

**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 employees of Big Mesa Mutual Domestic Water Consumers Association, 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 Big Mesa MDWCA 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 Big Mesa MDWCA 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 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 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 Manager is responsible for the employee and his/her work, and the employee should report directly to the 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

The Association Board 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 The Association Board's ability to perform at the highest level and provide The Association Board's customers with the best possible service. Accordingly, procedures have been implemented to ensure that The Association Board continues to maintain its reputation as a quality employer and a provider of excellent customer service.

If an employee is suspected of drug or alcohol usage, they may be asked to take an immediate drug test at the Manager or Board member'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 INVESTIGATION

Any employee who will be operating a vehicle on behalf of The Association Board will have his/her driving record checked periodically during his/her employment with The Association Board. The Association Board hereby gives notice that The Association Board shall complete such checking. All employees who are hired to work in positions which require operating a vehicle on behalf of Big Mesa MDWCA must provide The Association Board with a copy of the employee's current, valid New Mexico driver's license. The employee must also provide current written documentation acceptable to The Association Board that the employee has had a good driving record for the immediate past three years with proof of current vehicle liability insurance. The employee must notify The Association Board 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 aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehires must also complete the form if they have not completed an I-9 with The Association Board within the past three years, or if their previous I-9 is no longer retained or valid.

AMERICANS WITH DISABILITIES ACT COMPLIANCE POLICY

The Association Board continues to uphold its commitment to non-discrimination in all of 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 of The Association Board's officers, managers and Managers share in 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 in 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 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, Water Manager, Office Manager and employees shall not hire & 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 The Association Board's customers 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 Office Manager shall be reported as early as possible to the other Manager.

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.

TIME CLOCK OR SIGN-IN SYSTEM

At the Boards' 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 time card 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 Board President. Marking the time card of another employee, altering time cards, repeatedly neglecting to follow proper time card 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 The Association Board 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 or PROBATIONARY status and who are regularly scheduled to work a workweek of 40 hours. Generally, they are eligible for The Association Board's 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 are those who are not assigned to TEMPORARY or PROBATIONARY status and are regularly scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits (such as Social Security and Worker's Compensation Insurance), they are ineligible for all The Association Board's other benefit programs.

PROBATIONARY employees are those people whose performance is being evaluated to determine whether further employment in a specific position or with The Association Board is appropriate. All new hires will be on a 90-day probationary period. Employees who are changed from probationary status will be notified of their new employment classification. While they do receive all legally mandated benefits (such as Social Security and Worker's Compensation insurance), they are ineligible for all The Association Board's other benefit programs.

SERVICE WITH THE COMPANY

Length of service is the length of a regular full-time employee's continuous employment with The Association Board, 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 employee's last date of hire.

An employee's length of continuous service with The Association Board and the employment relationship shall terminate if one of the following occurs:

- If the employee quits 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 Manager or 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 personal/sick, severance, vacation, compensation for the current year.

NATURE OF EMPLOYMENT

Employment with The Association Board 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 The Association Board and any of its employees. The provisions of the manual have been developed at the Board’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 Office 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 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 The Association Board 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 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 Association Water Manager and Office Manager shall report and respond to directives from the Association Board, while coordinating their respective duties between each other. All Association water system employees shall report and respond to their appropriate Manager; Water or Office or, dependent on the circumstance involved, sometimes report and respond to both Managers. Appropriate managerial general oversight shall be used by all managers through accepted professional practices and without any physical or mental abuse, threats or reprisals.

SECTION 3

COMPENSATION POLICIES

WAGES

It is the policy of The Association Board 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 made annually by the Manager and the 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. The Association Board 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 The Association Board's property, including but not limited to software, uniforms, manuals, proprietary information, materials, equipment and tools, is not returned to The Association Board 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 The Association Board 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 require The Association Board 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. The Association Board 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, The Association Board 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: The Association Board deducts from the wages of eligible employees the cost of one quarter of the medical coverage premium for the employee and the employee's spouse, if applicable, but for no other dependants.

WAGE LOAN

In the event of a personal emergency, employees may submit a written request for a wage loan to the Association Board indicating the nature of the emergency involved. The Association Board will recommend a loan if it determines there is reasonable need. Under no circumstances shall the loan be in excess of one percent (1%) of the employee's gross annual income for the prior year.

