations on FMLA due to the Authority being a public entity with a small number of employees.**
 - **Committee directed Staff to require that employees work for the Authority for at least one year before they are eligible for FMLA or FMLA-like leave.**
 - **Approval levels for use of PTO from the donation pool should be set such that the Executive Director may approve for less than 40 hours, Admin Committee for more than 40 hours. The maximum allowable leave time is 50% of the current pool balance, but employees have the ability to re-apply for additional time.**
 - **Staff is to investigate options for providing FMLA-like leave and present them to the Committee for possible action.**
- E. COMMITTEE MEMBER ITEMS OR FUTURE AGENDA ITEMS
- **None.**
- F. ADJOURNMENT
- **Meeting was adjourned at 2:44 p.m. by Mr. Taylor.**

APPROVED: _____, 2019

Mike Taylor, Chair

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS

Wednesday, November 13, 2019 at 3:00 P.M.
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D.2 Discussion and possible recommendation to the Board to approve the Authority's Personnel Policies. ~ *Graham Moore, P.E., Executive Director*

Background/Information

At the September meeting the Committee reviewed the draft compiled Personnel Policies. Staff was directed to review the FMLA and PTO Donation sections in accordance with the direction provided in September. Staff is seeking the Committee's direction as to which option to utilize for the Accrued PTO Donation Pool and for a recommendation to the Board for adoption of the Personnel Policies.

Accrued PTO Donation Pool (Section 7.04)

The following two options are up for consideration by the Committee for the PTO donation pool.

Option 1: Executive Director may approve use of PTO from the pool if the request is for less than 40 hours and 50% or less of the pool's hours. Similarly, the Administrative Committee may approve use of PTO from pool for requests greater than 40 hours or more than 50% of the pool's hours.

Option 2: Employees may not apply to use more than 50% of the pool's hours.

Family Medical Leave (Section 7.06)

The FMLA Leave section has been revised to the Family Medical Leave section. It requires employee's work for the Authority for one year before being eligible for Family Medical Leave.

Attachment(s):

- Red-Lined Section 7.04 with two options for consideration
- Red-Lined Section 7.06
- Compiled Draft Personnel Policies dated 2019-11-06 with red-lines.

Administrative Committee Decisions Needed:

- Possible action to recommend to the Board approval of the Authority's Personnel Policies.

Section 7.04 Accrued PTO Donation Pool

A. The purpose of the Accrued PTO Donation Pool (the “Pool”) is to provide for the voluntary donation of accrued PTO by employees for use by coworkers who exhaust their PTO and meet the eligibility criteria in this section. Accrued PTO is not tied to FMLA definitions or criteria and does not extend FMLA work guarantees. While using PTO hours from the Pool, an employee’s medical and other benefits coverage continue under the current conditions and costs.

B. Donations to the Pool are voluntary and discretionary and can be made by employees at any time in 4-hour increments, with a maximum annual donation by an employee of 24 hours in any calendar year. Donating employees must maintain a minimum of 40 hours of accrued PTO after any donation to the Pool.

C. Donations will be made to and used from the Pool on a straight hour-for-hour basis, regardless of the classification and/or salary of the donating employee or recipient employee. Once accrued PTO is donated, the donating employee cannot retrieve any portion of the donated PTO.

D. Any accrued PTO that is not paid to an employee upon separation for any reason will automatically roll to the Pool without limitation as to the amount.

E. An employee receiving Workers’ Compensation benefits is not eligible to use PTO from the Pool.

F. An employee who wishes to use PTO from the Pool must submit an application form to the Executive Director and meet the following eligibility criteria:

1. The applicant must have exhausted or must be about to exhaust his or her accrued PTO balance, and will have an estimated 20 hours or more of leave without pay unless the applicant is allowed to use PTO from the Pool.
2. The application must include a description of the severe medical condition (see below) for which the request is being made and the anticipated amount of PTO requested. Additional information must be provided by the applicant if requested by the Executive Director. The application and related records will be subject to the applicable laws regarding disclosure and non-disclosure of information.
3. The applicant must not be on probation and must be a regular full-time employee.
4. The applicant or an immediate family member must have a severe medical condition that will require a prolonged or extended absence of the applicant from work, and will result in a substantial loss of income to the applicant due to the exhaustion of all available PTO. NOTE: Pregnancy and elective surgery are not considered severe conditions except when life-threatening complications arise from them.

G. If an application is for use of 40 hours or less of PTO from the Pool, and 50% or less of the balance of PTO hours in the Pool [Option 1], the Executive Director will review the application, evaluate the balance of PTO hours in the Pool, and make a determination of how much, if any, PTO from the Pool the applicant will receive, and under what circumstances an approval for use of PTO from the Pool may be rescinded. If the Executive Director denies an application, the applicant may appeal the decision to the Administrative Committee.

H. If an application is for use of more than 40 hours of PTO from the Pool, or more than 50% of the balance of PTO hours in the Pool [Option 1], or if an applicant appeals a decision of the Executive Director under G. above, the Administrative Committee will review the application, evaluate the balance of PTO hours in the Pool, and make a determination of how much, if any, PTO from the Pool the applicant will receive and under what circumstances an approval for use of PTO from the Pool may be rescinded.

I. An application cannot be for use of more than 50% of the balance of PTO hours in the Pool at the time the application is submitted. [Option 2]

I.J. Employees must not be currently receiving short-term disability (STD) or long-term disability (LTD) benefit payments except in cases where the “minimum benefit payment” (as determined by the current carrier) is being received. PTO from the Pool may be used for unpaid periods of time establishing eligibility for STD or LTD, or upon exhaustion of STD or LTD benefits, as applicable under the STD/LTD benefit guidelines. If qualified for LTD, an employee may first exhaust PTO from the Pool prior to the start of LTD benefits; the employee will be responsible for notifying the benefits carrier of the intent to delay LTD benefits.

J.K. Termination of Use of PTO from the Pool. The use of PTO from the Pool will terminate at the first of any of the following:

1. The employee is separated from employment with Alliance Water for any reason.
2. The healthcare provider’s release of the employee to return to work.
3. The Executive Director determines that the employee no longer needs to use PTO from the Pool.
4. The Executive Director approves an application for disability retirement for the employee.

K.L. Tax Liability. Tax liability associated with PTO donated to and used from the Pool, including income tax, Medicare, and FICA withholding will be in accordance with U.S. Internal Revenue Service criteria.

L.M. As of the day following the last day of use of hours from the Pool, the employee will be placed on unpaid leave through the remainder of an approved period of Family Medical Leave remaining balance of the twelve-week period of FMLA status [Options 1 & 2], if applicable.

Additional unpaid leave may be requested as allowed by these policies. The employee may reapply for additional PTO from the Pool if the amount previously granted is insufficient to cover the employee's absence. Such applications are subject to the same restrictions that apply to initial applications.

M.N. If the employee returns to work and has a recurrence of the same or related severe medical condition within six months of the date the employee returned to work, the employee, after using any accrued PTO time, may use PTO previously approved for use from the Pool. If no recurrence of the severe medical condition occurs within six months of the date the employee returns to work, any unused PTO from the Pool will be returned to the Pool.

Section 7.06 ~~FMLA~~ Family Medical Leave

~~A. Alliance Water as an employer is covered by the FMLA, but Alliance Water employees will not be legally eligible for FMLA benefits unless and until Alliance Water meets a threshold based on the number of its employees. While not under an obligation to provide FMLA benefits, Alliance Water will endeavor to provide benefits to its employees as if they were eligible employees under the FMLA.~~

~~B. Employees are eligible for ~~FMLA~~ Family Medical ~~l~~Leave if they have worked for Alliance Water at least 12 months, and have worked for Alliance Water at least 1,250 hours over the past 12 months.~~

~~C. An eligible employee may take up to 12 weeks of ~~unpaid~~ Family Medical ~~l~~Leave per year for a serious health condition of the employee or an immediate family member, for childbirth or adoption, of if an employee assumes the role of caring for a child, regardless of the legal or biological relationship. Either day-to-day care or financial support may establish a parental relationship when an employee assumes the role of caring for a child. ~~Any PTO~~The leave may include paid leave if an employee has PTO available, or unpaid ~~accrued may be used as part of~~ ~~FMLA~~ leave.~~

~~D. To take ~~FMLA~~ Family Medical ~~l~~Leave, an employee must provide Alliance Water with appropriate notice. If an employee knows in advance he or she will need to use Family Medical ~~FMLA~~ ~~l~~Leave, the employee must notify Alliance Water at least 30 days in advance. If an employee learns of the need to use Family Medical ~~FMLA~~ ~~l~~Leave less than 30 days in advance, the employee must give notice as soon as possible.~~

~~A. The FMLA allows certain employees to take up to 12 weeks of unpaid leave per year for a serious health condition of the employee or an immediate family member, for childbirth or adoption, of if an employee assumes the role of caring for a child, regardless of the legal or biological relationship. Either day to day care or financial support may establish a parental relationship when an employee assumes the role of caring for a child. Any PTO an employee has accrued may be used as part of FMLA leave.~~

~~B. To take FMLA leave, an employee must provide Alliance Water with appropriate notice. If an employee knows in advance he or she will need to use FMLA leave, the employee must notify Alliance Water at least 30 days in advance. If an employee learns of the need to use FMLA leave less than 30 days in advance, the employee must give notice as soon as possible.~~



ALLIANCE WATER

PERSONNEL POLICIES

of the

Alliance Regional Water Authority

Draft November 6, 2019

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MISSION STATEMENT

Welcome to the **Alliance Regional Water Authority (“Alliance Water”)** employee group. Alliance Water is a political subdivision of the State of Texas created by the Texas Legislature in Chapter 11010, Texas Special District Local Laws Code. Alliance Water is a partnership of the cities of San Marcos, Kyle and Buda and the Canyon Regional Water Authority. The mission of Alliance Water is to be accountable, resourceful, wise and altruistic in acquiring, treating and transporting a reliable supply of potable water for its partners and for other wholesale water customers.

Alliance Water desires to develop and retain a high performing workforce, and foster a healthy, safe and productive work environment for employees and the public to maximize individual and organizational potential.

INTRODUCTION

These policies are designed to introduce new employees to Alliance Water, familiarize them with Alliance Water policies, provide general guidelines on work rules, benefits and other topics related to employment, and help answer questions that may arise in connection with employment. **These policies are not a contract.** These policies do not create a contract, express or implied, guaranteeing any specific terms of employment, nor do they obligate Alliance Water to employ any employee, or obligate an employee to continue employment, for a specific period of time. These policies are guidelines, and they do not cover every matter that might arise in the workplace. Alliance Water reserves the right to modify any or all of these policies, or to rescind these policies altogether, at any time at its sole discretion. Alliance Water will endeavor to notify employees of changes, but notice is not required for changes to be effective.

EMPLOYEE ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the Alliance Water Personnel Policies on the date written below.

I understand that these Personnel Policies are a general guide, that the provisions of these policies do not constitute an employment agreement (contract) or a guarantee of continued employment, and that my employment is on an “at will” basis. I further understand that Alliance Water reserves the right to amend any or all of the provisions of these policies, or to rescind these policies altogether, at any time at its sole discretion.

I do hereby certify that I have received, read, understand, and agree to comply with the Drug Abuse Policy, Article 17 of these policies. I understand that I may be required to submit to a drug test as a condition of employment. I understand that failure to comply with a drug testing request, or a positive drug testing result will lead to disciplinary action.

Signature _____ Date _____

Printed Employee Name _____

ARTICLE 1. GENERAL POLICIES

Section 1.01 Purpose

The rules and policies contained herein are intended to provide meaningful employment opportunities to all segments of the community, and to provide fair and equal opportunity for qualified persons relating to recruitment, selection, placement, training, promotion, discipline, and other aspects of personnel administration without regard to race, religion, national origin, age, sex, sexual orientation, physical disability, political affiliation, or material status. These policies have been established for the benefit of the employees and Alliance Regional Water Authority (Alliance Water) management in order to provide the best working conditions possible. Also, these policies are intended to be consistent with the status of Alliance Water as a political subdivision of the State of Texas.

Section 1.02 Consistency with Applicable Laws

A. These rules are intended to comply and be consistent with all applicable laws. Any provision herein found to be inconsistent with this stated intent will not affect the validity or application of the other provisions.

B. In cases where applicable laws supersede these policies for specific groups of employees, the applicable laws will substitute for these policies only insofar as necessary to comply with the applicable laws.

Section 1.03 Application

These policies will apply to all Alliance Water employees, except where otherwise specifically exempted by these policies or by written agreement.

