

Cape Fear Public Utility Authority
HumanResources



2019

Employee Personnel Policies
& Procedures Manual



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WELCOME TO ALL EMPLOYEES

The Cape Fear Public Utility Authority (CFPUA) makes this Employee Personnel Policies and Procedures Manual available to provide important information about your employment with CFPUA. As an employee, the information contained in this Manual will be useful in understanding your responsibilities as a CFPUA employee and is a helpful guide to explaining the available benefits.

Employees are responsible for becoming familiar with and complying with the content of this manual. If you have questions about any of the policies and how they apply to you, you are encouraged to contact your supervisor or Human Resources for more information.

The Employee Personnel Policies and Procedures Manual does not constitute a guarantee or contract of employment and CFPUA reserves the right to change, revoke, interpret, or add to any of these policies at any time at its sole discretion without prior notice. CFPUA employment is “at-will” which means the employee, or the employer has the right to terminate the employment relationship at any time and for any reason, not otherwise prohibited by law.

The policies and procedures in this manual cannot cover every possible situation that may arise. There may be amendments to this manual over time. As policies are amended, a copy of the new or updated policy (electronic or paper) will be made available to employees. The Employee Personnel Policies and Procedures Manual can also be found CFPUA’s website at www.cfpua.org.

History of the Cape Fear Public Utility Authority –In July 2007, CFPUA was formed from City and County water and sewer utilities to become a public entity of the State of North Carolina and began operation on July 1, 2008. CFPUA is governed by an eleven-member board composed of two elected officials from the City of Wilmington and New Hanover County each, and seven at-large members- three members appointed by the City of Wilmington and three members appointed by New Hanover County and one member by joint appointment. The organization is managed by the Executive Director, who is appointed and works under the general guidance and direction of the CFPUA Board.

Currently, CFPUA serves over 67,000 municipal, commercial, industrial, and residential customers. The organization has approximately 300 employees who work within eight departments: Environmental Management, Engineering, Information Technology Human Resources, Operations, Customer Service, Public and Environmental Policy and Finance. CFPUA’s infrastructure consists of 2 water treatment plants, 1113 miles of waterlines, 10 elevated water storage tanks, 1 ground storage tank, 5 active wells, 1 raw water pump station, 2 wastewater treatment plants, 1019 miles of sewer lines, and 140 wastewater pump stations.

Mission Statement, Strategic Vision and Values:

Mission Statement – We are a customer-centric organization who delivers high-quality water utilities.

Strategic Vision – Supporting our community’s quality of life through the responsible use and care of water.

Values – Excellence, transparency, education, and collaboration.

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**CAPE FEAR PUBLIC UTILITY AUTHORITY EMPLOYEE PERSONNEL POLICIES AND PROCEDURES
MANUAL ACKNOWLEDGMENT**

By signing below, I acknowledge that I have received, and will read the Cape Fear Public Utility Authority's Employee Personnel Policies and Procedures Manual - 2019. I understand that the Employee Personnel Policies and Procedures Manual is provided to me for general guidance and are not an exhaustive statement of CFPUA policies.

In addition, I understand that the Employee Personnel Policies and Procedures Manual does not constitute a contract of employment and that CFPUA may change, revoke, interpret, or add to any of the policies contained therein at any time at its sole discretion without prior notice. CFPUA is an "at-will" employer, which means the employee, or the employer has the right to terminate the employment relationship at any time and for any reason, not otherwise prohibited by law.

Finally, I understand that any amendment of the Employee Personnel Policies and Procedures Manual will always govern and supersede any prior version. I also understand that if I have questions or concerns regarding my terms of employment or working conditions with CFPUA, I should contact my supervisor or Human Resources.

Employee Name: _____

Employee Signature: _____

Date: _____

This page is reproduced at the end of the Employee Personnel Policies and Procedures Manual. Employees are to sign and date both pages. This page will remain attached to the Employee Personnel Policies and Procedures Manual; the reproduced page at the end of the Employee Personnel Policies and Procedures Manual page 51 will be detached and becomes part of the employee's personnel file.

ARTICLE I - GENERAL PURPOSE AND SCOPE

Section 1. Purpose

The policies contained in this Employee Personnel Policies and Procedures Manual have been adopted by the Cape Fear Public Utility Authority (CFPUA) to establish a human resources system that provides for the recruitment, selection, and continuous development of an effective workforce in response to the needs of CFPUA's customers. The policies were adopted pursuant to the State of North Carolina General Statutes 162A.

With the adoption of this Employee Personnel Policies and Procedures Manual, CFPUA is making a good faith effort to comply with all applicable state and federal laws and regulations. CFPUA recognizes that these policies are not a complete and exhaustive set of policies or procedures that govern employment within CFPUA. CFPUA recognizes that periodic updates and revisions of these personnel policies will be necessary. Changes in personnel policies adopted by CFPUA will be communicated promptly to all employees.

Section 2. Coverage

All employees within CFPUA are subject to these policies except as specified below:

- Board Members;
- CFPUA Attorney (if contractual);
- Elected Officials;
- Members of advisory boards and commissions and special boards, task forces, and committees.

Section 3. Employee Classifications

- Full-time Employee: An employee, either regular or temporary, who is regularly scheduled to work forty (40) hours per week as defined under the Fair Labor Standards Act (FLSA).
- Part-time Employee: An employee, either regular or temporary, who is regularly scheduled less than forty (40) hours per week as defined under the Fair Labor Standards Act (FLSA).
- Probationary Employee: A person appointed to a budgeted position who has not yet completed the probationary period.
- Regular Employee: An employee who has successfully completed the prescribed probationary period. All CFPUA positions are subject to budget review and approval each year by CFPUA, and all employees' work and conduct must meet standards of performance and behavior. Therefore, reference to "regular" employees is not to be construed as a contract or right to perpetual funding or employment and does not affect the "at-will" status of the employment relationship.
- Temporary Employee: A person appointed to serve in a position for a definite period not to exceed 364 calendar days from the employee's hire date.
- Seasonal Employee: A temporary employee who works at one or more CFPUA-owned facility that are operated for not more than seven months in any calendar year.

Section 4. Definitions

- A. **Benefit Earning Status**: Regular employees who are regularly scheduled to work a minimum of forty (40) hours per week, or regular employees who work thirty (30) hours per week are eligible for health care benefits. Regular part-time employees who are regularly scheduled to work less than forty (40) hours per week may be eligible for a pro-rated portion of certain employer provided benefits depending on their standard hour's classification. Details of the pro-rated employer provided benefits will be explained to the employee at the time of hire or transfer. Temporary and seasonal employees are not eligible to receive any CFPUA benefits.
- B. **Board Members**: The 11 appointed members of the Cape Fear Public Utility Authority.

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- C. Demotion: Movement of an employee from one job class to another within CFPUA, where the pay grade for the new position is lower than that of the former position. Generally, a demotion is a result of disciplinary action.
- D. Exempt Employee: An employee specifically exempted from the overtime compensation provisions of the Fair Labor Standards Act (FLSA) as defined and limited by administrative rules and regulations; these employees generally have as their primary duty management, administration, or work of a professional nature.
- E. FLSA: Fair Labor Standards Act is a federal statute defining minimum wage and overtime compensation and classifying positions as exempt or non-exempt.
- F. Immediate family: Unless otherwise specified, immediate family means spouse, mother, father, guardian, children, sister, brother, grandparents, grandchildren, plus the various combinations of half, step, in-law and adopted relationships that can be derived from these named.
- G. Non-Exempt Employee: An employee who is subject to the Fair Labor Standards Act and entitled to minimum wage and overtime compensation.
- H. Overtime: Work performed at the express authorization of CFPUA over forty (40) hours per week as defined by the Fair Labor Standards Act.
- I. Pay grade: A level within a salary schedule into which job classes with similar job evaluation factors are placed for compensation purposes. Pay grades have a minimum rate, 1st quartile, midpoint (market rate) rate, 3rd quartile and a maximum rate and defines what CFPUA is willing to pay for a job.
- J. Promotion: Movement of an employee from one job class to another within CFPUA, where the pay grade for the new position is higher than that of the former position.
- K. Reclassification: A change in an employee's classification due to a change in pay grade or change/modification of the employee's position classification or job classification.
- L. Time Limited Appointment: A temporary or part-time appointment which is approved for a specific period typically 1 year.
- M. Trainee: An employee designated as such, appointed to a position in any class for which the department director and Director of Human Resources has authorized "trainee" appointments. An individual may not be appointed as a trainee if he/she possesses the acceptable training and experience for the regular class and must be appointed to the regular class when he/she gains the acceptable training and experience.
- N. Transfer: Movement of an employee from a new job class to another within CFPUA where the pay grade remains the same as the former position.
- O. Voluntary Reassignment: A voluntary reassignment is a change in employment to a position in a lower or in the same pay grade that is mutually agreed to by the employee and the employer.

Section 5. Responsibilities of the Cape Fear Public Utility Authority

North Carolina General Statutes 162A-6 ("Article") authorizes and empowers the CFPUA to engage in all actions enumerated in the Article and to do all acts and things necessary or convenient to carry out the powers granted by the Article.

Section 6. Responsibilities of the Executive Director

North Carolina General Statutes 162A-6 authorizes the CFPUA, among other things, to employ such employees and agents as, in the judgment of CFPUA, may be deemed necessary. Article VI of the Cape Fear Public Utility Authority Bylaws directs CFPUA to employ and appoint Board Member. In accordance with these provisions of the Statutes and the Bylaws, the Executive Director, or his designee, shall perform the duties necessary to provide for the administration and maintenance of a fair and equitable human resources system.

Section 7. Responsibilities of the Human Resources Director

In accordance with the provisions of North Carolina General Statutes 162A-6 and Article VI of the Cape Fear Public Utility Authority Bylaws, the Human Resources Director, as employed and directed by the Executive Director, is authorized to undertake all actions necessary to establish, implement, maintain, and, when necessary, revise all elements of a fair and equitable human resources system.

ARTICLE II - EMPLOYMENT

Section 1. Statement of Equal Employment Opportunity

It is the policy of CFPUA to provide equal employment opportunity for all employees and applicants seeking employment. All employment policies and practices will be nondiscriminatory in compliance with federal laws, state statutes, and local ordinances.

CFPUA ensures that all employment practices are administered without regard to race, religion, color, creed, national origin, sex, age, political affiliation, handicapping condition or any other protected category under local, state, or federal law. These employment practices include, but are not limited to recruitment, hiring, compensation, transfer, promotion, demotion, layoff, recall, benefits, training, discipline and termination. CFPUA's policy is to ensure that all employment decisions, including promotions, are based solely on individual qualifications and suitability for the job.

The Human Resources Director serves as the Equal Employment Opportunity Officer and is responsible for carrying out the Equal Employment Opportunity policy. Employees can bring complaints, ask questions, and raise concerns under this policy without fear of reprisal. Charges or complaints of discrimination should be referred to the Human Resources Director. CFPUA will not tolerate retaliation, harassment, intimidation, threats, coercion or discrimination against anyone who files a complaint, exercises a right, opposes improper conduct or assists in an investigation.

Section 2. Reasonable Accommodations under the Americans with Disabilities Act (ADA)

CFPUA will not discriminate against a qualified individual because of disability regarding job application procedures, hiring, promotion, compensation, job training, employee benefits, discharge of employees, and other terms or conditions of employment. Disability means having a physical or mental impairment that substantially limits one or more of the major life activities of such individuals, having a record of such impairment or being regarded as having such impairment.

Reasonable accommodations, which do not present an undue hardship to CFPUA, will be provided for upon request from an applicant. CFPUA will provide reasonable accommodations, which do not present an undue hardship to CFPUA, for the continued employment of individuals who become disabled while employed by CFPUA, if employees notify the Human Resources Director in writing of their need for an accommodation as soon as possible, but not more than 180 days after the employee knew or should have known the accommodation was needed. The Human Resources Director serves as the organization's ADA Coordinator.

Section 3. "At-Will" Employment

Employment with CFPUA is "at-will", which means that continued employment and the conditions of employment are solely at CFPUA's discretion, consistent with the terms of any applicable employment agreement.

Employment is "at-will" and either the employee or CFPUA may choose to terminate the employment relationship at any time and for any reason not prohibited by law.

Section 4. Recruitment

Recruitment practices are conducted solely based on ability, merit, qualifications and competence without regard to race, religion, color, creed, national origin, sex, age, political affiliation, disability or any other protected category under local, state, or federal law. All advertisements for employment will include an assurance that CFPUA is an equal opportunity employer and will comply with federal and state statutes regarding discrimination in employment matters.

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When a position becomes vacant, and prior to the posting or advertisement of any position, the department director must prepare and submit a request to fill the position to the Human Resources Director. A position will not be posted or advertised if it has not been previously budgeted and authorized by CFPUA.

Section 5. Job Advertisements

Employment opportunities with CFPUA will be advertised publicly. Job postings will be posted on CFPUA's employee bulletin boards and various websites from the date that the position is advertised until the established closing date for accepting applications. Job postings will be advertised with the Division of Employment Security, and other local, state or national organizations, in newspapers and professional publications and on websites as deemed appropriate by the Human Resources Director. In general, it is CFPUA's practice to post vacant positions for at least seven (7) business days.

Section 6. Application for Employment

All qualified persons expressing interest in a CFPUA position, including current employees, will be given the opportunity to apply for vacancies when a position is posted. Applicants for a position must complete and sign the official application form for each position for which they are applying. Applicants may be required to submit certificates from educational and training institutions, proof of licensure, and other documentation requested by CFPUA which provides reasonable proof of any statement made on the application/resume. Any false statements within the application may be cause for rejection of the application/resume or disciplinary action up to and including dismissal.

Section 7. Minimum Qualification Standards

The posted minimum qualification standards for applicants seeking CFPUA employment and for current CFPUA employees seeking a promotion or transfer will be consistent with the established job class minimum qualification standards including the specified education, experience, physical capabilities, and other knowledge, skills, and abilities defined for the job class as established by the department director in consultation with the Human Resources Director.

Section 8. Selection

CFPUA will select the best qualified person for each available position from among the applicants who applied and meet the minimum qualifications established for the position. Evaluation of qualifications is based upon job-related criteria without regard to race, religion, color, creed, national origin, sex, age, political affiliation, disability or any other protected category under local, state, or federal law.

It is the responsibility of the Human Resources Director to manage the selection process to ensure compliance with state and federal laws and consistency with CFPUA's employment practices.

Selection procedures used to determine the qualifications of applicants for any position may include but are not limited to an evaluation of the employment application and other submitted materials; structured interviews; reference checks; driver's license checks; academic verifications; criminal background and credit checks; and controlled substance testing.

The Human Resource Director and the Executive Director, or his/her designee, will approve all written offers of employment prior to the making of the offer.

Section 9. Probationary Period of Employment

As an integral part of the selection process CFPUA requires all new employees to serve a probationary period. The probationary period affords the employee an opportunity to become familiar with the new position and provides the supervisor with time to closely evaluate the employee's work/performance. CFPUA may transfer, demote or dismiss any employee with or without cause at any time during the probationary period. New employees serving a six-month probationary period are not subject to the procedural requirements of Article VII-Disciplinary Action and have no appeal rights.

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Employees' probationary periods may be extended up to an additional three (3) months if additional time is needed to evaluate performance. The Executive Director reserves the right to waive or shorten the probationary period at his/her discretion.

