

WATER BOARD OF TRUSTEES
Regular Meeting
November 20, 2015
4:00 PM
Location: 1208 South St.

Agenda

1. Approve Agenda.
2. Approve Minutes of the September 21, 2015 Regular Meeting.
3. Approve Invoices and Financial Statements.
4. Customer Forum.
5. Discussion of Wastewater Operations.
6. Consideration and Discussion of Future Board Meeting Dates and Times.
7. Approve Acceptance of the Annual Financial Report for Fiscal Year 2014-2015 as Prepared by Hunt & Associates, P.C.
8. Consideration and Discussion of Annual Health Insurance Premiums.
9. Consideration and Discussion of Updated Employee Manual.
10. General Manager's Update.
11. Miscellaneous.
12. Closed Session To evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session. Iowa Code § 21.5(1)(i) (2012).
13. Motion relating to the topic of closed session (if applicable).
14. Adjourn.

INFORMATION CONCERNING AGENDA ITEMS:

Agenda Item #4

“This is the item reserved to receive comments from the community, our customers, for concerns whether or not they are included in the current agenda. The community is encouraged to come and speak before the Water Board of Trustees and asked to keep statements brief. Any questions are to be asked of the Water Department staff and Board of Trustee members prior to speaking to the full Board of Trustees so concerns may be properly researched and answered away from the meeting. Comments are to be directed to the Board of Trustees only.”

Agenda Item #5

- NPDES Draft Permit Update
- Priorities
- Budget Overview & CIP
- 28E Requirements and Moving Forward

Agenda Item #6

The City has asked that the Board discuss moving the date and/or time of the monthly Board meetings. As it currently exists, the Board meeting is the same date as the second City Council meeting of each month. As a means to help ensure that City officials are able to attend each meeting in full, alternatives need to be discussed. Same day, but earlier to avoid conflicts of time? Different day of the third week, or look at going to the second Monday of the month at 4:00? I recommend gathering input from all involved and coming up with the best day and time for future meetings.

Agenda Item #7

Doug Hunt will be in attendance to provide a brief synopsis of the previous year's audit. I will have hard copies that I will distribute before the meeting for your review. I recommend approving the acceptance of the audit.

Agenda Item #8

Jim Anderson will be present to answer any questions should they arise, however, our policy renewal came back at only 0.56% increase over the previous year. Last year we saw an increase of only 2.55%. We currently have a grandfathered plan through Wellmark Blue Cross/Blue Shield. I will have a hard copy available at the time of the meeting for your review. It is staff recommendation to approve the renewal.

Agenda Item #9

I have spoken to Board members during the last month to gather input on specific language changes. Requested changes have been made. In talking with the Board members, there is no consensus in opinion at this time with regard to sick leave. That is an item that needs to be ironed out at the meeting. I will have two versions of the policy available at the meeting for discussion and review. You can decide which version to affirm and the other will be discarded.

Agenda Item #10

We have sustained a large number of leaks along Highway 23 in the last two months. Going back to September we have had at least 14 main breaks on the 12” main. A couple of years ago we looked at the possibility of replacing that main. I think it is time to bring that back up for discussion. There was a question last month about non-revenue water and its accounting. I will have a breakdown available at the meeting.

Agenda Item #11

Leaks since the last meeting;
6 main breaks on the 12” main along Highway 23
5 main breaks on the 6” main on South F Street.

Agenda Item #12

With regard to the 28E Agreement and my contract, it is time for a performance review and any subsequent action that may be necessary would be handled under **Agenda Item #13**.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT
OSKALOOSA, IOWA

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS

June 30, 2015

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CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

WATERWORKS OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Joe Ryan	Chairman	July, 2016
Mike Vore	Secretary	July, 2018
Brad Hodges	Trustee	July, 2020
Chad Coon	General Manager	Indefinite
Crystal Breuklander	Office Manager	Indefinite
Cindy Scholtus	Billings Clerk	Indefinite
Cindy Van Donselaar	Customer Service	Indefinite
David Dixon	Attorney	Indefinite

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461

317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
City of Oskaloosa Municipal Water Department
Oskaloosa, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa Municipal Water Department, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Water Department's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Water Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa Municipal Water Department as of June 30, 2015, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Emphasis of a Matter

As disclosed in Note 5 to the financial statements, the City of Oskaloosa Municipal Water Department adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinions are not modified with respect to this matter.

Other Matters*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oskaloosa Municipal Water Department's basic financial statements. The supplementary information included in Schedules 1 through 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, budgetary comparison information, the schedule of the Water Department's Proportionate Share of the Net Pension Liability and the Schedule of Water Department Contributions on pages 26 through 32 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The City of Oskaloosa Municipal Water Department has not presented management's discussion and analysis which introduces the basic financial statements by presenting certain financial information as well as management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2015 on our consideration of the City of Oskaloosa Municipal Water Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Oskaloosa Municipal Water Department's internal control over financial reporting and compliance.

Oskaloosa, Iowa
September 25, 2015

Hunt & Associates, P.C.

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Basic Financial Statements

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

CASH BASIS STATEMENT OF ACTIVITIES AND NET POSITION
As of and for the year ended June 30, 2015

	<u>Disbursements</u>	<u>Program Receipts</u> <u>Charges for Services</u>	<u>Net (Disbursements) Receipts</u>
Functions/Programs:			
Business Type Activities:			
Water operating	\$ 1,876,762	\$ 2,266,534	\$ 389,772
Debt service	418,895	-	(418,895)
Meter replacements	97,662	-	(97,662)
	<u>\$ 2,393,319</u>	<u>\$ 2,266,534</u>	<u>\$ (126,785)</u>
General receipts:			
Unrestricted investment earnings			6,867
Rents collected			23,943
Miscellaneous			<u>112,310</u>
Total general receipts			<u>143,120</u>
Change in cash basis net position			16,335
Cash basis net position beginning of year			<u>1,080,552</u>
Cash basis net position end of year			<u>\$ 1,096,887</u>
Cash basis net position:			
Restricted:			
Expendable:			
Debt service			\$ 34,895
Unrestricted			<u>1,061,992</u>
Total cash basis net position			<u>\$ 1,096,887</u>

See notes to financial statements.

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CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS
As of and for the year ended June 30, 2015

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating receipts:				
Use of money and property:				
Meter rent	\$ 18,832	\$ -	\$ -	\$ 18,832
House rent	360	-	-	360
Sprinkler and hydrant rent	4,751	-	-	4,751
	<u>23,943</u>	<u>-</u>	<u>-</u>	<u>23,943</u>
Charges for services:				
Meter water sales	2,069,982	-	-	2,069,982
Late and inspection fees	45,959	-	-	45,959
Labor charges	6,854	-	-	6,854
Sales tax collected	143,739	-	-	143,739
	<u>2,266,534</u>	<u>-</u>	<u>-</u>	<u>2,266,534</u>
Miscellaneous:				
Materials sold	3,955	-	-	3,955
Reimbursements/refunds	653	-	-	653
Tower rental	20,700	-	-	20,700
Miscellaneous	31,163	-	-	31,163
Timber sold	55,839	-	-	55,839
	<u>112,310</u>	<u>-</u>	<u>-</u>	<u>112,310</u>
Total operating receipts	<u>2,402,787</u>	<u>-</u>	<u>-</u>	<u>2,402,787</u>
Operating Disbursements:				
Business type activities:				
Administration:				
Labor	290,308	-	-	290,308
Related labor expenses	41,992	-	-	41,992
Health insurance	163,843	-	-	163,843
Publications	2,102	-	-	2,102
Audit fees	7,925	-	-	7,925
Maintenance - Building	549	-	-	549
Computer expense	19,347	-	-	19,347
Insurance	49,705	-	-	49,705
Postage	12,435	-	-	12,435
Meter reading service	19,243	-	-	19,243
Telephone	7,463	-	-	7,463
Dues and subscriptions	6,112	-	-	6,112
Education/Seminars	4,326	-	-	4,326
Custodial expense	1,771	-	-	1,771
Legal expense	35,148	-	-	35,148

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS

As of and for the year ended June 30, 2015

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating Disbursements (continued):				
Business type activities (continued):				
Administration (continued):				
Office supplies	\$ 5,482	\$ -	\$ -	\$ 5,482
Miscellaneous supplies	1,587	-	-	1,587
Credit card fees	2,004	-	-	2,004
Capital outlay and replacements	1,334	-	-	1,334
	<u>672,676</u>	<u>-</u>	<u>-</u>	<u>672,676</u>
Plant operation and maintenance:				
Labor	76,309	-	-	76,309
Related labor expenses	12,652	-	-	12,652
Lab expense	10,824	-	-	10,824
Maintenance:				
Buildings	2,946	-	-	2,946
Wells	50,817	-	-	50,817
Grounds	13,715	-	-	13,715
Machinery	11,816	-	-	11,816
Education/Seminars	1,450	-	-	1,450
Utilities	75,127	-	-	75,127
Miscellaneous supplies	1,139	-	-	1,139
Miscellaneous expense	875	-	-	875
Chemicals	186,514	-	-	186,514
Capital outlay and replacements	58,110	97,662	-	155,772
	<u>502,294</u>	<u>97,662</u>	<u>-</u>	<u>599,956</u>
Distribution operations:				
Labor	173,777	-	-	173,777
Related labor expenses	28,812	-	-	28,812
Uniforms	1,364	-	-	1,364
Maintenance:				
Meters	4,594	-	-	4,594
Water system	80,806	-	-	80,806
Building	3,061	-	-	3,061
Machinery	7,330	-	-	7,330
Gasoline	15,328	-	-	15,328
Truck expense	2,034	-	-	2,034
Education/Seminars	1,542	-	-	1,542
Utilities	4,645	-	-	4,645
Small tools	2,516	-	-	2,516
Miscellaneous supplies	2,241	-	-	2,241