Section 1.04 Division of Authority and Responsibilities; Compliance with Policies

A. The Alliance Water Board of Directors will be the final and sole authority for the approval/adoption and amendment of these policies. The Board of Directors may amend, revise or revoke these policies without prior notice to, or the approval of, any employee of Alliance Water.

B. The Executive Director will be responsible for the administration of these policies and maintain a complete set together with all revisions for reference by management and employees. Continued employment with Alliance Water by an employee after any revision to these policies take effect will constitute acceptance of the revision by the employee.

C. All employees are responsible for cooperation with Alliance Water management and supervisors in the administration of these policies.

D. Violation of any of the provisions of these Policies by an employee will be grounds for disciplinary action, up to and including termination of employment and loss of accrued benefits to the extent allowed by applicable laws.

Section 1.05 Definitions

In these Policies:

A. *Administrative Committee* means the committee appointed by the Alliance Water Board of Directors to act in advisory role to the Alliance Water Board on administrative matters affecting Alliance Water.

B. *Alliance Water* means the Alliance Regional Water Authority.

C. *Alliance Water Board* or *Board* means the Board of Directors of the Alliance Regional Water Authority.

D. *Applicable laws* means all laws, regulations and guidance of the United States, the State of Texas, or another entity that has authority and jurisdiction over Alliance Water with respect to personnel matters.

E. *Comp time* means compensatory time off. Comp time is addressed primarily in Section 7.05.

F. *Confidential information* includes, but is not limited to, any information described as confidential information in these Policies, information on Alliance Water facilities that is confidential under the Texas Homeland Security Act, and any other information an employee is informed or directed to treat as confidential information.

G. *FLSA* means the federal Fair Labor Standards Act, as amended.

H. *FMLA* means the federal Family Medical Leave Act, as amended.

I. *Immediate family* means a spouse, child, stepchild, parent, step-parent, sibling, grandparent, grandchild, spouse of any of the foregoing, or anyone living in the same household as the employee.

J. *PTO* means paid time off. PTO is addressed primarily in Section 7.02.

End Article 1

ARTICLE 2. NONDISCRIMINATION; HIRING PROCESS; JOB DESCRIPTIONS;
INTRODUCTORY PERIODS

Section 2.01 Discrimination Prohibited

Alliance Water prohibits discrimination against any person in job structuring, recruitment, examination, selection, appointment, placement, training, upward mobility, discipline, and any other aspect of personnel administration based upon race, age, religion, color, disability, national origin, sex, or sexual orientation. Personnel decisions will be made only on the basis of job-related factors such as skill, knowledge, education, experience, job performance, and compliance with this and other applicable Alliance Water policies.

Section 2.02. Hiring Based on Job-Related Criteria

Hiring decisions will be based on job-related criteria, which may include one or more of the following:

1. Experience, education and training
2. Character, background and motor vehicle driving record;
3. Ability to perform all tasks required for a position as outlined in the job description for the position, taking into account reasonable accommodations that may be made for persons with disabilities;
4. Performance testing and other requirements related to a position;
5. The provision of complete, true and accurate information in the application and hiring process.

Section 2.03 Applicant Information; Verifying Information

A. Each applicant for employment will be required to submit a written application, resume and other pertinent information regarding the applicant's qualifications.

B. The Executive Director or a designee of the Executive Director will make appropriate inquiries to verify the qualifications of applicants.

Section 2.04 Responsibility for Hiring Decisions

A. With the exception of the position of Executive Director, hiring decisions will be made by the Executive Director. Decisions on hiring for the position of Executive Director will be made by the Alliance Water Board.

B. The Executive Director may ask other management staff and supervisors for recommendations on hiring decisions as appropriate.

Section 2.05 Vacancies

Filling of staff vacancies , whether by promotion or by initial hiring, will be made on the basis of qualifications and job-related criteria as described in Section 2.02 above.

Section 2.06 Introductory Period for New Hires

A. The introductory period for regular full-time and regular part-time employees is 90-days from date of hire. During this period, employees have the opportunity to evaluate Alliance Water as a place to work and management has its first opportunity to evaluate the employee. During this period, both the employee and Alliance Water have the right to separate from employment without advance notice. During this period, a regular full-time employee will be eligible for health insurance benefits, will be enrolled in Alliance Water's retirement benefits plan and will accrue PTO in accordance with Section 7.03, but the employee may not use any accrued PTO. A regular part-time employee will be enrolled in Alliance Water's retirement benefits plan during this period. If performance, behavior or compliance with policies is not satisfactory at any time during or after completion of this period, the employee is subject to an extension of the introductory period, a new introductory period, or separation without advance notice. Separation from employment during the introductory period will include forfeiture of accrued benefits to the fullest extent permitted by applicable laws.

B. After 30 days an informal review of the employee will be conducted by the employee's supervisor to discuss areas where the employee is meeting the intent of the position and areas where the employee could improve. This informal review is meant as an early intervention to help the employee be successful.

C. Upon satisfactory completion of the initial introductory period, a 90-day review will be given. Employees who satisfactorily complete the introductory period are not guaranteed continued employment. All employees, regardless of classification or length of service, are expected to meet and maintain Alliance Water standards for job performance and behavior (See Article 4, Employee Responsibilities).

Section 2.07 Qualifications

Alliance Water maintains a job (class) description which establishes the required and preferred knowledge, skills, and abilities for each staff position.

Section 2.08 Persons with Disabilities

A. It is the policy of Alliance Water to comply with all applicable laws concerning the employment of persons with disabilities. An applicant or employee is considered to have a disability if he or she (1) has a physical or mental impairment that substantially limits one or more major life activities; (2) has a record or past history of such an impairment; or (3) is regarded or perceived as having such impairment.

B. Alliance Water will offer a reasonable accommodation to an otherwise qualified person with a disability to enable the person to perform the essential job functions of a position unless doing so would cause an undue hardship, meaning that Alliance Water would incur significant difficulty or expense in providing the accommodation. Contact the Executive Director with any questions or requests for accommodation.

Section 2.09 Verifying Employment Eligibility

It is the policy of Alliance Water to comply with applicable laws related to immigration by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of work to provide original documents verifying their citizenship or their right to work in the United States and to complete and sign a verification form required by federal law (Form I-9). If an employee's right to work in the United States cannot be verified within three days of hire, Alliance Water will carry out a separation of the employee.

Section 2.10 Nepotism

State law (Government Code Chapter 573) prohibits a public official of Alliance Water from hiring or participating in the hiring of a person to a position with Alliance Water if the person is related to the official. The members of the Board of Directors and the Executive Director are the public officials of Alliance Water who are subject to this prohibition.

End Article 2

ARTICLE 3. JOB PERFORMANCE

Section 3.01 Job Descriptions

A. The Executive Director will prepare and maintain job descriptions for all employee positions. These job descriptions will be reviewed from time to time to ensure that they adequately and effectively reflect the duties and responsibilities of each position. Employees will be expected to perform the duties specified by such job descriptions. Any change in job description may result in changes in pay and/or other employee benefits.

B. The job description for each employee's position will be (1) given to the employee, (2) reviewed by the employee, and (3) placed in the employee's personnel file with a certification by the employee that the employee has reviewed it with the supervisor or manager and received a copy of the job description.

C. In the absence of any request for clarification, each employee is considered to understand the responsibilities assigned to the employee's position.

D. Physical activities, physical requirements and working conditions will be outlined in the job description for each position.

Section 3.02 Performance Evaluation

A. The Executive Director, or the Executive Director's designee, will prepare a written performance evaluation and conduct a performance interview with each employee at least once every year, generally concluding by the end of Alliance Water's fiscal year.

B. The Executive Director, or the Executive Director's designee, will provide a copy of an employee's evaluation to the employee and place a copy of the evaluation in each employee's personnel file together with a certification by the employee that the employee has reviewed and received a copy of the performance evaluation.

C. An employee may respond in writing to an evaluation of the employee. This written response will be placed in the employee's personnel file.

Section 3.03 Promotions and Salary Increases

Promotions and salary increases will be based on performance, evaluated merit, and availability of funds. A promotion is considered a change from one position (if available) to another which requires higher qualifications and accompanied by a higher pay schedule. An increase of pay with the same position is not considered a promotion. See Sections 5.05 and 5.06.

End Article 3

ARTICLE 4. EMPLOYEE RESPONSIBILITIES

Section 4.01 General

Alliance Water employees must adhere to high standards of public service that emphasize professionalism, courtesy, and avoidance of even the appearance of illegal or unethical conduct. Employees are required to carry out efficiently the work items assigned as their responsibility, to maintain good moral conduct, and to maintain good relationships with their supervisors, fellow employees and the public.

Section 4.02 Code of Ethics

All employees of Alliance Water must observe a code of ethics. The following ethics rules comprise Alliance Water's code of ethics for employees:

1. Employees must be truthful and honest in all matters related to their employment.
2. An employee must hold all confidential information related to Alliance Water in strict confidence. An employee will not disclose or discuss any confidential information with other employees who do not have a need to know or with persons outside Alliance Water without authorization from a supervisor or the Executive Director. Improper or unauthorized disclosure of confidential information will be deemed a violation of these Policies.
3. Employees will direct members of the public to follow state Public Information Act request procedures to access any Alliance Water information.
4. An employee may not solicit or accept or agree to accept financial benefit, other than from Alliance Water, that might reasonably tend to influence his or her performance of duties for Alliance Water, or that he or she knows or should know is offered with intent to influence the employee's performance.
5. An employee may not accept any outside employment or benefit that might reasonably induce the employee to disclose confidential information acquired in the performance of duties.
6. An employee may not accept outside employment or benefit that might reasonably tend to impair independence of judgment in performance of duties for Alliance Water.
7. An employee may not make any personal investment that might reasonably be expected to create a substantial conflict between the employee's private interest and the interests of Alliance Water.
8. An employee may not solicit or accept or agree to accept any financial benefit from any person in exchange for performing duties as an Alliance Water employee.
9. Each employee will conduct his or her work activities according to the highest moral and ethical standards.

Section 4.03 FLSA

The policy of Alliance Water is to comply with applicable provisions of the FLSA. FLSA-related employee responsibilities are included in Article 6, Work Schedule and Time Reporting, and Article 7, Leave Time, of these Policies.

Section 4.04 Timeliness

A. Employees are to be punctual in reporting for work, keeping appointments, and meeting schedules for completion of work. Employees are expected to use their employee badge to log in for work no earlier than 15 minutes before their scheduled work periods, and log out no later than 15 minutes after the work periods, unless overtime or comp time has been approved.

B. An employee who expects to be late or absent from work must report the expected tardiness or absence to his or her supervisor no later than 15 minutes after the employee's shift starting time.

C. Excessive tardiness or absence of an employee may be a reason for disciplinary action. An employee who is absent without leave for two (2) consecutive work days, and has not reported to his or her supervisor, is subject to termination, unless the employee provides an acceptable explanation.

Section 4.05 Outside Activities

A. An employee may engage in outside employment only with the prior written approval of the Executive Director. An approval may include conditions or restrictions on the outside employment.

B. Employees may not engage in any outside employment, activity, or enterprise determined by the Executive Director (1) to be inconsistent or incompatible with Alliance Water; or (2) to affect the employee's job performance adversely.

Section 4.06 Political Activities

A. An employee may not advocate for or against a political cause or a candidate for public office during work periods.

B. An employee may not advocate for or against a candidate for public office on behalf of, or in the name of, Alliance Water.

Section 4.07 Communications

A. Matters that involve Alliance Water's policies, operations, budget and organization are brought before Alliance Water's Board of Directors by the Executive Director or by a person designated to do so by the Executive Director.

B. An employee may request that a matter be considered on an agenda by the Alliance Water Board of Directors by submitting the item to the Executive Director.

C. Communication with the public about Alliance Water is the responsibility of the Executive Director. Employees are to refer members of the public to the Executive Director if a question from the public is non-routine, controversial, or outside of the scope of the employee's normal duties.

Section 4.08 Use of Equipment

A. Employees are not obligated to use their own personal equipment or property in performing work activities for Alliance Water, but they may do so with the written approval of their supervisor or the Executive Director

B. Employees are prohibited from using Alliance Water's buildings, facilities, equipment, computer systems, and materials in connection with outside employment.

Section 4.09 Use of Alliance Water and Privately-Owned Vehicles

A. Employees will treat vehicles provided by Alliance Water with care and will report any maintenance needs to their supervisors. Such vehicles may not be used for personal use. Vehicle speed limits and all other legal restrictions will be observed.