Prior to the completion of the probationary period, the employee's supervisor and the department director must review the performance of the probationary employee and decide to retain, extend the probationary period, or dismiss the employee. A formal evaluation form will be utilized for this review.

Upon the successful completion of the probationary period, the employee is eligible to utilize vacation which was accrued during the probationary period.

Employees must successfully complete the initial 6-month probationary period before being eligible to be promoted or transferred to a new position, unless approved by the Executive Director. Employees in existing positions who are promoted, transferred, or demoted will serve a three-month probationary period to allow the department to evaluate the employee's work. Any deficiencies in performance during this time should be addressed through discipline. The probationary period affects performance of the employee and does not affect the use of vacation use. The employee will be subject to the procedural requirements of Article VII-Disciplinary Action.

Section 10. Promotions and Transfers

Employees are encouraged to apply for vacant CFPUA positions for which they are qualified.

CFPUA has the right to make the final hiring decision based on qualifications, abilities, and experience. The Executive Director reserves the right to effect promotions or transfers without regard to the recruitment and job advertisement process, if it is determined by the Executive Director to be in the best interest of CFPUA.

This policy does not limit CFPUA's right to transfer employees to another position within the same job class based on the needs of CFPUA and the employee.

Section 11. Demotion

A demotion is a personnel action resulting in a change in employment to a lower grade and/or pay rate. Generally, a demotion is a result of disciplinary action.

Section 12. Interim Appointment

The Executive Director may designate a CFPUA employee to serve in an acting capacity when a department director or supervisory position is vacant due to a resignation or due to an approved leave of absence of more than four weeks, or as deemed appropriate. Employees serving in an acting capacity may receive additional pay during the interim appointment for the increased duties. The acting appointment will be until the position is filled or the leave of absence has been completed or the duties are reassigned, or another personnel action is taken which no longer requires an employee to serve in an acting capacity.

Section 13. Voluntary Reassignment

A reassignment is a change in employment resulting from assignment to a position in a lower or like pay grade. This change is the result of an agreement between the employee and the employer, or an employee applying for and being selected for a position at the same or a lower grade.

Section 14. Re-employment

Former employees who left in good-standing may apply and be considered for any CFPUA positions for which they are qualified. Rehired former employees will be credited with their previous accrued sick leave balance, experience time balance and hire date, provided they are rehired within one year of their most recent separation date from CFPUA and have not applied for or withdrawn retirement funds from the State of North Carolina retirement system. Rehired former employees will be subject to probationary employee status as detailed in Article II, Section 9 above, unless waived by the Executive Director.

ARTICLE III - EMPLOYEE RESPONSIBILITIES

Section 1. Work Schedules

The Executive Director or his/her designee is authorized to establish and adjust standard hours of operation and work schedules for CFPUA departments to meet services and operational needs.

Section 2. Modified Work Schedules

Authorization of temporary modified work schedules for individual employees is at the discretion of the department director if there is no interruption of departmental functions and efficient service is provided to the CFPUA customers. Once the modification is approved, it is the department director's responsibility to inform the Finance and Human Resources departments in writing of such changes.

Section 3. Breaks

To promote employee health and productivity, employees should take one fifteen (15) minute break for every four (4) hours worked. All breaks must be arranged so not to interfere with CFPUA business or continuous service to the public. Employees should take an unpaid meal-break of at least 30 minutes or longer. Meal-breaks must be scheduled with the approval of the employee's department director and/or supervisor and may vary depending on department workload.

Section 4. Gifts and Favors

All CFPUA employees are strictly prohibited from soliciting or receiving any gift, reward, promise of reward, or anything of value, directly or indirectly, in exchange, or consideration for, some action to be taken or not taken in the performance of the employee's duties or in exchange for recommending, influencing, or attempting to influence the awards or contracts. All CFPUA employees are strictly prohibited from disclosing confidential information concerning the property, government, or affairs of CFPUA or using such information to advance the financial or other private interest of themselves or others.

CFPUA employees are to serve all persons fairly and equitably without regard to personal or financial benefit. CFPUA employees are prohibited from accepting non-monetary or monetary gifts and if received, the employee should report the gift to the department director. Nominal gifts provided to a department or group of employees, such as food items, may be accepted and made available to all employees in the department or group.

Any CFPUA employee who violates this policy is subject to disciplinary action up to and including dismissal.

Section 5. Political Activity Restricted

CFPUA employees may only seek political office as authorized in this section. CFPUA employees are not restricted from affiliating with organizations of political or partisan nature. CFPUA employees will provide service to customers on an equal basis without regard to political affiliation. While off-duty, CFPUA employees may attend political meetings, support and advocate political policies and positions make financial contributions to a political organization and support candidates of their choice in accordance with the U.S. Constitution and the laws of the State of North Carolina. CFPUA employees are prohibited from:

- Engaging in any political or partisan activity while on duty, or while wearing a CFPUA logo or other products that would affiliate the employee with CFPUA;
- Using official authority or influence to interfere with or affect the result of an election or nomination for office;
- Coerce, solicit or compel contributions for political or partisan purposes from another CFPUA employees; and/or
- Using any CFPUA supplies or equipment for political or partisan purposes.

No employee can be required to contribute funds for political or partisan purposes as a duty or condition of employment, promotion, or tenure of office.

Under Federal law, the Hatch Act, all employees involved in programs that are financed in whole or in part by loans or grants made by the United States Government or a federal agency are prohibited from being a candidate for public

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office in a partisan election. Any CFPUA employee that is considering running for office in a partisan election should notify the Human Resources Director and will be provided with the proper procedure to follow to determine if their candidacy might be in violation of the Hatch Act.

Any employee who violates this section is subject to disciplinary action, up to and including, an unpaid suspension or immediate dismissal.

Section 6. Outside or Secondary Employment

CFPUA work will take precedence over other occupational interests of employees. Outside or secondary employment that conflicts with the employee's availability or ability to perform their job for CFPUA; or, creates, or is perceived to create, a conflict of interest is prohibited. A conflict of interest exists when an employee engages directly or indirectly in any employment or business, that is incompatible with the proper discharge of his or her CFPUA job functions. A conflict of interest exists when an employee: a) has a financial interest as owner, member, partner, officer, employer, stockholder or other participant in a private business or professional enterprise that will be affected by the outcome of any matter under consideration before him or her in his or her capacity as a CFPUA employee; b) has such interest in any matter which may be adverse to the public interest and the proper performance of his or her functions as a CFPUA employee; c) has an interest in speculative or investment activities that will benefit from the use of confidential information obtained as a CFPUA employee; or, d) utilizes property, either real or personal, owned by CFPUA in any business venture or enterprise that results in private gain, monetary or otherwise to the employee.

All outside or secondary employment for salaries, wages, or other compensation and all self-employment must be reported in writing to and approved by the employee's department director, the Human Resources Director, and Executive Director.

The Executive Director shall be responsible for final interpretation of conflicts of interest matters, and approval of requests for outside or secondary employment. Unreported or unauthorized incidents of conflicting outside or secondary employment will be grounds for disciplinary action up to and including dismissal.

Section 7. Employment of Relatives

For purposes of this policy, immediate family is defined in Article I – Section 4- Definitions.

The following provisions are applicable to all employees:

- Members of an immediate family may be employed in the same department, provided that an immediate family member does not directly supervise another member of the immediate family.
- Members of an immediate family may not fall under any aspect of a supervisor's scope of responsibility including involvement of family members in writing or reviewing employee performance evaluations.
- Department directors may not hire members of their immediate family to work in departments under their scope of responsibility.

Section 8. Unlawful Workplace Harassment

CFPUA prohibits unlawful workplace harassment of employees in any form to ensure that work sites are free of unlawful workplace harassment. This policy also prohibits retaliation against employees who file complaints, witnesses to unlawful workplace harassment, and persons providing evidence in relation to harassment complaints.

CFPUA's policy is that no employee may engage in conduct that falls under the definition of unlawful workplace harassment indicated below. All employees are guaranteed the right to work in an environment free from unlawful workplace harassment and retaliation. The desired standard of employee behavior is one of cooperation and respect for each other despite any differences.

All employees, including appointed and elected; full-time and part-time employees; and temporary and seasonal employees are responsible for conducting themselves in a manner consistent with the spirit and intent of this policy. Conduct prohibited by these policies is unacceptable in the workplace and in any work-related settings outside the workplace, such as during business trips, business meetings and business-related social events.

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Hostile Work Environment: "Unlawful workplace harassment" is defined as unsolicited and unwelcome speech or conduct based upon race, sex, creed, religion, national origin, age, color, or disability that creates a hostile work environment or circumstances involving sexual harassment.

Conduct that may rise to the level of creating a hostile work environment includes verbal, nonverbal, or physical behavior that both a reasonable person would find hostile or abusive and one that the person, who is the object of the harassment, perceives to be hostile or abusive. Hostile work environment is determined by looking at all circumstances or incidents, including frequency of alleged harassing behavior, severity, and whether it unreasonably interferes with an employee's performance or adversely affects the employee's employment opportunities.

Retaliation is adverse treatment which occurs because of opposition to unlawful workplace harassment.

Sexual Harassment: Consists of unwelcome sexual advances, requests for sexual favors, and other verbal, visual, written or physical conduct of a sexual nature when:

- The employee is told or threatened, expressed or implied, that submission to the conduct will influence any personnel decision (employment, wages, advancement, assigned duties, shifts, or any other condition of employment or career development);
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Some types of prohibited sexual advancement include, but are not limited to:

- Verbal propositions or innuendo; lewd or sexually offensive comments; humor, jokes or teasing about sex or gender – specific traits; rumors about other employees, verbal abuse, and insults;
- Nonverbal – sexually oriented gestures, signs, cartoons, pictures, cards, books, magazines, graffiti, or paraphernalia; whistling; email, internet, or other computer transmissions;
- Physical – any unwelcome touching which includes rubbing, patting, pinching, or brushing the body.

Role of Department Directors and Supervisors: Department directors and supervisors are responsible for conducting themselves in a manner consistent with the spirit and intent of this policy. They shall establish and maintain a climate in the work unit which encourages employees to communicate questions or concerns regarding this policy; recognize incidents of unlawful workplace harassment; take immediate corrective action to stop such behavior; and notify the Human Resources Director so that consistent investigatory procedures may be implemented. Any department director or supervisor who observes, is confronted with, or becomes aware of any situation involving unlawful workplace harassment must advise the offending individual(s) to stop the harassing behavior and report the situation immediately to the department director and the Director of Human Resources. Disciplinary action, up to and including termination, may result against supervisors and managers who fail to respond immediately and appropriately to perceived unlawful workplace harassment.

Complaints Procedure for Unlawful Workplace Harassment: Any employee who feels he/she is being subjected to unlawful workplace harassment should immediately contact: his/her immediate supervisor, department director, the Human Resources Director, or the Executive Director or his/her designee, but does not require reports to be made to the immediate supervisor or to anyone the employee believes to be participating in the unlawful workplace harassment. Employees are encouraged to speak with whomever they feel the most comfortable from those listed above. If the employee wishes to speak only with a person of the same gender this will be accommodated. A supervisor, department director, the Human Resources Director, Executive Director or his/her designee will prepare a written statement documenting the complaint. Complaints of unlawful workplace harassment will be kept as confidential as possible while the matter is thoroughly investigated and promptly dealt with as appropriate. Under no condition will the investigation be conducted by or under the direction of the person(s) reported to have engaged in the unlawful workplace harassment.

The employee who is accused of unlawful workplace harassment may be placed on investigation leave while fact-finding is conducted. A finding of facts regarding the complaint will be completed as confidentially as possible, and a

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written report shall be completed by the designee. Within a reasonable period, the Executive Director will determine whether the conduct of the person against whom a complaint has been made constitutes unlawful workplace harassment. In making that determination, the report and the totality of circumstances, including the nature of the conduct in question, the context in which the conduct, if any, occurred, and the conduct of the person accused of unlawful workplace harassment shall be reviewed.

If it is determined that the complaint of unlawful workplace harassment is founded, immediate and appropriate disciplinary action shall be taken consistent with applicable laws and policies. The disciplinary action shall be consistent with the nature and severity of the offense, the rank of the employee and any other factors deemed appropriate.

Retaliation against employees or job applicants who report, or file complaints or charges due to perceived unlawful workplace harassment, or who participate in investigations or proceedings as witnesses, or in other capacities is prohibited and will not be tolerated and should be reported immediately according to the reporting procedure outlined in this policy.

Unlawful Workplace Harassment by Non-Employees: When reports of unlawful workplace harassment against an employee in the workplace involve a non-employee, CFPUA will support appropriate steps to address the unlawful workplace harassment.

Employee Responsibilities: Employees are obligated to cooperate in every fact-finding of unlawful workplace harassment. Employees are also obligated to refrain from filing fraudulent or “bad faith” complaints of unlawful workplace harassment. Disciplinary action up to and including dismissal may be taken against any employee who refuses to cooperate in the fact finding of a complaint of unlawful workplace harassment or who files a fraudulent complaint of unlawful workplace harassment.

Section 9. Safety and Health

CFPUA is committed to providing a safe and healthy working environment for all employees and ensures that every reasonable precaution is taken to prevent the incidence of accidents, injuries, and illnesses for employees. We expect each employee to follow safe working procedures and use good common safety sense when at work. CFPUA’s Safety Policies Handbook has been prepared and adopted as the safety guidelines and all employees are expected to comply with this policy and its procedures. Employees can access the CFPUA’s Safety Policies at www.cfpua.org or by requesting it from their supervisor.

Employees must immediately report to their supervisor unsafe conditions or practices or if a work-related accident, injury, or illness occurs. If a work-related accident, injury, or illness, the employees are required to follow the procedures set forth in the CFPUA’s Safety Policies Handbook. CFPUA has adopted a proactive work-related accident, injury, or illness return to work policy that requires all employees in a modified or restricted duty status to return to work and perform their duties consistent with their physical restriction set by their treating physician. If an employee has any questions regarding the CFPUA’s Safety Policies Handbook, they are encouraged to contact their supervisor or the Safety Manager.

Section 10. Workplace Violence

CFPUA’s intent is to provide a safe workplace that is free from violence for all employees. Violent acts against employees, whether committed while on-duty or off-duty, have the potential to impact an employee’s ability to perform assigned duties.

Prohibited Conduct: CFPUA will not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities.

While not inclusive, these behaviors are examples of conduct that is prohibited:

- Causing physical injury to another person;
- Making threatening remarks;
- Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another

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individual to emotional distress;

- Intentionally damaging CFPUA property or property of another employee;
- Possession of a weapon while on CFPUA property or while on CFPUA business;
- Committing acts motivated by, or related to, sexual harassment or domestic violence.

Reporting Procedures: All workplace violence events or potentially dangerous situations must be reported immediately to a supervisor or the department director. If the employee does not feel comfortable making a report to their supervisor or department director, the report can be made directly to the Human Resources Director or Executive Director.

All reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others only on a need-to-know basis. Retaliation against any employee who, in good faith, reports a violation of this policy is prohibited. Every effort will be made to protect the safety and confidentiality of anyone who comes forward with concerns about a threat or act of violence. All parties involved in a situation will be counseled and the results of investigations will be discussed with them to the extent allowed without breaching any confidentiality restrictions. CFPUA will actively intervene at any indication of a possibly hostile or violent situation.

Risk Reduction Measures:

Hiring: CFPUA takes reasonable measures to conduct background investigations to review candidates' backgrounds and reduce the risk of hiring individuals with a history of violent behavior.