PAY FOR VACATION, PERSONAL AND SICK LEAVE

Each Regular Full-Time employee from the date of hire having one (1) year of service or more, who works five (5) days a week, will receive five (5) days (forty (40) hours) of paid personal/sick leave annually beginning at the date of employment. Each Regular Full-Time employee having five (5) years of service or more, who works five (5) days a week, will receive ten (10) days (eighty (80) hours) of paid personal/sick leave annually. All leave must be used within the year that the employee is eligible to take the leave. All leave time is earned and accumulated throughout the full year of employment (e.g. if half a year has past with full-time employment, then half of paid leave has been earned for that year, etc). All paid personal/sick leave shall be approved by the Manager in advance. Unused leave shall not be accumulated from year to year.

Generally, The Association Board does not require verification from an employee's doctor for personal leave due to illness. However, The Association Board does require a doctor's written orders for an injury as well as a written release to return to work. For any illness that necessitates the employee to be away from work for a period longer than five (5) working days, the employee must present a written release from his/her doctor at the time of his/her return to work.

Each new Regular Full-Time employee, who works five (5) days a week, from the date of hire shall receive five (5) days (forty (40) hours) of paid vacation, for each of the first five (5) years of employment. Each Regular Full-Time employee having five (5) years of service or more, who works five (5) days a week, will receive ten (10) days (eighty (80) hours) of vacation pay. All paid vacation must be used within the year that the employee is eligible to take the vacation. All vacation shall be approved by the Manager in advance. Unused vacation shall not be accumulated from year to year. All vacation shall be approved by the Water and Office Manager

in advance, and all Managers vacation requests shall be pre-approved by the Board President in advance.

Under no circumstances may any employee exchange vacation or paid personal/sick leave for hourly wage rate compensation.

A minimum of 2 weeks or 14 days notice shall be given (except for emergencies) to the appropriate Manager and/or Board President 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 an employee's Manager, in writing, as soon as possible to ensure time off. Conflicts and requested leave days will be determined by priority with management receiving priority and the second priority being based upon the length of service and schedules within The Association Board.

INCLEMENT WEATHER

In the event severe weather creates hazardous driving conditions, employees should use their own judgment in determining whether he/she can safely reach The Association Board. Leave may be used for such absence when approved by the Manager. If conditions deteriorate during the workday, employees should use their own judgment in determining whether he/she can safely reach his/her home and discuss the same with the Manager.

GARNISHMENT / CHILD SUPPORT POLICY

When the employee's wages are garnished by a court order to repay a debt that the employee has incurred but cannot pay, The Association Board is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. Federal and state guidelines protect a certain amount of the employee's income from being subject to garnishment. If the employee is interested in knowing the amount of earnings that are protected from garnishment, contact the payroll department.

So long as the employee's financial concerns do not interfere with the employee's performance on the job, The Association Board will make the deductions and payments as required and there will be no job-related repercussions.

Once The Association Board receives a garnishment order and the order is effective, The Association Board will begin withholding the appropriate amount from each paycheck until the indicated amount is fully paid, plus all related attorney fees. Every payday the withheld amount will be paid pursuant to court order.

OVERTIME

Any and all overtime work hours must be pre-approved by the Water Board. The only exception shall be for an "emergency" situation where the Business or Water Managers shall make that determination.

SECTION 4

BENEFITS

HEALTH INSURANCE

The Association Board is pleased to offer the following insurance programs to REGULAR FULL-TIME employees who have ninety (90) days of service or longer:

1. Hospitalization and medical treatment coverage

The Association Board provides payment of three (3) quarters of the premium for hospitalization/medical treatment insurance for each REGULAR FULL-TIME employee. Each REGULAR FULL-TIME employee may purchase insurance at a group rate for immediate family members who qualify. 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 hospitalization insurance premium. The benefit schedules and other details of the programs are available from the Group Insurance booklet which is provided to each employee when insurance coverage takes effect.

HOLIDAYS

The Association Board recognizes three (3) national holidays per year: **New Year's Day, Thanksgiving Day and Christmas Day.** If a holiday falls during any employee's vacation, the holiday will not be charged against personal/sick leave. All REGULAR FULL-TIME employees shall 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 shall not be considered when computing overtime for the week in which the holiday falls.

