

**POLICIES
AND
PROCEDURES
HANDBOOK
OF
BIG MESA MUTUAL
DOMESTIC WATER
CONSUMERS
ASSOCIATION**

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FOREWORD

The information in this Employee Handbook is intended to provide basic information about policies and benefits for managers and employees of Big Mesa Mutual Domestic Water Consumers Association, herein after “Big Mesa MDWCA”. This Employee Handbook is approved by the Board of Directors of Big Mesa MDWCA, herein after “The Association Board”. This Employee Handbook does not represent any contractual terms of employment as The Association Board reserves the right, in its sole discretion, to modify this handbook in any way, or eliminate any policy or practice in whole or in part, or in general application from time to time, without prior notice.

All provisions in this handbook are subject to revisions of applicable local, state and federal laws. Any provision that may become unlawful under subsequent laws shall become void and unenforceable.

The Association Board employs people “at will” unless a written express contract is executed between The Association Board and an employee in which case the contract governs the nature of employment. If a written express contract has not been executed between The Association Board and an employee, then the employment is “at will”, meaning both the employee and The Association Board has the right to terminate employment at any time, for any reason or for no reason.

OPERATIONAL STATEMENT

The basic responsibility of the Association Board, Managers and employees is to provide each Member with an adequate supply of safe, potable drinking water. This responsibility extends to all employees, whether on a Board, managerial, supervisory, operational, or clerical level, in some direct or indirect manner. Each employee should be aware of their duties and call to the attention of the Manager any condition that might impair the quality of the water or which may cause an interruption of service to any part of the system. These responsibilities can be broken down into three major areas of concern:

- 1. Providing enough water to meet the total demands of the system.**
- 2. Providing water that is both safe and palatable to the customers.**
- 3. Providing that water to the customer when it is needed.**

MISSION STATEMENT

The Association Board mission is to efficiently provide potable water to every member in good standing, without interruption, which meets or exceeds appropriate regulations, in an enthusiastic and professionally managed manner, while taking a proactive approach to vulnerabilities to ensure the continuation of water service in the future and shielding the association from liability.

EQUAL OPPORTUNITY STATEMENT

The Association Board is committed to a policy of equal employment opportunity. The Association Board will recruit, select, promote, compensate, discipline and/or discharge individuals in full compliance with applicable laws prohibiting discrimination based on race,

color, religion, creed, national origin or ancestry, marital status, age, sex, veteran or disability status, sexual orientation or those terms that are defined by applicable state, federal laws, and regulations.

SECTION 1

INFORMATION OF SPECIAL INTEREST TO NEW EMPLOYEES

The Business Manager and Water Manager will welcome a new employee, introduce him/her to other employees, and tell him/her the things he/she needs to know about his/her new job to get started.

Generally, the Business Manager and Water Manager will schedule and assign the employee's work. An employee should feel free to ask questions about anything he/she doesn't understand. The Business and Water Manager is responsible for the employee and his/her work, and the employee should report directly to their Manager.

AGE CERTIFICATES

Pursuant to the Fair Labor Standards Act of 1938, as amended, The Association Board is requiring that any employee who appears to be under the age of eighteen (18) years of age, shall provide The Association Board with a copy of their Driver's License and/or birth certificate.

DRUG TESTING AND SUBSTANCE ABUSE POLICY

Big Mesa MDWCA has the responsibility to maintain a safe and efficient working environment. Employees who work while under the influence of drugs or alcohol present a safety hazard to themselves, their co-workers and others. Moreover, the presence of drugs and alcohol in the workplace limits Big Mesa MDWCA's ability to perform at the highest level and provide Big Mesa MDWCA's customers with the best possible service. Accordingly, procedures have been implemented to ensure that Big Mesa MDWCA continues to maintain its reputation as a quality employer and a provider of excellent customer service. A pre-employment drug test may be required for new employees. If an employee is suspected of drug or alcohol usage, they may be asked to take an immediate drug test at the Business Manager's, Water Manager's or The Association Board's discretion. Employees may be asked to take a drug and alcohol test at random. Each employee that has knowledge of, or observes another employee in, a condition which impairs their ability to perform their duties or poses a hazard to the safety or welfare of others, shall promptly report the incident to their Manager.

DRIVING RECORD AND INSURANCE

Any employee who will be operating a vehicle on behalf of Big Mesa MDWCA will need to provide a copy of their Driver's license, current liability vehicle insurance and a copy of his or her driving record. This documentation needs to be submitted upon hire and every year thereafter between June 1st and July 1st. The employee must notify their Manager as soon as possible after the occurrence of any new violations received during or after working hours for those employees who use company vehicles. (Also see "Use of Company Vehicles Section.")

PRE-EMPLOYMENT FORMS

Employees will be required to fill out some forms prior to active employment. These forms include an employment eligibility verification form to determine citizenship and a W-4 form for determining tax withholding allowances and dependent deductions, and Health, disability and any other form required by management and/or the Board to identify any preexisting employee conditions. After the employee receives a copy of this employment manual, he/she will be asked to sign a verification receipt.

IMMIGRATION LAW COMPLIANCE

The Association Board is committed to employing only United States Citizens and Permanent Resident aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form 1-9 and present documentation establishing identity and employment eligibility.

AMERICANS WITH DISABILITIES ACT COMPLIANCE POLICY

The Association Board continues to uphold its commitment to non-discrimination in all its employment practices by ensuring that any individual with a disability will have equal access to any employment opportunity available to a similarly suited individual who is non-disabled. Accordingly, The Association Board has incorporated the provisions of The Americans with Disabilities Act of 1990, and the State regulations of disability discrimination into its existing non-discriminatory practices.

All Big Mesa MDWCA's The Association Board, managers and employees share the responsibility of implementing and adhering to all components of this policy. This includes, but is not limited to, reasonably accommodating disabled individuals in recruitment, advertising, testing, hiring, training, termination, benefits, compensation and other terms, conditions and privileges of employment. Only certified service animals will be allowed on company premises.