Safety: CFPUA conducts inspections of the premises to evaluate and determine any vulnerability to workplace violence or hazards with necessary corrective action taken to reduce all risks.

Individual Situations: While there is no expectation that employees be skilled at identifying potentially dangerous persons, employees are expected to exercise good judgment and to inform their supervisor if any employee exhibits behavior which is a sign of a potentially dangerous situation could be. Such behavior includes:

- Bringing or threatening to bring weapons to the workplace;
- Displaying overt signs of extreme stress, resentment, hostility, or anger;
- Making threatening remarks;
- Sudden or significant deterioration of performance;
- Displaying irrational or inappropriate behavior.

Dangerous/Emergency Situations: Employees who confront or encounter an armed or dangerous person should not attempt to challenge or disarm the individual. Employees should remain calm, make constant eye contact and talk to the individual. If a supervisor can be safely notified of the need for assistance without endangering the safety of the employee or others, such notice should be given. Otherwise, cooperate and follow the instructions given.

Enforcement: Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Employees are prohibited from possessing firearms or weapons on CFPUA property or in CFPUA vehicles. Any employee determined to have committed such acts of aggression or violence while working or off-duty has a potential adverse impact on the employee's ability or another employee's ability to perform assigned duties and responsibilities, will be subject to disciplinary action, up to and including dismissal. Non-employees engaged in violent acts on or off CFPUA property will be reported to the proper authorities and fully prosecuted.

Section 11. Drug-Free Workplace and Drug and Alcohol Testing

The Human Resources Director has been designated by the Executive Director with responsibility to coordinate the implementation, direction, and administration of the CFPUA's drug-free workplace and drug and alcohol testing policy. CFPUA policy is to provide a working environment that is free of substance abuse and drugs. Consistent with this goal, CFPUA will:

- Ensure that employees are not impaired in their ability to perform assigned duties in a safe, productive, and healthy manner;

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- Create a workplace environment free from the adverse effects of drug abuse;
- Prohibit the unlawful manufacture, distribution, dispensing, possession or use of controlled substances in the workplace;
- Prohibit the use of alcohol in the workplace.

All CFPUA work-sites will be maintained as a drug-free workplace. As a condition of employment, employees must abide by the terms of this policy and the regulations making CFPUA a drug-free workplace. This policy covers employees while they are at off-site locations for lunch break or other authorized break before their scheduled return to work. Visitors, vendors, and contractor employees are governed by this policy while on CFPUA premises and will not be permitted to conduct business if found to be in violation of this policy.

All employees are prohibited from unlawfully manufacturing, distributing, dispensing, possessing of an illegal drug, including but not limited to, any narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana, or any other prescription drugs or controlled substance as defined by federal and state law. The possession and/or consumption of illegal drugs, controlled substances, or alcoholic beverages in the workplace are prohibited.

CFPUA reserves the right to conduct drug or alcohol testing:

- After CFPUA makes a conditional offer of appointment,
- Any employee who manifests “reasonable belief” behavior based on objective facts sufficient to lead a prudent person to conclude that an employee is unable to satisfactorily perform his or her job duties due to drug or alcohol impairment;
- Any employee who is involved in a vehicular or equipment accident or injured in a work-related accident to which the employee is casually connected;
- On a random basis for employees who occupy a “safety sensitive” position;
- On a return to duty/follow-up basis; and/or,
- Any employee who is subject to drug or alcohol testing pursuant to federal or state rules, regulations or laws.

Any employee who is convicted of a criminal drug violation must notify the Human Resources Director within five (5) calendar days of such conviction. Any employee convicted of a criminal drug violation employed on a federal contract or grant, the Human Resources Director will notify the federal contracting agency within ten (10) days of receiving such notice.

Any employee who is convicted of a drug violation will be subject to dismissal. The Human Resources Director or designee is responsible for coordination, implementation and publication and dissemination of this policy to each employee. In addition, the Human Resources Director or designee is responsible for overseeing the establishment of a drug-free awareness program to educate employees about the dangers of drug abuse and make them aware of available drug counseling programs. This program will be used to inform employees of the drug-free policy and the penalties which may be imposed for violations of the policy.

Driving Requirements: CFPUA has established a drug and alcohol testing policy and program to help prevent accidents and injuries resulting from the misuse of alcohol or use of controlled substances by drivers of commercial motor vehicles and to implement the requirements of the Federal Omnibus Transportation Testing Act. CFPUA will comply with all applicable regulations as detailed in Parts 40 and 382 of the Federal Motor Carrier Safety Regulations issued by the U.S. Department of Transportation.

This policy is applicable to every employee who must have an appropriate Commercial Drivers’ License (CDL) to perform, in conjunction with their employment with CFPUA, certain safety-sensitive positions. Commercial motor vehicles include:

- A combination of vehicles with a gross vehicle weight rating of 26,001 or more pounds provided the gross vehicle weight rating of the vehicle(s) being towed is more than 10,000 pounds, or
- A single vehicle with a gross vehicle weight rating of 26,001 or more pounds, or any such vehicle towing a vehicle less than 10,000 pounds gross vehicle weight rating; or
- Is designed or used to transport 16 or more passengers (including driver); or

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- The vehicle carries hazardous material requiring placarding.

Employees covered under the Federal Motor Carrier Safety Regulations are subject to drug and/or alcohol testing for pre-employment, reasonable suspicion, post-accident, random and return to duty/follow-up.

Any person found to be in violation of the Drug-Free Workplace policy is subject to disciplinary action under the CFPUA's personnel policies. Disciplinary action, up to and including dismissal, may be imposed for any failure or refusal to submit to testing.

Section 12. Maintaining CFPUA Security

Keys and employee identification badges are issued to CFPUA employees to promote the security of CFPUA buildings, offices, equipment and supplies, and records and to protect CFPUA from theft or damage to these assets. These items are CFPUA property and must be returned when the employee no longer has a need to have the items or is no longer employed by CFPUA.

Keys: CFPUA employees will be given keys necessary for work-related purposes. Approval of the issuance of keys must be given by the appropriate department director. Keys to CFPUA buildings and other CFPUA facilities and equipment are the property of CFPUA and must be returned immediately upon request by CFPUA or separation from CFPUA employment. An employee who loses or misplaces a CFPUA provided key must report this situation immediately to his or her supervisor.

Employees will be responsible for maintaining their CFPUA provided keys in a safe manner. Unauthorized copying of keys is prohibited. If additional keys are needed, a request must be made through the employee's department director. Keys shall not be issued to persons who are not CFPUA employees, unless approved by the CFPUA's designated Safety Manager.

Employee identification badges: All employees, volunteers, and interns are issued identification badges. All employees are required to always wear the identification badge when conducting CFPUA business at CFPUA facilities or in the field. The only exception to wearing the identification badge is when the wearing the badge constitutes a potential safety hazard or seriously impedes upon the satisfactory performance of duties. Lost or misplaced CFPUA-issued identification badges must be reported immediately the supervisor and arrange for reissuing.

Section 13. Use of CFPUA Vehicles or Motorized Equipment

CFPUA vehicles or motorized equipment must be used only for CFPUA business and must be kept on CFPUA's grounds or in its facilities when not in use. If an employee is required to commute to and from work in CFPUA vehicles covered by certain IRS regulations, the employee may not use a CFPUA-owned vehicle for personal use other than commuting and CFPUA will account for commuting use as required in IRS regulations.

Any employee operating or riding in a CFPUA vehicle or other motorized equipment must wear seat belts; operate the vehicle or equipment in accordance with CFPUA's safety policy; refrain from using a cell phone when driving and follow CFPUA's cell phone policy. Smoking is not allowed in CFPUA vehicles. Failure to operate CFPUA vehicles or motorized equipment as prescribed by policies, procedures, work rules, or federal and state law, may result in disciplinary action up to and including dismissal.

Section 14. Driver's License Requirements and Driving Record

Employees who operate CFPUA vehicles as are required to meet CFPUA minimum standards and have possession of an appropriate driver's license valid in the State of North Carolina. Any employee whose license is revoked, suspended, or lost, or whose insurance coverage is terminated, must notify his/her department head immediately and will be unable to resume operating a CFPUA vehicle until providing proof of a valid driver's license and insurance coverage to the department director. Employees who are not able to perform essential job duties due to the suspension or revocation of their driver's license may be reassigned to an available non-driving position or dismissed.

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Section 15. Failure to Obtain or Maintain Required Licenses, Registrations, or Certifications

Employees who fail to obtain or maintain any license, registration, or certification required by relevant law, rule, or provision when the duties of the position require that license, registration, or certification may result in dismissal. Employees are required to obtain or maintain current, valid credentials as required by law, rule, regulation, and occupational boards.

Section 16. Smoking and Tobacco Use

Employees are permitted to smoke, use E-cigarettes or use tobacco **only in designated smoking areas**. Employees are prohibited from smoking, using E-cigarettes (any oral device, comprising a heating element, battery or circuit which provides a vapor or other substance to simulate smoking), or using tobacco in non-smoking areas; or in CFPUA vehicles. An employee who violates this policy will be subject to appropriate disciplinary action up to and including dismissal.

Section 17. Information Technology Use

All technology resources owned by CFPUA including but not limited to pagers, radios, all computer systems of any size and function and their attached peripherals, telephones, cellular phones, copiers, scanners, fax machines, voice mail systems, e-mail systems, network resources and internet resources are in place to enable the CFPUA to provide its services in a timely and efficient manner and any activity or action that interferes with this purpose is prohibited.

This policy covers the use of all technology resources belonging to CFPUA whether individually controlled or shared, stand-alone or networked. Ethical and legal standards that apply to information technology resources derive directly from standards of common sense and common courtesy that apply to the use of any shared resource. Technology systems are constantly evolving and CFPUA requires its employees to use a common-sense approach to the rules set forth below, complying not only with the letter, but also the spirit, of this policy.

Information Access and Ownership: All technology resources and all information transmitted by, received from, or stored on CFPUA's systems are the property of CFPUA and are subject to inspection by CFPUA officials. Employees do not have an expectation or right to privacy with respect to any electronic correspondence, files, documents, images, created, stored, displayed, received or sent on CFPUA's technology systems. CFPUA reserves the right to review, monitor, and inspect use of its technology resources without notice. If CFPUA determines that an employee has used technology resources in a manner that violates this policy or other CFPUA policies, it will take appropriate disciplinary action up to and including dismissal. All information transmitted, received or stored on CFPUA systems and property are subject to the public records laws and if requested, CFPUA may be required to release this information.

Personal Use: Personal use of an CFPUA-owned technology resource by employees is allowed with the following restrictions:

- Employees should be aware that personal use of CFPUA-owned technology resource is subject to all rules in this policy including inspection and monitoring;
- There must be no cost to CFPUA;
- Use must be conducted on an employee's own time and at the discretion of the employee's supervisor. However, personal telephone calls on non-cellular phones or personal use of e-mail on an occasional basis may be permitted providing that they do not interfere with CFPUA employee's obligation to carry out CFPUA duties in a timely and effective manner;
- Use must not interfere with other employees performing their jobs or undermine the use of CFPUA resources for official purposes;
- Use of the CFPUA's technology resources for operating a personal business of any kind is prohibited;
- CFPUA provided cell phones are for business or emergency (e.g., 911 or *HP) use only. However, a cell phone owned by CFPUA may be used for personal calls related to emergency family situations, or other unusual circumstances. It will be the responsibility of the department managers to periodically review the department's cellular telephone bills to ensure compliance with this policy;

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- Individuals who are not CFPUA employees (including an employee's family or friends) are not allowed to use the CFPUA technology resources other than public access stations.

Personal use of CFPUA resources by an employee neither expresses nor implies sponsorship or endorsement by CFPUA.

Security: Each employee is responsible for all actions taken while using his/her user profile, password, or access code. Therefore, these should be kept confidential and only shared when authorized by supervisory personnel to meet the needs of a department. This should be the exception and not the rule.

Any file, program, or document received on media (diskettes, CD-ROM, Tapes, or portable memory storage devices); communication devices (cell phones) through the internet (including e-mail) or through file transfer must be virus-checked immediately. Employees should be cautious when receiving an e-mail message not expected which contains an attachment. Employees can assist CFPUA in preventing viruses from infecting CFPUA's network by not opening any questionable communication from an unknown sender or any attachment with a questionable title or extension. Each individual employee is responsible for the prevention of the spread of viruses.

Employees are not authorized to install or download any software without the express approval of the CFPUA's Information Technology Department. This policy includes but is not limited to shareware, freeware, personal software or internet distributed programs. Applicable software copyright laws must be followed.

Appropriate Use: When employees use CFPUA's technology resources, they are representing CFPUA and are obligated to use good judgment in how they conduct and express themselves. Employees are expected to use CFPUA's technology resources in a responsible and professional manner. They must not use these resources in an illegal, malicious, inappropriate or obscene manner. Each workstation with Internet access will be configured to allow the screening and review of sites visited on the internet.

E-mail: E-mail and calendar functions are provided to expedite and improve communications among network users. All employees must clearly and accurately identify themselves when sending or forwarding e-mail, either internally or externally. Anonymous or pseudonymous posting is expressly forbidden. Sending unsolicited junk e-mail or chain letters ("spam") to any user is prohibited. Sending any material that contains viruses or any other harmful programing is prohibited. Electronic mail is a public record when sent or received in normal business process according to North Carolina General Statutes.

Internet Access: Internet access is provided to network users to assist them in performing the duties and responsibilities associated with their positions. Using the internet to access non-CFPUA provided web e-mail services is prohibited. Using the internet to receive broadcast of non-business audio or video is prohibited.

Web pages: It is the desire of CFPUA to maintain a consistent and quality presence on the internet. Information published on the internet should be written in a clear and concise manner and presented in a graphically appealing format. Once information is published, it is the ongoing responsibility of the corresponding department to ensure the timeliness and accuracy of the content of its web pages. Links to other websites will be at the discretion of CFPUA.

Social Networks/Media: CFPUA recognizes that many employees have personal blogs, participate in other on-line conversations, and social media sites, and may periodically comment on CFPUA -sponsored sites. This policy is intended to provide guidance on appropriate conduct when engaging in social media activity that identifies the employee's affiliation with CFPUA (other than as an incidental mention of place of employment in personal social media activity unrelated to CFPUA), or relates in any way to CFPUA's business, operations, employees, or customers. "Social media activity" for this policy, includes all types of postings on the internet and posting of videos or audio on media-sharing sites "Social media activity" also includes permitting, or failing to remove, postings by others where the employee can control the content of the posting.

This policy applies to all CFPUA employees and includes social media activity when on or off duty, while using CFPUA's or personal electronic resources, and whether the employee post anonymously or using a pseudonym. In the event a specific area is not covered by this policy, the employee should consult with their supervisor, or the human resources department for guidance.