B. Employees are prohibited from driving their personal vehicles or Alliance Water vehicles on Alliance Water business while under the influence of alcoholic beverages or controlled substances.

C. An employee will promptly report to his or her supervisor any fine, fees or penalty imposed in connection with the employee's operation of an Alliance Water vehicle, and the employee will be responsible for paying the fine, fee or penalty. If Alliance Water satisfies any fine, penalty or fee imposed in connection with a violation of any applicable laws involving an employee's operation of an Alliance Water vehicle, Alliance Water will deduct the amount of such fine, penalty or fee from the employee's compensation.

D. Alliance Water will compensate employees for the use of personal vehicles as per Section 10.02.

Section 4.10 Property Use Restrictions

A. Employees will not use any property of Alliance Water for personal use without prior approval by the Executive Director. Employees will not use Alliance Water vehicles to transport any person who is not an Alliance Water employee or engaged in the conduct of Alliance Water business.

B. Use of mobile phones, computers, office supplies, copy machines, fax machines, and other equipment may be authorized by the Executive Director for personal use in combination with work use. However, data acquired in the course of such use of private cell phones is public information subject to disclosure under the state Public Information Act.

Section 4.11 Appearance

All employees are expected to maintain a neat and clean personal appearance. Standard of dress will be according to Alliance Water's needs and policies.

Section 4.12 Reporting Illegal Activities and Policy Violations

It is the responsibility of all employees to report any illegal activity or violation of these Policies by an employee to the Executive Director.

Section 4.13. Prohibition on Supervision of Relatives

An employee may not directly or indirectly supervise or be supervised by a member of his or her immediate family. In the event that marriage or cohabitation of two employees places them in violation of this policy, the employees will be given the opportunity to decide between themselves which of them is to resign. If neither of the employees resigns within 30 calendar days, the employee having less time in service will be separated from employment.

Section 4.14 Residence Requirements For Employment

An Alliance Water’s employee whose duties include responding to emergency or on-call requirements must reside within an area that allows the employee to reasonably respond within the response time in the employee’s job description, not to exceed 30 minutes, to Alliance Water’s headquarters at 9675 Highway 142, Maxwell, Texas, or other facility designated by the Executive Director, unless otherwise approved by the Executive Director.

Section 4.15 Tobacco and Vape-Free Work Place

Use of any tobacco and or “vapor” products by employees is prohibited in all Alliance Water buildings and company owned vehicles.

Section 4.16 Weapons and Anti-Firearms Notice

Refer to Section 16.05.C regarding rules for carrying or possessing weapons.

Section 4.17 No Expectation of Privacy

As a condition of employment, employees understand and agree as follows:

1. Employees do not have an expectation of privacy in connection with any of Alliance Water’s premises, facilities, equipment, materials, or other property or assets, including without limitation all workspaces, furniture, files, documents, and vehicles, and all information technology and communications resources (including computers, phones, printers, scanners, storage media, data, electronic files, internet, email and messaging).
2. All such property and assets are subject to oversight and inspection by Alliance Water at any time.
3. Employee activities, files, communications on or use of any such property or assets may be monitored, accessed, investigated, and disclosed by Alliance Water at any time without notice to employees.
4. Any allowance for incidental personal use by an employee of any such property or assets does not create any expectation of privacy for the employee.

End Article 4

**ARTICLE 5. EMPLOYMENT CATEGORIES, COMPENSATION AND
ADVANCEMENT**

Section 5.01 Categories of Employment

A. Alliance Water employees can be categorized in the following ways, depending on the context:

1. On the basis of whether their position is ongoing or temporary in nature. A *regular employee* position is ongoing in nature, while a *temporary employee* position is temporary in nature.
2. On the basis of whether they are eligible for overtime pay or comp time under the FLSA. A *non-exempt employee* is eligible and an *exempt employee* is not eligible.
3. On the basis of the number of hours per work week in their normal schedule. A *full-time employee* has a normal schedule of 30 or more hours per work week. A *part-time employee* has a normal schedule of less than 30 hours per week.

B. An employee may be described in these policies with reference to one or more of these categories, depending on the policy context.

Section 5.02 Rate of Compensation

The level of compensation for all employees other than the Executive Director shall be set by the Executive Director from time to time. The level of compensation of the Executive Director shall be set by the Alliance Water Board from time to time.

Section 5.03 Pay Periods and Payment Delivery

A. The pay period for Alliance Water is every two weeks and employee payments will be distributed at a time designated by the Executive Director. The pay period begins on Sunday of the first pay week and ends on Saturday of the second pay week. If payday falls on a holiday, employee payments will be distributed on the last working day preceding the holiday or weekend.

B. Employee payments will not be issued other than on the days set out above.

C. Employee payments will only be deposited electronically to employees. Employees will be required to execute forms for that purpose.

Section 5.04 Deductions

A. Deductions will be made from each employee's pay for the following:

1. Federal Income Tax;
2. Social Security;
3. Medicare;

4. Fines or fees incurred by the employee paid by Alliance Water (refer to Section 4.10.C); and
5. Any other deductions required by law.

B. In accordance with the policies and general procedures approved by the Alliance Water Board of Directors, deductions from an employee's pay may be authorized by the employee for:

1. Group health/medical insurance;
2. Life insurance and accidental death & dismemberment insurance;
3. Retirement contributions;
4. Such other deductions as may be authorized by the Executive Director, the Alliance Water Board of Directors, or these policies.

Section 5.05 Merit Increases

The Executive Director may grant merit increases for exceptionally good and consistent performance in the same position. They are not used to recognize increased duties and responsibilities (a promotion) and are granted without regard to cost-of-living factors or longevity. Merit increases are granted in conjunction with a performance evaluation of the employee, the results of which are one factor used in merit pay decisions.

Section 5.06 Promotions

A. A promotion is a change in the duty assignment of an employee. A promotion recognizes advancement to a higher position requiring higher qualifications and involving greater responsibility. A promoted employee may receive a pay increase as determined by the Executive Director.

B. Promotions are subject to approval by the Executive Director within staffing patterns and budget limits.

C. Upon promotion, an employee's performance may be reviewed during or after a probationary period set by the Executive Director that differs from the annual performance review period. The employee may be returned to a lower position at any time during or after the probationary period at the discretion of the Executive Director.

Section 5.07 Pay Reductions for Disciplinary Reasons

An employee's pay for continued performance in the same position may be reduced as a disciplinary measure. The period covered by this type of disciplinary action may not exceed 60 days. Any pay reduction for disciplinary reasons must be authorized by the Executive Director.

End Article

ARTICLE 6. WORK SCHEDULE AND TIME REPORTING

Section 6.01 Work Schedule

A. The official work week for all Alliance Water employees begins on Sunday morning at 12:01 a.m. and ends at 12:00 midnight on the following Saturday. Work days will normally be eight hours long and will start and end at times designated by the Executive Director. There will be an unpaid time period for lunch and there will be two paid 15-minute work breaks per day as specified by the Executive Director. The Executive Director may direct that offices remain open during the noon hour, and that lunch periods for employees be staggered.

B. The Executive Director may make adjustments to working hours, and may set other work days or hours of work for individuals or groups of employees.

Section 6.02 Number of Hours Worked

The Executive Director will determine the number of hours worked by employees, subject to laws governing pay and working hours and the provisions of Alliance Water's budget. The usual number of working hours per week will be listed in employee job descriptions.

Section 6.04 Overtime

A. A non-exempt employee may be required to work more than 40 hours in a work week. Any such overtime must be authorized in writing in advance by the Executive Director and approved by the employee's supervisor.

B. A non-exempt employee who works more than the scheduled hours on a work day, or who is scheduled to work more than the normal hours on a work day, may be required to work fewer than normal or scheduled hours on other days during that work week to avoid accruing overtime or comp time. If this is not feasible and the employee works more than 40 hours in a work week, then the employee will either accrue comp time or be paid overtime compensation.

C. Exempt employees are expected to render necessary and reasonable overtime services with no additional compensation.

D. Each Alliance Water job description designates whether persons hired in that position are non-exempt or exempt employees.

E. Comp time for non-exempt and exempt employees is addressed in Section 7.05.

Section 6.05 On-Call Duty

A. On-Call duty provides monitoring and/or reporting for work after normal working hours. This includes nights, weekends and holidays. An employee scheduled for On-Call duty will not be required to remain on Alliance Water premises, and will be free to pursue personal activities, but the employee will be required to remain available with the ability to return to work if necessary.

B. All plant operators will be scheduled on a rotating basis to work On-Call duty. The On-Call week starts on a Thursday and ends on the following Wednesday.

C. An employee while On-Call will accrue the equivalent of two hours of overtime or comp time for each On-Call duty week, whether or not the employee is called out during the week. If an employee is called out during his or her On-Call duty week, the employee will be paid overtime or will accrue comp time for any actual hours worked beyond the two hours.

Section 6.06 Holidays Worked

If a non-exempt employee is required to work on a scheduled holiday, the employee will be granted an equal amount of time off within the same work week; if that is not feasible then the employee will accrue comp time in the amount of hours worked on the holiday.

Section 6.07 Time Reporting

Employees, including field personnel, shall keep time reports of all hours worked and any comp time or PTO taken. Employees shall submit time reports at the close of each pay period to the Executive Director or their supervisor. Time reports must be signed by the employee and by the employee's supervisor or the Executive Director. No paychecks will be issued until time reports are received by the supervisor or the Executive Director. Forms for this purpose will be provided by Alliance Water.

Section 6.08 Inclement Weather / Facility Shutdown

A. At times, emergencies such as severe weather, fires, or power failures can disrupt Alliance Water operations. A decision on whether to close any or all Alliance Water offices or facilities will be made by the Executive Director or his/her designee.

B. When a decision is made to close an office or facility, the Executive Director or supervisors will endeavor to give notice to employees.

C. Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees unless the Executive Director decides otherwise, or an employee uses accrued comp time or PTO for the time off.

Section 6.09 Field Personnel

Due to the unusual and unpredictable working conditions involved with working at Alliance Water, the hours worked by field personnel on a given work day must be flexible as required by the situation.

End Article

ARTICLE 7. LEAVE TIME

Section 7.01 Definitions

Leave time is time during normal working hours in which an employee is away from the workplace and does not engage in the performance of job duties. Leave time may be either paid or unpaid. Holidays are days designated by the Alliance Water Board of Directors when Alliance Water's office is closed on what would otherwise be regular business days (refer to Article 8).

Section 7.02 Approval of Leave

A. All leave taken by Alliance Water employees must be approved in writing by the employee's supervisor or the Executive Director.

B. Supervisors or the Executive Director are responsible for determining that leave is accrued and available for use in the amounts requested by an employee. In addition, supervisors must notify the Executive Director regularly of each employee who is taking authorized or unauthorized leave.

Section 7.03 Paid Time Off

A. In lieu of sick time and/or vacation time, all regular full-time employees of Alliance Water are entitled to PTO.

B. Full time employees are eligible for PTO based upon the following schedule for accrual of PTO for each bi-weekly pay period:

- 3 months but less than 4 years – 4.62 hrs/pay period = 120 hours annually
- 4 years and over – 6.15 hrs/pay period = 160 hours annually

C. Part-time employees are not eligible for PTO.

D. Carryover of PTO from one year to the next is limited to 15 days per year and maximum accrual. Including carryover and current year, maximum accrual is limited to 1.5 times the annual accrual. Any excess of carryover at the end of the calendar year will be lost by the employee and automatically donated to the Accrued PTO Donation Pool.

E. PTO must be scheduled with the supervisor or the Executive Director's approval.

Section 7.04 Accrued PTO Donation Pool

A. The purpose of the Accrued PTO Donation Pool (the "Pool") is to provide for the voluntary donation of accrued PTO by employees for use by coworkers who exhaust their PTO and meet the eligibility criteria in this section. Accrued PTO is not tied to FMLA definitions or criteria and does not extend FMLA work guarantees. While using PTO hours from the Pool, an employee's medical and other benefits coverage continue under the current conditions and costs.

B. Donations to the Pool are voluntary and discretionary and can be made by employees at any time in 4-hour increments, with a maximum annual donation by an employee of 24 hours in

any calendar year. Donating employees must maintain a minimum of 40 hours of accrued PTO after any donation to the Pool.

C. Donations will be made to and used from the Pool on a straight hour-for-hour basis, regardless of the classification and/or salary of the donating employee or recipient employee. Once accrued PTO is donated, the donating employee cannot retrieve any portion of the donated PTO.