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS

As of and for the year ended June 30, 2015

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Operating Disbursements (continued):				
Business type activities (continued):				
Distribution operations (continued):				
Miscellaneous expense	\$ 6,344	\$ -	\$ -	\$ 6,344
Capital outlay and replacements	223,593	-	-	223,593
Debt service	-	-	418,895	418,895
	<u>557,987</u>	<u>-</u>	<u>418,895</u>	<u>976,882</u>
Other:				
Sales tax remitted	143,805	-	-	143,805
	<u>1,876,762</u>	<u>97,662</u>	<u>418,895</u>	<u>2,393,319</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	526,025	(97,662)	(418,895)	9,468
Non operating receipts:				
Interest on investments	6,867	-	-	6,867
	<u>532,892</u>	<u>(97,662)</u>	<u>(418,895)</u>	<u>16,335</u>
Excess (deficiency) of receipts over (under) disbursements				
Other financing sources (uses):				
Operating transfers in (note 3)	-	36,000	418,882	454,882
Operating transfers out (note 3)	(454,882)	-	-	(454,882)
Total other financing sources (uses)	<u>(454,882)</u>	<u>36,000</u>	<u>418,882</u>	<u>-</u>
Net change in cash balances	78,010	(61,662)	(13)	16,335
Cash balance beginning of year	<u>940,831</u>	<u>104,813</u>	<u>34,908</u>	<u>1,080,552</u>
Cash balance end of year	<u>\$ 1,018,841</u>	<u>\$ 43,151</u>	<u>\$ 34,895</u>	<u>\$ 1,096,887</u>

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS

As of and for the year ended June 30, 2015

	Enterprise Funds			Total
	Water Utility Operating	Designated for Meter Replacement	Sinking Fund	
Cash basis fund balances:				
Restricted:				
Debt service	\$ -	\$ -	\$ 34,895	\$ 34,895
Unrestricted	1,018,841	43,151	-	1,061,992
	<u>\$ 1,018,841</u>	<u>\$ 43,151</u>	<u>\$ 34,895</u>	<u>\$ 1,096,887</u>

See notes to financial statements.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

COMBINING STATEMENT OF CASH TRANSACTIONS AND CHANGES IN CASH BALANCES
AGENCY FUNDS
Year ended June 30, 2015

	Customer Deposits	Sewer Receipts	Total
Receipts:			
Charges for services:			
Sanitary sewer receipts	\$ -	\$ 1,630,154	\$ 1,630,154
Stormwater receipts	-	230,344	230,344
Miscellaneous:			
Customer deposits	48,975	-	48,975
Total receipts	48,975	1,860,498	1,909,473
Disbursements:			
Business type activities:			
Customers' deposits refunded	47,750	-	47,750
Sanitary sewer receipts remitted to City	-	1,633,502	1,633,502
Stormwater receipts remitted to City	-	230,737	230,737
Total disbursements	47,750	1,864,239	1,911,989
Excess (deficiency) of receipts over (under) disbursements	1,225	(3,741)	(2,516)
Balance beginning of year	87,005	144,775	231,780
Balance end of year	\$ 88,230	\$ 141,034	\$ 229,264

See notes to financial statements.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies

The City of Oskaloosa Municipal Water Department is an independent department and a component unit of the City of Oskaloosa. The Waterworks operates under an appointed Board of Trustees. The Water Department provides water service to the residents of Oskaloosa, Iowa located in Mahaska County.

A. Reporting Entity

For financial reporting purposes, the Municipal Water Department of the City of Oskaloosa, Iowa, has included all funds, organizations, agencies, boards, commissions and authorities. The Water Department has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Water Department, are such that exclusion would cause the Water Department's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Water Department to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Water Department. The Water Department has no component units which meet the Governmental Accounting Standards Board criteria. These statements do not include any other City of Oskaloosa funds or transactions.

B. Basis of Presentation

Government-wide Financial Statements – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the primary government, the Water Department, and any component units. For the most part, the effect of interfund activity has been removed from this financial statement.

The Cash Basis Statement of Activities and Net Position presents the Water Department's nonfiduciary net position. Net position is reported in two categories:

Expendable restricted net position result when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding category. Unrestricted net position often have constraints on cash balances imposed by management, which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest on investments that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program receipts are reported instead as general receipts.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies

B. Basis of Presentation (continued)

Fund Financial Statements – Separate financial statements are provided for proprietary and fiduciary funds. Major individual proprietary funds are reported as separate columns in the funds financial statements.

The Water Department reports the following major proprietary funds:

Operating, Meter Replacement, and Sinking Fund Enterprise Funds - The Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

Additionally, the Water Department reports the following fund type:

Fiduciary Funds:

Agency Funds are utilized to account for monies and properties received and held by the City of Oskaloosa Municipal Water Department in a trustee capacity as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The Municipal Water Department maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Water Department are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present the financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparisons and related disclosures are reported as Other Information.

Note 2. Cash and Pooled Investments

The City of Oskaloosa Municipal Water Department's deposits in banks at June 30, 2015 were entirely covered by Federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 2. Cash and Pooled Investments (continued)

The Water Department is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City of Oskaloosa Municipal Water Department's Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investments companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2015, the Water Department had the following investments:

<u>Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificate of Deposit	\$ 200,000	\$ 200,000	September 22, 2016
Certificate of Deposit	65,000	65,000	July 11, 2016
Certificate of Deposit	200,000	200,000	November 3, 2015
Certificate of Deposit	<u>200,000</u>	<u>200,000</u>	February 6, 2016
	<u>\$ 665,000</u>	<u>\$ 665,000</u>	

Interest rate risk – The Water Department's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the Department.

Credit risk - The Water Department investments, held in financial depositories, are not subject to level of risk categorization.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
Proprietary Enterprise: Water Utility Operating	Proprietary Enterprise: Meter Replacement	\$ 36,000
	Sinking Fund	<u>418,882</u>
Total		<u>\$ 454,882</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 4. Indebtedness

The Water Department authorized and the Iowa Finance Authority approved Water Revenue Capital Loan Notes not to exceed \$6,500,000. The Water Department paid \$251,000 of principal, \$154,980 in interest and \$12,915 in service fees during the year. The annual debt service requirements to maturity for the revenue capital loan notes is as follows:

Year Ending June 30,	Revenue Capital Loan Notes				
	Water				
	Issued January 7, 2009				
Interest Rate	Interest	Service Fee	Principal	Total	
2016	3.00 %	\$ 147,450	\$ 12,288	\$ 259,000	\$ 418,738
2017	3.00	139,680	11,640	268,000	419,320
2018	3.00	131,640	10,970	277,000	419,610
2019	3.00	123,330	10,277	286,000	419,607
2020	3.00	114,750	9,563	295,000	419,313
2021	3.00	105,900	8,825	304,000	418,725
2022	3.00	96,780	8,065	314,000	418,845
2023	3.00	87,360	7,280	325,000	419,640
2024	3.00	77,610	6,468	335,000	419,078
2025	3.00	67,560	5,630	346,000	419,190
2026	3.00	57,180	4,765	357,000	418,945
2027	3.00	46,470	3,873	369,000	419,343
2028	3.00	35,400	2,950	381,000	419,350
2029	3.00	23,970	1,997	393,000	418,967
2030	3.00	12,180	1,015	406,000	419,195
		<u>\$ 1,267,260</u>	<u>\$ 105,606</u>	<u>\$ 4,915,000</u>	<u>\$ 6,287,866</u>

See accompanying independent auditor's report.

The resolution providing for the issuance of the revenue capital loan notes include the following provisions:

- a) The bonds will only be redeemed from the future earnings of the enterprise activity.
- b) Sufficient monthly cash transfers shall be made to a sinking fund account for the purpose of making the capital loan note principal, interest payments and service fee when due.
- c) Sufficiency of rates. On or before the beginning of each fiscal year the governing body will adopt or continue in effect rates for all services rendered by the Water Department determined to be sufficient to produce Net Revenues for the next succeeding fiscal year which are (i) adequate to pay the principal and interest requirements thereof and to create or maintain the reserves as provided in this Resolution, and (ii) not less than 110 percent of the principal and interest requirements of the next succeeding fiscal year.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Water Department. Employees of the Water Department are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5. Pension Plan (continued)

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the Water Department contributed 8.93 percent for a total rate of 14.88 percent.

The Water Department's contributions to IPERS for the year ended June 30, 2015 were \$45,385.

Collective Net Pension Liabilities, Collective Pension Expense, and Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the Water Department's liability for its proportionate share of the collective net pension liability totaled \$352,056. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The Water Department's proportion of the collective net pension liability was based on the Water Department's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the Water Department proportion was .008877 percent, which was an increase of 0.000592 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015 the Water Department's collective pension expense, collective deferred outflows and collective deferred inflows totaled \$26,351, \$19,363 and \$134,264 respectively.