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Employees who engage in social media activity should be aware that their postings could have an adverse effect on CFPUA. To reduce that risk, employees must comply with the following guidelines whenever social media activity relates in any way to CFPUA's business, operations, employees, customers, suppliers or vendors:

- Do not post or display comments about coworkers or supervisors or CFPUA that are vulgar, obscene, threatening, intimidating, harassing, or a violation of CFPUA's workplace policies. Do not post or display any comments or material related to customers, suppliers or vendors that is a direct result of your relationship with such as an employee of CFPUA.
- Do not use CFPUA's logo, trademark or proprietary graphics, or images or video of CFPUA's premises, processes, or operations without prior written permission from the Public Information Officer (PIO).
- Do not disclose personal or contact information, or post images or video, of CFPUA's employees that was obtained or taken of the employee while they were functioning in CFPUA capacity without their prior permission, and the prior written permission from the PIO.
- If someone from the media or press contacts you about your social networking activities that relate to CFPUA's operations, policies or procedures, you should consult with the PIO prior to responding.
- All requests for references or recommendations of any subject related to CFPUA received through social media activity should be forwarded to the PIO for proper handling.
- Managers and supervisors should not request or otherwise gain access to the restricted social media page of a subordinate employee.
- CFPUA has the right to request, in its sole and absolute discretion, that any CFPUA employee suspend any social media activity related to CFPUA if it is determined this is necessary to comply with this policy, other regulations, or laws.

The PIO, or their designee, is responsible for the content and control of all CFPUA -sponsored social media websites and activity. All questions related to CFPUA -sponsored social media websites and activity should be directed to the PIO, or their designee.

Section 18. Cape Fear Public Utility Authority Property

Employees may be issued or have access to CFPUA property (this also includes any equipment or property CFPUA is responsible for) in the course and scope of employment. Employees are expected to maintain CFPUA property in proper and safe working condition and report any loss or damage to their supervisor immediately. Employees may be held responsible for loss of or damage to any assigned CFPUA property that is lost or damaged due to negligence, misuse or abuse. Employees are expected to return any CFPUA property that is assigned or otherwise in their possession upon termination of their employment. The employee's supervisor or the department director will decide if the employee is responsible for replacement or repair cost, and this cost may be deducted from the employee's pay.

Section 19. Solicitation and Distribution

In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, employees may not distribute literature or printed materials of any kind, sell merchandise, solicit financial contributions, or solicit for any cause during working time. Working time is the time an employee is expected to be performing his or her job duties and does not include break periods, meal times or other periods when the employees are not properly engaged in performing work. Employees who are not on working time should not solicit employees who are on working time for any cause or distribute literature of any kind to them. Furthermore, employees may not distribute literature or printed material of any kind in working areas at any time.

Non-employees are prohibited from distributing material or soliciting employees on CFPUA property at any time, except as allowed for CFPUA -sponsored events.

Solicitation for CFPUA -sponsored events will be the only solicitations approved for CFPUA employees. Activities related to such solicitation may be performed on CFPUA time. Types of CFPUA -sponsored events are the collection of money for approved employee funds, departmental funds and/or programs to include flower and gift funds, coffee funds, similar funds collected among co-workers for the welfare and benefit of all employees in the unit, section, division or department, or for recognized charitable organizations such as United Way or CFPUA Assist- Neighbors Helping Neighbors. The Executive Director must approve all requests for solicitation of CFPUA -sponsored events.

ARTICLE IV – CLASSIFICATION PLAN

Section 1. Adoption

CFPUA is responsible for adopting a classification plan that assigns all positions to a series of job classes based on the results of a job evaluation system.

Section 2. Maintenance of the Classification Plan

The Human Resources Director, as directed by the Executive Director, is responsible for maintaining the classification plan to ensure that it accurately reflects the duties performed by employees in the job classes assigned. Department directors are responsible for providing the Human Resources Director with documentation of substantive changes in duties, responsibilities, working conditions or other factors that could affect the classification of any existing position under their supervision.

When the Human Resources Director determines through job audit and/or job evaluation that substantive change has occurred in the nature or level of duties and responsibilities of an existing position, a recommendation is prepared for the Executive Director to revise or reassign the existing position to the appropriate job class within the existing classification plan, to amend the classification plan by establishing a new job class to which the position may be assigned, or to take other action as needed.

Human Resources will maintain official job classifications for all CFPUA positions. Human Resources maintains a record of all budgeted and authorized positions.

Section 3. Classification of New Positions

The Human Resources Director, as directed by the Executive Director, is responsible for reviewing and making recommendations to assign a new position to an existing job class or to a newly created job class. The recommendation must consider documentation furnished by the department director outlining the duties, responsibilities, typical tasks, and qualifications proposed for the position and the results of a job audit and job evaluation to be conducted by the Human Resources Director or a designee. The creation or addition of a new position will require approval by the Board.

Section 4. Amendment of the Position Classification Plan

The Executive Director may recommend amendments to the classification plan to the CFPUA Board as needed.

ARTICLE V - THE PAY PLAN

Section 1. Adoption

The pay plan refers to the schedule of pay ranges established for all job classes within CFPUA's classification plan. Each pay range consists of a minimum, 1st quartile, midpoint, 3rd quartile and maximum rate of pay. The pay range defines the lower and upper limits that CFPUA is willing to pay for positions assigned to the pay range. Each pay range is assigned a pay grade number that is unique to CFPUA's pay plan. The pay plan is designed to promote employee progression through the pay range, so long as the employee's performance is consistently satisfactory or better. The Board Members are responsible for adopting the pay plan.

Section 2. Maintenance of the Pay Plan

The Human Resources Director, as directed by the Executive Director, is responsible for the administration and maintenance of the pay plan. The pay plan is intended to provide equitable compensation for all positions, reflecting differences in duties and responsibilities, the rates of pay for comparable positions in private and public employment in the area, changes in the cost of living, the financial conditions of CFPUA, and other factors. The Executive Director is authorized to make comparative studies of all factors affecting the pay plan and to recommend annual pay plan adjustments to the Board.

When the Human Resources Director determines through periodic market analysis and/or salary surveys that a reasonable change has occurred in the pay level of an existing position, a recommendation may be prepared for the Executive Director to revise or reassign the respective position to the appropriate pay range within the existing pay

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range table, or to take other action as needed. The Executive Director is authorized to approve pay grade changes to maintain the pay plan.

Section 3. Starting Salaries

The normal hiring or promotion range for all CFPUA positions will be from the minimum to the midpoint of the assigned pay grade based on the following pay factors: meet or exceed the minimum qualifications for the position, internal equity to others in the classification and department, the department's resources and relationship to the market. Prior to making an offer of employment or promotion, the Human Resources Director, in consultation with the hiring department director will recommend a salary up to the midpoint. The starting salary recommendation must consider all the pay factors. The Executive Director must approve the hiring or promotion of an employee at a salary rate above the midpoint rate established for the job and also is authorized to approve the hiring or promotion of an employee at any rate between the minimum and maximum of the assigned pay grade.

Section 4. Salary of Trainee

Employees may be hired as a trainee for a position under a program designed to bring the trainee to full competency for the position with a pre-determined timeframe. Trainee salaries may be five (5) percent below the minimum salary established for the position for which the person is being trained. The training salary will remain in effect until the department director determines that the trainee has met the competency level for the position and qualifies for the adjustment or is able assume the full responsibilities of the position. The department director will develop a training plan for each trainee and will review the trainee's progress monthly, or more frequently as necessary, to determine when the trainee is qualified to assume the full responsibilities of the position. In no event will an employee remain in a trainee status for longer than one (1) year, unless preempted by the specific approved job specification. All reviews will be forwarded to the Human Resources Office for retention in the employee's official personnel file.

Section 5. Apprenticeship Programs

An applicant hired, or employee placed into a position that is under an established apprenticeship program as recognized by the N.C. Department of Labor may be appointed at a rate in the pay plan below the minimum pay grade established for the position. The employee will be subject to the pay plan established for the respective apprenticeship program.

Section 6. Annual Pay Rate Adjustments

The Board will review the pay plan annually and consider recommendations from the Executive Director to adjust the pay plan or pay ranges within the pay plan as needed to reflect changes in the cost of living, to maintain pay rates for CFPUA positions at a level comparable with rates paid by other public and private employers and accounting the financial conditions of CFPUA.

Employees cannot receive any annual pay rate adjustment that will place them above the maximum rate for their respective pay grade. Employees that are at or above the maximum for their respective pay grade will not receive any annual pay rate adjustment.

Section 7. Pay for Performance

The Board will review the pay for performance adjustment amount annually and consider recommendations from the Executive Director to adjust the pay for performance plan as needed to reward CFPUA employees who are performing at levels that qualify for a pay for performance increase. This review will take into consideration the financial conditions of CFPUA.

The Human Resources Director, as directed by the Executive Director, is responsible for the administration and maintenance of the pay for performance plan. A standardized performance appraisal system will be used, and the employee will receive an evaluation at least annually. All employees, except seasonal and temporary employees, who were hired after July 1 of the current fiscal year and have completed the probationary period by June 30th the following fiscal year will be eligible for fifty percent (50%) of the approved performance increase. Employees who receive an overall marginal or unacceptable performance appraisal will not receive any pay for performance increase for that review period and be placed on a Performance Improvement Plan (PIP). The employee must successfully complete the PIP and receive a satisfactory or better performance rating within the timeframe designated under the

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plan. An employee who successfully completes a PIP will not receive any retroactive pay for performance adjustment.

Employees cannot receive any pay for performance adjustment that will place them above the maximum rate for their respective pay grade. Employees who are at or above the maximum for their respective pay grade will receive a lump-sum payment for any pay for performance adjustment.

Section 8. Pay Rates for Promotions, Demotions, Voluntary Reassignments, Reclassifications, Interim Appointments, and Salary Modifications

The pay rate of an employee may be adjusted when the employee is promoted, demoted, reassigned, or reclassified as set forth below.

Promotion: An employee who is promoted may receive a pay increase in base pay or an increase to the minimum rate of the new pay range, if the new pay rate does not exceed the maximum established for the pay range. Pay adjustments for promotions will be recommended by the department director in conjunction with Human Resources and based on the following pay factors: meet or exceed the minimum qualifications for the position, internal equity to others in the classification and department, the department's resources and relationship to the market. Pay increases that exceed 25% percent, must be approved by the Executive Director.

Demotion: The pay of an employee who is demoted will be set at any amount in the new pay range that does not fall below the minimum of the new pay range or exceed the rate at which the employee was paid in the position from which the employee was demoted.

Voluntary Reassignment: An employee voluntarily transferring from a position in one class to a position in another class assigned to the same pay range will continue to receive the same salary unless an increase is warranted based on internal equity within the classification and department. When an employee is temporarily transferred from a position in one class to a position assigned to a higher class, the employee may be paid at a higher rate as long as the temporary transfer is in effect. The rate of pay for an employee who requests a voluntarily demotion to a job class assigned to a lower pay range will be set at the equivalent rate in the new pay range based on internal equity within the classification and department and provided that does not exceed the rate at which the employee was paid in the position from which the employee was voluntarily reassigned.

Reclassification: An employee whose position is reclassified to a class having a higher pay range may receive pay increase in base pay to the minimum rate of the new pay range, and, based on the following pay factors: meet or exceed the minimum qualifications for the position, internal equity to others in the classification and department, the department's resources and relationship to the market. The increase may not exceed the maximum for the established pay range. If the position is reclassified to a lower pay range and the employee is receiving a salary above the maximum rate established for the new class, the employee's pay will be reduced using the above pay factors or at least to the maximum rate established for the new class and maintained at that level until the pay range to which the employee's job class is assigned increases.

Interim Appointments: Employees serving in an interim or acting capacity may receive a pay increase in base pay based on the pay factors or at least to the minimum rate of the new pay range but does not exceed the maximum pay rate established for the pay range. Any increase received by an employee for functioning in an interim or acting capacity will cease when the employee no longer functions in that capacity.

Salary Modification: The Executive Director may grant a salary modification to an employee's salary, not inconsistent with this Article, when it is for equity or determined to be in the best interest of CFPUA. Salary modifications under this provision will be evaluated on a case-by-case basis on the pay factors and subject to the availability of funds and the financial condition of CFPUA.

Any deviation from the pay practices detailed in this section must be requested in writing by the respective department director and approved by the Human Resources Director and Executive Director.

Section 9. Pay for Part-Time Work

An employee appointed for less than full-time service will be paid using the same pay plan established by this policy converted to an hourly rate of pay.

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Section 10. Overtime Pay and Compensatory Time

Overtime Pay: CFPUA's policy complies with the provisions of the Fair Labor Standards Act (FLSA) and prohibits improper deductions from pay for exempt employees.

The Director of Human Resources is assigned responsibility to designate each CFPUA job class as exempt or non-exempt in accordance with the provisions of the FLSA.

Employees in an exempt job class will not be paid for hours worked over 40 hours in a work week.

Employees in a nonexempt job class who work more than 40 hours in a work week will be compensated at an overtime rate of one and one-half hours for every hour worked of more than 40 hours in the seven-consecutive 24-hour day pay period.

All overtime must be authorized in advance by the employee's department director or a supervisor who has been designated by the department director to make such decisions.

Paid holidays or any hours for which an employee does not physically work including paid vacation and sick leave, will not be counted as hours worked in computing overtime. Time worked on a CFPUA designated holiday will be considered time worked for computing overtime compensation. Non-exempt employees who work overtime will be paid for all overtime incurred during the pay period in which the overtime was worked, unless permission to convert to compensatory time is requested and granted.

CFPUA has the right to adjust work schedules to stay within the budget constraints.

Compensatory Time: The department director may periodically grant the use of compensatory time for non-exempt employees in lieu of overtime due to extenuating circumstances. The Executive Director may approve a department's regular use of compensatory time for non-exempt employees. Accrual and use/payment of compensatory time will follow the applicable rules established by the Fair Labor Standards Act. Compensatory time accrued and taken will be recorded on the employee's official timesheet. The Finance Office maintains compensatory time records.

Section 11. Stand-By and Call-Back Time and Pay

CFPUA's Stand-by and Call-back Policy provides for compensation for non-exempt (hourly) employees subject to be called into service when needed. Emergencies and other conditions of a short duration, which require corrective action at the earliest time, may necessitate having personnel available for service outside regular working hours on a continuing, but limited basis. Stand-by duty must be specifically designated as such and must be approved by the department director in accordance with established budgetary and fiscal control.

Stand-by Time and Pay: Stand-by time is defined as time an employee is required to be available to be called into work, if the situation requires. Stand-by time is not considered as hours worked under the Fair Labor Standards Act, provided the employee is not required to remain on or so close to the employer's premises, or otherwise so restricted that they cannot use the time effectively for their own purposes. An example of stand-by time that is not considered hours worked is an employee that is on stand-by 24-hours a day, seven days a week, and is required to respond to all calls, but is free to go about their normal activities such as working in their yard, going shopping, out to dinner and travel within a 30-mile radius.

CFPUA will compensate employees for stand-by time at the rate of one (1) hour of regular pay for each day they are scheduled to work and scheduled to be on stand-by. Employees will receive two (2) hours regular pay for days they are not scheduled to work but are on call, such as Saturday, Sunday and holidays observed by CFPUA. Stand-by time will not be considered as hours worked to compute overtime compensation.

Call-back Time and Pay: Call-back time is defined as all time spent responding to a call-back to work, including time spent on the telephone for a significant event only. The designation of a significant event will be determined by the Chief Operations Officer or his/her designee. If an employee is on stand-by and is instructed to report to work, the employee will receive a minimum of two (2) hours regular pay, or the pay for actual time worked, whichever is greater. Actual time worked will be considered as hours worked to compute overtime compensation. The employee may be required to remain at work for the minimum two hours. If called back into work within the two hours, the time will be considered part of the two-hour minimum and the employee will be paid for all hours worked that exceed the two hours.

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Employees that are provided with a CFPUA communication device (cell phone, radio) are required to acknowledge receipt of the call-back in no more than 10 minutes of the notification. The employee is expected to be at the work site within 30 minutes of the call-back acknowledgement and be prepared to work.