D. Any accrued PTO that is not paid to an employee upon separation for any reason will automatically roll to the Pool without limitation as to the amount.

E. An employee receiving Workers' Compensation benefits is not eligible to use PTO from the Pool.

F. An employee who wishes to use PTO from the Pool must submit an application form to the Executive Director and meet the following eligibility criteria:

1. The applicant must have exhausted or must be about to exhaust his or her accrued PTO balance, and will have an estimated 20 hours or more of leave without pay unless the applicant is allowed to use PTO from the Pool.
2. The application must include a description of the severe medical condition (see below) for which the request is being made and the anticipated amount of PTO requested. Additional information must be provided by the applicant if requested by the Executive Director. The application and related records will be subject to the applicable laws regarding disclosure and non-disclosure of information.
3. The applicant must not be on probation and must be a regular full-time employee.
4. The applicant or an immediate family member must have a severe medical condition that will require a prolonged or extended absence of the applicant from work, and will result in a substantial loss of income to the applicant due to the exhaustion of all available PTO. NOTE: Pregnancy and elective surgery are not considered severe conditions except when life-threatening complications arise from them.

G. If an application is for use of 40 hours or less of PTO from the Pool, and 50% or less of the balance of PTO hours in the Pool [Option 1], the Executive Director will review the application, evaluate the balance of PTO hours in the Pool, and make a determination of how much, if any, PTO from the Pool the applicant will receive, and under what circumstances an approval for use of PTO from the Pool may be rescinded. If the Executive Director denies an application, the applicant may appeal the decision to the Administrative Committee.

H. If an application is for use of more than 40 hours of PTO from the Pool, or more than 50% of the balance of PTO hours in the Pool [Option 1], or if an applicant appeals a decision of the Executive Director under G. above, the Administrative Committee will review the application, evaluate the balance of PTO hours in the Pool, and make a determination of how much, if any,

PTO from the Pool the applicant will receive and under what circumstances an approval for use of PTO from the Pool may be rescinded.

I. An application cannot be for use of more than 50% of the balance of PTO hours in the Pool at the time the application is submitted. [Option 2]

I.J. Employees must not be currently receiving short-term disability (STD) or long-term disability (LTD) benefit payments except in cases where the “minimum benefit payment” (as determined by the current carrier) is being received. PTO from the Pool may be used for unpaid periods of time establishing eligibility for STD or LTD, or upon exhaustion of STD or LTD benefits, as applicable under the STD/LTD benefit guidelines. If qualified for LTD, an employee may first exhaust PTO from the Pool prior to the start of LTD benefits; the employee will be responsible for notifying the benefits carrier of the intent to delay LTD benefits.

J.K. Termination of Use of PTO from the Pool. The use of PTO from the Pool will terminate at the first of any of the following:

1. The employee is separated from employment with Alliance Water for any reason.
2. The healthcare provider’s release of the employee to return to work.
3. The Executive Director determines that the employee no longer needs to use PTO from the Pool.
4. The Executive Director approves an application for disability retirement for the employee.

K.L. Tax Liability. Tax liability associated with PTO donated to and used from the Pool, including income tax, Medicare, and FICA withholding will be in accordance with U.S. Internal Revenue Service criteria.

L.M. As of the day following the last day of use of hours from the Pool, the employee will be placed on unpaid leave through the remainder of an approved period of Family Medical Leave~~remaining balance of the twelve-week period of FMLA status~~ [Options 1 & 2], if applicable. Additional unpaid leave may be requested as allowed by these policies. The employee may reapply for additional PTO from the Pool if the amount previously granted is insufficient to cover the employee’s absence. Such applications are subject to the same restrictions that apply to initial applications.

M.N. If the employee returns to work and has a recurrence of the same or related severe medical condition within six months of the date the employee returned to work, the employee, after using any accrued PTO time, may use PTO previously approved for use from the Pool. If no recurrence of the severe medical condition occurs within six months of the date the employee returns to work, any unused PTO from the Pool will be returned to the Pool.

Section 7.05 Overtime and Comp Time

A. Overtime or Comp Time for Non-Exempt Employees. When necessary, in order to maintain the proper services, non-exempt employees may be required to work overtime as defined in Section 6.04. A non-exempt employee may receive overtime pay, or if an employee submits a completed comp time agreement form to the employee's supervisor or the Executive Director, the employee may accrue comp time. All non-exempt employees required to work overtime will either be compensated at one and one-half times their regular rate of pay, or they will accrue comp time at the rate of one and one-half times the number of overtime hours worked. A non-exempt employee will not receive both FLSA overtime pay and comp time for the same overtime hours.

B. Non-Exempt Employee Accrual and Use of Comp Time; Payment for Comp Time. Non-exempt employees are subject to a cap of 120 hours on accrual of comp time. Once an employee reaches this cap, the employee will be paid for any overtime hours until the employee reduces his or her accrued comp time below the cap. All comp time earned and used must be documented on the employee's timesheet, and comp time accrual balances will be shown on the payroll system. Non-exempt employees may be paid for comp time when the taking of comp time would be disruptive to critical functions. An employee who is reclassified from a non-exempt to an exempt position will be paid all accrued comp time upon approval of the reclassification and will cease to be eligible for any additional overtime and/or comp time. Upon separation from employment with Alliance Water, a non-exempt employee will be paid for unused comp time at the employee's current hourly rate.

C. Comp Time for Exempt Employees. Exempt employees are not paid overtime compensation. Alliance Water permits employees who work over 40 hours in a week to request to their supervisor to earn compensatory time for the hours worked over 40 hours in a work week. Any time off during the exempt employee's regular scheduled hours must be accounted for through the use of earned compensatory time or PTO. Compensatory time for exempt employees is earned on a straight time, hour for hour, basis. When a work week has an observed holiday, the eight hours will count towards the 40 hours in a work week for the purpose of calculating comp time accrual.

D. Exempt employees are not entitled to be paid for accrued comp time upon separation of employment, including retirement, nor will they receive any cash payment beyond their normal salary for the use of comp time. An exempt employee will not be permitted to accumulate a balance of more than 80 hours of comp time at any point.

E. Exempt employees must track in their bi-weekly timesheets the total amount of hours worked per day, per work week, and per pay period. Supervisor approval is needed to authorize all accrual and use of comp time on the employee's bi-weekly timesheet.

F. Exempt employees must be able to communicate and justify to their supervisors or the Executive Director the need to work over 40 hours in a given work week to track performance, productivity and/or results.

G. Comp time will not be approved for any working hours during approved trips unless approved by the Executive Director.

H. Use of Comp Time by Non-Exempt and Exempt Employees

1. An employee separating from employment can use up to 40 hours of comp time during his or her last week on the payroll.
2. An employee will be permitted to use comp time within a reasonable period after making the request, if doing so does not unduly disrupt the operations of Alliance Water.
3. An employee must secure approval to use comp time through his or her supervisor or the Executive Director.

Section 7.06 ~~FMLA~~ Family Medical Leave

A. Alliance Water as an employer is covered by the FMLA, but Alliance Water employees will not be legally eligible for FMLA benefits unless and until Alliance Water meets a threshold based on the number of its employees. While not under an obligation to provide FMLA benefits, Alliance Water will endeavor to provide benefits to its employees as if they were eligible employees under the FMLA.

B. Employees are eligible for ~~FMLA~~ Family Medical Leave if they have worked for Alliance Water at least 12 months, and have worked for Alliance Water at least 1,250 hours over the past 12 months.

C. An eligible employee may take up to 12 weeks of ~~unpaid~~ Family Medical Leave per year for a serious health condition of the employee or an immediate family member, for childbirth or adoption, or if an employee assumes the role of caring for a child, regardless of the legal or biological relationship. Either day-to-day care or financial support may establish a parental relationship when an employee assumes the role of caring for a child. ~~Any PTO~~ The leave may include paid leave if an employee has PTO available, or unpaid ~~accrued may be used as part of~~ FMLA leave.

D. To take ~~FMLA~~ Family Medical Leave, an employee must provide Alliance Water with appropriate notice. If an employee knows in advance he or she will need to use Family Medical ~~FMLA~~ Leave, the employee must notify Alliance Water at least 30 days in advance. If an employee learns of the need to use Family Medical ~~FMLA~~ Leave less than 30 days in advance, the employee must give notice as soon as possible.

~~A. The FMLA allows certain employees to take up to 12 weeks of unpaid leave per year for a serious health condition of the employee or an immediate family member, for childbirth or adoption, or if an employee assumes the role of caring for a child, regardless of the legal or biological relationship. Either day to day care or financial support may establish a parental relationship when an employee assumes the role of caring for a child. Any PTO an employee has accrued may be used as part of FMLA leave.~~

~~———— B. To take FMLA leave, an employee must provide Alliance Water with appropriate notice. If an employee knows in advance he or she will need to use FMLA leave, the employee must notify Alliance Water at least 30 days in advance. If an employee learns of the need to use FMLA leave less than 30 days in advance, the employee must give notice as soon as possible.~~

Section 7.07 Extended Leave For Illness or Temporary Disability

A. Use of PTO. Upon written approval of the Executive Director, an employee may use accrued PTO for the purpose of paid absence from duty during an extended illness or temporary disability.

B. Unpaid Leave of Absence. An employee may be granted an unpaid leave of absence for the purpose of recovery from an extended illness or temporary disability only after using all accrued PTO and with the written approval of the Executive Director. During this time, an employee will accrue no additional PTO or longevity benefits. Other benefits are retained during unpaid leave of absence unless otherwise prohibited by the terms of the benefits program. Medical or other group insurance can be continued if paid for by the employee. Leaves of absence without pay for illness or temporary disability are limited to a maximum of 90 days.

C. Maternity/Paternity Leave. Maternity and paternity leave is treated in the same manner as other extended illness or temporary disability and is available to all employees. Upon approval of the Executive Director, employees may be granted up to 90 days of maternity or paternity leave with pay if PTO is used, or without pay.

D. Conditions. The Executive Director may require an employee requesting a leave of absence for extended illness or temporary disability to provide a physician's statement as to the date upon which the employee will no longer be able to perform his or her duties and the expected length of the recuperation period as well as a written statement from the employee concerning his or her intentions about returning to work at Alliance Water. An employee on extended leave for illness must contact the employee's supervisor or the Executive Director at least once each work week, or on a different schedule approved by the Executive Director, to report on his or her condition. Failure to provide a required report is grounds for revoking the leave and for disciplinary action. The Executive Director may require an employee returning to work after an extended illness or temporary disability to submit a physician's statement verifying the employee's fitness for work.

E. Departure Illness. An employee who has an extended illness and for which employment by Alliance Water is no longer possible may be provided a one-time exceptional payment to assist with any expenses of Hospice or extraordinary treatment not covered by medical insurance at the sole discretion of the Alliance Water Board of Directors upon recommendation of the Executive Director.

Section 7.08 Military Leave

A. Regular employees who have successfully completed the introductory period and who are members of the State Military Forces or members of any of the Reserve Components of the Armed Forces of the United States are entitled to leave of absence from their duties, without loss of time or efficiency rating or accrued PTO or salary, on all days during which they are engaged in authorized training or duty ordered by proper authority, for not more than 15 days in any one calendar year, or as otherwise provided by law. Requests for approval of military leave must have copies of the relevant military orders attached. Military leave in excess of 15 days in a calendar year will be treated as leave without pay.

B. Regular and temporary employees who are ordered to active duty with the state or federal military forces are entitled to all of the re-employment rights and benefits provided by applicable laws upon their release from active duty.

Section 7.09 Civil Leave

Employees will be granted civil leave with pay, if sufficient documentation is provided, for jury duty, for service as a subpoenaed witness in an official proceeding, and for the purpose of voting. When an employee has completed civil leave, he or she must report to Alliance Water for duty for the remainder of the workday.

Section 7.10 Bereavement Leave

A. Any regular full-time or part-time employee who has a death in the family will be eligible to take a bereavement leave. Employees must work with their supervisor or the Executive Director to ensure time away from work is authorized, and paid correctly as indicated below.

B. For the death of an immediate family member, employees may be paid for work hours missed up to a maximum of 24 hours per calendar year.

C. For the death of a non-immediate family member, friend, and/or additional bereavement days for the death of an immediate family member, an employee may take leave without pay or as PTO with the approval of the employee's supervisor or the Executive Director. A non-immediate family member will be defined as anyone who does not fall within the definition of immediate family.

E. Upon returning from bereavement leave, the employee's supervisor or the Executive Director may require the employee to provide one of the following t: (1) a memorial service program; (2) copy of the death certificate; (3) copy of death announcement from a newspaper; (4) statement from funeral home director indicating the relationship of the employee to the deceased.