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5. Pension Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equity	23%	6.31
Non US equity	15%	6.76
Private equity	13%	11.34
Real estate	8%	3.52
Core plus fixed income	28%	2.06
Credit opportunities	5%	3.67
TIPS	5%	1.92
Other real assets	2%	6.27
Cash	1%	(0.69)
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Water Department will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Water Department’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Water Department’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Water Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Water Department's proportionate share of the net pension liability	\$ 665,200	\$ 352,056	\$ 87,730

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 5. Pension Plan (continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Note 6. Other Postemployment Benefits (OPEB)

Plan Description – The City of Oskaloosa Municipal Water Department operates a benefit plan which provides medical/prescription drug and dental benefits for employees and their families. There are 10 active members in the plan.

The medical/prescription drug and dental benefits are provided through a fully-insured plan with Wellmark.

Funding Policy – The contribution requirements of plan members are established and may be amended by the Water Department. The City currently finances the employees benefit plan on a pay-as-you-go basis.

Employees contribute a certain amount for dental insurance each month \$5 for single plan, and \$16 for any other plan. The most recent active member monthly premiums for the Water Department plan members are \$512 for single coverage, \$1,049 for employee/spouse, and \$1,572 for family coverage. For the year ended June 30, 2015, the Water Department contributed \$165,668 and plan members eligible for benefits contributed \$1,587 to the plan.

Note 7. Compensated Absences

Water Department’s employees accumulate a limited amount of earned but unused vacation, sick leave and comp hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Water Department until used or paid. The Water Department’s approximate liability for unrecognized earned compensated absences is as follows:

<u>Type of Benefits</u>	<u>Amount</u>
Vacation	\$ 15,362
Sick Leave	43,355
Comp	10,851
Holiday Leave	1,800
Total	\$ 71,368

This liability has been computed based on rates of pay as of July 1, 2015.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 8. Risk Management

The Oskaloosa Municipal Water Department is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Water Department assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9. Sewer and Stormwater Receipts

The Water Department assesses and collects sewer and stormwater charges for the City of Oskaloosa, Iowa. The receipts from collections from customers and remittances to the City of Oskaloosa are accounted for in the Agency - Sewer Receipts Fund.

Note 10. Commitments and Contingencies

In January, 2002 the Water Department implemented a plan to self-fund the increase in their out of pocket and deductible limits of their health insurance policy for all eligible employees. The maximum annual calendar year exposure to the Water Department would be \$18,000 of which \$500 has been paid in claims as of June 30, 2015. The maximum remaining contingent liability as of June 30, 2015 is \$17,500.

The Water Department has entered into a five year contract for leak detection services that will cost \$3,000 per year, effective June 30, 2011.

The Water Department has entered into an engineering agreement on May 18, 2015 for professional services with regards to installing 5700 level feet of water main to replace existing water main. Total professional services not to exceed \$47,250.

The City of Oskaloosa has approved a contract that includes a project that the Water Department will reimburse the City for. The Water Department's share of the project 3rd Avenue East Reconstruction Project is \$284,632 of which the Water Department has reimbursed \$93,736. The remainder will be reimbursed to the City as the project is completed.

In July, 2015 the Water Department entered into an agreement to pay \$14,375 in water main work in relation to a new apartment complex.

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Other Information

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES
BUDGET AND ACTUAL (CASH BASIS) – PROPRIETARY FUNDS
Other Information
Year Ended June 30, 2015

	<u>Actual</u>	<u>Amounts Not Required to be Budgeted</u>	<u>Actual Net</u>
Receipts:			
Water:			
Use of money and property	\$ 30,810	\$ -	\$ 30,810
Charges for services	2,122,795	-	2,122,795
Miscellaneous	161,285	48,975	112,310
	<u>2,314,890</u>	<u>48,975</u>	<u>2,265,915</u>
Disbursements:			
Business type activities:			
Water	2,297,330	47,750	2,249,580
	<u>2,297,330</u>	<u>47,750</u>	<u>2,249,580</u>
Excess of receipts over disbursements/ (disbursements over receipts)	17,560	1,225	16,335
Cash balances beginning of year	<u>1,167,557</u>	<u>87,005</u>	<u>1,080,552</u>
Cash balances end of year	<u>\$ 1,185,117</u>	<u>\$ 88,230</u>	<u>\$ 1,096,887</u>

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		Final to Total Variance Favorable (Unfavorable)
<u>Original</u>	<u>Final</u>	
\$ 20,660	\$ 26,060	\$ 4,750
2,155,842	2,050,444	72,351
74,500	124,300	(11,990)
<u>2,251,002</u>	<u>2,200,804</u>	<u>65,111</u>
<u>2,387,614</u>	<u>2,413,400</u>	<u>163,820</u>
<u>\$ (136,612)</u>	<u>\$ (212,596)</u>	<u>\$ 228,931</u>

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

NOTES TO OTHER INFORMATION – BUDGETARY REPORTING
June 30, 2015

The budgetary comparison is presented in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgeting perspective differences resulting from not being able to present budgetary comparisons for the Enterprise Fund.

In accordance with the Code of Iowa, the Water Department's Trustees annually adopts a budget on the cash basis following required public notice and hearing for all funds, except Agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements, known as functions, not by fund. These functions are public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregate function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$25,786. The budget amendment is reflected in the final budgeted amounts.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

Schedule of the Water Department's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*

Other Information

	2015
Water Department's proportion of the net pension liability	0.0089%
Water Department's proportionate share of the net pension liability	\$ 352,056
Water Department's covered-employee payroll	\$ 508,235
Water Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.27%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten year of information to be presented in this table. However, until a full 10-year trend is compiled, the Water Department will present information for those years for which information is available.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

Schedule of Water Department Contributions

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

Other Information

	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 45,385	\$ 51,872	\$ 47,112	\$ 40,163	\$ 36,853
Contributions in relation to the statutorily required contribution	(45,385)	(51,872)	(47,112)	(40,163)	(36,853)
Contribution deficiency (excess)	-	-	-	-	-
Water Department's covered-employee payroll	\$ 508,235	\$ 580,877	\$ 543,391	\$ 461,643	\$ 530,259
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%

See accompanying independent auditor's report.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 34,127	\$ 32,766	\$ 29,460	\$ 28,174	\$ 27,611
<u>(34,127)</u>	<u>(32,766)</u>	<u>(29,460)</u>	<u>(28,174)</u>	<u>(27,611)</u>
-	-	-	-	-
<u>\$ 513,188</u>	<u>\$ 516,000</u>	<u>\$ 486,942</u>	<u>\$ 489,983</u>	<u>\$ 480,191</u>
6.65%	6.35%	6.05%	5.75%	5.75%

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

Notes to Other Information – Pension Liability

Year ended June 30, 2015

Changes of Benefit Terms – Legislation passed in 2010 modified benefit terms for current Regular members.

The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

Changes of Assumptions – The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Supplementary Information

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF INDEBTEDNESS
Year Ended June 30, 2015

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Approved to be Issued</u>	<u>Balance Beginning of Year</u>
Revenue Refunding Capital Loan Notes: Water	January 7, 2009	3.00%	\$ 6,500,000	\$ <u>5,166,000</u>

See accompanying independent auditor's report.

<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Service Fee Paid</u>	<u>Interest Due and Unpaid</u>	<u>Service Fee Due and Unpaid</u>	<u>Notes Due and Unpaid</u>
\$ <u>-</u>	\$ <u>251,000</u>	\$ <u>4,915,000</u>	\$ <u>154,980</u>	\$ <u>12,915</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

DEBT MATURITIES
Year Ended June 30, 2015

Year Ending June 30,	Revenue Capital Loan Notes				
	Water				
	Issued January 7, 2009				
	Interest Rate	Interest	Service Fee	Principal	Total
2016	3.00 %	\$ 147,450	\$ 12,288	\$ 259,000	\$ 418,738
2017	3.00	139,680	11,640	268,000	419,320
2018	3.00	131,640	10,970	277,000	419,610
2019	3.00	123,330	10,277	286,000	419,607
2020	3.00	114,750	9,563	295,000	419,313
2021	3.00	105,900	8,825	304,000	418,725
2022	3.00	96,780	8,065	314,000	418,845
2023	3.00	87,360	7,280	325,000	419,640
2024	3.00	77,610	6,468	335,000	419,078
2025	3.00	67,560	5,630	346,000	419,190
2026	3.00	57,180	4,765	357,000	418,945
2027	3.00	46,470	3,873	369,000	419,343
2028	3.00	35,400	2,950	381,000	419,350
2029	3.00	23,970	1,997	393,000	418,967
2030	3.00	12,180	1,015	406,000	419,195
		<u>\$ 1,267,260</u>	<u>\$ 105,606</u>	<u>\$ 4,915,000</u>	<u>\$ 6,287,866</u>

See accompanying independent auditor's report.

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461

317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees:
City of Oskaloosa Municipal Water Department
Oskaloosa, Iowa

We have audited (in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States) the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Municipal Water Department, a component unit of the City of Oskaloosa as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the Water Department's basic financial statements, and have issued our report thereon dated September 25, 2015. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Water Department's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Water Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipal Water Department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Oskaloosa Municipal Water Department's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oskaloosa Municipal Water Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Governmental Auditing Standards.

Comments involving statutory and other legal matters about the City of Oskaloosa Municipal Water Department's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Water Department. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Water Department's Responses to Findings

City of Oskaloosa Municipal Water Department responses to the findings identified in our audit are described in the accompanying Schedule of Findings. City of Oskaloosa Municipal Water Works' responses were not subjected to the auditing procedures applied on the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Oskaloosa Municipal Water Department during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Oskaloosa, Iowa
September 25, 2015

Hunt & Associates, P.C.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF FINDINGS

Year Ended June 30, 2015

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

No matters were noted.

Instances of Non-Compliance:

No matters were noted.