STATUTORY BENEFITS

Some of the benefits to which an employee is entitled is established by law and administered by federal and state agencies. Among these are Worker's Compensation, Social Security, and Unemployment Compensation.

The Association Board pays the full cost of an employee's Worker's Compensation insurance and an employee's Unemployment Compensation benefits. The Association Board also contributes to an employee's Social Security benefits.

GENERAL

The Association Board has the right, to its fullest legal extent, to offer prospective employees the above described benefits immediately, thereby waiving all waiting periods, in order to entice such prospective employee to be employed by The Association Board.

SECTION 5

LEAVES OF ABSENCE

FAMILY/MEDICAL LEAVE OF ABSENCE

The Association Board grants unpaid personal leaves of absence in accordance with “Family and Medical Leave Act” of 1993, 103-3, 29 CFR 825.

This act provides that The Association Board will grant up to twelve (12) weeks of leave for family and medical reasons in a twelve (12) month period that begins on the first day on which an employee takes family or medical leave. The Family and Medical Leave will be unpaid leave unless the employee has a personal, sick or vacation time available during the period of leave. At the condition of the leave of absence, the employee will be guaranteed reinstatement to either the same or similar position to the same rate of pay and the same benefits.

To be eligible for a Family Medical leave of absence, an employee must have worked for The Association Board at least 12 months and at least 1250 hours during the year preceding the start of family/medical leave.

An eligible employee is entitled to family/medical leave for one or more of the following reasons:

1. The birth and care of a child of the employee.
2. The placement of a child with the employee for adoption or foster care.
3. To care for the spouse, son, daughter, or parent of the employee if such spouse, son, daughter, or parent has a serious health condition; or
4. Due to a serious health condition that keeps the employee from working or returning to work

An employee on family and medical leave will be paid for the leave only as follows:

1. Any available balance of vacation or personal leave shall be applied against a period of family and medical leave which is taken for any qualifying reason;
2. Any available balance of sick leave shall be applied against a period of family and medical leave taken because of the employee’s serious health condition that makes the employee unable to work.

Employees must provide their immediate Manager with a 30-day notice in advance for the birth or adoption of a child or planned medical treatment. (This notice should be in writing.) In cases here, the employee cannot provide 30 days’ notice, such as in the cases of premature birth, notice must be given as soon as practicable, or usually within one to two business days. In cases of medical emergencies, notices must be given in person or by telephone within one or two days.

Requests for family/medical leave relating to the employee’s serious health condition may be made by the employee and must be substantiated by medical certification from the employee’s health care provider which must provide for an estimated duration of the leave required. An

employee on medical leave is expected to return to work as soon as it is determined that he/she is medically able. He/she must have a certification from his/her health care provider giving complete clearance to return to work.

The ordinary maximum length of time for a family/medical leave of absence is 12 weeks. Extensions may be made only with the approval of the President or acting President of the Board.

The Association Board shall guarantee a position to an employee on family/medical leave for up to 12 weeks or the duration of any approved extension of family and medical leave. The guaranteed position will be the same position the employee left at the beginning of the family medical leave of absence if possible. The position will be in the same location, with the same responsibilities, authority, pay and benefits, if possible. However, in some instances, it may be impossible to return to the specific position left at the beginning of the leave. In these cases, the employee will be offered an equivalent position at the same rate of pay, with the same benefits, and, if possible, the same duties, authority and responsibility. If the employee declines to accept an alternative position, the employee's employment will be terminated. There usually can be no guarantee of the same hours.

If an employee does not return from a family and medical leave after 12 weeks or after the conclusion of an approved extension of leave, the employee will be considered to have resigned.

The employee must notify his/her Manager in writing at least ten (10) working days prior to the end of the family/medical leave of his/her intention to return. (If the leave is of short duration, i.e., 10-15 days, this 10-day notice may be waived. The intent of the notice requirement is to allow the Manager time to make any needed scheduling arrangements. Ideally, the employee on family/medical leave will stay in touch regularly with his/her Manager regarding his/her progress and plans.) When family and medical leave is taken for an employee's own serious health condition, the written notification shall be accompanied by a certification from a health care provider indicating that the employee may return to work and verifying the proposed date of return. Failure to provide this certification may result in termination.