Employees on stand-by or are called back to work, who fail to respond in any way, or who is “unable” to respond to a work location will forfeit all stand-by pay for that day and may be subject to disciplinary action.

Section 12. Payroll Deductions

Only payroll deductions specifically mandated or authorized by applicable federal and state laws and regulations or approved by CFPUA may be deducted from employee pay each pay period. All voluntary deductions must be authorized by the employee.

CFPUA becomes aware of a deduction which may have been made improperly, Human Resources will fully investigate the situation and reimburse any employees who have had improper deductions from their pay and take actions to prevent continued improper deductions of this kind.

Section 13. Time Records

Time records must be submitted on a timely basis for each respective pay period. It is the employee’s responsibility to provide a true and accurate time record for each pay period. It is the responsibility of the employee’s supervisor to verify and approve time records for each pay period. Falsification or misrepresentation of time records may result in disciplinary action, up to and including termination of employment.

Section 14. Pay Periods

Each seven consecutive 24-hours days are considered a pay period. Employees are paid biweekly on Thursday for the previous two pay periods. An email notification is sent to the employee the week prior to the Thursday pay date. Employees that have discrepancies in their pay are to report the discrepancy to their supervisor immediately. CFPUA requires all employees be paid as a direct deposit to a financial institution.

Section 15. Premium Pay

CFPUA provides every employee with a base compensation. However, there may be circumstances when additional compensation is appropriate to provide a reward for exceptional performance; or as compensation for successful participation in a special program, event; or for an exempt employee’s time worked due to inclement weather/disaster preparation or recovery. Premium pay is contingent upon performance, results achieved, or event; and subject to the availability of funds.

Premium pay is compensation in addition to an employee’s base pay. Premium pay will be paid in accordance with the provisions of the Fair Labor Standards Act (FLSA), and subject to all applicable withholding taxes.

The department director may recommend premium pay for an amount of up to \$500 to a fulltime employee that meets the eligible criteria; and has not received any formal disciplinary action with CFPUA in the previous twelve (12) months. Written justification is required for each premium pay request. The Human Resources Director and the Executive Director must approve all premium pay requests and payments. The Executive Director has the discretion to authorize premium pay in excess of \$500 to an employee, in extraordinary circumstances.

Section 16- Spot Reward Recognition Program

The department director or supervisor may award a twenty-five-dollar (\$25) gift card to an employee in recognition of their day-to-day efforts that contribute in a special way to getting the job done. Under this award program, supervisors may give immediate recognition and reward employee excellence for unique actions that go above and beyond expectations.

ARTICLE VI – LEAVE OF ABSENCE

Section 1. Holidays

CFPUA will follow the same holiday schedule observed by the State of North Carolina. Those holidays are as follows:

New Year’s Day	January 1st
Martin Luther King Day	3rd Monday in January

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Good Friday	Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veterans' Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after Thanksgiving
Christmas Day	December 25th (plus two additional work days)

CFPUA reserves the right to adjust the holiday schedule as deemed necessary. It is CFPUA's intent to ensure that regular full-time employees receive twelve (12) paid holidays, equivalent to ninety-six (96) hours annually. Any holiday falling on Saturday or Sunday will be observed as determined by the State of North Carolina schedule. Employees, who are required to work on a scheduled holiday, (the State designated day or the actual holiday on Saturday or Sunday) will receive payment for the holiday or may request to the department director to receive an equivalent day off. The equivalent day must be taken **no later than 60 days** from the date of the holiday or paid to the employee on the next regular pay cycle. Under no circumstances will an employee receive payment for a holiday and an equivalent day off. Regular part-time employees will receive paid holidays on a pro-rata basis. Temporary employees are not eligible for paid holidays.

Regular full-time employees will receive eight (8) hours of holiday pay plus hour-for-hour compensation for all hours worked on the holiday. Regular part-time employees will receive pro-rata holiday pay based on their regular work schedule. In cases where the holiday extends a full-time nonexempt employee beyond the normal forty (40) hour work week, overtime will be paid if the employee works over forty (40) hours in a work week. A nonexempt employee who works forty (40) hours in a work-week will be paid forty (40) hours at the regular rate of pay and will receive eight (8) hours of holiday pay at the regular hourly rate. A fulltime nonexempt employee that normally works a regularly scheduled alternative shift, which is defined as a regularly scheduled shift that is fixed and exceeds eight (8) hours, will receive eight (8) hours of holiday pay.

CFPUA departments whose functions require extended hours of operation (i.e., evening and weekend hours) and who find it necessary to reduce hours of operation beyond those paid days designated by CFPUA must ensure that no employee gains additional benefit from the extended closings. If a department director (after obtaining approval from the Executive Director) extends a holiday closing to a weekend or evening shift impacted by the corresponding holiday, only those individuals whose shifts are affected by the additional days or hours closed are eligible for rescheduling of work. No other employees within the department may alter their work weeks to gain an advantage not available to other CFPUA employees. Those employees whose shifts are affected by the additional closings must reschedule the non-holiday work hours within the same work week affected by the extended closings or must use approved vacation leave to complete their work weeks. If rescheduled, the rescheduled employees must perform meaningful and productive work for the agency during the rescheduled hours. In no case should employees or their supervisors create "make work" or artificial assignments to fill the rescheduled hours.

Regular holidays that occur during a vacation, sick or other paid leave period will not be charged as vacation or sick, leave. To receive holiday pay, an employee cannot be in an unpaid status. The employee must work on the last scheduled work day before the holiday and the first scheduled work day after the holiday to receive pay for the holiday.

Section 2. Vacation Leave

Vacation leave is a benefit granted by CFPUA to eligible employees. Vacation leave is earned by regular full-time and part-time employees working each pay period (limited to 26 pay periods per calendar year) and based on years of service to CFPUA. Eligible employees begin accruing vacation leave on the employee's hire date; however, the employee must be employed six (6) months before the employee is eligible to take paid vacation leave, unless

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authorized and approved by the Executive Director. Any employee that separates from CFPUA prior to completing six (6) months of employment will forfeit any unpaid accrued vacation leave. Upon request of the employee, and appropriate documentation provided, the Executive Director may award employees with previous experience in fulltime positions with other state and local governments with up to twenty years of experience as the basis for earning vacation leave. The following chart provides the rate at which regular full-time employees earn vacation leave each pay period (limited to 26 pay periods per calendar year) and annually.

Years of Continuous Service	Hours Earned Each Pay Period (limited to 26 pay periods per calendar year)	Hours of Full-time Annual Vacation Earned
Less than 2 years	3.076	80
2 but less than 5 years	3.692	96
5 years, but less than 10 years	4.615	120
10 years, but less than 15 years	5.538	144
15 years through 20 years	6.462	168
20 years and over	7.384	192

Full-time employees must be in paid status for the forty hours (40) in the pay period to receive a full accrual of vacation or it will be a pro-rata amount. Part-time employees accrue vacation on a pro-rata basis based upon their hours of work schedule. Any part-time employee that separates from CFPUA prior to completing six (6) months of employment will forfeit any unpaid accrued vacation leave. Temporary and seasonal employees are not eligible for vacation benefits.

Taking Vacation Leave: Vacation leave may be taken as earned by a regular employee subject to eligibility and the approval of the supervisor. Each department is responsible for scheduling an employee’s vacation leave without undue disruption of department operations. Leave requests shall be submitted as early as possible, or at the direction of the department director. Employees will be required to take vacation leave before being granted a leave without pay.

Maximum Accumulation: The maximum accumulation of accrued vacation leave for regular fulltime employee is 320 hours in any CFPUA fiscal year. The maximum accumulation for regular part-time employees is pro-rated based on the employee’s regular work week. If an employee has accrued vacation leave exceeds the allowed maximum accumulation amount as of the last pay period, of CFPUA’s fiscal year, the employee’s excess vacation leave will be converted to sick leave on an hour for hour basis. The converted sick leave must be used in the same manner as accrued sick leave. (See Article VI, Section 3. Sick Leave.)

Pay out of Accumulated Vacation Leave: An employee who is separated from CFPUA for reasons other than gross misconduct shall be paid for vacation leave accrued to the date of separation provided the employee has been employed with CFPUA for six (6) months and limited to a maximum of 320 hours.

The estate of an eligible employee who deceases while employed by CFPUA shall be entitled to payment for all the unpaid accrued vacation leave provided the deceased employee had been employed with CFPUA for six (6) months, not to exceed a maximum of 320 hours, at the time of death

Under this subsection, all accrued vacation leave, greater than 320 hours is forfeited resulting in a zero balance for any employee or deceased employee, with exception to any employee that is retiring under one of the provisions allowed under the North Carolina Local Government Employees Retirement System. Any accrued vacation leave

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over 320 hours will be converted to sick leave on an hour for hour basis at the time of retirement, and administered in accordance with Section 3, subsection 2 of this Article, Sick Leave-Retirement Credit for Accumulated Sick Leave.

Section 3. Sick Leave

Sick leave is a benefit granted by the CFPUA to eligible employees. Regular full-time employees accumulate sick leave at a rate of 3.692 hours for each pay period (limited to 26 pay periods per calendar year) worked up to a maximum of ninety-six (96) hours per year. Full-time employees must be in paid status for the forty hours (40) in the pay period to receive a full accrual of sick leave or it will be a pro-rata amount. Part-time employees earn sick leave on a pro-rata basis. Full-time and part-time employees begin accruing sick leave on the employee's hire date. Temporary and seasonal employees do not earn sick leave benefits.

Sick leave will be granted to an employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examination or treatment, or exposure to a contagious disease, when continuing work might jeopardize the health of others. Sick leave may be used when an employee must care for a member of the immediate family but may not exceed three (3) days for any one occurrence, except in the case of the employee's spouse, children, mother or father or approved FMLA. See definition of immediate family under Article I, Section 4.

Employees are asked to submit requests for sick leave to their supervisor prior to the leave, when possible, or not later than one-half (½) hour before the beginning of a scheduled work day, or work shift. Employees must have unpaid accrued sick leave to be eligible to be paid sick leave.

Payment for all unpaid accrued sick leave is forfeited upon separation of employment with the CFPUA.

Sick Leave - Physician's Certificate: The employee's supervisor or department director may require a physician's certificate for each occasion on which an employee uses sick leave more than three (3) or more days. The physician's certification must release the employee to full duty or identify any restrictions of duty and be submitted on the treating physician's letterhead. The supervisor or department director may also require a physician's certificate for less than three (3) days if they suspect abuse of sick leave privileges. Supervisors and department directors will submit all employee's physician certificates and other medical data to Human Resources for filing.

Sick Leave - Retirement Credit for Accumulated Sick Leave: Sick leave shall accumulate with no maximum accumulation and may be used as credit for service under the North Carolina Local Government Employees Retirement System, in accordance with all rules and regulations.

One (1) month of retirement credit is allowed for each twenty (20) days accrued in an employee's sick leave account at time of retirement to employees who are members of the North Carolina Local Government Employees Retirement System.

Sick Leave – Transfer: Employees hired by the CFPUA, whose immediate past employer within the last 90 days was the State of North Carolina, any of its political subdivisions, any local government entity or authority, or municipality in North Carolina, may transfer any unused sick leave, provided the employee has not requested, or is receiving, retirement benefits from the North Carolina Retirement System. The employee must request this transfer within 90 days of the beginning of employment with the CFPUA, and it is the responsibility of the employee to provide bona-fide documentation of the amount of unused sick leave from the immediate past employer. Upon verification of the unused sick leave by Human Resources, the employee will be credited with the transferred sick leave.

Section 4. Bereavement Leave

Fulltime employees who have a death in their immediate family may take up to three (3) days (maximum 8 hours daily) of bereavement leave for any one occurrence. Part-time employees are eligible for bereavement leave on a pro-rata basis. See definition of immediate family under Article 1, Section 4. Employees who need additional time off due to a death in the immediate family employee may use vacation time, or unpaid time off with supervisor's approval.

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Section 5. Family and Medical Leave Act

CFPUA does recognize and comply with the Family and Medical Leave Act of 1993. The FMLA Act provides an employee up to 12 weeks of unpaid leave within any 12- month period for the birth or adoption of a child, to provide physical or psychological care for a child, spouse (husband or wife), or parent with a serious health condition, or to care for the employee's own serious health condition.

Eligibility for FMLA: To be eligible for FMLA an employee must have worked for CFPUA a minimum of one (1) year and have worked 1250 hours or more during the 12 months prior to requesting leave. CFPUA designates the "rolling" 12-month period measured backward from each date an employee uses FMLA leave to calculate the 12 months. To qualify for medical leave, the health condition or treatment(s) must be such that it requires the employee to be absent from work on a recurring basis for more than three (3) days for treatment or recovery.

Birth or Placement of a Child: An employee must conclude leave for the birth or placement of a child or adoption or foster care within 12 months after the event. FMLA leave may begin prior to birth or placement, as circumstances dictate.

Intermittent or Reduced Leave: In case of the employee's own serious health condition or that of a family member, the employee may take leave intermittently or on a reduced work schedule, if medically necessary. When the leave is for adoption or the birth of a child, the employee may take leave intermittently or a reduced work schedule only with the joint approval of the employee and the department director, subject to approval by the Human Resources Director and Executive Director.

If the employee requests intermittent or reduced leave status, CFPUA may temporarily transfer the employee to a position that allows for this scheduling.

Use of Paid Time-Off Benefits: The employee must use paid benefits, such as vacation or sick leave, for the time off in accordance with CFPUA's policy regarding the use of such benefits. Use of paid time-off benefits will run concurrent with FMLA leave and will not add to or increase the total length of the FMLA leave time. Unless the employee substitutes paid time-off benefits, the employee's pay will be reduced for all full days of unpaid leave taken, or for all hours of leave taken within a single day. If the employee is an exempt employee, the reduction in pay for partial days will not impact the exempt status under the Fair Labor Standards Act.

Leave Provisions for Spouses Both Working for CFPUA: If leave is taken for the adoption or birth of a healthy child, or care of a sick parent, the maximum combined leave for both spouses is 12 weeks. If leave is taken to care for an ill child or spouse, each spouse is entitled to 12 total weeks of leave.

Military Family Medical Leave: Eligible employees are entitled to up to 12 weeks of leave because of "any qualifying exigency" arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation.

An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of leave in a single 12- month period to care for the service member. This military caregiver leave is available during a "single 12-month period" during which an eligible employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

Job Restoration: Most employees granted leave will be returned to the same position held prior to the FMLA leave, or one that is equivalent in pay, benefits, and other terms and conditions of employment. Certain highly compensated salaried employees (key employees) are eligible for leave but are not guaranteed restoration to their position if they choose to take leave.

Employee Benefits: Employee benefits will continue during FMLA leave. Both CFPUA and the employee will continue to pay the customary portions of the monthly premiums. The Human Resources department will advise the employee of their respective premium amount and due date. Failure of the employee to pay their share of the premium will result in the suspension of coverage for health care benefits and the termination of coverage for any

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non-health care benefits for the period of non-payment. If the employee chooses not to return from leave, under certain circumstances, the employee may be required to repay CFPUA's portion of the premium payment.

Notification/ Written Request: Request for FMLA should be submitted by the employee to Human Resources. The employee must provide 30 days written notice of need for FMLA leave. If emergency conditions prevent such notification, the employee should provide as much advanced notice as possible.