CITY OF OSKALOOSA
MUNICIPAL WATER DEPARTMENT

SCHEDULE OF FINDINGS

Year Ended June 30, 2015

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-15 Certified Budget - Disbursements during the year ended June 30, 2015 did not exceed the amounts budgeted in the business type activities function.
- II-B-15 Questionable Disbursements - No disbursements were noted that might not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.
- II-C-15 Travel Expense - No disbursements of the Water Department's money for travel expense of spouses of the Water Department's officials or employees were noted.
- II-D-15 Business Transactions - No business transactions between the Water Department and the Water Department's officials or employees were noted.
- II-E-15 Bond Coverage - Surety bond of Water Department officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-15 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- II-G-15 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Water Department's investment policy were noted.
- II-H-15 Revenue Notes - No instances of non-compliance with the revenue note resolutions were noted.

**OSKALOOSA MUNICIPAL WATER
DEPARTMENT**

EMPLOYEE MANUAL

Revised: August, 2015

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SECTION 1
INTRODUCTION

The purpose of this employee manual is to generally describe Oskaloosa Municipal Water Department (hereinafter referred to as O.M.W.D.) personnel guidelines and procedures. The manual contains only general managerial guidelines, and shall not constitute or create an express or implied contract or promise of employment or of any particular terms, benefits or duration of employment. Employment with O.M.W.D. is at will. O.M.W.D. or the employee may terminate the employment relationship at any time, with or without cause. Except as otherwise required by law, O.M.W.D. reserves the right to handle each employee and employment issue as it deems most appropriate. O.M.W.D. may add to, revoke or modify the guidelines, policies and benefits described below without prior notice. Employees are required to stay up to date with new policies and procedures.

SECTION 2 **EMPLOYMENT POLICIES**

A. Commitment to Equal Employment Opportunity

O.M.W.D. will not discriminate against applicants or employees on the basis of race, color, creed, sex, pregnancy, age (if over the age of eighteen (18)), religion, ancestry, national origin, marital status, sexual orientation, gender identity, genetic information, status as a military veteran, disability, including those related to pregnancy or childbirth, membership or non-membership in a labor organization, or any other characteristic protected under federal, state or local law. All employees are responsible for understanding, adhering to and strictly enforcing this policy.

In furtherance of this policy, O.M.W.D. will:

1. Continue to recruit, hire, train, transfer, promote, compensate, discipline, discharge, and otherwise treat employees in all job classifications without regard to any protected characteristics.
2. Continue to base employment decisions upon legitimate, non-discriminatory factors including, but not necessarily limited to, an individual's skills, experience, disciplinary record, performance, attendance records, development potential, and qualifications.
3. Continue to ensure that personnel actions such as hiring, compensation, benefits, layoffs, discipline and termination will be administered without regard to protected characteristics.

The responsibility for carrying out this Equal Employment Opportunity policy is assigned to all personnel involved in employment practice decisions.

If you feel you have been unlawfully discriminated against, we encourage you to bring this to the attention of your supervisor, the General Manager, or a member of the Board.

B. ADA Compliance

The Americans with Disabilities Act (ADA) and its amendment, prohibits discrimination against qualified individuals on the basis of disability. It is the policy of O.M.W.D. to comply with the ADA. O.M.W.D. will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of that person's physical or mental disability. In compliance with the ADA, O.M.W.D. will consider reasonable accommodations that do not pose undue hardship to the O.M.W.D. to enable qualified applicants or employees with disabilities to perform the essential functions of the position. O.M.W.D. encourages applicants or employees to make suggestions regarding reasonable accommodations to their supervisors, department heads, or the O.M.W.D. ADA Coordinator.

C. GINA Compliance

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, O.M.W.D. asks that employees not provide any genetic information when responding to requests for medical information. 'Genetic information,' as defined by GINA, includes an individual's family medical history, the results of an individual or an individual's family member's genetic test, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

D. Harassment

Harassment, retaliation, coercion, interference, or intimidation of any employee due to that employee's race, religion, color, sex, creed, age, national origin, sexual orientation, gender identity, disability or any other characteristic protected by local, state, or federal law is strictly forbidden. Harassing conduct in the workplace includes, but is not limited to: epithets, slurs, or negative stereotyping; threatening, intimidating, or hostile acts or words; and written or printed materials that denigrate or show hostility to an individual or group made or posted in the workplace or in the course of employment for O.M.W.D. Such conduct is a prohibited form of discrimination under state and federal employment laws and is also considered misconduct subject to disciplinary action up to and including termination.

If you believe that you are being harassed or subjected to discrimination of any kind, you should use the complaint procedure for sexual harassment allegations. Complaints will be investigated and appropriate action taken. There will be no retaliation against anyone who submits a good faith harassment complaint or participates in an investigation relating to such a complaint.

E. Prohibition of Sexual Harassment

O.M.W.D. forbids sexual harassment in the work environment. Sexual harassment has been defined as illegal discrimination on the basis of sex.

It may include unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual or harassing nature when:

1. Submission to such conduct is made a term or condition, either explicitly or implicitly, of an individual's employment.
2. Submission to or rejection of such conduct by an individual is used as a factor in decisions affecting that individual's employment.
3. Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creates an intimidating, hostile or offensive working environment.

Any behavior of a sexual nature not welcomed by the Employee or found to be personally offensive is expressly forbidden. Sexual harassment may consist of a variety of behaviors, including, but not limited to the following examples:

1. Repeated verbal conduct such as sexual innuendo, suggestive comments, jokes of a sexual nature, sexual propositions or threats;
2. Continued non-verbal or visual materials such as derogatory posters, photography, graffiti, cartoons, drawings or gestures;
3. Repeated physical conduct such as unwelcome touching, hugging, kissing, coerced sexual contact or assault;
4. Repeated threats or demands to submit to sexual requests in order to keep your job or receive some job-related benefit; or
5. Retaliation for reporting or threatening to report harassment.

If you believe that you are being subjected to sexual harassment, you should:

First: Tell the harasser to stop.

Second: Make a record and immediately report the incident to your Supervisor or the General Manager.

Third: If the conduct continues, it should be immediately reported to the above individuals.

Any reported incident will be investigated. Complaints and actions taken to resolve complaints of sexual harassment will be handled as confidentially as possible, given O.M.W.D.'s obligation to investigate and act upon reports of such harassment. If, at any time, you feel your complaint is not being investigated and handled appropriately, immediately advise your supervisor or the General Manager of your concerns (see the procedure outlined in Section 7 "Complaint Procedure" page 30). Violation of this policy will result in discipline up to and including termination. All employees shall be protected from coercion, intimidation, retaliation, interference, or discrimination for filing a complaint under this policy, participating in an investigation or filing a complaint with a state or federal agency.

F. Employment of Relatives

Relatives of current employees of O.M.W.D. may be hired if they will not be working together in the same reporting chain or in a position to influence one another's compensation.

If employees become relatives after employment commences, the two (2) employees will be given the option of deciding who will transfer, if possible, or who will terminate employment. If the two (2) employees cannot make the decision in a timely manner, length of service in the

department will be the deciding factor and the least senior employee will be transferred, if possible. Otherwise, the employment of the least senior employee will be terminated. The Board may grant a waiver of this policy if it determines it is in the best interest of the Utility.

For the purposes of this policy, a relative is defined as parents, children, brothers, sisters, brothers-in-law, sisters-in-law, father-in-law, mother-in-law, spouses, and individuals who are not legally related but who reside with the employee.

G. Personnel Records

O.M.W.D. maintains personnel files for all employees. Personnel files are the property of O.M.W.D. Access to personnel files is generally limited to supervisory and executive personnel. Employees may review their own personnel records by submitting a written request to the General Manager, who will make the necessary arrangements for the employee's review of their personnel records.

H. Mileage Reimbursement

In the event an employee uses their own personal vehicle to attend a water department related function or perform other water department related matters, the water department will reimburse that employee for the miles driven. The amount of the reimbursement will be based on the current federal guideline mileage reimbursement rate.

I. Job Postings

Whenever a position becomes available, a notice of such opening will be posted at the Water Department Office for at least ten (10) calendar days before the deadline for filling the position. The notice will contain the position title, a brief job description and minimum hiring specifications. O.M.W.D. reserves the right to use other recruiting sources to fill open positions at their discretion.

Applicants, including current employees, shall be considered on the basis of ability, performance, experience, training, aptitude, disciplinary record and other job-related qualifications. Military service may also be a factor in hiring decisions, as provided by Iowa's Veteran's Preference law.

J. Driving Records

O.M.W.D. reserves the right to request the disclosure of an applicant's driving record prior to hire, and upon request thereafter as a condition of continued employment, if the applicant may be responsible for the operation of any type of vehicle at any time during employment.

K. Physical Examinations

O.M.W.D. may require Employees to submit to a job-related medical examination by a qualified physician designated by O.M.W.D. and at the O.M.W.D.'s expense after the employee has been offered a position, and before the employee begins work, if such examination is required of all entering employees in the classification. The job offer may be conditioned on the results of a post-offer medical examination. The results of the examination will be kept in a confidential file, separate from the employee's personnel file.

Employees may also be required to submit to a job-related physical examination when necessary to determine if the employee is still able to perform the essential functions of the position, or for fitness for duty examinations required by federal, state or local law. Also, voluntary medical examinations may be conducted as part of the O.M.W.D.'s employee health programs.