Benefits During Family/Medical Leave

1. The Association Board will continue medical insurance coverage and continue to deduct any of the employee's contributions from the paycheck as long as the employee is receiving pay. During the time of the leave of absence in which there is no pay, the employee is responsible for making payments of the portion of medical insurance payments that are ordinarily deducted from the employee's pay
2. Paid leave is not accrued during periods of unpaid leave
3. The Association Board continues basic life insurance, if applicable
4. If an employee is due for an annual performance evaluation and wage or salary review while on an approved family/medical leave, the evaluation will be completed upon the employee's return and any wage or salary increase will be effective in the pay period following the employee's return

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, the Company 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, The Association Board 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 The Association Board or the employee may request an excuse from jury duty if, in The Association Board's judgment, the employee's absence would create serious operational difficulties.

BEREAVEMENT LEAVE

Three (3) days leave without 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 Association Board. 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 the Manager when a death in the family occurs.

MILITARY LEAVE

An individual has up to two (2) 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

The Association Board, 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 owners and 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 employee's Manager.

JOB SAFETY

Employees are expected to cooperate with The Association Board in all safety and health procedures. The Association Board may provide additional safety training as needed or may post rules and regulations on the bulletin board. The Association Board 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 an employee's Manager at once.
- All injuries, however slight, should be reported to an employee's Manager at once. First Aid supplies are available in the supply room in the office area and in marked locations around The Association Board.
- Good housekeeping throughout The Association Board is directly connected to and is essential to safety.
- Every employee should do their share in helping to keep the facilities of The Association Board 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 The Association Board and the employees who work at The Association Board. When each person helps keep the facilities of The Association Board 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 The Association Board must be returned to the employee's Manager upon separation of employment. The duplication of any Association keys is not allowed.

PARKING

The Association Board 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 The Association Board'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. The Association Board 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 The Association Board's business.

SECTION 7

GENERAL POLICIES

WHISTLE BLOWER POLICY

This “Whistle Blower” policy protects an individual from retaliation when bringing to the attention of the Big Mesa Board of Directors 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 Water Manager and Office Manager shall use professional and acceptable Managerial practices with employees and Board Members, 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 at all times.

GENERAL COURTESY

The Association Board is a service-oriented business and every employee is an important member of the team. The primary objective of every person’s job is to better serve the customer. In order to provide customers with the very best service, at the very best price, at the greatest convenience to the customer, the following points deserve the employees’ consideration:

FIRST IMPRESSION: Making a good first impression is essential whether it be in person or on the telephone. There is no second chance to make a good first impression.

ATTITUDE: No other factor has a greater impact on an employee’s ability to deal with people than his/her own attitude. Others instantly recognize employees’ personal feelings toward themselves and their job. These feelings have a direct effect on an employee’s communications with others. It is important that employees enjoy what they are doing and project that enjoyment to others.

SMILE! Use positive facial expressions. Remember, an employee’s attitude will automatically be reflected in his/her face.

APPEARANCE: The Association Board strives for a fresh, clean well-groomed look. Having this sort of appearance tells others that employees care and employees are proud of their job.

- **Also:**

Smoking is discouraged during work hours, and not allowed at all within the interior areas of the Big Mesa MDWCA.

Wear sunglasses only when necessary. Employees will not be able to establish important eye contact behind dark glasses.

VERBAL COMMUNICATION: Verbal communication includes both what an employee says and how he/she says it. An employee's choice of words, tone of voice, and choice of phrases all convey a secondary message when an employee is conversing with a customer or a fellow employee. Exercising positive verbal communication is an excellent way to extend The Association Board's courtesy, but like any other skill, good communication must be practiced. Do not assume a defensive attitude when answering questions or explaining a situation to a customer, supplier or fellow employee. Patience and empathy are essential in good verbal communication.

Verbal communication- Other important traits include:

- Sincerity – An employee's tone of voice should show that he/she is interested and that he/she cares
- Integrity – Handle each encounter with open, honest communication tempered with tact and diplomacy.
- Friendly tone – All employees should put the other person at ease with the way they speak
- Upbeat ending – All conversations always end on a positive note but avoid making identical comments to every customer. Customers are individuals, and they like to be treated as individuals.
- Polite Phrase – Use appropriate polite phrases such as "Please," "Thank you," "How may I help you," and "How are you today?" to complement the conversation.
- Approach – Use an active rather than a passive approach in most situations. If a customer seems confused, offer assistance before being asked.