Section 7.11 Leave of Absence Without Pay

A. Leave of absence without pay is an approved absence from duty in a non-pay status. Granting a leave of absence without pay is at the discretion of the Executive Director, but such leave is not authorized unless there is a reasonable expectation that the employee will return to work with Alliance Water at the end of the approved period. Employees on leave of absence without pay receive no compensation and accrue no benefits. However, previously accrued benefits are retained during a leave of absence unless otherwise prohibited by the terms of the benefit programs. Medical insurance can be continued if paid by the employee.

B. Upon returning to work after a leave of absence without pay, an employee receives an adjusted employment date and adjusted anniversary date which reflect the period of time that the employee used for leave of absence.

C. A leave of absence without pay may be revoked upon receipt of evidence that the reason for granting such leave was misrepresented or has ceased to exist.

D. A leave of absence without pay may be appropriate for any of the following reasons:

- Military service (see also Section 7.08 on this type of leave);

- Recovery from extended leave for illness or temporary disability (see also Section 7.07 on this type of leave);
- Educational purposes when successful completion will benefit Alliance Water;
- Public service assignments; or
- Any other reason which, in the judgment of the Executive Director, merits a leave of absence without pay.

Section 7.12 Administrative and Emergency Leave

A. The Executive Director is authorized to grant administrative or emergency leave to an employee in certain limited circumstances.

B. The Executive Director may authorize administrative leave, with or without pay, with the expectation an employee is returning to full duty, when warranted by unforeseen circumstances not otherwise provided for in these policies.

C. Emergency leave with pay using accrued PTO may be granted by the Executive Director for reasons of a death in the employee's immediate family. Emergency leave is limited to no more than three days per occurrence. The length of time granted for emergency leave must be approved by the Executive Director in advance and will depend on the circumstances, and such emergency leave will be uncompensated in the absence of accrued PTO.

End Article 7

ARTICLE 8. HOLIDAYS

Section 8.01 General Policy

The following nine days are observed as paid holidays for Alliance Water full-time employees:

- | | |
|--------------------|----------------------------|
| New Year's Day | Memorial Day |
| Independence Day | Labor Day |
| Thanksgiving Day | Day after Thanksgiving Day |
| Christmas Eve Day | Christmas Day |
| New Year's Eve Day | |

In addition to the days listed above, full-time employees will be provided one paid floating holiday to be taken each year during one of the following days:

- | | |
|-----------------------------|----------------|
| Martin Luther King, Jr. Day | Presidents Day |
| Good Friday | Veterans Day |

The Executive Director may designate other holidays in accordance with direction from the Alliance Water Board of Directors.

Section 8.02 Holidays Falling on the Weekend

If a holiday falls on a Saturday, then the previous Friday is the observed holiday. If a holiday falls on a Sunday, then the following Monday is the observed holiday.

Section 8.03 Holiday During Paid Leave

If a holiday falls on an employee's normal day off, or a paid leave day, the employee will receive an additional day off when scheduling is approved.

Section 8.04 Work During Holidays

The Executive Director may direct some or all employees of Alliance Water to report for work on any holiday. See also paragraph 6.06 of these policies.

End Article 8

ARTICLE 9. BENEFITS

Section 9.01 General Policy

Alliance Water offers a benefits program for some of its employees. However, the existence of this program does not signify that an employee will necessarily be employed for the period of time required to qualify for the benefits. The Alliance Water Board of Directors may review the benefits program periodically and elect to change the benefits available to employees and the amount paid by Alliance Water.

Section 9.02 Benefits Eligibility

A. Full-time, regular employees are eligible for Health Insurance Benefits, Life Insurance and AD&D Benefits, Retirement Benefits, COBRA and Continuing Education benefits as soon as the requirements of the particular plan(s) are met.

B. Part-time, regular employees are eligible for Retirement Benefits and Continuing Education benefits as soon as the requirements of the particular plan(s) are met.

C. Temporary employees are not eligible for benefits.

Section 9.03 Health Insurance Benefits

A. Health insurance coverage for employees eligible for this benefit will begin as soon as eligibility requirements of Alliance Water's health insurance provider are met.

B. Alliance Water will pay 100% of the employee monthly premium for medical, dental and vision insurance.

C. Alliance Water will pay 50% for any eligible dependent's medical insurance.

D. Employees will pay the remaining 50% of the dependent's medical insurance and 100% of the dependent's dental and vision insurance.

E. Employees will pay for coverage for dependents by payroll deduction.

Section 9.04 Life Insurance and AD&D Benefits

A. Life insurance and accidental death and dismemberment (AD&D) coverage will begin as soon as eligibility requirements of Alliance Water's insurance provider are met.

B. Alliance Water will pay 100% of the employee life insurance and AD&D premium for coverage equal to the employee's salary.

C. Additional life and AD&D insurance will be available with premiums paid 100% by the employee.

D. Employees will pay for additional life and AD&D insurance by payroll deduction.

Section 9.05 Retirement Benefits

A. Employees eligible for this benefit will enroll in the Texas County and Districts Retirement System (TCDRS) plan upon hiring as a requirement of employment. Alliance Water will deduct 5% from the employee's pre-tax wages as their contribution to their retirement. Alliance Water will contribute an amount equaling 200% of the employee's contribution.

B. Employees will be fully vested after 5 years of continuous service.

Section 9.06 COBRA

A. The Federal Consolidated Omnibus Budget Reconciliation Act ("COBRA") gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Alliance Water's health plan when a "qualifying event" would normally result in the loss of coverage.

B. Some common qualifying events are separation from employment, or death of an employee; a reduction in an employee's hours, a leave of absence, divorce or legal separation, and a dependent child no longer meeting eligibility requirements.

C. Under COBRA, the employee or beneficiary pays the full cost of coverage at Alliance Water's group rates plus an administration fee. Alliance Water provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Alliance Water's health insurance plan. The notice contains important information about the employee's rights and obligations.

Section 9.07 Continuing Education Required by Alliance Water

When Alliance Water or state law requires an employee to attend any education or training course, conference, or seminar, Alliance Water will provide the necessary time with pay and will reimburse the employee for authorized costs such as tuition or registration fees and travel, meals and lodging. Refer to Article 10 for the Reimbursement Policy.

End Article

ARTICLE 10. REIMBURSEMENT OF EXPENSES

Section 10.01 General Policy

Alliance Water will fully reimburse employees for necessary and reasonable job-related expenses incurred in the authorized conduct of Alliance Water business. All reimbursements will be subject to requirements of documentation and reasonableness, and will be honored in compliance with adopted policies and procedures.

Section 10.02 Reimbursable Expenses

A. To be eligible for reimbursement, employee travel expenses must be for necessary Alliance Water business, the details of which shall be approved in advance by the employee's supervisor or the Executive Director.

B. An employee must submit a completed reimbursement request form for all expenses for which reimbursement is sought. Expense reimbursements will be limited to necessary and reasonable actual costs as verified by expense receipts which indicate the date, vendor, explanation and itemization of expenses, and if a receipt relates to more than one employee, a list of all persons covered. Receipts must be submitted with reimbursement request forms.

C. When a receipt is not available, the employee will provide a written statement containing the information in Section 10.02.B above, as well as the reason why a receipt is not available to be submitted.

D. The following expenditures are not reimbursable expenses unless specifically authorized by the Executive Director:

1. Alcoholic beverages;
2. Personal employee or family expenses;
3. Sports and entertainment fees;
4. Donations, contributions and non-work related memberships; and
5. Any other expenditures not reasonably related to and necessary for the efficient conduct of Alliance Water business.

E. First class accommodations on public carriers are not authorized unless lesser fares are not available on required trips or equal in cost to economy class.

F. When approved in advance by the Executive Director, employees will be paid mileage for personal vehicles at the standard Internal Revenue Service rate. Employees must provide evidence of privately-owned vehicle liability and property damage insurance prior to any use for Alliance Water authorized travel. Employees who receive a car allowance will be eligible for mileage reimbursement only for roundtrips that exceed 200 miles (100 miles each way).

G. At the discretion of the Executive Director, funds may be advanced to an employee for anticipated travel expenses. An employee who has received advance funds must submit a completed reimbursement request form, and repayment of any excess of advanced funds over substantiated expenses, within seven days of returning to work.

H. During any travel or Alliance Water related activity, an employee must immediately report any incident involving personal injury or property damage to the Executive Director for the purpose of initiating an investigation or report to authorities as required by Alliance Water's insurance.

End Article

ARTICLE 11. HEALTH AND SAFETY

Section 11.01 Safety Policy

It is the policy of Alliance Water to make every effort to provide healthy and safe working conditions for all employees.

Section 11.02 Employee Responsibilities, Reporting

A. Employees are responsible for conducting their work activities in a manner that is protective of their own health and safety, as well as that of other employees.

B. An employee must report every on-the-job accident, no matter how minor, to his or her supervisor or the Executive Director within 24 hours.

C. Employees must report immediately to their supervisors or the Executive Director any work-related condition that pose an immediate threat to the health or safety of employees or visitors.

D. Employees are encouraged to make suggestions to their supervisors or the Executive Director of improvements that would make the Alliance Water workplace safer or healthier.

Section 11.03 On the Job Injuries / Workers' Compensation Insurance

A. Insurance. Alliance Water will provide workers' compensation insurance for all of its employees in accordance with applicable law.

B. Compensation. If an employee sustains a bona fide, on-the-job, work-related injury which renders the employee unfit for performing the duties of the job, the employee will receive pay as follows:

1. For up to seven days, the employee will receive their regular pay for that period with the time charged first to comp time or if necessary, PTO.
2. Beginning on the eighth day, and for any days thereafter that the employee is unfit for duty, the employee will receive payments from Alliance Water's insurance carrier in accordance with applicable law. The employee may use accrued PTO to provide additional compensation above the insurance payments.

C. Medical Attention. An employee who sustains a bona fide, on-the-job, work-related injury may seek medical attention from the medical facility or professional of their choice. An employee returning to work after such an injury must submit a statement of medical condition and a return to work release from the attending physician. An employee may be required to submit to examination by an independent physician as determined by the Executive Director at Alliance Water's expense.

D. Reporting. While on leave because of a bona fide, on-the-job, work-related injury, employees must contact their supervisor or the Executive Director at intervals designated by the Executive Director to report on their condition. Failure to provide the required medical status reports

or to contact the supervisor or the Executive Director on the designated schedule may result in revocation of the leave, disciplinary action, and/or loss of all accrued benefits.

E. Return to Work. An employee who receives written approval for return to work from the attending physician must return to work. Failure to return to work may result in disciplinary action and loss of any accrued benefits. At the discretion of the Executive Director, an employee who is able to return to work in light duty status may be required to work and perform duties not contained within their current job description.

F. At the time of final release or settlement of a workers' compensation claim for an employee, if no vacancy exists and a reasonable effort has been made to place the employee in another position, the employee may be separated from employment and paid accrued benefits.

G. An employee does not accrue benefits while receiving workers' compensation payments.

End Article

ARTICLE 12. DISCIPLINE

Section 12.01 Introduction; Basis for Disciplinary Action

Alliance Water may take disciplinary action against an employee for actions of the employee including, but not limited to the following:

1. Insubordination or other disrespectful or unprofessional conduct;
2. Absence without leave including absence without permission, failure to notify a supervisor of leave, or repeated tardiness or early departures;
3. Endangering the safety of other persons through negligent or willful acts;
4. Intoxication or drug abuse while on duty, on Alliance Water property, or in an Alliance Water vehicle;
5. Unauthorized use or abuse of Alliance Water funds or property;
6. Any violation of the provisions of these Policies;
7. Commission of a crime while on-duty;
8. Conviction, while off duty, of a felony, or driving under the influence or driving while intoxicated, or a crime of moral turpitude, such as fraud, theft, burglary, robbery, or perjury;
9. Failure to report any criminal conviction
10. Engaging in outside employment without permission, or which interferes in any way with the performance of Alliance Water duties;
11. Engaging in any form of conduct prohibited in Article 16 of these Policies, such as sexual harassment, discrimination against a person or group based on a protected characteristic, and workplace violence;
12. Fighting, horseplay, provoking or instigating a fight, or threatening violence;
13. Falsification or unauthorized alteration of documents or records;
14. Unauthorized use of Alliance Water information or unauthorized disclosure of confidential Alliance Water information;
15. Failure to observe Alliance Water's policies regarding communications with the public;

16. Incompetence or neglect of duty; or
17. Disruptive behavior or any other action which impairs the performance of others.