Any acts of unlawful discrimination should be promptly reported to management. An investigation will occur, and appropriate corrective action taken. Reasonable efforts shall be made to protect an employee and or applicants from any type of coercion, intimidation, interference, or discrimination should they file a complaint or assist in an investigation of such a complaint in conjunction with upholding this policy.

SMOKING POLICY

There is a no-smoking policy in effect in all Big Mesa MDWCA buildings and vehicles. The employees may smoke outside the building **in the designated area only**. All cigarette butts must be placed in a designated receptacle. The time spent smoking on company time must be minimized and should not interfere with necessary productivity. If this becomes a problem, NO SMOKING on the entire facility may become the policy.

NEPOTISM POLICY

A no nepotism full-time hiring policy shall be in effect at all levels of Big Mesa MDWCA. The Association's Board, Business Manager and Water Manager, and employees shall not hire and employ any family relative in a full-time employment capacity.

SECTION 2

WORKING AT BIG MESA MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

ATTENDANCE

Employees' work schedules have been developed to provide the coverage necessary for superior customer service. To provide the quality-of-service Big Mesa MDWCA's members have come to expect. The Association Board counts on its employees to be ready to start work at their appointed time and to work their entire shift.

In the event of sickness or other emergency, employees are required to report their absence or late arrival personally, if possible, to their Manager as early as possible, either on or before the first day of absence. An employee is to always keep their Manager advised of his/her planned return to work date. Any absenteeism by a Water Manager or Business Manager shall be reported as early as possible to the other Manager and the president of The Board Association.

If a physician's documentation is required before returning to work, the employee will be notified. Absence of three consecutive days, during which no notification is given to the employee's Manager or permission obtained, is considered job abandonment and voluntary resignation with no compensation or severance.

All vacation or paid time off must have prior written approval of the President or Vice President of The Board Association.

TIME CLOCK OR SIGN-IN SYSTEM

At The Boards Association' selection all employee classifications shall account all paid hourly work and wages via an Association time/punch card and clock system located at the Water building, if applicable.

All employees will be assigned an employee number and will retain that number over the course of their employment. An employee's timecard is the only accurate record available for computing time worked for payroll purposes.

An employee may not be compensated for work before his/her scheduled starting time or after his/her scheduled quitting time unless approved by the Business Manager or President of The Board Association. Marking the timecard of another employee, altering timecards, repeatedly neglecting to follow proper timecard procedures or failing to obtain proper authorization from the Manager as required by this policy will not be tolerated and will result in termination.

EMPLOYEE CLASSIFICATION

It is the intent of Big Mesa MDWCA to clarify the definitions of employment classifications, so those employees understand their employment status and benefit eligibility.

Each employee is designated as either NON-EXEMPT or EXEMPT from Federal and State wage and hour laws. NON-EXEMPT employees are entitled to overtime pay under the specific provisions of state and federal laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws.

In addition to the above categories, each employee will belong to only one of the following employment categories:

REGULAR FULL-TIME employees are those who are not in a TEMPORARY status and who are regularly scheduled to work a workweek of 32 to 40 hours. Generally, they are eligible for Big Mesa MDWCA benefits package, subject to terms, conditions, and limitations of each benefit program. REGULAR FULL TIME NON-EXEMPT employees shall be paid time and a half of hourly rate for Manager approved overtime hours more than forty (40) hours per week.

PART-TIME employees (over 22 hours/week) are those who are not assigned to TEMPORARY or PROBATIONARY status and are regularly scheduled to work between 22 to 31 hours per week. Generally, they are eligible for Big Mesa MDWCA's benefits package for Part-Time employees, subject to terms, conditions, and limitations of each benefit program.

PART-TIME employees (under 22 hours/week) are those who are not assigned to TEMPORARY or PROBATIONARY status and are on-call or regularly scheduled to work under 22 hours per week. While they do receive all Big Mesa MDWCA benefits, (such as Social Security and Worker's Compensation Insurance), they are ineligible for all other Big Mesa MDWCA's benefits.

All new hires are eligible for Big Mesa MDWCA's benefit package starting with their first day of employment.

SERVICE WITH THE COMPANY

Length of service is the length of a regular full-time employee's continuous employment with Big Mesa MDWCA, commencing with the last date of hire. As per company policy, length of service may affect employee benefits and vacation pay. An employee will be credited with length of service from the employee's last date of hire.

An employee's length of continuous service with Big Mesa MDWCA and the employment relationship shall terminate if one of the following occurs:

- If the employee resigns or retires or is terminated
- If the employee is physically unfit to perform their work duties
- If the employee is discharged or otherwise terminates his/her employment
- If the employee is absent from work two (2) consecutive or three (3) non-consecutive working days without properly notifying the Business Manager or Water Manager or the President of The Association Board and being excused.

- If the employee fails to report for work following a leave of absence or vacation, unless the extended absence is excused by his/her manager.

RESIGNATION BY EMPLOYEE

If applicable, REGULAR FULL TIME and PART-TIME employees are requested to submit their resignation, in writing, to their manager or The Association Board giving a minimum of two (2) weeks notice. Employees who fail to give such notice may forfeit accrued vacation/PTO compensation for the current year. The employee must work 10 business days prior to their last day of employment to be eligible for earned vacation time pay out.

NATURE OF EMPLOYMENT

Employment with Big Mesa MDWCA is voluntarily entered, and the employee is free to resign “at will” at any time, with or without cause. Similarly, The Association Board may terminate the employment relationship with an employee “at will” at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this manual are not intended to constitute contractual obligations of any kind or a contract of employment between Big Mesa MDWCA and any of its employees. The provisions of the manual have been developed at The Board Association’s discretion and, except for its policy of employment “at will” may be amended or cancelled at any time, at The Association Board’s sole discretion.

EMPLOYEE MEETINGS

The Water Manager and Business Manager are required to attend Monthly and Annual Board meetings for their full duration and present reports as required or requested, with any details included (e.g., Water Samples Details). All employees are required to attend employee meetings that take place during their regularly scheduled work hours or at the beginning or end of their shifts.