SALUTATIONS: A friendly greeting will set a positive tone for any experience. If an employee is working a position in which the employee is the customers' first encounter, a friendly greeting will make them feel welcome. Appropriate greetings must also be extended to fellow employees throughout the day. Whether conversing with a customer or a fellow employee, be sure to give that person individual attention. Never intentionally ignore anyone.

QUESTIONS: Courtesy and patience are vital in answering all questions. Know the answers to as many customer questions as possible. Never answer a question with "I

don't know." If an employee does not know an answer, find out, either by asking someone else or by telephoning someone for the information, whichever is more appropriate.

TELEPHONE USE: Good telephone procedures and manners are important, they are often the first impression of The Association Board received by an outsider. Prompt attention to the caller without long periods on HOLD projects the image of The Association Board as an efficient business operation. Telephone messages for employees unable to take calls should include name, company name, phone number, time of day, initials of person taking the call and a message if required. In general an employee should inform the receptionist when he/she will be absent from the office or in a conference during which interruptions would be inappropriate.

Telephone courtesy is an often overlooked, yet essential element in The Association Board's goals. Regarding the use of telephones:

- Employees should put a smile in their voice, there's a perceptible difference.
- Company telephones are for conveying company information as efficiently as possible, they are not for personal use.
- Polite, courteous language is to be used during all telephone conversations. Never become abusive to the caller.

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.

Many positions at The Association Board 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 The Association Board.

The company owned vehicles represent a considerable investment by The Association Board. 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, The Association Board vehicles are for company business only and are not to be used for transporting family members or anyone not employed by The Association Board.
- 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 the Association's employees shall be obtained from the bulk gas tank at the water building compound.

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 shall be timely and thoroughly reported 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 The Association Board 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 Manager or an officer of the Board of Directors.

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

The Association Board will only verify a former employee's dates of employment and position. If a former employee executes a written release, and in 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 The Association Board 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

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

Employees shall provide their own job-related equipment as required by their position and as communicated to them by their Manager.

CONFLICT OF INTEREST

It is considered a conflict of interest for any employee or Board member 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 Board member (or their immediate family), that individual will be excluded from the decision process.

The Association Board expects each employee to avoid activities which create a conflict of interest with that employee's responsibilities to The Association Board. The Association Board expects each employee to observe the highest moral and ethical standards in any dealings in which the employee represents The Association Board. The Association Board 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 The Association Board'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 The Association Board
- Outside business interests with individuals or business organizations which furnish merchandise, supplies, property or services to The Association Board
- Accepting gifts and entertainment of more than a nominal value from individuals or businesses who seek to do business with The Association Board

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 The Association Board. An employee shall not do anything in conducting the business of The Association Board that would violate any local state or federal law. Employees shall not speculate in materials, supplies or services either produced or purchased by The Association Board.

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 The Association Board 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 Association or personal computers or personal or association cell phones at the water building nor during working hours by any Association employee member or visitor. No employee personal computer, laptops, etc will be allowed at the Water Building.

CLASSIFICATION

Any employee or perspective employee with any existing or gained during employment, governmental or institutional Classification of Health Issues (e.g. disabled, handicapped, diabetes, alcoholism, drug abuse, etc) must notify the Association Manager and Board President of such Classification immediately. (Subject to review HIPPA?)

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 The Association Board 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 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 by the Manager and annually from the date of evaluation thereafter by the Manager and the Board. Performance reviews are prepared by the Manager 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.

The Association Board's expectations, 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 employee is encouraged to contribute his/her own comments and suggestions during the performance review. The Association Board'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 The Association Board
- 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 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 board
- Serious violations, as determined by the Manager and/or the Board President, will result in immediate termination or other punitive measure

SECTION 9

GENERAL INFORMATION TO KEEP EMPLOYEES INFORMED

BULLETIN BOARDS/WORK PLACE

Big Mesa MDWCA has a bulletin board centrally located. The Big Mesa MDWCA bulletin board is provided to keep employees up-to-date on The Association Board's policies, safety rules and regulations, work rules and other items of general interest. Employees should check the bulletin board often and read the information carefully.