Certification: Certification of the need for leave to care for the employee's illness or injury or that of a family member is required. The employee must complete a leave of absence form and obtain the following information from a responsible health care provider and make it available to Human Resources:

- The date the serious health condition began;
- The duration of the condition;
- A statement that the employee is needed to care for the ill person and the estimated length of the leave, or a statement that the employee cannot perform the functions of his/her job;
- If applicable, the medical reasons verifying the need for intermittent leave or a reduced work schedule, such as scheduled dates for treatment(s).

If no certification is provided, based on the information at hand, Human Resources may or may not designate leave as qualifying as FMLA leave. Under the circumstances, if Human Resources designates leave as qualifying as FMLA leave, the employee will be provided with a written notification of such designation. Human Resources will notify the department director of the request and approval of FMLA.

Medical Dispute Resolution: If there is a dispute about the medical opinion provided by the employee's physician, Human Resources may require a second opinion by a physician of CFPUA choice, at CFPUA's expense. If a third opinion is necessary, a third physician may be selected, also at CFPUA's expense. The third physician must be agreed upon by both the employee and CFPUA.

Release to Return to Work: A physician's release is required for the employee to return from leave.

Problem Resolution: It is the policy of CFPUA not to discharge or discriminate against any employee exercising his/her rights under the Family and Medical Leave Act. Any employee that feels he/she has been discriminated against, the employee should follow the policy guidelines under Article IX- Grievance Procedures.

For More Information: For more information about the Family and Medical Leave Act, the employee may contact the Human Resources Director.

Section 6. Leave Without Pay

Regular full-time and part-time employees, working at least 1,040 hours annually, may request a leave of absence without pay for absence from work not covered by any other type of eligible paid leave or if other paid leave balances are exhausted.

Requests for leave without pay must be submitted in writing to the employee's supervisor or department director. If the leave is approved by the department director, then the request will be forwarded to the Human Resources Director and the Executive Director for approval. The following requirements apply:

- Leave may be granted to an employee for a period of up to three (3) months upon the approval of the Executive Director;
- Accrued vacation leave must be exhausted prior to taking any leave without pay,
- An employee's vacation and sick leave accrual are suspended during the period of unpaid leave until the employee returns to work;
- Leave without pay will run concurrent with any eligible Family and Medical Leave;
- An employee that fails to report promptly at the end of the unpaid leave, unless otherwise prohibited by law or regulation, is presumed to have resigned.

Employees granted leave without pay are responsible for paying all employee paid benefit plan premiums, and if the employee has exhausted FMLA, the employee is responsible for paying all benefit plan premiums during the period

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of leave without pay. Failure of the employee to pay any required benefit plan premium timely will result in termination of the benefit due to non-payment of premium. If the employee chooses not to return from leave, under certain circumstances, the employee may be required to repay CFPUA's portion of the premium payment.

Section 7. Maximum Leave of Absence

Generally, an employee's leave of absence (paid or unpaid) may not exceed twelve (12) consecutive months, unless an assessment of the employee's status and the requirements and needs of CFPUA determine otherwise. The employee's leave status will be reviewed periodically, in conjunction with the requirements and needs of CFPUA, to determine if the employee is to be separated from employment with CFPUA.

Section 8. Military Leave

Employees who are members of the National Guard or Armed Forces Reserve will be allowed two (2) calendar weeks for a total of fourteen (14) days of military training leave annually. If the employee's military pay is less than the employee's regular pay CFPUA will pay the difference, provided the employee provides proof of compensation from the respective military branch. Otherwise this leave is without pay. Employees may elect to use annual leave to cover part or all the military leave.

Employees who are required to attend inactive duty training (weekend duty) may be granted accrued vacation leave or unpaid leave for assignments requiring their absence from their CFPUA position on Friday afternoon.

If such military duty is required beyond the two (2) calendar week annual training period, the regular employee will be eligible to take accumulated vacation leave or be placed in a leave without pay status. While taking military leave with partial pay or without pay, the employee's leave credits and other benefits shall continue to accrue as if the employee physically remained with CFPUA during this period.

Employees who are Guardspersons and Reservists have all job rights specified in the Veterans Readjustment Assistance Act and The Uniformed Services Employment and Reemployment Act (USERRA).

Employees are required to provide copies of official orders to Human Resources for all periods of active or inactive duty training. The employee will provide a memorandum from the unit commander for periods of inactive duty training (weekend duty) and proof of compensation if the duty requires the employee to be absent from work.

Section 9. Civil Leave

Civil leave will be granted to regular employees who are summoned to attend court as a juror or witness, except when involved in personal litigation. CFPUA employees called for jury duty or as a court witness for the federal or state governments or a subdivision thereof shall receive leave with pay for such duty during the required absence without charge to accumulated vacation or sick leave provided that the employee returns to work immediately upon release from court. Any court fees paid to the employee for jury duty must be remitted to CFPUA. An employee required to serve as a witness because of his or her official duties must remit to CFPUA any witness fees paid by the court.

While on civil leave, benefits and leave shall accrue as though on regular duty.

Employees who are on jury duty and are scheduled for work on night shifts the same workday, or any other type of alternate work schedule, shall be protected from loss of pay for the entire twenty-four (24) hour period for each day served.

Employees that are subpoenaed for court appearance as witnesses shall not suffer loss of pay for performing any such duty. The employee must notify the supervisor of the date and time of the appearance, provide a copy of the respective subpoena, and return to work immediately after release from court and submit proof of appearance to the supervisor upon completion of such service.

Section 10. Involvement in Schools

CFPUA employees will be granted eight (8) hours per year of unpaid leave to attend or otherwise be involved at schools for activities. Leave for involvement in schools is subject to the following conditions:

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- The leave shall be at a mutually agreed upon time between the supervisor and the employee;
- A written request must be submitted to the supervisor for the leave at least forty-eight (48) hours before the time desired for the leave.

For the purposes of this section, “school” means any public school, private church school, church of religious charter, non-public school, preschool and child daycare facilities.

Section 11. Inclement Weather or Area Emergencies

It is the Cape Fear Public Utility Authority’s policy to remain open for business during regularly scheduled hours of operation, regardless of weather conditions or area emergencies.

Employees are encouraged to use their discretion in determining their safety needs during severe weather or area emergencies and to act accordingly. Employees who are not able to report due to weather conditions or area emergencies are required to notify their supervisor and to report to work when safety permits. Employees must also notify their supervisors prior to leaving work during severe weather or an area emergency.

The Executive Director may elect to pay employees for periods inclement weather or area emergencies when operations are suspended or closed. Each event will be considered on a case by case basis for CFPUA. If the Executive Director does not authorize pay for this time, employees who miss time due to inclement weather or area emergencies may elect to use any of the following:

- Accrued vacation leave;
- Working additional time within the same work week for non-exempt employees (exempt employees will be up to 30 days) to make up for lost time, provided work is available, subject to prior approval of the supervisor; or
- Non-exempt employees may take the time as leave without pay and not receive compensation for time not worked. Exempt employees may take leave without pay in whole day increments.

Non-exempt employees may elect to be compensated under the options listed above. Exempt status employees are restricted to use of accrued vacation or making up the lost time. However, if neither option is available, exempt status employees will be compensated in accordance with FLSA requirements to maintain the position’s exempt status. Regardless of status, under this type of closure, probationary employees will be allowed to use ineligible accrued vacation time to be paid.

ARTICLE VII - DISCIPLINARY ACTIONS

Department directors and supervisors are responsible for maintaining the proper conduct and discipline of employees under their supervision. When an employee’s performance or conduct is determined by a supervisor or department director to be unacceptable, disciplinary action may be taken. Disciplinary action will be progressive unless the action is considered gross misconduct for job performance or gross personal misconduct conduct. Disciplinary action may vary based upon the circumstances.

Section 1. Cause for Disciplinary Actions

There are two causes for the discipline or dismissal of employees:

- A. Discipline or dismissal imposed for unsatisfactory job performance, including grossly inefficient job performance; or
- B. Discipline or dismissal imposed for unacceptable personal conduct.

A: Unsatisfactory Job Performance

Unsatisfactory job performance is work-related performance that fails to satisfactorily meet job requirements as specified in the relevant class description or position description, work plan or as directed by the management of the work unit and includes quality or quantity of work; work habits; promptness; timely performance of work related analysis, decision or judgment; and/or accuracy of work.

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Gross inefficiency job performance occurs in instances in which the employee fails to perform job requirements satisfactorily as specified in the job description, work plans, or as directed by the management of the work unit or organization and the loss of or damage to any organization property or funds that result in a serious impact on the organization and/or work unit or the failure results in the potential for serious harm to customer(s), employee(s), members of the public or to a person(s) over whom the employee has responsibility. Gross inefficient job performance includes, but is not limited to: careless, negligent or improper use of CFPUA vehicles and equipment; and gross negligence in the performance of duties.

B: Unacceptable Personal Conduct

Employees may be disciplined for incidents of unacceptable personal conduct. Unacceptable personal conduct includes but is not limited to: conduct for which no reasonable person should expect to receive a prior warning; the willful violation of known or written work rules or policies; conduct unbecoming an employee that is detrimental to CFPUA's service; or the abuse of a person(s) over whom the employee has a responsibility.

Gross unacceptable personal conduct is considered unacceptable personal conduct for which any level of discipline, including dismissal, may be imposed without warning and may include, but is not limited to falsification of an employment application or other CFPUA paperwork or documentation; insubordination, which is the willful failure or refusal to carry out a reasonable order from an authorized supervisor; job related conduct which constitutes a violation of state or federal law; conviction of a felony or an offense involving moral turpitude that is detrimental to or impacts the employee's service to CFPUA.

Section 2. Disciplinary Action

It is CFPUA's intent to assist and promote improved performance, rather than to punish the employee. Disciplinary actions administered under this section are intended to bring about a permanent improvement in job performance and covers all types of unsatisfactory performance. Disciplinary actions should be progressive and requires the employee to receive at least a written warning and a final written warning prior to a recommendation to dismiss. The performance related deficiency for each successive disciplinary action does not require the same basis, but can be for either unsatisfactory job performance or personal conduct

Should the required improvement later deteriorate, or other inadequacies occur, the supervisor may deal with this new unsatisfactory performance with further disciplinary action. The imposition of any disciplinary action shall comply with the procedural requirements of this Section for equity and consistency during the disciplinary process with all employees.

Either gross inefficient job performance or gross unacceptable personal conduct may constitute just cause for immediate dismissal. The categories are not mutually exclusive, as certain actions by employees may fall into both categories, depending upon the facts of each case. No disciplinary action shall be invalid solely because the disciplinary action is labeled incorrectly.

All employees, regardless of occupation, position, or profession may be warned, demoted, suspended or dismissed by the department director or the Executive Director. The degree and type of action taken shall be based upon the sound and considered judgment of the department director or the Executive Director.

When cause exists, the disciplinary actions provided for under this article are:

- A. **Verbal Counseling/Oral Warning(s)** may or may not be documented with department discretion but must provide the employee with the basis for the counseling or warning and the performance expectation to resolve the issue.
- B. **Written warning(s)** informs the employee in writing for the specific issues(s). The warning should include the specific improvements to address the issue and the time frame allowed for correcting the issue. One or multiple written warnings may be issued to an employee for similar or different issues prior to a final written warning. The warning should inform the employee of the consequences for failure to make the required improves could lead to further discipline or dismissal.

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Written warnings do not require but may include a performance improvement plan (PIP) which are at least 60 days in duration and designed to assist the employee in attaining acceptable job performance. The employee must be notified in writing of the successful completion of the PIP. A PIP may be extended up to a maximum of 120 days. The supervisor must periodically meet with the employee during the PIP to provide feedback on improvements.

- C. **Final written warning** informs the employee in writing of the specific issue(s) and the improvements to address this issue and is the last opportunity for the employee to make the required improvements/ corrections before disciplinary suspension, demotion or dismissal. The employee may be placed on a PIP.
- D. **Disciplinary suspension without pay** informs the employee that they are being suspended without pay for disciplinary purposes for unsatisfactory job performance after the receipt of prior disciplinary actions or for causes relating to any form of unacceptable personal conduct or grossly inefficient job performance. An employee who has been suspended without pay must be provided a written statement setting forth the specific acts or omissions that are the reasons for the suspension and the employee's appeal rights.

An employee that is suspended without pay for disciplinary purposes may be placed on disciplinary probation for a period not to exceed six (6) months. Under disciplinary probation, the employee may be dismissed for any form of unacceptable job performance, grossly inefficient job performance or unacceptable personal conduct. Employees working under disciplinary probation are subject to the procedural requirements of Article VII-Disciplinary Actions and maintains appeal rights.

- E. **Demotion** is a disciplinary measure for either unsatisfactory or gross inefficient job performance after at least one prior written warning or unacceptable personal conduct without a prior discipline action. An employee who is demoted shall receive written notification of the specific reasons for demotion as well as applicable appeal rights. Demotions may be made to a lower pay grade with or without a reduction in salary or retain the same pay grade with a reduction in salary.
- F. **Dismissal** is the final disciplinary measure. To be dismissed for a current incident of unsatisfactory job performance or personal conduct, an employee must first receive at least two (2) prior written disciplinary actions including a final written warning unless it falls within gross job performance or gross personal conduct.

Prior to dismissal, the department director or his/her designee must conduct a pre-disciplinary conference to review the recommendation for demotion/ dismissal with the affected employee and to hear and consider any information put forth by the employee, ensuring that the decision is sound and not based on misinformation or mistake.

Section 3. Procedural Requirements

Department directors, in conjunction with the Human Resources Director, are also responsible for ensuring that discipline is applied on a consistent basis in accordance with CFPUA policy. Department directors/supervisors are responsible to address immediately and resolve as quickly as possible, situations in which employees perform or behave in a manner inconsistent with CFPUA's job expectations, known work rules, and employment policies. For all disciplinary actions, the employee must have the opportunity to respond to the concerns or issue being set forth by the supervisor. The department director and supervisors are responsible for ensuring timely and thorough documentation of all disciplinary actions. Copies of all completed actions should be forwarded to Human Resources for inclusion in the employee's employment file.

Initial Meeting: The supervisor should conduct an initial meeting focused on making the employee aware of the issue(s), of the performance expectations and to identify what corrective action the employee must take and give the employee the opportunity to respond to the issue(s). The supervisor is not required to document this meeting (oral/verbal counseling or warning).

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Fact Finding: Prior to taking any formal written disciplinary action, the supervisor shall conduct a fact-finding inquiry to gather any pertinent details regarding the situation. The employee should have an opportunity to respond to the issues prior to discipline. The supervisor will then discuss the facts of the case with the department director. The department director shall then discuss the facts of the case with the Human Resources Director to determine what, if any, disciplinary actions are deemed appropriate based on the information gathered during the fact-finding inquiry.

Written Warning with or without a PIP: If problems of unsatisfactory conduct and/or job performance continue, the supervisor may issue a written warning. Unless the discipline is for gross inefficiency job performance or misconduct, the employee should be given the opportunity to improve performance through multiple written warnings. The written warning can include a Performance Improvement Plan (PIP), which outlines a method to help improve conduct or less than acceptable performance and provides special direction intended to help an employee achieve and sustain satisfactory conduct and/or performance. A PIP is normally for a sixty (60) day period and must state the process and timetable that will be used to determine if conduct and/or performance has improved. PIPs must be signed by the employee, supervisor and/or department director, dated and a copy be given to the employee and a copy filed with Human Resources. If the employee successfully fulfills the conditions of the PIP, the supervisor will submit written documentation to the department director and the Human Resources Director.