LUNCH AND REST PERIODS

All employees working eight (8) hours or more in a workday are entitled to an unpaid 60-minute lunch period Monday-Friday with management reserving the right to reduce this lunch period to an unpaid 30-minute lunch when demand requires. If an employee is required to travel more than three (3) hours one way, lunch will be provided.

CHANGE OF ADDRESS, MARITAL STATUS OR DEPENDENTS

It is the responsibility of each employee to report IN WRITING changes to the payroll department any of the following:

- Address
- Telephone Number

- Number of dependents
- Marital status and/or name change
- Person(s) to notify in case of an emergency

OUTSIDE EMPLOYMENT

On occasion, employees of Big Mesa MDWCA may decide to seek employment outside of their regular working hours. All full-time employees are asked to refrain from working elsewhere if possible. Should an employee find it necessary to take an additional job, a letter stating the conditions of the second job must be approved by The Board Association prior to acceptance of any outside employment. The Association Board will not approve outside employment if it interferes with work assigned, if it is in the employ of a competitor and/or represents a conflict of interest in employment. During such outside employment, the employee must not drive the Big Mesa MDWCA vehicle or use Big Mesa MDWCA equipment.

MANAGEMENT HIERARCHY

The Business Manager and Water Manager shall report and respond to directives from The Association Board, while coordinating their respective duties with each other. All Big Mesa MDWCA water system employees shall report and respond to their appropriate Manager.

SECTION COMPENSATION POLICIES

WAGES

It is the policy Big Mesa MDWCA to maintain hourly wage rates and ranges with each job classification at levels that The Association Board believes to compare favorably with those of similar companies in the area and the industry. Reviews of hourly rates and benefits will be done annually by the Manager and The Association Board.

Employees will be paid biweekly. The pay period is Monday through Sunday. Paychecks will be distributed the Friday following the end of the pay period.

By signing a release form an employee can have his/her check released to another designated person. If an employee is absent or not scheduled to work on the day the checks are distributed the employee may obtain his/her check later. Big Mesa MDWCA will make Federal and State payroll deductions for each employee. Remember that forms for tax deductions and insurance must be updated if there is a change in dependency status.

If an employee resigns, his/her final paycheck will not be issued on date of resignation but will be issued on the next payday. If Big Mesa MDWCA's property, including but not limited to software, uniforms, manuals, proprietary information, materials, equipment and tools, is not returned to Big Mesa MDWCA upon an employee's termination or resignation, then the employee's final paycheck will be reduced by the value of said property not returned. Paychecks will not be mailed to employees. Unclaimed paychecks will be void after thirty (30) days.

If an employee should lose his/her paycheck, report the loss to the payroll department within 24 hours of the issuance of the check. Once notification is made, a stop payment will be put on the

check. If the check has not cleared, the employee will receive a replacement check as soon as possible. The employee will be required to reimburse Big Mesa MDWCA for any bank charges in connection with the stop payment. Lost checks that have already been endorsed by the employee and/or have cleared the bank will be the responsibility of the employee.

PAYROLL DEDUCTIONS

Federal and State law Big Mesa MDWCA to make certain deductions from the wages of all employees:

1. **Social Security/Medicare (FICA):** Employees pay tax on wages each pay period based on the current applicable dollar amount and percentage established by the federal government. Big Mesa MDWCA contributes a matching amount in Social Security tax as required by federal law.
2. **Federal Income Tax:** At the time of hiring, employees are required to prepare a W-4 Withholding Exemption Form. In accordance with federal law, The Association Board deducts the employee's tax from his/her wages. This money is reported and forwarded to the United States Government. A report of income tax and Social Security deductions made from the employee's wages is given to the employee on a W-2 form after the end of the year.
3. **State Income Tax:** At the time of hiring, employees are required to prepare a state income tax W-4 Withholding Form. In accordance with state law, Big Mesa MDWCA deducts this tax from the employee's wages. This money is reported and forwarded to the State Treasurer's Office. A report of state income tax deducted from the employee's wages will be given to the employee on the appropriate W-2 form after the end of the year.
4. **Other deductions:** Big Mesa MDWCA deducts from the wages of eligible employees the cost of one quarter of the medical coverage premium for the employee.

GARNISHMENT / CHILD SUPPORT POLICY

Big Mesa MDWCA follows State and Federal guidelines for Wage Garnishment.

OVERTIME

All overtime work hours must be pre-approved by the appropriate Manager.

SECTION 4

BENEFITS

Vacation/PTO and Sick leave

Full-time employees will accrue vacation pay starting on their first day of employment. The rate of accrual is 1.6 hours vacation time per pay period for the first and second year of employment. Starting in the third year the rate of accrual will increase to 3.2 hours vacation time per pay period.

Part time employees are not eligible for accrual of paid vacation time.

All employees will accrue sick leave starting on their first day of employment. The rate of accrual is 1 hour of sick leave earned for every 30 hours worked.

Earned vacation time must be used by June 30th every year. Big Mesa MDWCA may allow carryover of up to 40 hours of paid vacation time with prior approval from the Association Board or based on Big Mesa MDWCA staffing needs.

An employee may carry over a maximum of 64 hours of sick leave from one year to another. Earned Sick leave in excess of 64 hours will be lost if not used by June 30th.

A minimum of 2 weeks or 14 days' notice shall be given (except for emergencies) to the appropriate Manager and/or president of The Board Association as to requested leave dates. Leave dates for vacation are subject to the approval of the employee's Manager. Leave requests should be submitted to the employees' Manager, in writing, as soon as possible to ensure time off. Approval can be granted by Management based on staffing needs of Big Mesa MDWCA.

Big Mesa MDWCA will not compensate any employee with hourly wages for unused Vacation/PTO or sick leave. Big Mesa MDWCA reserves the right to make exceptions based on staffing needs or emergencies.