L. Probationary Period

Each new hire shall be "on probation" for ninety (90) days. Employment during the probationary period is at the exclusive discretion of the employer. No explanation or justification for failing to continue employment need be given. Completion of a probationary period does not change an employee's status as an at-will employee and does not restrict the O.M.W.D.'s right to terminate employment.

During the probationary period an employee accrues, but cannot use vacation leave. Sick leave is not accrued until the employee successfully completes the probationary period. Probationary employees do not receive paid holidays.

M. Employee Licenses and Certifications

It is the employee's responsibility to keep their licenses and/or certifications current. All required licenses and certificates shall be brought to the appropriate department head to be copied for the employee's personnel file. Failure to keep licenses and certificates current may result in termination.

N. Inclement Weather

In the case of a severe snowstorm (blizzard conditions as determined by the National Weather Service) the following policy will be in effect:

1. If an employee is unable to get to work, he/she may request to be allowed to charge such an absence to vacation, compensatory time or personal time provided he/she has the time accumulated. If no paid time is available, the employee may choose to take the time off without pay.
2. An employee may request to leave work early because of blizzard conditions. If the request is approved, the employee may use accumulated comp time, vacation or personal time. If no paid time is available, the employee may choose to take the time off without pay.
3. Benefit accumulation and eligibility will not be affected if an employee chooses to take the time off without pay.
4. Employees may be required to report to work during severe weather conditions when their presence is needed to serve the public.

In extreme circumstances, the General Manager may determine that it is necessary to close the offices/facilities. In this case, the employee may use accumulated vacation, compensatory time or personal time. If the employee does not have any accumulated time, he/she may be allowed to make up the lost time with approval of the department head.

O. Smoke-Free Workplace

The O.M.W.D. building is designated as a non-smoking facility. Smoking is prohibited in all portions of the facility, as well as on the grounds. Employees who smoke should observe all fire and safety rules when working around or near hazardous chemicals or materials. Additionally, state law prohibits smoking in company-owned vehicles.

P. Direct Deposit

All employees hired on or after July 1, 2015 are required to arrange for their paychecks to be direct deposited into a personal bank account.

SECTION 3

WAGE AND HOUR PRACTICES

A. Hours of Work

The work week begins on Monday and ends on Sunday. Work hours are scheduled as required by workload, production flow, customer needs and the efficient management of personnel resources. Employee work hours thus may change from time to time.

Office and Distribution Employees:

Normal work hours are from 8:00 AM to 5:00 PM, Monday through Friday with a one hour lunch break. Distribution employees will work rotating weekend shifts at the Water Treatment Plant. Scheduled hours are subject to change.

Plant Operation Employees (shift employees):

Plant Operators normal work hours are 7:00 AM to 3:30 PM Monday through Friday with a ½ hour lunch break. Plant Operators will work rotating weekend shifts at the Water Treatment Plant. Scheduled hours are subject to change.

When Distribution or Plant Operators are scheduled to work a weekend shift, they will take two days off during the week, prior to working the weekend.

There shall be no "organized" work breaks. Each employee is allowed a fifteen minute break for each four hour period of time worked. The timing and location of breaks shall vary with work site circumstances. Breaks are not to be used to extend the lunch hour or to allow employees to leave prior to the scheduled ending time.

Only managers and supervisors are authorized to change an individual's work hours. Wages shall be paid for hours actually worked. No wages shall be paid for any other time away from the work place, other than authorized vacation, sick leave, funeral leave, jury duty or paid holidays.

B. Overtime

Overtime hours paid to hourly employees are defined as those hours:

- actually worked in excess of eight hours per day;
- actually worked in excess of forty straight time hours per work week;
- actually worked, when the employee is called upon to work non-normal hours, to help deal with an emergency situation.

Vacation, sick, Holiday, funeral, comp time, jury duty, and all other paid leave are excluded from hours worked for purposes of overtime calculations.

Hourly employees are paid overtime at the rate of one and one-half times the base hourly rate applicable to the work actually performed during overtime hours. Overtime will thus be time and one-half the regular rate of pay.

All overtime must be expressly approved, in writing, in advance by the General Manager. Only approved overtime hours will be paid.

C. Time Cards

Non exempt employees are employees who are required to be paid overtime under provisions of the Fair Labor Standards Act. Non-exempt employees are required to personally and accurately record their time worked. An employee should never record more or less time than they actually work. Inaccurate or incomplete recording of hours worked may result in discipline up to and including discharge. All time worked must be turned in to the Office Manager on the Monday following each scheduled 2 week pay period. All time worked overtime is to be approved, in writing, by the General Manager. Any time that is worked in exchange for "compensatory" time must be turned in and approved as it is earned. Any time off taken in exchange for "compensatory" time must be identified and recorded as such.

D. Lactation Breaks

An employee who is nursing a child up to one year old may take a break for a reasonable period of time for the purpose of expressing breast milk any time she needs to express milk. O.M.W.D. will make a location available to the employee (other than a bathroom) that is shielded from view and free from intrusion from coworkers and the public for purposes of expressing milk. If a suitable location cannot be identified for a nursing mother in a particular location, please contact the General Manager as soon as possible to discuss viable alternatives.

SECTION 4
LEAVE BENEFITS

A. Vacation Pay

O.M.W.D. believes that it is of mutual benefit for employees to spend some time away from their work environment each year. Paid vacation leave is provided for all full-time employees.

Employees earn but cannot use vacation leave until they have successfully completed their first year of employment. Vacation time will not be paid if an employee is terminated or resigns during their first year of employment. Vacation leave is earned by full time employees as follows:

FIRST YEAR	5 DAYS (40 hours)
2 – 5 YEARS	10 DAYS (80 hours)
6 - 13 YEARS	15 DAYS (120 hours)
14 OR MORE YEARS	20 DAYS (160 hours)

Vacation leave is issued annually on an employee's anniversary date. For example, an employee has no vacation leave during his or her first year of employment, but on the date of the employee's first anniversary, he or she will be given 40 hours to use over the next year.

1. All vacations must be approved by the General Manager in advance. Vacation pay will not be given for days missed unless applied for in advance.
2. Requests for vacation must be made far enough in advance for the employee to schedule an alternative time if necessary.
3. The General Manager has the right to approve vacation leave for employees at times that do not interfere with the efficient operations of the Department.
4. Vacation time may be taken in increments of one (1) hour.
5. Vacation leave must be earned before it can be used.
6. Vacation time may not be carried forward from one anniversary year period to another. Vacation must be taken during the anniversary year after it is earned.
7. Probationary period shall be one hundred eighty (180) days.

A qualified employee who terminates their employment with O.M.W.D. must give a two (2) week written notice of their intent to end employment or they will forfeit payment of their accrued vacation pay. An employee fired for violation of policy, or unlawful acts, is not entitled to payment of accrued vacation pay.

Vacation will not accrue during unpaid leaves of absence.

B. Sick Leave

After the probationary period, sick leave may be accrued at one day per month of full time employment. Example: An employee may accrue up to six (6) days sick leave in the first year of employment and up to twelve (12) days per year after that.

Sick leave is a privilege available for regular full time employees and can be used in the following circumstances:

- When the employee is unable to perform his/her job duties because of illness, injury, pregnancy disability or birth of a child;
- When the employee, or the employee’s parent, spouse, child or other dependent, has medical, surgical, dental or optical examinations or treatment;
- When an employee is required to care for an ill member of their immediate family, he/she may use accumulated sick leave. Immediate family is defined as the employee’s parent, spouse, child or other dependent.

Sick leave may be used in increments of one hour (i.e. one hour, two (2) hours, three (3) hours, etc.), unless otherwise approved by the General Manager. After three (3) or more consecutive sick days, an employee will be required to provide a physician's note, giving cause for the employee's absence and releasing the employee to return to work. If an employee is absent from work for an extended documented sick leave, lasting up to twelve (12) consecutive weeks, O.M.W.D. will restore the employee to the employee’s former position, or an equivalent position, whenever possible.

Sick leave may accrue up to ninety (90) days. Accrued sick leave will be paid to an employee, hired before January 1, 2016, who enters a bona fide retirement pursuant to IPERS (Iowa Code Chapter 97B) and Iowa Administrative Code section 495—11.5. Accrued sick leave will be paid according to the following schedule.

YEARS OF SERVICE	PERCENT OF ACCRUED PAID
10 - 14	50%
15 - 19	75%
20 or more	100%

Sick leave does not accrue during unpaid leaves of absence.

Notification - An employee who is unable to report for work shall report the reason for the absence to the supervisor within one half hour of the regular starting time for that employee. Failure to provide notice on each such day may be considered a leave of absence without pay for that full day. The may require evidence, paid for by the employee, supporting the use of sick leave, as it sees fit.

C. Funeral Leave

A full-time employee in good standing may be granted up to three working days leave with pay in the event of the death of a spouse, child, parent, father-in-law, mother-in-law, sister, brother, grandparents or members of the employee's immediate household.

D. Paid Holidays

A full-time employee that has passed the probationary period qualifies for the following paid holidays. Holidays must be taken as a day away from the workplace and may not be cashed in if unused. If an employee is scheduled to work on a Holiday, they may schedule a paid day off at a later date with their supervisor.

New Years Day	Veterans Day
Presidents Day	Thanksgiving
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day

Holidays falling on a Saturday are normally observed on the preceding Friday. Holidays falling on a Sunday are normally observed on the following Monday. However, employees whose normal schedule includes weekends will observe the actual holiday.

If a holiday falls during an employee’s vacation or any period of approved sick leave, it will be counted as a holiday and will not be deducted from the employee’s accumulated vacation or sick leave.