Suspension: An employee that is suspended without pay for disciplinary purposes when returned to work, may be placed on disciplinary probation for a period not to exceed six (6) months. Under disciplinary probation, the employee may be dismissed for any form of unacceptable job performance, gross inefficient job performance or unacceptable personal conduct.

Pre-Disciplinary Conference: Prior to considering a recommendation for a demotion or dismissal of an employee, the department director or his/her designee, must discuss the possible discipline with the Human Resources Director. If the Human Resources Director concurs with the proposed discipline, the department director will conduct a pre-disciplinary conference with the employee. Advance oral or written notice of the pre-disciplinary conference must be given to the employee indicating the time, location, and the specific reasons for which the possible demotion/dismissal discipline is being considered.

The department director conducts a pre-disciplinary conference with the employee, limiting attendance to the employee, the employee's supervisor, and the Human Resources Director. The purpose of the pre-disciplinary conference is to review the recommendation for demotion/ dismissal with the affected employee and to hear and to consider any information put forth by the employee to ensure that the decision is sound and not based on misinformation or mistake.

The employee shall have an opportunity to respond to the proposed dismissal action and to offer information or arguments in support of the employee's position. The employee may present witnesses that can offer relevant information. No attorneys representing either side may attend the conference. Security personnel may be present when, in the discretion of the person conducting the conference, a need for security exists.

Dismissal or Demotion: Following the conference, the department director or his/her designee, shall review and consider the response of the employee and reach a decision on the proposed recommendation. If the recommendation is to dismiss the employee, the department director or his/her designee shall notify the Human Resources Director, who in turn will consult with legal counsel if necessary. If the Human Resources Director concurs with the recommendation, the department director or his/her designee will be authorized to issue to the employee a written letter of dismissal containing the specific reasons for dismissal, the effective date of the dismissal and the employee's appeal rights. The notification shall be issued to the employee in person or by certified mail, return receipt requested, to the last known address of the employee. To minimize the risk of dismissal upon erroneous information, and to allow time following the conference for management to review all necessary information, the decision to dismiss should not be made prior to the beginning of the next business day following the conclusion of the pre-disciplinary conference.

The effective date of a dismissal/ demotion shall be determined by the department director and the effective date of the dismissal shall not be earlier than the letter of dismissal. The employee shall be given a copy of appeal rights with

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the dismissal notice.

Section 4. Documentation of Disciplinary Action

All documentation of disciplinary actions should be forwarded to the Human Resources Director. Documentation of disciplinary action related to conduct, performance, or safety will remain active for 12 months from the date of the action. Inactive disciplinary action documentation will not be removed from the personnel file but cannot be the basis for further disciplinary action.

Section 5: Special Provisions

Investigative Status: Investigation status is used to remove an employee temporarily from work status. Placement on investigation with pay does not constitute a disciplinary action. The Executive Director or his/her designee must notify an employee in writing of the reasons for investigatory placement no later than the second scheduled workday after the beginning of the placement. An investigatory placement with pay may last no longer than 30 calendar days without written notice of extension. When an extension beyond the 30-day period is required, the Executive Director or his/her designee must advise the employee in writing of the extension, the length of the extension, and the specific reasons for the extension. After the 30 -day period and no further extension has been imposed, CFPUA must either take appropriate disciplinary action based of the investigation findings or return the employee to active work status.

It is permissible to place an employee in investigation status with pay only under the following circumstances: to investigate allegations of performance or conduct deficiencies that would constitute just cause for disciplinary action; to provide time within which to schedule and conduct a pre-disciplinary conference; or to avoid disruption of the workplace and/or to protect the safety of persons or property. Under no circumstances is it permissible to use placement on investigation status for delaying an administrative decision on an employee's work status pending the resolution of a civil or criminal court matter involving the employee.

Credentials: By statute, and rule, some duties assigned to positions may be performed only by persons who are duly licensed, registered, or certified as required by the relevant provision. All such requirements and restrictions are specified in the statement of essential qualifications or recruitment standards for job classifications established by CFPUA.

Employees in such classifications are responsible for obtaining and maintaining current, valid credentials as required by law. Failure to obtain or maintain the legally required credentials constitutes a basis for immediate dismissal without warning, consistent with dismissal for unacceptable personal conduct or grossly inefficient job performance

Falsification of employment credentials or other documentation used for securing employment constitutes just cause for disciplinary action including termination. When credential or work history falsification is discovered after employment with CFPUA, and the employee was selected for a position based upon falsified work experience, education, registration, licensure, or certification information, the employee will be terminated without warning, consistent with dismissal for unacceptable personal conduct or gross inefficient job performance.

ARTICLE VIII - SEPARATION FROM EMPLOYMENT

Section 1. Types of Separation

Separation from CFPUA service occurs when the employee leaves the payroll for reasons listed below.

Resignation: A minimum of a two (2) week written notice is expected of all resigning employees. Such notice should be given to the employee's immediate supervisor, to be forwarded to the department director and Human Resources. In the case of department directors, the resignation should be given to the Executive Director.

Voluntary Resignation without Notice: An employee who is absent from work and has been instructed verbally or in writing of a specific manner of reporting by management and does not contact the employer for three (3) consecutive scheduled workdays may be separated from employment as a voluntary resignation. Termination pursuant to this policy should not occur until the employing department has undertaken reasonable efforts to establish that the employee was able to give or have someone else give notice during the period in question.

Separation Due to Unavailability: An employee may be separated on unavailability when the employee becomes or remains unavailable for work after all applicable leave credits have been exhausted and CFPUA does not grant or

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extend a leave without pay. At least two weeks prior to separation, CFPUA will notify the employee in writing of the proposed separation, the efforts taken to avoid separation, and why the efforts were unsuccessful. The employee may propose an alternative arrangement for CFPUA's consideration at least one week before the separation goes into effect. CFPUA may, at its sole discretion, agree to any suggested alternative arrangement or terminate the employee.

Retirement: An employee may retire when he or she is eligible and applies for retirement benefits from the North Carolina Local Government Employees Retirement System.

Reduction-in-Force: An employee may be reduced in force and separated from CFPUA service for reasons of a shortage of funds or work, elimination of a position, reorganization, or other changes in duties. Retention of employees in classes affected shall be based on systematic consideration of job performance, type of employment, and length of service. Employees who are separated from CFPUA because of a reduction-in-force will be given at least two (2) weeks written notice of the anticipated separation. No regular employee will be separated while there are temporary, probationary, or trainee employees serving in the same job class at CFPUA, unless the regular employee is not willing to transfer to the position held by such employees, or the regular employee does not have the knowledge, credentials or skills required to perform the work of the alternate position, or cannot obtain the knowledge, credentials or skills within a reasonable period of orientation and training.

Dismissal: Dismissal is an involuntary separation for cause in accordance with Article VII (Disciplinary Actions). Employees who are involuntarily separated will be paid through their termination date, unless they are in an unpaid suspension status.

Death: Payment for unpaid salary and reimbursement for travel or other CFPUA expenses will be made, upon establishment of a valid claim, to the estate of the deceased employee and submitted to the administrator or executor.

Separation due to unavailability or dismissal may be grieved or appealed in accordance with the Grievance Process (See Article IX – Grievance Process).

ARTICLE IX. GRIEVANCE PROCESS

Section 1. Policy and Purpose

It is the policy of the Cape Fear Public Utility Authority to provide a process to discuss and resolve problems and differences that may arise between employees and supervisors. Every employee has the right to present grievances in accordance with this policy, free from interference, coercion, restraint, discrimination or reprisal.

All supervisors are responsible for promptly considering and taking fair and appropriate action on a grievance brought by any CFPUA employee. In adopting this policy, CFPUA sets forth the following objectives:

- Provide employees with a procedure to address problems or complaints promptly, fairly and without fear of reprisal.
- Encourage employees to express their opinions about conditions of employment that affect them as employees.
- Develop a better understanding of policies, practices and procedures and promote their consistent application throughout CFPUA.
- Give supervisors a greater sense of responsibility in their dealings with employees.

Section 2. Definition

A grievance is a written complaint or dispute concerning the interpretation or application of CFPUA policies, procedures, or practices affecting CFPUA working conditions. A grievance may involve alleged safety or health hazards; unsatisfactory physical facilities, surroundings, materials or equipment; unfair or discriminatory supervisory or disciplinary practices, misapplication of department work rules, or any other grievance relating to conditions of employment. Employees must use CFPUA's standard grievance form which can be obtained from their supervisor or found on the shared drive.

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Certain management decisions are not able to be grieved. These decisions involve management discretion and are therefore not subject to the grievance process. Examples of management decisions that are not subject to this grievance process are as follows:

- A. Any condition of employment accepted at the time of employment and/or subsequent change(s) thereto.
- B. Determining the employee benefit package.
- C. Determining the proper classification and rate of pay.
- D. Determining types of training.
- E. Scheduling and distribution of personnel.
- F. Oral or written warnings.
- G. Determining methods, means, and personnel to carry out operations.
- H. Hiring, promotion, transfer, non-disciplinary demotion and assignment decisions.
- I. Placement on investigation status (paid).
- J. Decisions that maintain the effectiveness and efficiency of CFPUA's operations.
- K. Performance reviews.
- L. FLSA determination.
- M. At-will status.

While employees cannot bring grievances on the foregoing items, they are encouraged to express any concerns that they have concerning actions taken in these areas to their supervisor.

Section 3. Procedure

Unless specifically provided for in another part of this Employee Personnel Policies and Procedures Manual, this grievance procedure will be used for any complaints or disputes arising from these policies. When an employee has a claim or complaint concerning employment with CFPUA, the successive steps described below are to be taken toward resolution of the matter.

The number of days indicated at each step of the grievance procedure should be considered as the maximum number of working days allowed for presentation of and response to the grievance at that level. However, when mutually agreed upon, time limits given may be extended by those concerned. Failure on the part of the employee to satisfy the time limitations provided in this Article shall cause the grievance to be denied or dismissed.

Employees who use this procedure will be free from discrimination, coercion, restraint or reprisal.

Employees may file grievances or appeal decisions using the procedures listed below:

Formal Grievance: CFPUA employees who are subject to demotion, suspension, or dismissed, other than for a reduction in force, shall have 3 working days from the date of receipt of written notice of such action to file an appeal of the department director's decision with the Executive Director. The Executive Director will conduct a hearing and issue a final decision to the grievance within 10 working days of receipt of the written notice of appeal.

CFPUA employees who are subject/alleges discriminatory actions shall have 15 calendar days from the date of occurrence to file a grievance. The department director shall have 10 working days to respond to the grievance. If the employee is not satisfied with the department director's final decision or is unable to obtain a final decision within a reasonable length of time, he/she may file their written grievance with the Executive Director not later than thirty (30) days after receipt of the department director's final decision. The Executive Director will conduct a hearing and issue a final decision to the grievance within 15 working days of receipt of the written grievance.

CFPUA employees who are subject to unlawful work place harassment or sexual harassment will follow the procedure outlined in Article III- Section 8: Unlawful Workplace Harassment or Sexual Harassment:

Informal Complaint Resolution Process for General Complaints Issues and Concerns

- A. Immediate Supervisor: Each employee is encouraged to discuss complaints, issues or concerns with their immediate supervisor. If the matter is not resolved within five (5) working days, the employee may request a conference to discuss the complaint, issue or concern with the division manager (if no division manager level exist, proceed to step iv below.).

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- B. Division Manager: If the complaint, issue or concern is not resolved within five (5) working days after the conference, the employee may request a conference with the department director.
- C. Department Director: The department director shall hear the complaint, issue or concern, gather necessary information, evaluate the matter and seek resolution.
- D. Executive Director: If the matter is not resolved by the department director, the employee may request review by the Executive Director. The Executive Director may, at his/her discretion, hear the facts pertaining to the complaint, issue or concern and issue a final decision within 15 working days from receipt of the request. If the Executive Director elects not to review the complaint, issue or concern, the decision of the department director is final.

ARTICLE X- EMPLOYEE BENEFITS

Section 1. Health and Dental Care Benefits

CFPUA will offer individual health care and dental insurance to all regular full-time and eligible part-time employees. CFPUA and the employee share the cost of coverage. Employees are enrolled in the programs in accordance with the provisions of the insurance contracts.

Payroll deductions are authorized if the employee elects these insurance benefits.

Section 2. Vacation, Sick Leave and Holidays

See Article VI – Leave of Absence, Sections 1, 2 & 3.

Section 3. Unemployment Insurance

Cape Fear Public Utility Authority employees who are laid off or released from CFPUA service may apply for unemployment insurance benefits through the local office of the Division of Employment Security (DES). Eligibility for unemployment insurance benefits will be determined by the DES. If it is determined by the DES that a former employee is eligible for unemployment insurance benefits, CFPUA will reimburse the DES for these benefits.

Section 4. Retirement Benefits

Employees working a minimum of 1,000 hours per year will be enrolled in the North Carolina Local Governmental Employees' Retirement System (NCLGRS). Employees are required to contribute, through payroll deduction, six percent (6%) of their gross salary. CFPUA is required to contribute a prescribed percentage of the gross payroll each month as determined by the North Carolina Local Government Employees' Retirement System.

Section 5. Post-Retirement Health Care

Post-retirement health care is available only to CFPUA employees hired on or before July 1, 2008 as defined in the Interlocal Agreement Payment schedule. CFPUA employees hired after July 1, 2008 are not eligible for any post-retirement healthcare benefits.

Former City of Wilmington employees who became CFPUA employees on or before July 1, 2008 are eligible for retirement health care benefits in accordance with the following: City employees who have completed five (5) years of continuous service with the City (or combined with the CFPUA), who are currently vested in the NCLGRS retirement plan and who are identified in Exhibit M of the ILA, and employed by CFPUA, shall receive post-retirement health care benefits if they retire from CFPUA employment into the North Carolina Retirement System. The former City employee is eligibility for healthcare benefits until age 65. Covered spouses are eligible for healthcare benefits until the retiree reaches 65.

Former New Hanover County employees who became CFPUA employees on or before July 1, 2008 are eligible for retirement health care benefits in accordance with the following County employees identified in Exhibit M of the ILA who are employed by CFPUA shall receive post-retirement health care benefits if they retire from CFPUA employment into the North Carolina Retirement System as follows:

- An Employee with at least five years but less than fifteen years of service will be allowed to continue insurance coverage and the Employee shall pay 100% of the total cost for individual coverage;

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- An Employee with at least fifteen years but less than twenty years of service will be allowed to continue insurance coverage and the Employee shall pay 75% of the total cost for individual coverage;
- An Employee with at least twenty years but less than twenty-five years of service will be allowed to continue insurance coverage and the Employee shall pay 50% of the total cost for individual coverage;
- An Employee with at least twenty-five years but less than thirty years of service will be allowed to continue insurance coverage and the Employee shall pay 25 % of the total cost for individual coverage;
- An Employee with at least thirty years of service will pay the prevailing payroll rate for individual coverage.

All eligible employees must have a minimum of five consecutive years of service with the County (or combined with CFPUA), and years of service is defined as credible service as recognized with the North Carolina Retirement System.

Section 6. Life and Disability Insurance Benefits

CFPUA provides group term life insurance to full-time regular employees at no cost to the employee. The life insurance proceeds equal one times the employee's annual salary rounded up to the next thousand, not to exceed \$150,000. The policy provides life insurance amounts of \$5,000 for the employee's spouse and \$2,500 for the employee's dependent children. Additionally, employees can elect supplemental term life insurance coverage under this policy for themselves, spouse and dependent children paid by the employee through payroll deduction. All coverage is subject to the provisions of the life insurance contract.