MEDICAL, DENTAL AND VISION INSURANCE

Big Mesa MDWCA offers State Employee Health Benefits to REGULAR FULL-TIME employees. The Association Board may participate in the State Employee Health benefits plan, but must cover 100% of the cost.

Big Mesa MDWCA provides payment of three (3) quarters of the premium for medical, dental and vision insurance for each REGULAR FULL-TIME employee. Employees are responsible for the remaining portion and any dependents added. Participation in the insurance program is contingent upon meeting all eligibility standards and acceptance through official enrollment. The Association Board reserves the right to modify, terminate, suspend or cancel any of the above listed programs without notice when, in the opinion of management, circumstances require. Employees are required to give thirty (30) days written notice should they choose to discontinue medical coverage for any reason. Failure to give The Association Board thirty days written notice of discontinuation may result in the employee being responsible for one hundred percent

(100%) of the health insurance premium. The benefit schedules and other details of the programs are available online at <https://www.mybenefitsnm.com/healthwellness.html>.

HOLIDAYS

Big Mesa MDWCA grants Holiday pay for Full time and Part time employees. The paid holidays are New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, Christmas Day and the day after, and New Years Eve.

All REGULAR FULL-TIME employees will receive eight hours' pay at their regular hourly rate for each of the above-named holidays. Provided they are active employees (i.e., not on layoff or leave of absence) and worked on their scheduled workday immediately preceding the holiday and the scheduled workday immediately after the holiday. An employee's Manager may make an exception to this rule only if the absence is for reason of an illness or other valid reason. Holiday pay will be considered as holiday pay and not regular hours worked; therefore, it will not be considered when computing overtime for the week in which the holiday falls.

Part-time employees will receive holiday pay if the holiday falls on their regular day to work. If the employee works that day because of staffing needs, they will also get their regular hourly wages for the hours they worked. If an employee works on a holiday when they are not scheduled to work due to staffing needs, they will also receive holiday pay and their regular hourly wages for the hours worked.

SECTION 5

LEAVES OF ABSENCE

FAMILY/MEDICAL LEAVE OF ABSENCE

Big Mesa MDWCA follows State and Federal laws for FMLA. See website for more details.
<https://www.dol.gov/general/topic/benefits-leave/fmla>

Exceptions for Worker's Compensation Absences

In the case of lost time for work related injuries and/or illnesses covered under Worker's Compensation as required by law, Big Mesa MDWCA's policy is to guarantee an employee's same position if that person is off work for a period of up to 12 weeks due to a work-related accident or disease. If the absence exceeds 12 weeks, Big Mesa MDWCA will return the employee to the same position only if it is available; to a similar position if available; or to a layoff status until an appropriate position becomes available.

JURY DUTY

Unpaid leave shall be granted to an employee to fulfill their civic responsibilities by serving jury duty when required. Employees must show the jury duty summons to their Manager as soon as possible so that the Manager may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits. Either Big Mesa MDWCA or the employee may request an excuse from jury duty if, in Big Mesa MDWCA's judgment, the employee's absence would create serious operational difficulties.

BEREAVEMENT LEAVE

Three (3) days leave with pay will be granted to Regular Full-Time employees for a death in the immediate family. The term "immediate family" includes spouse, children or parents. One (1) day leave without pay will be granted to Regular Full-Time employees for a death in the extended family. The term "extended family" includes grandparents, brother, sister, father-in-law, mother-in-law or grandchild. Additional leave without pay may be granted at the discretion of the Business Manager. For employees who are on vacation, sick leave or otherwise approved leave at the time of such death then the leave begins on the day the employee is scheduled to return to work. Each employee is personally responsible for advising their Manager when a death in the family occurs.

MILITARY LEAVE

An individual has up to three (3) weeks unpaid leave that will be granted to fulfill his/her National Guard or Armed Forces Reserve training duty per year. If an employee's unit is placed on active duty, then the employee's leave shall be granted as provided by law.

SECTION 6

SAFETY, SECURITY AND HEALTH

Big Mesa MDWCA, as an employer and a responsible member of the community, recognizes the importance and necessity of safety. A safe work environment is essential to progress toward both immediate and long-term goals. Therefore, the management of this company have established the following policies:

1. Every possible effort will be made to eliminate hazards and reduce the possibility of accidents and injuries. Personal and public safety is paramount.
2. Safety will be given priority over speed in work effort.
3. To reduce in every way possible the costs of this company in manpower, insurance costs and incidental costs as a result of injuries and lost time.

A safe work environment is dependent on the attitudes and actions of every employee, every day. An employee's safety, as well as the safety of others, must be kept in mind at all times.

Being alert will help prevent accidents to an employee or others. Please report any accident hazards or potential accident hazards immediately to the employee's Manager.

JOB SAFETY

Employees are expected to cooperate with Big Mesa MDWCA in all safety and health procedures. Big Mesa MDWCA may provide additional safety training as needed or may post rules and regulations on the bulletin board. Big Mesa MDWCA will be as safe as employees make it. Employees are encouraged to submit safety suggestions.

GENERAL SAFETY RULES AND REGULATIONS

The general safety rules and regulations are as follows:

- Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders that are applicable to his/her own action and conduct.
- All unsafe conditions should be reported to the employee's Manager at once.
- All injuries, however slight, should be reported to the employee's Manager at once. First Aid supplies are available in the supply room in the office area and in marked locations around Big Mesa MDWCA.
- Good housekeeping throughout Big Mesa MDWCA is directly connected to and is essential to safety.
- Every employee should do their share in helping to keep the facilities of Big Mesa MDWCA clean.
- Employees shall not operate any equipment until they have been properly instructed by their Manager and are authorized to do so.
- If an operation calls for more than one (1) person, all required persons are to be present before starting the operation.
- Employees who primarily work out of doors shall use sunscreen on all exposed skin areas.