Section 12.02 Disciplinary Process

A. Generally, the form of a disciplinary action will depend upon the nature and severity of the infraction, the employee's work record and any mitigating circumstances. Alliance Water does not have a policy mandating progressive disciplinary action. Depending on the circumstances of each individual case, disciplinary action may consist of one or more of the following:

1. Oral warning or counseling;
2. Written warning;
3. Probation;
4. Suspension without pay;
5. Reduction in pay without demotion;
6. Demotion; and/or
7. Termination.

B. Disciplinary action against an employee other than the Executive Director will be decided and carried out by the Executive Director, subject to appeal to the Administrative Committee as a grievance under Article 13 of these Policies. Disciplinary action against the Executive Director will be decided and carried out by the Board.

C. Except in the case of an oral warning/counseling, disciplinary action will be accomplished or preceded by written notice to the employee involved. The notice will include a statement of the basis for the action and, except in the case of termination, will state the possible consequences of further unsatisfactory performance or conduct. Each written notice of disciplinary action will be included in the employee's personnel file. For a demotion or termination, the notice will state that the disciplinary action is being proposed, and will allow for the employee to provide a response before a decision is made on the action to be taken; this will be followed by a notice to the employee of the action being taken.

D. Except for termination, disciplinary action does not automatically or permanently disqualify an employee from consideration for future promotion, pay increases, commendations, or other beneficial personnel actions.

Section 12.03 Administrative Leave Pending Investigations

When an investigation is pending to determine whether a basis exists for disciplining an employee, the Executive Director may place the employee on administrative leave with or without pay pending the outcome of the investigation.

End Article 12

ARTICLE 13. GRIEVANCES

Section 13.01 Policy

It is the policy of Alliance Water to deal promptly with disputes and disagreements on the part of employees. No adverse action will be taken against an employee for use of the grievance process described in this Article.

Section 13.02 Procedure

1. The first step in the grievance process is for the employee to have an informal conference with his or her immediate supervisor, or with the next higher supervisor if the subject of the grievance is the immediate supervisor. If the informal conference with the supervisor does not result in a resolution of the grievance that is satisfactory to the employee, he or she may file a formal grievance.
2. Formal grievances must be in writing, signed by the employee, and presented within 10 working days of the event(s) forming the basis of the grievance. The formal grievance should be presented to the immediate supervisor, or if the subject of the grievance is the immediate supervisor, the grievance should be presented to the next higher supervisor, with a copy given to the immediate supervisor. If the immediate supervisor is the Executive Director and the subject of the grievance is the Executive Director, the grievance must be presented to the Chair of the Administrative Committee of Alliance Water, with a copy given to the Executive Director. The grievance must include a statement of the basis for the grievance, when and where the event(s) forming the basis of the grievance occurred, the names of the employees and any other persons involved, and the specific remedial action requested by the employee.
3. When the supervisor receiving a formal grievance is not the Executive Director, the supervisor will notify the Executive Director promptly. The supervisor receiving the notice will attempt to resolve the grievance within five working days after receipt of the grievance.
4. The employee may appeal the supervisor's decision by presenting a written notice to the Executive Director within three working days after the decision. The Executive Director will attempt to resolve the appeal within five working days after receipt. The Executive Director will communicate his or her decision to the employee, the immediate supervisor, and to the Administrative Committee.
5. An employee may appeal a decision of the Executive Director by submitting a written notice to the Chair of the Administrative Committee within three working days after the decision. The Committee Chair will attempt to resolve the appeal within five working days after receipt. If the Committee Chair considers Board action on the appeal to be appropriate, the Board will consider the appeal at the next available regular Board meeting. Communication by the employee with any member of the Board regarding the grievance, other than at a Board meeting, will be cause for disciplinary action.

End Article 13

ARTICLE 14. PERSONNEL FILES

Section 14.01 General

A. Personnel files are maintained by the Executive Director or the Executive Director's designee. The record copy of all personnel information related to an employee will be filed in the employee's personnel file will be secured against unauthorized access.

B. No information from any record placed in an employee's file will be communicated to any person or organization except by the Executive Director or an employee authorized to do so by the Executive Director.

C. An employee or his or her representative designated in writing may examine the employee's personnel file upon request during normal working hours at Alliance Water's office. When a supervisor requires access to the personnel file of an employee under his or her supervision for the handling of personnel matters, the supervisor must obtain authorization from the Executive Director or the Executive Director's designee. Access to a personnel file must be performed in the presence of the Executive Director or the Executive Director's designee.

D. Employees must inform their supervisors of any changes in or corrections to information recorded in their individual personnel files such as home address, telephone number, person to be notified in case of emergency, or other pertinent information.

Section 14.02 Personnel Action Form

A. The Personnel Action Form is the official document for recording and transmitting to the personnel file each personnel action. This form is used to promote uniformity in matters affecting:

1. Employment category;
2. Position title and classification;
3. Pay rate or salary;
4. Disciplinary actions; and
5. Other actions affecting the employee's status.

B. Each Personnel Action Form becomes a permanent part of the employee's personnel file, and a copy is given to the employee.

Section 14.03 Contents of Personnel File

An employee's personnel file contains:

1. An employment record;
2. A copy of the employee's application for employment;

3. A signed copy of the employee's acknowledgement of receiving a copy of these Policies manual, the job (class) description for the position he or she currently occupies, and a copy of Alliance Water's personnel evaluation form;
4. Election to disclose or keep confidential Home Address and Home Telephone Number Form;
5. Personnel Action Forms;
6. Performance evaluation records;
7. Records of any citations for excellence or awards for good performance;
8. Records of disciplinary action;
9. Records of leave accrued and taken; and
10. Any other pertinent information having bearing on the employee's status.

Section 14.04 Leave Records

Official records of annual PTO accrual and of PTO usage are kept for each employee by an employee designated by the Executive Director. PTO balances are shown on the official record to reflect any remaining PTO to which an employee is entitled.

Section 14.05 Confidentiality of Personnel Files; Texas Public Information Act

Personnel files will be maintained separately from other Alliance Water records, and they will be kept secured against unauthorized access. Personnel files of employees are the property of Alliance Water, and access to the information they contain is restricted under the Health Insurance Portability and Accountability Act and other applicable laws. However, information contained in personnel files may be subject to disclosure under the Texas Public Information Act.

End Article 14

ARTICLE 15. SEPARATIONS

Section 15.01 Types of Separation

All separations of employees are designated as one of the following types:

1. Resignation;
2. Retirement;
3. Termination;
4. Reduction in force; or
5. Death.

Section 15.02 Resignation

A. An employee who intends to resign must notify his or her immediate supervisor or the Executive Director in writing at least ten working days prior to the last day of work.

B. An employee who resigns without giving this notice is subject to losing accrued benefits unless the employee provides a valid reason approved by the Executive Director for not giving the notice.

Section 15.03 Retirement

The same notice requirements for resignation apply in the case of retirement.

Section 15.04 Termination

Employees may be involuntarily terminated by Alliance Water as a disciplinary action.

Section 15.05 Reduction in Force

A. A Reduction in Force (“RIF”) is an involuntary employment separation initiated by Alliance Water for non-disciplinary reasons.

B. If an employee is separated because of a RIF, then the employee will be eligible for all accrued benefits and will be eligible for re-hire by Alliance Water should the occasion arise.

Section 15.06 Death

If an employee dies, his or her estate will be provided with all pay due and any accrued benefits as of the date of death.

Section 15.07 Employment at Will

ALL EMPLOYEES ARE EMPLOYED AT WILL AND MAY BE SEPARATED FROM EMPLOYMENT WITHOUT CAUSE AND WITHOUT ANY STATED REASON AT ANY TIME.

Section 15.08 Calculation of Separation Pay

Upon separation from Alliance Water employment, regular employees who have successfully completed their initial introductory period will be paid for accrued and unused PTO, unless they are terminated as a disciplinary action, in which case payment for accrued and unused PTO will be decided on a case-by-case basis. Payment for PTO balances will be calculated in the following manner:

1. The hours worked during the last pay period in which work was performed will be added to the allowable accrued PTO hours, and the employee will be paid in a lump sum according to the total number of hours payable. The regular hourly rate for salaried employees will be determined by dividing the employee's regular annual salary by 2,080 working hours per year; or
2. For non-exempt and regular full-time employees, any overtime hours (hours in excess of 40 hours per work week, as defined in these policies) worked during the employee's final pay period, which have not been compensated through a time off method described in Article 7 will be paid in the final paycheck at a rate of one and one-half times the employee's regular hourly rate for each overtime hour worked.

Section 15.09 Exit Interviews and Return of Alliance Water Property

A. The Personnel Action Form for a separation will indicate the type of separation, and will be signed by the supervisor or Executive Director, and, except in unusual or emergency circumstances, signed by the employee. The supervisor of an employee who is separating will discuss with the employee the reason(s) for the separation in an exit interview whenever possible.

B. Any employee separating employment with Alliance Water, whether voluntary or involuntary, will return all files, records, keys, electronic equipment, credit cards, and any other property of Alliance Water. No final settlement of an employee's pay will be made until all such items are returned in appropriate condition. The cost of replacing non-returned and/or damaged items will be deducted from the employee's final paycheck. Any outstanding financial obligations owed to Alliance Water will also be deducted from the employee's final check. A final check must be paid within six working days after the separation date, so it is the responsibility of the separated employee to return all Alliance Water property promptly or expect deductions from the final check.

End Article 15

ARTICLE 16. WORKPLACE CONDUCT POLICIES

Section 16.01 Workplace Conduct Commitment

Alliance Water is committed to providing employees with a work environment free of the following types of conduct:

1. Discrimination or harassment based on a legally protected characteristic as described in Section 16.02 below;
2. Sexual harassment as described in Section 16.03 below; and
3. Workplace violence as described in Section 16.05 below.

Section 16.02 Discrimination Based on Protected Characteristic

A. Employees and other individuals at Alliance Water, such as vendors, visitors, and contractors, are prohibited from engaging in discrimination or harassment based on race, color, religion, sex, national origin, age, veteran status, disability, or other legally protected characteristics.

B. Examples of conduct which may constitute discrimination or harassment based on race, color, religion, sex, age, national origin, age, veteran status, disability or other legally protected characteristic include, but are not limited to, slurs or epithets; negative stereotyping; threats, intimidation or hostile conduct; and the showing, display, sharing, circulating or transmitting of written or graphic materials that denigrate or show hostility toward an individual or group.

Section 16.03 Sexual Harassment

A. Employees are prohibited from engaging in sexual harassment, which is a form of discrimination based on sex. It includes unwelcome sexual advances, requests for sexual favors and other verbal, visual or physical conduct of a sexual nature when submission to the conduct is made an explicit or implicit term or condition of employment, or submission to or rejection of the conduct is used as a basis for an employment decision, or the conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

B. Examples of conduct which may constitute sexual harassment include, but are not limited to, verbal or visual harassment or abuse, degrading sexual comments, unwelcome propositions, sexually offensive jokes, materials or tricks, unwelcome requests for sexual favors or activity, inappropriate touching or physical actions of a sexual or abusive nature, such as pinching, hugging, patting or repeated brushing against another individual's body. Sexual harassment does not include occasional, socially acceptable compliments or voluntary relationships between employees.

Section 16.04 Complaints and Disciplinary Action – Discrimination and Sexual Harassment

A. A person who experiences discrimination or harassment based on race, color, religion, sex, national origin, age, veteran status, disability, or other legally protected characteristic, or who experiences sexual harassment, may seek to resolve the problem by advising the offending individual that the behavior is unwelcome and requesting that it be discontinued. This action alone

may resolve the problem. However, dealing directly with an offending individual is not a prerequisite for submitting a complaint as outlined below.

B. Complaints regarding discrimination or harassment based on race, color, religion, sex, national origin, age, veteran status, disability, or other legally protected characteristic, or regarding sexual harassment should be submitted as soon as possible after the event giving rise to the complaint. Complaints should be directed to the Executive Director, except that if the Executive Director is the subject of a complaint, the complaint should be directed to the Chair of the Administrative Committee. A complaint may be submitted verbally or in writing. Verbal complaints will be reduced to writing by the person receiving the complaint.

C. The Executive Director or Administrative Committee Chair, as appropriate, will investigate the complaint by interviewing the complaining employee, the person that is the subject of the complaint, and others who have knowledge or information on the matter, and by examining other relevant evidence on the matter.