Employees on an unpaid leave of absence at the time a holiday occurs will not be paid for the holiday.

E. Family and Medical Leave Act (FMLA)

Upon formal request, the Oskaloosa Water Department will grant a leave under the Family and Medical Leave Act for up to twelve (12) workweeks per calendar year.

Qualifying Reasons for Leave

1. The birth of a child and/or to care for a newborn child if the leave is completed within twelve (12) months of the birth.
2. To care for a newly adopted child or child placed in your home for foster care (under eighteen (18) years of age) if the leave is completed within twelve (12) months of the adoption or placement.
3. To care for a spouse, child (under eighteen (18) years of age), or parent (not parents-in-law) who has a “serious health condition.” FMLA leave may be taken to care for

an adult child eighteen (18) years of age or older if the child is incapable of self-care because of a mental or physical disability.

4. The employee's own "serious health condition" if it renders the employee incapable of working.

An employee may request leave on an intermittent basis. However, for intermittent leave requested for reasons listed in 1 and 2 above, O.M.W.D. can request that all such leave be taken at one time. Intermittent leave requested for medical reasons must be supported by the certification of the health care provider. In cases of planned medical treatment the employee is expected to schedule the treatment so as to create minimum disruption for the department.

A "serious health condition" means an illness, injury, impairment, or physical or mental condition that requires inpatient care in a hospital, hospice, or residential care facility, or continuing treatment by a health care provider resulting in an absence from work for more than three consecutive work days. Voluntary or cosmetic treatments that are done on an outpatient basis or which are not medically necessary are not included. The definition is not meant to cover short-term conditions where treatment and recovery are brief.

A "serious" health condition also is defined as one that makes an individual unable to attend work, school, or perform other daily activities for more than three (3) days, and requires continuing treatment by a health care provider. Also qualifying under FMLA would be treatment for a serious, chronic health condition that if left untreated, would likely result in an absence from work of more than three (3) days, care for long term conditions for which treatment may not be effective, multiple treatments, and recovery therefrom and for pregnancy or prenatal care.

Qualification for Leave

An employee who has worked at least twelve (12) total months for O.M.W.D. and at least 1,250 hours during the previous twelve (12) months is eligible for FMLA leave. Hours will be prorated for part-time employees based on the average number of hours worked per week.

FMLA Leave Period

The FMLA twelve (12) month period will begin each calendar year on January . Any FMLA leave taken after that date will, for the remainder of that twelve (12) month period, be counted toward the twelve (12) week annual allotment.

Notice Requirement

A special request form is available from the office. If the request for the leave of absence is not reasonably foreseeable, the employee must notify the O.M.W.D. as soon as possible. Employees must provide thirty (30) days advance notice whenever the leave is "foreseeable."

Medical Certification

The employee must provide the O.M.W.D. with certification from a health care provider of his/her serious health condition, or the family member's requiring the leave. The O.M.W.D. office will provide a certification form and the employee must return the completed form within

fifteen (15) days or the leave may be denied or delayed until the employee provides proper certification.

Should the O.M.W.D. disagree with the opinion given by the employee's health care provider, the O.M.W.D. reserves its right to require opinions from second or third health care providers at O.M.W.D. expense.

Paid/Unpaid Leave

Subject to the stated provisions for the use of other types of annual leave, the O.M.W.D. requires that the employee immediately use all available sick, vacation, and compensatory paid leave time provided to employees by the O.M.W.D. as part of the twelve (12) week FMLA leave. The employee will not accrue paid holidays or sick leave while on unpaid FMLA leave.

Health Insurance

While on leave covered by the FMLA, the O.M.W.D. will maintain the employee's coverage under any group health insurance plan on the same conditions as coverage would have been provided if the employee had been continuously employed during the entire leave period. The employee will be required to continue to pay his or her contribution to the premium either through payroll deduction or by direct payment to the O.M.W.D. by the ___th of the month. Loss of insurance coverage will result if the premium amount is paid more than thirty (30) days late. If the employee misses a premium payment and the O.M.W.D. pays the employee's contribution, the employee will be required to reimburse the O.M.W.D. for the delinquent payment upon return from leave. Under certain circumstances, if an employee fails to return to work after an approved FMLA leave, the O.M.W.D., may require the employee to reimburse it for the amount the O.M.W.D. paid for the health insurance coverage during the leave.

Double Spouse

When both spouses work for the Oskaloosa Water Department they will be limited to a combined total of twelve (12) weeks for leave taken for birth, adoption, foster placement, or the care of an employee's parent. This limitation does not apply when leave is taken for an employee's own serious health condition, or to care for a spouse or child.

Return From FMLA Leave

An employee who is returning from a family leave of absence must notify the General Manager of the intent to return to work no less than seven (7) calendar days prior to the anticipated date of return.

If the leave was taken because of the employee's own illness or injury, he/she is required to provide a fitness-for-duty certification from a health care provider before returning to work. A failure to do so may cause a delay in the employee's reinstatement.

Upon return from FMLA leave, employees will be returned to their original position or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.

Fraudulent Leave Requests

An employee who fraudulently obtains FMLA leave from the O.M.W.D. is not protected by the Act's job restoration or maintenance of health benefits provisions and will be subject to appropriate disciplinary action, including discharge.

F. FMLA For Military Families

The FMLA was amended to include coverage for eligible employees to care for qualifying service members. Eligible employees may take twenty-six (26) workweeks of leave during a single twelve (12) month period to care for a covered service member with a serious injury or illness who is the spouse, son, daughter, parent, or next of kin to the employee (Military Caregiver Leave). The second type of leave available to certain military families is known as Exigency Leave and entitles eligible employees to up to 12 weeks of leave because of "any qualifying exigency" arising out of the fact that a qualifying family member is on active duty in a foreign country or has been notified of an impending call to active duty status in a foreign country. For purposes of this policy, adult children are qualifying family members.

Unless otherwise stated in this provision, the FMLA provisions described above apply to FMLA military leave.

Paid leave must be extinguished first before unpaid military family FMLA leave is taken. Both types of military family FMLA leave are subject to certification or other verification requirements. Where an employee fails to timely comply with any such requirements, or where this process establishes time off and absences from work are not covered by FMLA, the FMLA leave may be delayed or denied and any absences and time off may be considered unexcused absences subjecting the employee to disciplinary action, up to and including termination of employment.

G. Military Leave

Leaves Available

O.M.W.D. will grant leaves of absence for military service to full-time and part-time regular employees in accordance with applicable state and federal law. A full-time or part-time regular employee, who is a member of the uniformed services, when ordered by proper authority to serve in the uniformed services, shall be granted leave for the period of service. This leave shall be without loss of pay for the first thirty (30) calendar days of the leave. Employees are entitled to one period of paid leave for military service per fiscal year. Any amount of military leave taken during any part of an employee's scheduled workday, regardless of the number of hours taken, shall count as one day toward the thirty calendar days without loss of pay. Absences required for military service that exceed thirty (30) calendar days shall be granted in accordance with the O.M.W.D.'s policies on vacation, compensatory time or unpaid leave, and with applicable state and federal law.

Reemployment Rights - Eligibility

Eligibility for reemployment with O.M.W.D. after an employee completes military service will be determined in accordance with applicable state and federal law. Conditions for reemployment are briefly explained as follows:

1. The employee or an appropriate officer of the uniformed service in which the employee serves, must give advance written or verbal notice of the service to the employee's immediate supervisor, unless military necessity prevents the employee from giving notice or if it is otherwise impossible or unreasonable;
2. The cumulative length of the absence and all previous absences from employment with the O.M.W.D. for reason of military service must not exceed five (5) years;
3. The employee's discharge from military service must be for reasons other than dishonorable; and
4. Upon returning from military service, the employee must report to work or submit a timely application for reemployment according to the following schedule:
 - a. For service of less than thirty (30) days the employee must report to work by the beginning of his or her first regularly scheduled work day that would fall eight (8) hours after the employee returns home.
 - b. For service of 31 to 180 days the employee must apply for reemployment within fourteen (14) days after completing service.
 - c. For service of 181 days or more the employee must apply for reemployment no later than ninety (90) days after completing service.

Continuation of Benefits During Military Service

Employees on leave for military service and any of their dependents entitled to coverage under O.M.W.D.'s health insurance plan are entitled to coverage as follows:

1. An employee that leaves employment for less than thirty-one (31) days is entitled to continued health insurance coverage, and will not be required to pay more than what an active employee would pay for coverage.

An employee that leaves employment for more than thirty (30) days is allowed to elect to receive continued coverage under O.M.W.D.'s health insurance plan for up to eighteen (18) months following separation from employment or until the employee's reemployment rights expire, whichever event occurs first. O.M.W.D may require the employee to pay up to 102% of the premium.

H. Jury and Witness Duty

Any employee required to report for jury duty shall receive a paid leave of absence for the time spent on duty subject to the following limitations. All employees summoned to jury duty or serving as a witness must submit a copy of the summons to their supervisor within two (2) working days after receiving the summons. All employees on jury or witness duty who are released from service by 12:00 Noon are expected to report for work the same afternoon.

While on jury duty, O.M.W.D. will continue the employee's regular salary, but the employee must submit certification of the number of hours spent in such service and assign any compensation received in connection with the duty, less any reimbursement for travel or meal expenses, to the O.M.W.D.

Hours spent by any employee appearing as a witness in any job-related legal proceeding at the direction of the O.M.W.D. shall be considered to be work time.