The Association Board regards the work place as belonging to The Association Board and as such, employees should not expect a right to privacy in connection with an employee's work areas or lockers, computers, rest areas, lounges, parking lots, driveways, loading docks and any vehicles owned or leased by The Association Board. Management has the authority to request any employee to open for inspection any package or other container brought in or taken from The Association Board premises.

COMPANY TELEPHONES

Due to The Association Board's dependence on maintaining open telephone lines at all times, The Association Board requires that employees keep their personal phone calls to an absolute minimum during working hours. Emergency messages will be referred to employees as best The Association Board can when they occur. This privilege must not be abused. Personal long distance calls are not permitted by any employee at any time.

CELLULAR PHONE POLICY

The Association Board requires their employees to follow the same procedures on personal cellular phone calls as is stated in Employee Handbook on use of company phones. Excessive personal calls, texting, and use of social media during the workday regardless of the phone used, can interfere with employees' productivity and it is distracting to customers and other employees. As a reasonable standard The Association Board encourages employees to limit personal calls and use of social media during work time to no more than ten minutes per day as needed. Employees are therefore asked to make any other personal calls at non-work time where possible, and to ensure that friends and family members are aware of the company's policy. Flexibility will be provided in circumstances demanding immediate attention. The Association Board is not liable for the loss of personal cellular phones brought into the workplace.

Managerial Staff Responsibilities: As with any other policy, managerial staff are expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying with this policy.

1. Know when to turn off your phone or put it on the vibrate setting. Turn it off for meetings, seminars and appointments

2. If you have to take a call you should inform others at the beginning of the meeting that you are expecting an important call and get their permission.
3. Remember when you take a cell call you are telling your customer that you do not respect them or your time with them. The same situation occurs when you leave your earphone in your ear during the workday. The customer does not know if you are currently talking to someone, the customer assumes they are not important enough to approach you, and the customer receives the message they are secondary to your cell phone. This is an example of bad customer service.
4. The Manager and pertinent staff shall attend all Board meetings and participate as requested by the Board.

PARTIES AND SOCIAL GATHERINGS

Alcohol which is served at Company parties and/or social gatherings shall be only for adults over the age of 21. Each employee shall indemnify and hold The Association Board, its officers and directors harmless for any and all damages, claims, causes of action, liabilities, or injuries suffered by persons or damages to property of any kind whatsoever, which may arise out of or are caused by an employee and/or his/her guest's consumption of alcohol and/or The Association Board's error, omissions or negligence in the supervision of the consumption of alcohol.

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 Board of Directors to adjust to changing conditions and regulations. Changes or additions will become effective when The Association Board 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 Board approved current monthly minimum for water \$45.00 for 0 (ZERO) to 5,000 gallons, and \$10.00 for bagged household trash, each to include tax. The bills are sent out at 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 a \$5.00 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 Board of Directors, and communicated to Big Mesa Members in a timely fashion.

PURCHASE ORDER APPROVALS

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

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

As well as all association checks shall require 2 (two) signatures.

GOVERNMENTAL PROCUREMENT PROCEDURES

Big Mesa 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 shall also maintain documentation to demonstrate compliance with Bid Process, Purchase Orders, Contracts, and Agreements.

BUDGETS AND REPORTING

Big Mesa shall comply with State Statues, 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 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

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

FINANCIAL CHANGES

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

DOCUMENT RETENTION AND DESTRUCTION POLICY

It is Big Mesa'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

The Association Board 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 Board.

Throughout a person's employment at The Association Board, 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, The Association Board team must be better trained and more astute than The Association Board's 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 on 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.

BOARD OF DIRECTORS REQUIREMENTS:

Each Director on the 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 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 Big Mesa Board of Directors shall be reimbursed upon submission and approval of Big Mesa MDWCA expense report.

- All Association employees requiring any travel, meals, lodging or entertainment shall be reimbursed by Expense Report with original, detailed receipts or by a 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 Board President will be paid at the State per diem rate

SECTION 12

CASH RECEPITS POLICY

To establish the Policy and Procedures for efficient handling and timely deposit of moneys 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 account 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 prepare a tri-copy deposit slip. White and pink copies go to 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 Board of Directors.

I understand that, should the content of the handbook be changed in any way, the 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 Board of Directors. I understand and acknowledge that the 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.