CFPUA paid Long Term Disability insurance provides income protection to employees unable to perform all the material duties of their job on a fulltime basis due to sickness or injury. The coverage provides for lost income should employees become sick or injured requiring more than 90 days out of work due to partial or full disability. The benefit payments will continue based on the employee's age for up to 2 years at the onset of the disability provided the employee is under partial or full disability in accordance with the policy contract.

Section 7. Workers' Compensation Insurance

CFPUA provides insurance protection for approved on-the-job injuries and illnesses in accordance with State Worker's Compensation the rules and regulations, which include:

- All eligible medical expenses paid;
- Weekly disability income benefits if the employee is unable to return to work; and
- Death benefits payable to the employee's survivors.

Section 8. Social Security Retirement/Disability and Medicare Account

CFPUA and employees, through payroll deduction, contribute to Social Security Retirement/Disability and Medical Account. This plan provides retirement income for the employee and spouse, disability income, death benefits for surviving spouse and dependent children, and Medicare protection at the age of 65. CFPUA contributes a percentage of the employee's income into this federally operated program.

Section 9. Voluntary Shared Leave Program

This program provides an opportunity for employees to assist another employee affected by a non-worker's compensation medical condition that requires their absence from duty for a prolonged period resulting in a substantial loss of income.

In cases of prolonged medical conditions, employees who exhaust all available leave and are placed on leave-without-pay may apply for or be nominated to become a recipient of leave donated and transferred from the vacation leave account of one or more employees. For purposes of this policy, medical condition is defined as a medical condition of an employee; an employee's spouse; or an employee's legally dependent children that is likely to require an employee's absence from duty for prolonged period, generally considered to be at least 20 consecutive workdays. The medical condition must be non-work related.

The request for transfer and uses of vacation leave from one individual to another shall be presented in writing to the Human Resources Director by the appropriate department director. To be eligible for consideration to receive donated leave, the employee must have been employed in a leave earning eligible position for at least one (1) year in

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a regular fulltime position with CFPUA and has exhausted all sick, vacation and compensatory leave. Donated leave must be used for the sickness of the employee, the employee's spouse, or the employee's legally dependent children.

Only vacation leave can be donated and will be converted to sick leave. To be eligible to donate leave the employee must retain a minimum balance of forty (40) hours of vacation leave and forty (40) hours of sick leave after donation. Employees must complete and sign an authorization form designating the number of hours being donated and to whom it is being donated. Leave time will be donated to the employee anonymously.

An employee may not file a grievance, or an employee appeal, if their request to receive leave or donate leave is denied. The Executive Director will render a final decision based upon the merits and circumstances of each request. Leave donation is strictly voluntary and no solicitation on the part of department directors or supervisors is permitted.

The maximum amount of shared leave an employee may receive in a 12-month period rolling period is 1,040 hours, either continuously, or if for the same condition, on a recurring basis. If the beneficiary should die prior to exhausting all the donated leave, the unused balance of the leave will be forfeited.

Section 10. Benefits – Other

CFPUA provides the following additional benefits to employees. Full details of any of the following employee benefits are available from the Human Resource department. The information provided under this Article is intended to provide a summary of benefits. The official plan documents and/or contracts determine eligibility and the level of benefits provided. If there is any discrepancy between this information and the plan document or contract, the plan document or contract will prevail.

Deferred Compensation Plan: Employees may elect to contribute to a 401(k) and/or a 457b plan of the Internal Revenue Code. In addition, CFPUA will contribute 2% into a 401(k) plan and up to an additional 2% match for employees who contribute a minimum of 2% to either plan. Should the employee elect not to contribute into either plan, the employer's 2% contribution will be placed into an account in the 401(k) plan on behalf of the employee.

Credit Union: -Employment entitles employees to membership in the State Employee Credit Union.

Flexible Benefit Plan: Flexible benefit plan authorized by Section 125 of the Internal Revenue Code, provides employees the option of paying for qualified benefits with pre-tax wages. Also, employees are eligible to participate in a Flexible Spending Account (FSA) that allows them to set aside pre-tax wages for reimbursement of qualified medical and dependent care.

Service awards: Employee receive recognition of service years in five-year increments.

Employee Recognition Programs. The Executive Director is authorized to implement programs/ and/or policies designed to enhance employee morale, retention and recruitment. These programs may be designed for individual or group recognition.

ARTICLE XI - EMPLOYEE RECORDS AND REPORTS

Section 1. Employee Records Maintenance

CFPUA's Human Resources Department maintains records for each employee. These records provide information needed to administer employee payroll and benefits; to comply with federal, state, and local laws and regulations; and to document employee performance. Other departments may keep some relevant personnel records.

The following information on each CFPUA employee is public information:

- Name;
- Age;
- Date of original employment or appointment to CFPUA service;
- The terms of any contract by which an employee is employed whether written or oral, past and current, to the extent that the CFPUA has the written contract or a record of the oral contract in its possession.
- Current position;
- Title;

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- Current salary;
- Date and amount of each increase or decrease in salary with CFPUA;
- Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with CFPUA;
- Date and general description of the reasons for each promotion with CFPUA;
- Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by CFPUA. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of CFPUA setting forth the specific acts or omissions that are the basis of the dismissal;
- The office to which employee is currently assigned.

The personnel records of the CFPUA employees shall be maintained and disclosed by CFPUA's Human Resources Director only as provided in the North Carolina General Statutes, Section 162A-6.1. An employee accessing, using or disclosing public record information without authorization will be subject to disciplinary action.

Employees are responsible for supplying CFPUA's Human Resources Department with up-to-date information including home address, telephone number, change in marital status, change in the status of dependents, change in visa or citizenship status, and change in military reserve status.

Section 2. Access to Employee Records

Access to employee records is governed by North Carolina General Statutes 162A-6.1, as amended, which allows any person to have access to the information listed in Section 1 of this Article for inspection, examination, and copying during CFPUA's regular business hours, subject only to such rules and regulations for the safekeeping of public records as the members of CFPUA may adopt. Access to such information shall be made by written application and is governed by the following provisions:

- Except for all authorized CFPUA officials requiring access to employment files to process personnel actions, all disclosures of records will be accounted for by keeping a written record of the following information: name of employee; information disclosed; date information was requested; name and address of the person to whom the disclosure is made; and purpose for which information is requested. This information must be retained for a period of two years.
- The record of disclosure will be made available upon request to the employee to whom such record pertains.
- Any individual examining a personnel record may obtain copies of the information identified above.

Section 3. Confidential Information

All information contained in CFPUA's employee's personnel file including electronic data bases, other than the information listed in Section 1 of this Article will be maintained as confidential in accordance with the requirements of North Carolina General Statutes 162A-6.1, as amended and will be open to inspection only in the following instances:

- The employee or his duly authorized agent may examine all portions of his personnel file, except (1) letters of reference solicited prior to employment; and, (2) information concerning a medical disability.
- A licensed physician designated in writing by the employee may examine the employee's medical record.
- CFPUA employee having supervisory authority over the employee may examine all material in the employee's personnel file except (1) letters of reference solicited prior to employment; and, (2) medical information.
- By order of a court of competent jurisdiction, any person may examine such portion of the employee's personnel file as may be ordered by the court.
- An official of an agency of the State or Federal government, or any political subdivision of the State, may inspect any portion of a personnel file when such inspection is deemed by the official having custody of the personnel records to be necessary and essential to the pursuit of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution of the employee or for the purpose of assisting in an investigation of the employee's tax liability. However, such official having custody of such records may release the name, address, and telephone number from a personnel file to assist in a criminal investigation.

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- An employee may sign a written release, to be placed with his personnel file, that permits the person with custody of the file to provide, either in person, by telephone, or by mail, information specified in the release to prospective employers, educational institutions, or other persons specified in the release.
- The Executive Director, with concurrence of the Board, may inform any person of the employment or non-employment, promotion, reassignment, demotion, suspension, or other disciplinary reasons for that personnel action. Before releasing the information, the Executive Director will determine in writing that the release complies with applicable laws and is essential to maintaining the public trust and confidence in the administration of services or to maintain the level and quality of CFPUA services. This written determination shall be retained in the Office of the Clerk and is a record available for public inspection and will become part of the employee's personnel file.

Section 4. Records of Former Employees

The provisions for access to records are applicable to both current and former employees.

Section 5. Records of Applicants

Applications and other information gathered with respect to an applicant is not public information and will be kept confidential in accordance with North Carolina Law. CFPUA will not release this information without written permission from the applicant.

Section 6. Remedies of Employees Objecting to Material in File

An employee who objects to material in his or her file may place in the file a statement relating to the material considered being inaccurate or misleading. The employee may seek the removal of such material in accordance with established grievance procedures.

Section 7. References

CFPUA does not give references, other than as to employment and last salary, without the express written consent of the employee, which shall release and hold harmless CFPUA from all liability.

Only a department director, Human Resource Director, or designee will provide employment references on current or former CFPUA employees.

Section 8. Records of Employee Images, Videos and Recordings

CFPUA reserves the right to use any image, video, or recording of any employee functioning in a CFPUA capacity for promoting the organization. By employment with CFPUA, all employees grant implied consent for the use of employee images, videos, or recordings. The use of any employee image, video or recording must be approved by the Chief Communications Officer or Executive Director. If an employee has a valid objection to this policy, they may request an exemption in writing. The request should be sent to the Human Resources Director and must specify the reason the employee is requesting an exemption.

For security reasons, employees are prohibited from making or using images, videos, or recordings of CFPUA facilities or employees functioning in a CFPUA capacity without the express consent of their department director, the Chief Communications Officer, or the Executive Director. Violations of this policy may result in disciplinary action up to and including dismissal. This prohibition does not apply to open public meetings.

ARTICLE XII - IMPLEMENTATION OF POLICIES

Section 1. Conflicting Policies Repealed

All prior policies, ordinances, or resolutions that conflict with the provisions of this personnel policy manual are hereby repealed. Upon adoption by the Board, this version of the Cape Fear Public Utility Authority's Personnel Policies and Procedure Manual – 2019 supersedes all previous versions.

REVISION SCHEDULE

- 1) All references to General Manager changed to Chief Executive Officer – 11/12/2008.
- 2) A Solicitation and Distribution policy was added – 11/12/2008.
- 3) A Premium Pay policy was added – 11/12/2008.
- 4) Sick leave more than 3 days authorized for employee's care of spouse, children, mother or father – 3/1/2009
- 5) All revisions dated December 2012 are listed in Appendix I in a separate document titled "HRDOC-6.1, Appendix I, Employee Personnel Policy and Procedures Manual-2012". This document will be located on the Shared Drive.
- 6) October 9, 2013, the Chief Executive Officer title was changed to Executive Director. Therefore, any reference in this manual to Chief Executive Officer should now be considered Executive Director. 10/10/2013.
- 7) August 13, 2014, Pg. 47, Section 11. Inclement Weather change verbiage regarding taking leave or making up hours in the event of a closure as directed by the Executive Director.
- 8) August 13, 2014 – pg 41, Section 2. Vacation Leave added statement limiting pay periods in a calendar year to 26. Pg. 42, Section 3. Sick Leave added statement limiting pay periods in a calendar year to 26.
- 9) April 8, 2015, Pg. 67, Article X, Section 10, Benefits-Other. Added subsection G. to include "Employee Recognition Programs."
- 10) January 2018- Throughout the manual the text was change from "Authority" to CFPUA for branding. References to "department head" have been changed to "department director." The language was simplified, and information repeated in sections was eliminated.
 - a) Article II- Change in the probationary period for current employees for from six to three months and requiring departments to follow the disciplinary policy for promotions or transfers.
 - b) Article III- Change in applicants with a conditional offer of employment and fail the drug test will not be eligible for employment. Change in CFPUA's oversight of employee in rehab programs.
 - c) Article IV- Updates salary language to reflect salary determinations for promotions, reclassifications, transfers and salary modifications will be based on the use of the following pay factors: meet or exceed the minimum qualifications for the position, internal equity to others in the classification and department, the department's resources and relationship to the market instead of fixed percentage increases. Clarifies pay period for FLSA overtime determination and use of compensatory time.
 - d) Article IV- Change in holiday day for non-standard shift employees. Allow payout for separated employee for reasons than gross misconduct. Clarifies FMLA notification and use of sick leave, vacation, and unpaid leave during FMLA.
 - e) Article VII Under basis for disciplinary action combined and clarified the procedural requirements and type of discipline is the same all discipline types.
- 11) May 2019-Throughout the manual grammatical error were corrected, as well as updated the title of the Chief Communications Officer to Public Information Officer per the classification plan.
 - a) Article I-Updated Mission Statement, Vision and Values adopted by the Board.
 - b) Article II-Restricts promotions or transfers to a new position until the employee has successfully competed the initial six-month probationary period unless otherwise approved by the Executive Director.
 - c) Article III-Eliminated the identification of specific social media in the policy and changed to include any social media.
 - d) Article V-Updated the recommendation on a starting salary to match our practice. Changed to reflect employees hired in the current fiscal year who have completed the probationary period any time before the date of performance increases in June 30 may be eligible for a performance increase if approved by the Executive Director. Authorizes

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premium pay at the discretion of the Executive Director for an amount greater than \$500 for extraordinary circumstances.

- e) Article VI-Change to follow the state schedule of 12 holidays with three days designated at Christmas. Updated to clarify that vacation and sick leave accruals will be prorated if the employee is not in full-pay status for the forty-hours of the pay period. Deleted the department director authorization for exception to must use vacation prior to unpaid leave. Clarified the employee's requirement to repay CFPUA's portion of the benefit if they fail to return from leave. Added official orders for active or inactive duty must be provided to HR. Eliminated the restriction of leave to immediate family.
- f) Article VII-Requires notification of separation to be given to HR.
- g) Article X-Clarification of benefits to match benefits contracts.
- h) Article XI-Clarification on who can disclose public records and an employee access / use this data without authorization will be subject to discipline.

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**CAPE FEAR PUBLIC UTILITY AUTHORITY - EMPLOYEE PERSONNEL POLICIES AND PROCEDURES
MANUAL ACKNOWLEDGMENT**

By signing below, I acknowledge that I have received, and will read the Cape Fear Public Utility Authority's Employee Personnel Policies and Procedures Manual - 2018. I understand that the Employee Personnel Policies and Procedures Manual is provided to me for general guidance and are not an exhaustive statement of CFPUA policies.

In addition, I understand that the Employee Personnel Policies and Procedures Manual does not constitute a contract of employment and that CFPUA may change, revoke, interpret, or add to any of the policies contained therein at any time at its sole discretion without prior notice. CFPUA is an "at-will" employer, which means the employee, or the employer has the right to terminate the employment relationship at any time and for any reason, not otherwise prohibited by law.

Finally, I understand that any amendment of the Employee Personnel Policies and Procedures Manual will always govern and supersede any prior version. I also understand that if I have questions or concerns regarding my terms of employment or working conditions with CFPUA, I should contact my supervisor or Human Resources.

Employee Name: _____

Employee Signature: _____

Date: _____

NOTE: THIS PAGE, AFTER BEING PROPERLY ENDORSED, IS TO BE DETACHED AND BECOMES A PART OF THE EMPLOYEE'S PERSONNEL FILE