If an employee is summoned to appear in court as a witness in a case in which he or she is not directly involved, the employee may take an unpaid leave or use accrued vacation hours or accumulated compensatory time.

I. Voting Leave

The O.M.W.D. encourages all employees to fulfill their civic responsibilities and to vote in all official public elections. Generally, an employee's working hours are such that the employee will have ample time to vote before or after working hours. However, if an employee does not have three (3) consecutive nonworking hours between the opening and closing of polls in which to vote, an employee may submit a written request to his or her supervisor as soon as possible before the election for paid time off of up to three (3) hours to vote. The department head will notify the employee of the time he or she will be allowed to vote.

J. Pregnancy Leave

Leave associated with an employee's own serious health condition, the birth of a child or to care for the newborn child within one year of birth may be available under the O.M.W.D.'s Family and Medical Leave policy outlined above.

If an employee is ineligible for FMLA leave, the employee is nonetheless entitled to a job protected leave of absence for the period that the employee is disabled because of the employee's pregnancy, childbirth, or related medical conditions, not to exceed eight (8) weeks. The employee will be required to utilize any available paid vacation leave, sick leave, and personal days during this leave of absence, and after all paid time is exhausted the leave shall be unpaid. The employee must provide timely notice of the period of leave requested; the O.M.W.D. must approve any change in the period requested; and the O.M.W.D. may require that the employee's disability resulting from pregnancy be verified by medical certification stating that the employee is not able to reasonably perform the duties of employment. Any pregnancy leave will be exhausted concurrently with any other available leave or benefits, including but not limited to FMLA leave or any short term disability benefits.

SECTION 5
INSURANCE BENEFITS

A. Health Insurance

The O.M.W.D. provides employee, employee/spouse, employee/child(ren) or employee/spouse/child(ren) health insurance to all eligible employees at no expense to the employee.

If the employee elects not to enroll in health insurance or enrolls in an employee-only insurance policy, \$174.00 will be deposited in a 403(b) retirement fund in lieu of spouse and/or children health insurance coverage.

B. Dental Insurance

Dental insurance is also available to all eligible employees. If the employee elects to have dental insurance, the employee is required to pay \$5.00 per month for single coverage, \$10.00 per month for employee/spouse, and \$16.00 per month for family coverage. This amount will be deducted from the first paycheck of each month.

C. Eye Insurance

Eye insurance is also provided for all eligible employees, their spouse and children at no additional cost to the employee.

D. Life Insurance

Employees are provided basic life insurance of \$20,000.00 by the O.M.W.D. It also provides a group term life benefit of \$5,000.00 on the spouse, and various amounts of coverage for children, dependant on their age. If additional coverage is desired, it can be added at the employee's expense, which will be payroll deducted from the first paycheck of each month.

SECTION 6 **GUIDELINES REGARDING CONDUCT AND DISCIPLINE**

A. Disciplinary Guidelines

Employees are expected to follow O.M.W.D. policies, to use common sense and courtesy when dealing with customers, visitors and co-workers, and to perform their duties effectively with a professional attitude. When an employee fails to meet O.M.W.D. performance or conduct expectations, O.M.W.D. may take whatever disciplinary action it deems necessary in an attempt to address what it considers to be the unacceptable conduct or performance.

The nature of disciplinary action taken in any situation will be determined by O.M.W.D. in its sole discretion and will depend on the individual circumstances. Discipline may include, but is not limited to, the following measures, verbal warning, written warning, suspension without pay, or discharge.

Nothing in this policy or any other provision of this Handbook or employment related document may be interpreted as establishing any right to oral, written, or progressive discipline prior to discharge. O.M.W.D. expressly reserves the right to terminate any employee's employment at will, without prior notice or discipline and for any reason.

B. Conduct Guidelines

O.M.W.D. is dedicated to providing a high quality product and service for its customers and a high quality work environment for its employees. Our commitment to those goals requires that employees conduct themselves in an ethical, efficient and professional manner at all times. In order to reach its goals, certain types of employee conduct or performance are unacceptable and will result in discipline up to and including immediate discharge. If an employee has concerns about the safety of their work environment or the conduct of another employee, it should be reported immediately to their supervisor.

While this Handbook describes certain types of unacceptable conduct or performance as well as certain types of progressive discipline, please understand that no employee is necessarily entitled to any progressive discipline. Furthermore, the following examples of unsatisfactory conduct or performances are only general guidelines. O.M.W.D. has the right to handle each disciplinary situation as it deems most appropriate. Any employee may be discharged without prior notice or counseling if O.M.W.D. deems that necessary. As it is not possible to provide an exhaustive list of unacceptable conduct or performance, the following constitutes only a representative list of actions which may result in discipline up to and including discharge:

1. Violation of safety rules or conduct which creates a safety or health hazard.
2. Performance which falls below O.M.W.D. standards, including those of quality, quantity, efficiency, timeliness, or courtesy.

3. Misappropriation, mismanagement, misuse or neglect of equipment, products, supplies, money or any other property which belongs to O.M.W.D., one of its employees, or a third party.
4. Failure or refusal to comply with O.M.W.D. policies, procedures, or supervisory instructions.
5. Tardiness, absenteeism or failure to give a supervisor adequate notice in advance of an absence. Repeated absenteeism will not be tolerated and is grounds for dismissal.
6. Insubordination, or use of abusive, threatening or obscene language.
7. Actions which are beyond the scope of an employee's authority.
8. Sexual harassment of employees, customers, or third parties.
9. Assault or battery of any person during working hours.
10. Unlawful discrimination, whether by acts or statements.
11. Inability or unwillingness to communicate and/or cooperate with other employees.
12. Possession, consumption, use or being under the influence of drugs, or alcohol while on O.M.W.D. or customer premises or on O.M.W.D. time, or while operating O.M.W.D. equipment.
13. Any other conduct which represents unacceptable conduct or performance, or a violation of any law, ordinance or rule.

C. Alcohol and Controlled Substance Policy

O.M.W.D. prohibits the consumption, possession, transfer, or sale of alcohol or controlled substances in its facilities or on customer premises or jobsites, or arriving to work while under the influence of alcohol or a controlled substance. O.M.W.D. also prohibits the possession, transfer or sale of any controlled substances, including, but not limited to, marijuana, cocaine, "crack" and any other controlled substance. This prohibition extends to prescription drugs unless the employee has a current prescription. No substance which impairs an employee's performance, including a prescription drug, may be used during work hours.

Employees are prohibited from operating or driving any vehicles or equipment owned, leased or rented by O.M.W.D. while under the influence of alcohol or a controlled substance.

O.M.W.D. reserves the right to search employees and employee property during work time and at any time the employee is on O.M.W.D. or customer premises. Any refusal to allow a search by an authorized supervisor or manager will be grounds for disciplinary action, up to and including termination.

Failure to abide by the alcohol and controlled substance policy is grounds for disciplinary action, up to and including termination.

D. No Solicitation

No solicitation of any kind will be permitted in work areas by employees who should be performing their assigned work tasks, or if the solicitation by non-working employees interferes with the work of other employees who are performing their assigned work tasks.

Solicitation during established breaks, meal times or other specified break periods is not prohibited.

No distribution of any kind, including circulars or other printed materials is permitted in any work area at any time.

An employee who violates these rules or assists others in doing so will be subject to discipline or discharge.

E. Company Vehicle

O.M.W.D. vehicles issued to an employee are to be used for legitimate Water Department business purposes only. No person, other than the employee to whom the vehicle is assigned or other authorized employee, is permitted to drive the Water Department vehicle. The employee operating the vehicle must have a valid driver's license. Driving a Water Department vehicle while under the influence of alcohol or a controlled substance is grounds for disciplinary action, up to and including discharge. Vehicles are to be kept clean inside and out and there will be no tobacco products allowed in Water Department vehicles.

F. Gifts

O.M.W.D. employees are not allowed to accept gifts, tips, or gratuities valued at more than \$2.99, from any vendor or customer. This includes entertainment, trips, and meals beyond ordinary business meals. If an employee has any question about whether acceptance of a gift might violate this policy, they must consult with the General Manager, or the Board of Trustees. Violation of this policy may result in disciplinary action.

G. Investigations

All employees are required to fully cooperate with any member of management who is conducting a work-related investigation. Employees will be disciplined for lying to any member of management, or providing information to any member of management that is dishonest, misleading, inaccurate, or incomplete.

Employees will also be disciplined for impeding, obstructing, or failing to cooperate with an inquiry or investigation conducted by any member of management. "Obstructing" includes, but is not limited to, threatening, intimidating, or coercing other individuals who may be contacted by management, and discouraging other individuals who may be contacted by management from responding to or cooperating with management. "Failing to cooperate" includes, but is not

limited to, failing to provide information, documents, or materials requested by management, and providing information, documents, or materials to management that are dishonest, misleading, inaccurate, or incomplete.

H. Workplace Privacy and Searches

O.M.W.D. attempts to maintain equipment and supplies that permit work to be accomplished in the most efficient and effective manner possible. While employees are encouraged to use these items, it is important to understand that they are O.M.W.D. property and are to be used to conduct O.M.W.D. business.

As part of your employment, a desk, locker, vehicle or work space may be made available to you. These spaces and equipment are O.M.W.D. property. Because the spaces are O.M.W.D. property, not the employee's personal property, they are subject to being inspected by O.M.W.D. at any time, with or without notice to the employee.

O.M.W.D. assumes no responsibility or liability for any items of personal property which are placed in the work spaces that are assigned to the employee.

If O.M.W.D. conducts an examination or inspection under the terms of this policy, there will be at least two (2) individuals present at the time of the examination or inspection.