- All employees whose work requires safety equipment must wear such equipment, without exception.
- All machinery must be turned off when not in use or is unattended and before cleaning, clearing jams or making repairs. Machines must be unplugged before work is undertaken on any electrical parts.
- Sharp edges projecting from any source should be dulled or corrected to eliminate hazard.
- Flowing ties, long sleeves, loose fitting coats or other loose-fitting clothing shall not be worn around moving equipment or machinery.
- When on deliveries or service calls, employees are not to pick up hitchhikers or enter private homes unless or until they know an adult (over 18) is present.

GOOD HOUSEKEEPING

A clean work environment reflects on Big Mesa MDWCA and the employees who work there. When each person helps keep the facilities of Big Mesa MDWCA clean, both efficiency and safety will increase. A sampling of common-sense suggestions follows:

- All work areas and aisles must be kept clear of stock and debris.
- A minimum clearance of three feet shall be maintained around all fire extinguishers, drinking fountains, alarm boxes and power panels.
- All waste should be placed in the proper containers provided.
- Employees must not throw food or other debris on the floor at any time. Food or debris dropped accidentally is to be cleaned up immediately.
- Cigarette butts should be placed in a designated receptacle in the designated smoking areas.
- All employees shall maintain the cleanliness of their work area and company vehicle.

FIRE PREVENTION

Thousands of businesses are damaged by fire each year. Many of these fires could have been prevented. Employees should be alert at all times for potential hazards and report them at once to their Manager. Please note these rules:

- Employees shall observe all “no Smoking” areas.
- Employees should take appropriate steps to eliminate and prevent fire hazards such as open gasoline containers, uncapped oxygen bottles or piles of greasy rags.
- In case of smoke or fire, call the local fire department and notify the nearest member of management, giving location and information that is necessary.
- Employees shall not attempt to extinguish electrical fires unless they are trained and qualified to fight fires.
- Employees shall be educated on appropriate fire exits and procedures.

ACCESS TO COMPANY PREMISES

When an employee is not working, request is made that he/she not come onto the facility unless he/she is carrying on his/her personal business. At no time should off duty employees disrupt employees who are on duty.

Any keys issued to an employee by Big Mesa MDWCA must be returned to the employee's Manager upon separation of employment. The duplication of any Big Mesa MDWCA keys is not allowed.

PARKING

Big Mesa MDWCA provides parking space for employees. Upon an employee's hiring, the employee will be informed as to where his/her car can be parked. An employee should only park his/her car in designated parking areas. Automobiles parked on Big Mesa MDWCA's property for an extended period of time shall be towed at the owner's expense. It is suggested that an employee lock his/her car at all times. Big Mesa MDWCA is not responsible for theft from or damages to vehicles parked in company parking areas.

SOLICITATION

In order to minimize the possibility of disruption of operations and annoyance of employees, the following must be observed:

1. Solicitation for monetary gain by an employee of his/her fellow employees during the working time of either employee shall not be tolerated, with the exception of an off-duty employee may make food sales to fellow employees.
2. Solicitation by an employee of his/her fellow employees during the working time of either employee, on behalf of any individual, organization, club or cause is not allowed, unless there is a prior approval from employee's Manager.
3. Solicitation by non-employees is not allowed on the Big Mesa MDWCA premises, with the exception of food sales, at the discretion of management.

THEFT

The Association Board asks that employees be on the lookout for theft. Any employee caught stealing will be prosecuted to the fullest extent of the law. Pursuant to federal law, The Association Board will consider the use of a lie detector test during on-going investigations for loss or injury to Big Mesa MDWCA.

SECTION 7

GENERAL POLICIES

WHISTLE BLOWER POLICY

This “Whistle Blower” policy protects an individual from retaliation when bringing to the attention of The Board Association illegal practices or violations of adopted policies. It is the Policy of Big Mesa MDWCA to protect their employees in accordance with Sarbanes-Oxley legislation. Sarbanes-Oxley regulations impose criminal penalties against any individual or organization against a whistleblower.

APPROPRIATE MANAGERIAL OVERSIGHT

The Association Business Manager and Water Manager shall use professional and acceptable. Managerial practices with employees and The Association Board, while maintaining professional Conduct. Any physical or mental abuse, threats, reprisals or profane language at work, shall not be allowed. Both Managers shall maintain a non-hostile work environment while executing their managerial duties.

USE OF COMPANY VEHICLES AND EQUIPMENT

All company business requiring use of a vehicle shall be performed in a company vehicle. Personal vehicles shall not be used for company business, except when no company vehicle is available.

Many positions at Big Mesa MDWCA require that employees can drive as an essential function of their position. Employees who work in such positions will be required at the time of their hiring to provide The Association Board a current, valid New Mexico driver’s license and must possess a good driving record for the most recent three-year period. Employment in positions which require driving shall be contingent on the employee’s ability to maintain a good driving record and be insurable by The Association Board’s liability insurance carrier to drive a vehicle on behalf of Big Mesa MDWCA.

The company owned vehicles represent a considerable investment by Big Mesa MDWCA. For that reason and because these vehicles must be in excellent condition at all times, the following rules apply to their maintenance and use:

- Vehicles are to be driven only by those employees who are specifically authorized to do so.
- Any employee who is authorized to drive a company vehicle shall not allow any other unauthorized use of that vehicle.
- Each employee who is assigned a specific vehicle is responsible for checking the vehicle at the beginning of each workday and reporting any deficiencies to his/her Manager.

- Generally, Big Mesa MDWCA vehicles are for company business only and are not to be used for transporting family members or anyone not employed by Big Mesa MDWCA.
- Company equipment is not to be used for personal use either during or after normal working hours without prior consent by management.
- Vehicles are to be operated in accordance with all applicable laws and in a courteous manner at all times.
- The employee is responsible for safe and proper parking of a vehicle and is responsible for securing all cargo.
- Company vehicles and equipment are to be returned to the Water building/compound at the end of each workday or project.
- All gas usage by Big Mesa MDWCA employees shall be obtained from the bulk gas tank at the water building compound.
- If a Big Mesa MDWCA employee uses their personal vehicle for company business the employee will be reimbursed for their milage at the State of New Mexico rate.