D. If a complaint relates to an employee other than the Executive Director, the Executive Director will prepare a written report within five working days of receiving the complaint. The report will include a summary of the evidence and a conclusion as to the merits of the complaint. The Executive Director may take disciplinary action based on the report, or the Executive Director may forward the report and a recommendation for any action to the Administrative Committee. The Administrative Committee will review the report as soon as possible, and will determine what action, if any, is warranted.

E. If a complaint relates to the Executive Director, the Administrative Committee Chair will prepare a written report within five working days of receiving the complaint. The report will include a summary of the evidence, a conclusion as to the merits of the complaint, and a recommendation to the Board on any action to be taken. The Board will review the report at a regular or special meeting, and will determine what action, if any, is warranted.

F. Employees who observe conduct prohibited in this Article 16 are required to report the conduct to their supervisors and the Executive Director.

G. Alliance Water prohibits retaliation, harassment or intimidation against employees who report or complain of conduct that is prohibited by this Article.

H. Threats or conduct requiring immediate attention by law enforcement should be reported to the employee's supervisor and/or the Executive Director and to the appropriate law enforcement agency.

Section 16.05 Workplace Violence

A. Alliance Water strives to provide employees, vendors, customers, and visitors with a work environment free from workplace violence. The term "workplace violence" includes violence or threats of violence of any kind, such as verbal or written abuse, threats, stalking, harassment, horseplay, fighting, temper tantrums or other disruptive conduct (even if a statement or conduct is

intended as a joke), unwelcome physical touching (sexual or otherwise) or physical assault by any person on Alliance Water premises, or by an Alliance Water employee when on duty or in uniform.

B. Workplace violence may be attributable to a variety of reasons. An employee who experiences stress because of job-related reasons or personal reasons is encouraged to speak with his or her supervisor or the Executive Director to identify potential resources available or to find additional information related to coping with stress through the Centers for Disease Control and Prevention (CDC) website to aid the employee in effectively dealing with the stress.

C. Alliance Water's effort to avoid workplace violence requires that employees, vendors, customers, and visitors follow certain rules:

1. Workplace violence of any kind is strictly prohibited.
2. Employees are prohibited from carrying or possessing firearms, knives (excluding pocket knives) or other weapons (including concealed weapons) on Alliance Water property, including parking lots, grounds, building, or in Alliance Water vehicles or vehicles used for business activities, unless authorized in writing by the Executive Director. This prohibition applies whether or not the individual is licensed to carry a firearm by the state or federal government, but does not apply to law enforcement officers. An employee who holds a current, valid Texas concealed handgun license may store a handgun in a locked personal vehicle on Alliance Water property.

D. Alliance Water reserves the right, in its sole discretion and to the maximum extent allowed by applicable law, to implement security measures to restrict unauthorized entry, conduct surveillance of Alliance Water premises, and provide an orderly and reasonably safe working environment.

E. Alliance Water reserves the right to conduct searches and inspections to the fullest extent permitted by applicable law in connection with actual or threatened violence where there may be risk to persons or Alliance Water property. Persons who threaten or commit workplace violence do not have any expectation of privacy while on Alliance Water premises.

End Article 16

ARTICLE 17. DRUG ABUSE

Section 17.01 Statement of Purpose and Scope

A. The effects of alcohol and drug abuse in the workplace are a major concern to Alliance Water and to its employees. Alliance Water believes that by reducing drug and alcohol abuse, we will improve the safety, health and productivity of employees. The goals of our drug abuse policy are to provide a safe and healthy workplace for all employees, to prevent accidents, and to comply with the Texas Workers' Compensation Act.

B. While on Alliance Water premises, while on duty, while conducting Alliance Water-related business or other activities off premises, while driving an Alliance Water vehicle, or while operating or using Alliance Water property or equipment, an employee is prohibited from using, possessing, selling, transferring, purchasing or being under the influence of a drug .

C. The Alliance Water policy includes random drug testing in order to be diligent in maintaining a drug and alcohol-free work environment to provide a safe place to work, ensure the quality of its services, and meet its public responsibilities.

D. Any employee whose duty requirements include holding a current, valid Commercial Driver's License will comply with state and federal operator requirements including but not limited to random drug testing and completion of driver's time logs, and will be mindful of and comply with limits on operation of equipment.

E. Employees scheduled to be on call are expected to be fit for duty upon reporting to work. Any employee scheduled to be on call, and who is called out, is governed by this Article.

Section 17.02 Definition of Drug

A. For the purpose of this policy, the term "drug," wherever it appears in this policy statement, includes alcohol, inhalants, illegal drugs (including drugs which are legally obtainable but which were not legally obtained), manufactured or synthetic recreational drugs, and prescribed or over-the-counter drugs which are not being used as prescribed or as intended by the manufacturer.

B. The legal use of prescribed and over-the-counter drugs is permitted while on Alliance Water premises, while on duty, while conducting Alliance Water-related business or other activities off premises, while driving an Alliance Water vehicle, or while operating or using other Alliance Water property or equipment only if it does not impair an employee's ability to perform the essential functions of the job or to operate the vehicle, property or other equipment effectively and in a safe manner that does not endanger the employee, other individuals in the workplace, or the public. Examples of impairment include, but are not limited to, slurred speech, drowsiness, dizziness, confusion, or feeling shaky.

Section 17.03 Consequences of Violation; Reporting of Arrest or Conviction

A. Violation of this drug abuse policy will result disciplinary action. In arriving at a decision on the type of disciplinary action, the seriousness of the infraction, the past record of the employee, and the circumstances surrounding the matter will all be taken into consideration.

B. Disciplinary action may be taken against an employee if the employee's off-duty use of or involvement in alcohol or drugs is damaging to Alliance Water's reputation or business, is inconsistent with the employee's job duties, or adversely affects the employee's job performance.

C. Employees are required to report to the Executive Director any alcohol or drug-related arrest or conviction for an incident occurring on-duty or off-duty within five days after the arrest or conviction.

Section 17.04 Treatment Programs

Alliance Water does not sponsor or endorse any specific drug treatment programs. Such programs are available through public and private health care facilities in our area. Affected employees are encouraged to seek assistance for themselves and their dependents.

Section 17.05 Education and Training Programs

Alliance Water does not offer, nor require participation in, drug and alcohol abuse education and training programs. However, various public and private facilities in our area offer such programs and affected employees are encouraged to seek assistance.

End Article 17

ARTICLE 18. MISCELLANEOUS MATTERS

Section 18.01 Credit Cards

An Alliance Water employee is prohibited from using an Alliance Water credit card for anything other than official Alliance Water expenses.

Section 18.02 Purchasing

All Alliance Water purchases will be made by authorized personnel only, as outlined in the Alliance Water Purchasing Policy.

End Article 18

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS

Wednesday, November 13, 2019 at 3:00 P.M.
520 E. RR 150, Kyle, TX 78640

- D.3** Discussion and possible recommendation to the Board to approve the Executive Director's goals for fiscal year 2019-2020. ~ *Graham Moore, P.E., Executive Director*
-

Background/Information

The Administrative Committee was delegated the responsibility to work with the Executive Director to develop goals for the current fiscal year. The goals must ultimately be approved by the full Board of Directors.

Attached are the draft goals developed by Graham Moore. Staff is requesting a recommendation to the Board on approval of the goals.

Attachment(s):

- Draft Executive Director's goals

Administrative Committee Decisions Needed:

- Possible action to recommend to the Board approval of the Executive Director's goals for fiscal year 2019-2020.



ALLIANCE WATER

Alliance Water- Executive Director Goals Through August 2020		
Goal:	Metric(s):	Result:
1) Develop an organizational chart that illustrates the short-term and long-term staffing needs and assignments for Alliance Water.	a) Present the organizational chart to the Administrative Committee by March 2020. b) Present recommended organizational chart to the Board for approval by May 2020.	
2) Fill the Bookkeeper and Operator positions for Alliance Water	a) Create the Bookkeeper and Operator job positions and post notices by November and December 2019, respectively. b) Hire for both positions by March 2020.	
3) Create an effective on-boarding system for new Board members	a) Interview recently added Board members to determine where current system is ineffective.	
	b) Meet with other large regional entities to determine how they integrate new Board members.	
	c) Create a program to help transition new Board members to the Authority by May 2020.	
4) Continue to increase public outreach for Alliance Water for both leaseholders and rate payers	a) Conduct annual meetings with lease landowners	
	b) Provide at least annual updates to CRWA Board, city councils and advisory boards as requested by City staff.	

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS

Wednesday, November 13, 2019 at 3:00 P.M.
520 E. RR 150, Kyle, TX 78640

- D.4** Discussion and possible direction to Staff regarding the Authority's draft Staffing Plan. ~ *Graham Moore, P.E., Executive Director*
-

Background/Information

Staff has prepared the attached organizational charts in order to anticipate the number and types of staff that will be needed in order to appropriately operate through time. Staff will discuss the organizational charts at the meeting and some of the reasoning / philosophy regarding how they were developed.

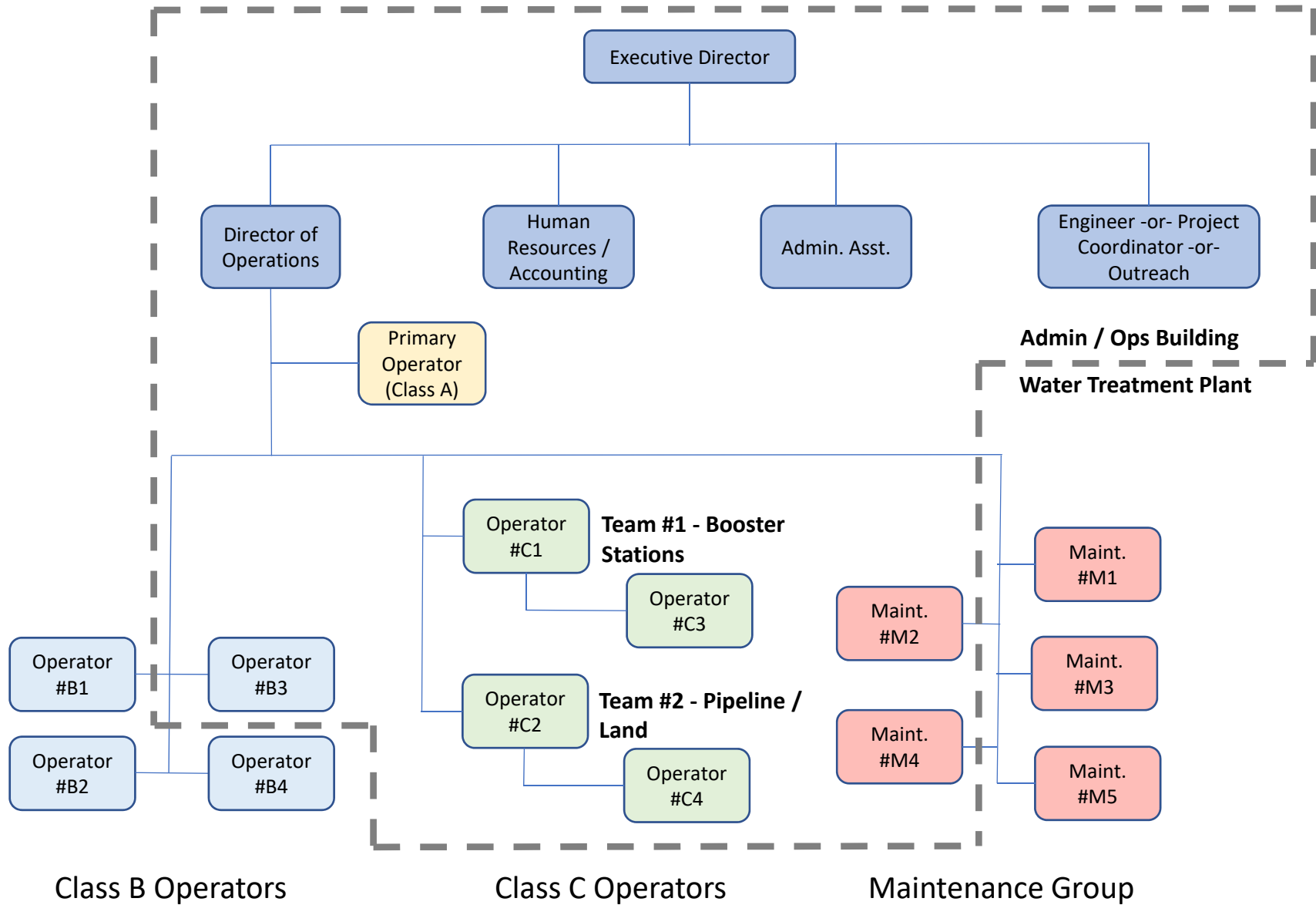
Attachment(s):