If an employee who is required to drive as an essential function of his/her position has his/her driver's license suspended or revoked for any reason or receives a moving violation that may affect his/her good driving record, he/she must notify his/her Manager immediately. The employee may be subject to reassignment to a non-driving position, may be put on unpaid leave, or may be discharged.

Any accident involving an employee while on company business must be reported timely and thoroughly to the employee's Manager.

CONFIDENTIALITY AND ACCURACY OF RECORDS

Employees are not to divulge confidential sales information, product information, or customer information to people outside the organization without approval from management. Copying of company or supplier software, company or supplier documents or misappropriation of confidential company information is prohibited. Falsifying company records, including but not limited to personnel records, injury reports and incident reports will not be tolerated.

INQUIRIES

If individuals not employed at Big Mesa MDWCA direct inquiries to an employee or to his/her department on matters relating to company business or personnel (including former employees) the inquiries should be referred to the Business Manager or an officer of the Association Board.

Employees other than those indicated above are not authorized to provide or confirm information concerning Big Mesa MDWCA. Only those persons listed above are authorized to discuss these topics with individuals outside Big Mesa MDWCA.

Big Mesa MDWCA will only verify a former employee's dates of employment and position. If a former employee executes a written release, and at the sole discretion of the management, the Manager may provide a prospective or future employee with an opinion reference.

PERSONAL APPEARANCE AND UNIFORM POLICY

Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image Big Mesa MDWCA presents to our customers and visitors. During business hours, employees are expected to present a clean and neat appearance, and to dress according to the requirements of their positions.

Factors that should be taken into consideration when determining appropriate dress should be the nature of the employee's work, safety considerations such as necessary precautions when working near machinery or hazardous work areas and nature of public contact.

CARE OF PERSONAL BELONGINGS

Big Mesa MDWCA does not assume responsibility for the loss of an employee's money or personal belongings, nor is such loss covered by Big Mesa MDWCA's insurance. Each employee must safeguard his/her personal belongings.

CONFLICT OF INTEREST

It is considered a conflict of interest for any employee or The Association Board director to participate in any decision-making processes that result in expenditures that benefit themselves or their immediate family. In the event that funds are offered for goods or services that would benefit any employee or The Association Board member (or their immediate family), that individual will be excluded from the decision process.

Big Mesa MDWCA expects each employee to avoid activities which create a conflict of interest with that employee's responsibilities to Big Mesa MDWCA. Big Mesa MDWCA expects each employee to observe the highest moral and ethical standards in any dealings in which the employee represents Big Mesa MDWCA. Big Mesa MDWCA recognizes and respects the employee's right to privacy and to engage in personal activities outside the scope of his/her employment, however, the employee must refrain from activities which conflict or interfere with Big Mesa MDWCA's operations. An example of various circumstances and relationships, which might constitute a conflict of interest are as follows:

- Outside employment with a competitor or supplier of Big Mesa MDWCA.
- Outside business interests with individuals or business organizations which furnish merchandise, supplies, property or services to Big Mesa MDWCA.
- Accepting gifts and entertainment of more than a nominal value from individuals or businesses who seek to do business with Big Mesa MDWCA.

All employees are expected to conduct themselves in a fair and ethical manner when dealing with customers and suppliers. Under no circumstances shall an employee enter into arrangements with competitors, which affect price or marketing policies of Big Mesa MDWCA. An employee shall not do anything in conducting the business of Big Mesa MDWCA that would violate any local state or federal law. Employees shall not speculate about materials, supplies or services either produced or purchased by Big Mesa MDWCA.

Employees are encouraged to support political candidates of their choice, by active support, as well as voting. However, all such activity must be on employee's own time. There will not be

any use of company facilities and an employee must not represent himself or herself to be acting on behalf of Big Mesa MDWCA with any political activity.

COMPUTER AND INTERNET POLICY

No internet social media, games, or any other internet sites that are not business related shall be accessed on Big Mesa MDWCA computers. No employee personal computer, laptops, etc will be allowed at the Water Building.

CLASSIFICATION

Big Mesa MDWCA is subject to and follows the requirements of the Fair Labor Standards Act. To determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, Big Mesa MDWCA classifies its employees as shown below. Big Mesa MDWCA may review or change employee classifications at any time.

Nonexempt-Nonexempt employees are employees subject to state or federal minimum wage and overtime requirements. They are paid on an hourly basis and are eligible to receive overtime for hours worked over 40 in a Monday-Sunday period at 1 ½ time of their hourly wage.

Exempt-An exempt employee is one whose specific job duties and salary meet all of the requirements of the U.S. Department of Labor's regulations. An exempt employee is paid on a salary basis and is not eligible for overtime pay. An exempt employee that works more than 40 hours per week may be permitted to use such excess time as comp time with prior approval of The Association Board.

SECTION 8

PERSONNEL RECORDS AND MATTERS

An employee file will be maintained on each employee which will contain factual information on each employee's employment at Big Mesa MDWCA including but not limited to the employee's application, references, copies of all transcripts and/or diplomas or certifications, the date the employee began work, the employee's wage rate, etc. It may also contain information about:

- Job Performance
- Any on the job accidents the employee may have had
- Notices of personnel action
- Reports of any disciplinary action
- Increase of wage, recognition and awards received
- Suggestions an employee may have submitted to management

It is the responsibility of each employee to provide current information to keep the file up-to-date at all times. An employee may review his/her file, excluding any information management deems confidential, such as reference checks and background information. The file review must be in the presence of the Business Manager. The employee must schedule an appointment in advance and such request must be reasonable, in the Manager's opinion.

PERFORMANCE REVIEWS AND INCREASES

Individual job performance is reviewed upon completion of the first three (3) months of employment, also in December for Mid-year and June for annual. Performance reviews are prepared by the Business Manager and The Association Board and provide information to the employee about his/her job performance based on his/her job description and the Company's policies if applicable. These performance evaluations are reviewed with the employee and shall be signed by both the employee and the Manager. A job evaluation does not necessarily result in a wage increase.