- Organizational Chart for four different years: 2029, 2024, 2022 & 2020

Administrative Committee Decisions Needed:

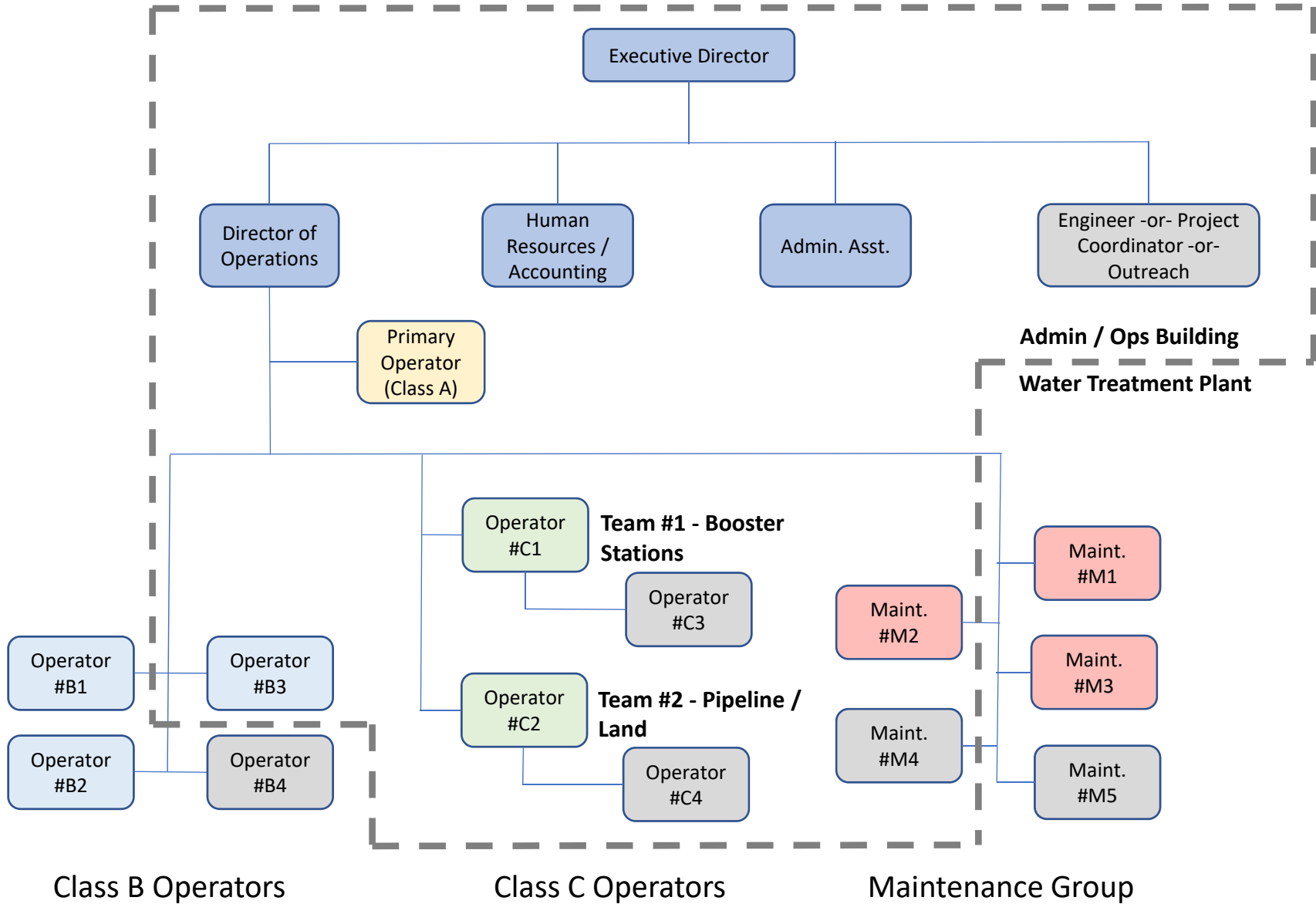
- Possible direction to Staff.

2029 Organizational Chart



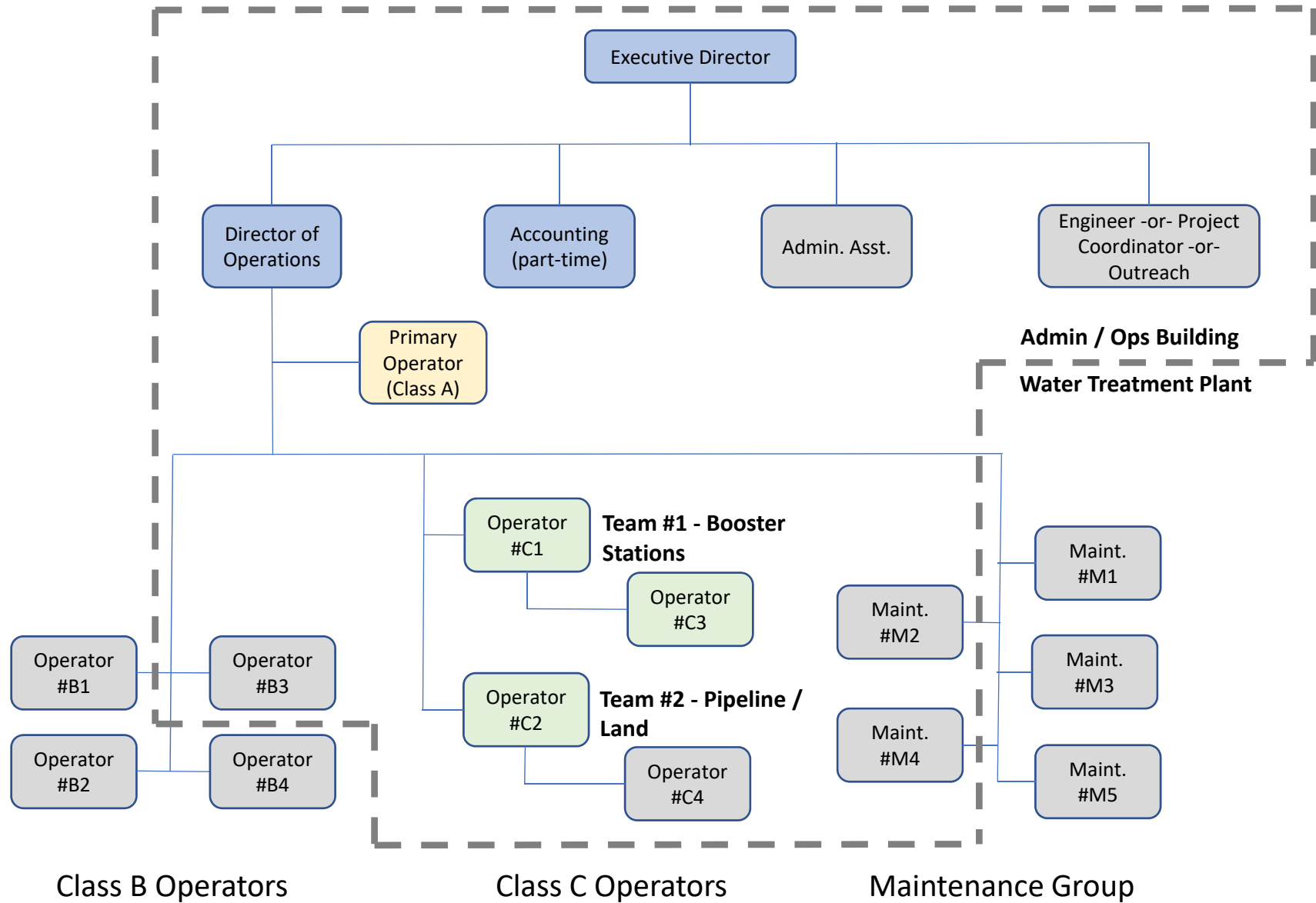


2024 Organizational Chart

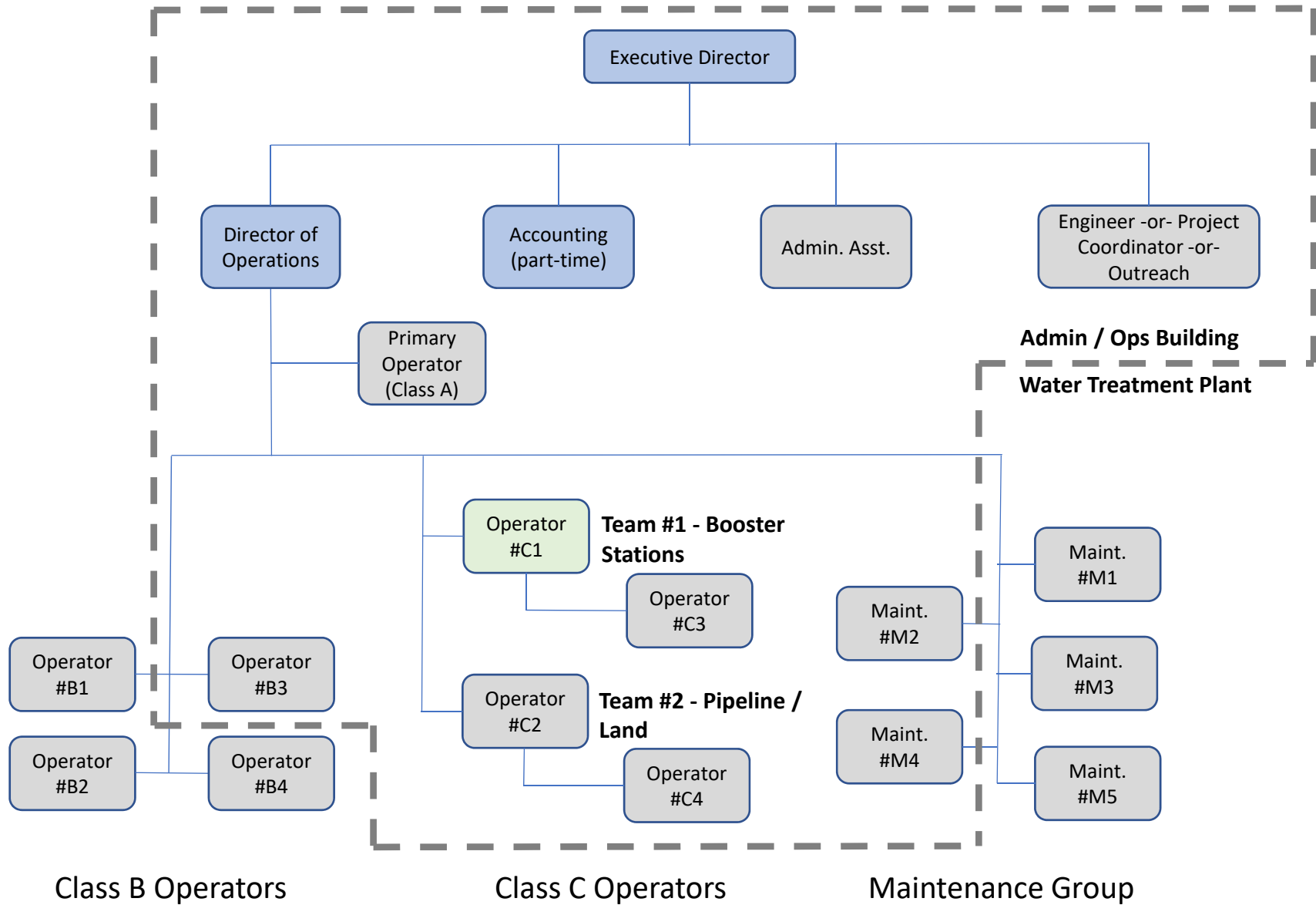


Future Position

2022 Organizational Chart



2020 Organizational Chart



Future Position

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS
Wednesday, November 13, 2019 at 3:00 P.M.
520 E. RR 150, Kyle, TX 78640

- E. COMMITTEE MEMBER ITEMS OR FUTURE AGENDA ITEMS – no action to be taken.**
-

Background/Information

The Committee Members have an opportunity to make announcements or to request that items be added to future Board or Committee agendas.

REGULAR MEETING
Alliance Regional Water Authority Administrative Committee

COMMITTEE MEMBER PACKETS
Wednesday, November 13, 2019 at 3:00 P.M.
520 E. RR 150, Kyle, TX 78640

F. ADJOURNMENT