Big Mesa MDWC's goals and objectives for each employee shall be stated as part of the evaluation and subsequent evaluations shall measure the outcome of the stated expectations, goals and objectives. Training goals should also be reviewed as partial criterion in the performance evaluation. Each annual review should have a minimum of 3-5 goals for the employee.

Each employee is encouraged to contribute his/her own comments and suggestions during the performance review. Big Mesa MDWCA's view as to an individual's performance is based, in part upon the following areas:

- Quality of work
- Productivity
- Initiative
- Teamwork
- Job knowledge/skills
- Safety

- Cooperation and attitude with others
- Ability to follow policies and procedures
- Ability to follow chain of command
- Attendance and punctuality

CODE OF CONDUCT

All employees of Big Mesa MDWCA are expected to conduct themselves in a professional manner at all times while working. Violations of orderly conduct will not be tolerated. Violations of orderly conduct include but are not limited to the following:

- Theft or misuse of company property
- Intemperance
- Dishonesty
- Neglect of duty
- General neglect of the business of Big Mesa MDWCA
- Unprofessional conduct
- Failure to follow supervision.
- Use of alcohol and illicit drugs.
- Insubordination
- A violation of law or any conduct tending to reflect discredit upon The Association Board
- Conduct tending to seriously impair the employee's continued effectiveness as an employee.
- Excessive absenteeism/tardiness

The aforementioned list is given by way of example and not by way of limitation.

POLICY AND PROCEDURES VIOLATIONS

Any reports of policy and procedures violations by any employee will be investigated by the manager and/or The Association Board. If the violation is substantiated the following actions will be taken by the manager and/or the board.

- First violation verbal reprimand (and noted in employee file)
- Second violation written reprimand (and noted in employee file)
- Third violation written reprimand and possible termination or other punitive action at the discretion of the manager and/or the Association Board
- Serious violations, as determined by the Manager and/or The Association Board President, will result in immediate termination or other punitive measure

SECTION 9

GENERAL INFORMATION TO KEEP EMPLOYEES INFORMED

HANDBOOK MODIFICATION

The policies in this manual shall continue in effect until modified as provided in the following paragraphs:

- Any policy, which is declared by federal or state law to be illegal, shall immediately become null and void. The voiding of any one policy for this reason in no way nullifies any other part of this manual.
- Periodic modifications may be made by the The Association Board to adjust to changing conditions and regulations. Changes or additions will become effective when Big Mesa MDWCA gives notice of changes to the employee(s) covered.

HANDBOOK ACCEPTANCE

As a condition of employment all employees are required to review and understand this Policies and Procedures Handbook and accept the same as indicated by their signature on the acknowledgement form at the end of the handbook. The Association shall keep the original of the signed acknowledgement form.

SECTION 10

WATER OPERATIONS

BILLING

Meters are read once a month approx. 30 days apart. The Association Board approved the current monthly minimum for water \$45 for 0 (ZERO) to 5,000 gallons, and \$10.00 for bagged household trash, each to include tax. The bills are sent out on the first of each month and due by close of business on the 25th of each month. Bills will be mailed to the address for the customer/occupant on record, and/or email address. Unreceived mail or unreturned Certified cards will not excuse non-payment and Accounts will be billed/shut-off according to Big Mesa MDWCA Rules and Regulations, Topic No. 4. A member will be charged \$5.00 per month +15% Late Fee if the bill is not paid by the 25th of the month and will continue monthly until balance is Paid in full. If the bill remains unpaid for 60 days, member will be subject to disconnection as stated in Big Mesa MDWCA Rules and Regulations, Topic 5, Sheet 1.

HOURS OF OPERATION

Establish or Change Hours of Operation for Winter and Summer seasons for Big Mesa office, Water/Field and Transfer Station, shall be proposed by Big Mesa Management, approved by The Association Board, and communicated to Big Mesa MDWCA Members in a timely fashion.

PURCHASE ORDER APPROVALS

Any Association/Management projects or purchases shall require a purchase order pre-approved as follows:

- Business Manager shall have P.O. limits of up to \$200 for Office.
- Business Manager and one of The Association Board members/Technical advisor for \$200 up to \$1000
- Over \$1000 a majority of The Association Board.

As well as all Big Mesa MDWCA checks shall require 2 (two) signatures.

GOVERNMENTAL PROCUREMENT PROCEDURES

Big Mesa MDWCA shall comply with any Governmental Procurement Procedures (i.e., NM Procurement Code and State Purchasing Code) with any applicable Bids, Purchase Orders, Contracts, and Agreements, for any purchases with costs between \$5000 and \$20,000 where prior quotes were not obtained. Big Mesa MDWCA shall also maintain documentation to demonstrate compliance with Bid Process, Purchase Orders, Contracts, and Agreements.

BUDGETS AND REPORTING

Big Mesa MDWCA shall comply with State Statutes, with timely submission of quarterly financial reports, interim Budget, and Final yearly Budget, operating within approved budget, and submitting budget adjustment requests (BAR) as needed and approved by, to the Local Government Division, Budget and Finance Bureau (BFB).

AUDITS

Big Mesa MDWCA shall comply with the Office of the State Auditor, and The Audit Act's Tiered System of Financial Reporting and will contract for services under the Tiered System – OSA-Connect.

EXPENDITURE REVIEW

The Association Board shall review and approve, by signature, all of the Big Mesa MDWCA monthly expenditures, including payroll, provided in monthly reports by the Business Manager, at the regular Monthly open meeting.

FINANCIAL CHANGES

The Association Board shall review and sign, any financial changes, such as Adjusted Journal Entries, suggested and/or implemented by Big Mesa's independent CPA firm, at the regular Monthly open meeting. A file shall be maintained of all changes.

INVENTORY

Big Mesa MDWCA shall conduct and document an Annual Inventory of Association equipment. The Association Board will certify by signed approval, all Capital Assets yearly.

DOCUMENT RETENTION AND DESTRUCTION POLICY

It is Big Mesa MDWCA's policy that all IRS records shall be retained according to IRS guidelines. At the conclusion of the IRS required storage period, the documents shall be destroyed in a manner that will protect the privacy of our membership.

SECTION 11

TRAINING AND CONTINUED EDUCATION POLICY

TRAINING

Big Mesa MDWCA believes that all employees will be happier, more productive employees, if they are appropriately trained for the job they are to perform. Such training is the Manager's responsibility. Some jobs require more training than others. Certain jobs require on-the-job training while other job training is best conducted in small groups within classrooms.

All training must have prior written approval of the President or Vice President of The Association Board.

Throughout a person's employment at Big Mesa MDWCA employees may periodically, as The Association Board deems necessary, be given additional training. For Big Mesa MDWCA to be a strong, competitive and profitable company, Big Mesa MDWCA's team must be better trained and more astute than its competitors.

CONTINUED EDUCATION

WATER OPERATOR REQUIREMENTS:

Each certificate holder must be credited with having obtained thirty training credits in a three-year period preceding the date of renewal application. The 30 training credits must include at least ten training credits for approved training in the operation and maintenance of the same type of public water supply system as Big Mesa MDWCA operates.

THE ASSOCIATION BOARD REQUIREMENTS:

Each Director on The Association Board will be required to obtain 12 credit hours in the first year of appointment and then shall maintain 2 CEU's per year as required by the NM Drinking Water Bureau, Environment Department.

TRAINING AND CONTINUED EDUCATION REIMBURSEMENTS

The costs of any The Association Board approved continued education of training for employees shall be reimbursed upon submission and approval of a Big Mesa MDWCA expense report. At the discretion of the Business Manager, advances for limited travel related costs may be provided upon request and documentation.

The costs of any State of New Mexico Drinking Water Bureau required continued education or training of The Association Board of Directors shall be reimbursed upon submission and approval of Big Mesa MDWCA expense report.

- All Big Mesa MDWCA employees requiring any travel, meals, lodging or entertainment shall be reimbursed by Expense Report with original, detailed receipts or by a The Association Board approved Per diem basis.

- Any travel reimbursements shall be limited to travel of over 300 total round-trip miles if driving or pre-approved flight reimbursement except for bank deposits, lab samples and other trips authorized by The Association Board President will be paid at the State per diem rate.

SECTION 12

CASH RECEIPTS POLICY

To establish the Policy and Procedures for efficient handling and timely deposit of money collected.

RECEIPTS PROCEDURES OF UTILITY BILLING:

1. *Cash* Payments received will be receipted with printed receipt from billing software, showing name, payment amount and balance on account. Balancing tape is prepared with daily deposit report and turned into main office.
2. *Check/Money order* Payments received will be processed through billing software daily. All checks are stamped with “deposit only”, and balancing tape is prepared with daily deposit report and turned into main office.
3. All payments will be applied to the account on the day received.

RECEIPTS PROCEDURES OF NON-HOUSEHOLD TRASH PAYMENTS:

1. Cash/Check Payments received will be receipted with a numbered tri-copy receipt. Main white copy to customer, yellow copy is turned into office with payment, and pink copy remains in receipt book -to be turned in to main office when expended.
2. All payments received are transferred to balance sheet, tabulated receipt tape is run for cash and checks, balanced deposit slip is signed, dated and turned into main office.

DEPOSIT PROCEDURES FOR ALL PAYMENTS:

1. Verify **all** payments received from the Convenience Center. Balance cash received to daily receipts and prepared a tri-copy deposit slip. White and pink copies go to the bank with cash, and yellow copy is attached to balance sheet and placed in monthly income. (Pink copy is attached once returned from bank.) Verify checks/money orders daily deposit. Deposit via Remote Scanner, print deposit list from bank and attach to daily deposit. Record amounts into QuickBooks.
2. All payments will be deposited within 72 hours.

ACCEPTANCE OF EMPLOYMENT POLICY MANUAL AND EMPLOYMENT AT-WILL ACKNOWLEDGEMENT

I, _____ [Print Name], acknowledge that I have received a copy of Big Mesa Mutual Domestic Water Consumers Association Policies and Procedures Handbook as of the date entered below. I understand and agree that it is my responsibility to read and abide by the policies and procedures contained in this handbook. I understand and acknowledge that the policies and procedures in this handbook may be changed, deleted, suspended or discontinued at any time and within the sole discretion of The Association Board of Directors.

I understand that, should the content of the handbook be changed in any way, The Association Board of Directors will provide me notification of those changes so that I may update my manual. I acknowledge that it is my responsibility to be knowledgeable of all changes and to use best practices, even in matters not spelled out in this handbook. I understand that if I have questions regarding any provision of the Policies and Procedures Handbook, I am encouraged to ask my supervisor.

I understand and agree that I am an “at-will” employee and serve at the discretion of The Association Board of Directors. I understand and acknowledge that The Association Board of Directors may terminate my employment at any time, with or without notice and with or without cause, without liability. I understand and acknowledge that nothing in the Policies and Procedures Handbook creates, or is intended to create, a promise or representation of continued employment. I understand and agree that the Policies and Procedures Handbook is not intended to and will not serve as a contract or create enforceable rights on my part.

I understand and agree that no supervisor, director, or representative of Big Mesa Mutual Domestic Water Consumers Association has the authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will.

My signature below certifies that I have read, understand, and acknowledge my at-will employment status. My signature also certifies that I was given the opportunity to ask any questions regarding at-will employment. This acknowledgement and the Policies and Procedures Handbook in effect at the date of my signature supersede all prior agreements, understandings and representations concerning my employment with Big Mesa Mutual Domestic Water Consumers Association.

Employee Signature

Date

Board Member Witness Signature

Date

Board Member Witness Signature

Date

The original of this acknowledgment will be placed in your personnel file.