I. Use of Workplace Technology

O.M.W.D. may provide electronic mail systems, computers, telephone systems, voice mail, fax machines and other technology to employees at O.M.W.D.'s expense for their use in performing their duties for O.M.W.D. The purpose of this policy is to prevent misuse of the O.M.W.D.'s workplace technology and to ensure appropriate, efficient and effective use of such technology. These machines and systems are business equipment owned by O.M.W.D. to be used for business purposes. Exceptions are limited to necessary personal phone calls, and authorized personal use of the Internet and e-mail systems during nonworking time as approved by department heads.

Employees shall maintain the highest professional ethics and conduct while on O.M.W.D.'s electronic communication systems. Employees must restrict personal use to occasional use that does not interfere with the O.M.W.D. business. Occasional, incidental personal use of O.M.W.D. technology must not interfere with job activities nor result in any expense to the O.M.W.D. Personal activities which interfere with the O.M.W.D.'s network, including streaming games or video, are strictly prohibited.

Obscene, demeaning, defamatory, or disruptive messages are prohibited. This includes, but is not limited to, messages that are inconsistent with O.M.W.D.'s policies concerning workplace harassment and sexual harassment. Any use of the Internet or other technology to obtain, transfer, download, or send sexually explicit material for personal use is expressly prohibited.

All communications over and activity conducted on the O.M.W.D. owned systems are property of the O.M.W.D. O.M.W.D. may access, review, audit, and disclose all matters sent over its systems or placed into their storage without prior notice.

Employees should have no expectation or right of privacy when using O.M.W.D. owned systems. The Internet is an open, unsecured network. Also, some electronic communications such as electronic mail and computer files may exist on back-up tapes after the user deletes them. Simply deleting a message or file may not fully eliminate the message from the system. The use of personal passwords or access codes does not restrict the O.M.W.D.'s ability to access electronic communications or files.

The O.M.W.D. may retrieve an employee's voice and electronic mail messages and computer files for non-investigative reasons (such as to retrieve a needed computer file or message) and as part of a valid investigative search relating to workplace misconduct.

The O.M.W.D. may review a record of an employee's Internet usage. An employee's use of the electronic mail, Internet, voice mail or other computer systems constitutes consent to O.M.W.D.'s review of the employee's electronically stored e-mail, files or messages. All messages should be composed with the expectation that they will be made public.

Employees must inform their department heads of voice mail, e-mail and computer passwords or access codes. Employees shall not use unauthorized codes, passwords, or other means to gain access to others' files.

Loading, copying or installing any software, including commercial software, shareware, freeware, games, screen savers, or any other type of software, is prohibited without authorization from the appropriate department head. Employees who are authorized to download information from the Internet must comply with disk scanning procedures established by the O.M.W.D. to minimize the risk of contracting a computer virus.

Employees are prohibited from deactivating software designed to detect and destroy computer viruses.

Use of the electronic communication system to copy and/or transmit any documents, images, software or other information protected by a copyright owned by someone other than O.M.W.D., without proper authorization from the copyright owner, is prohibited. Copyright protection applies to any document, image, software or information unless it is specifically marked as public, not copyrighted, or freeware. In the absence of any specific copyright markings, material or information should be considered copyright protected. The O.M.W.D. assumes no responsibility for reviewing, ascertaining or policing copyright material that may be transmitted to or from the electronic communication system by employees.

Employees will be disciplined, up to and including termination, for violating O.M.W.D.'s technology policy. Employees who are terminated, laid off, or on extended leave of absence are prohibited from accessing e-mail or other O.M.W.D. electronic communications systems.

J. Social Media

Social Computing Guidelines

The purpose of this policy is to establish O.M.W.D. regulations defining the use of various technologies known collectively as “social media”. Social media accounts shall be used for the purpose of informing the public about O.M.W.D. business, services, and events. All official O.M.W.D. presence on social media accounts are considered an extension of O.M.W.D.’s information networks.

This policy covers all social media messages generated on or handled by electronic communication systems owned by O.M.W.D. This policy is also applicable to all social media messages generated by employees of O.M.W.D. that relate to their status as an employee of O.M.W.D.. The regulation of employee speech is subject to the right of employees to freedom of speech as that right has been interpreted by the court.

O.M.W.D.’s website will remain the official location for content regarding O.M.W.D. business, services, and events. Whenever possible, links within social media formats should direct users back to O.M.W.D.’s website for more information, forms, documents, or online services necessary to conduct business with O.M.W.D.

All O.M.W.D.’s social media accounts should be viewable to the public and not use privacy settings.

The O.M.W.D. and authorized departmental extensions should be used on all social media accounts to confirm authenticity of site.

Online representation on social media accounts is ultimately the responsibility of the General Manager. The General Manager shall appoint a social media moderator to control the social media account and ensure appropriateness of content.

Social media accounts should be regularly monitored and updated at least twice a week.

Employees representing O.M.W.D. via social media accounts must conduct themselves at all times as representatives of O.M.W.D. and must comply with the Guidelines contained in this policy and with the provisions relating to “Prohibited Content”.

Any employee who discovers a violation of this policy shall immediately notify the General Manager. An employee who violates this policy or uses social media for improper purposes shall be subject to disciplinary action up to, and including, termination of employment.

Definitions

Social Media: Various forms of discussion and information-sharing, including social networks, blogs, video sharing, podcasts, wikis, message boards, and online forums. Technologies include: picture-sharing, wall-postings, fan pages, email, instant messaging, and music-sharing. Examples of social media applications include, but are not limited to, Google and Yahoo Groups

(reference, social networking), Wikipedia (reference), MySpace (social networking), Facebook (social networking), YouTube (social networking and video sharing), Flickr (photo sharing), Twitter (social networking and micro-blogging), LinkedIn (business networking), and news media comment sharing/blogging.

Business Purposes: Use of social media as a means of communicating official information about O.M.W.D., including events, department activities, emergency information, and feature stories. Business Purposes also includes use of social media for interaction with a professional association, information source necessary to the job duties of an employee, and interaction with other members of a professional association.

Personal Use: On-duty and off-duty use of personal social media sites by an O.M.W.D. employee for any purpose that is not a business purpose. This includes access on personal or O.M.W.D. provided computers and smart phones.

Posting Guidelines

Employees should be conscious of what they post on social media sites and avoid presenting personal opinions that imply endorsement by O.M.W.D. If posted material could be attributed to O.M.W.D., the post must be accompanied by a disclaimer identifying the statements or opinions presented as those of the poster and stating that the statements or opinions do not reflect those of O.M.W.D.

Employees should not portray themselves as spokesperson for O.M.W.D. unless they are specifically authorized to do so by either the General Manager or his or her designee.

Those responsible for O.M.W.D.'s social media accounts are responsible for complying with applicable federal, state, and local laws, regulations, and policies. This includes adherence to established laws and policies regarding copyright, records retention, Freedom of Information Act (FOIA), First Amendment free speech rights, privacy laws, and information security policies established by O.M.W.D.

Employees may not post text, video, pictures, or other material that would reasonably be considered to be detrimental to the image of O.M.W.D. Employees may only post material which the employee has permission to use.

Employees should keep in mind that once an item is posted it is publicly available on the Internet and cannot be retracted.

Prohibited Content

The following content shall be prohibited on official O.M.W.D. social media sites.

Profane language or content.

Content that promotes, fosters, or perpetuates illegal discrimination of any kind.

Sexually explicit content or links to such content.

Solicitation of others for commercial ventures, or religious, social, charitable or political causes.

Making or publishing of false, defamatory, or malicious statements concerning any employee, supervisor, O.M.W.D., or its operations.

Personal information about employees.

Posting of HIPAA protected information is not permitted.

Use of chat sessions in social media will not be permitted.

The General Manager or designated representative, reserves the right to delete submissions that are deemed inappropriate, according to prescribed unacceptable content standards. If any record is deleted for unacceptable content, the General Manager or designated representative will retain a public record of that content and keep a record of why the information was removed.

Friends, fans, or followers should be removed if they continue to post inappropriate content. One warning should be given. If the individual posts inappropriate content a second time, they should be removed or blocked.

Social Media Account Security

Social media accounts should be tied to an O.M.W.D. email address.

Moderators should never leave a workstation unattended when logged on the social media account.

Only the General Manager and moderator(s) should know the login and password to social media accounts.

If the moderator changes, the login and password should also change.

Personal Use of Social Media

Employees should make certain any online activities do not interfere with their effectiveness at work and ensure any on-duty personal use is limited in nature. If on-duty personal use is interfering with work effectiveness, employees will be subject to disciplinary action.

Employees should be mindful of blurring their personal and professional lives when using or accessing social media sites.

Employees may not use social media to engage in libelous, defamatory, obscene, or maliciously false behavior directed at O.M.W.D., elected officials, appointed officials, other employees, or members of the public.

Employees may not post confidential information which they have learned through their employment with O.M.W.D.

Posting of HIPPA protected information is not permitted.

Employees may not use their O.M.W.D. email account in connection with a personal social networking account.

Employees shall not participate in online social media or forums on behalf of O.M.W.D. unless they are authorized to do so by the General Manager or the designated representative.

When violations of these guidelines occur, O.M.W.D. will exercise judgment in determining the appropriate level of discipline, up to and including termination, by reviewing each incident on a case-by-case basis.

SECTION 7
COMPLAINT PROCEDURE

A. Resolving Employee Questions and Complaints

O.M.W.D. wants every employee to feel he or she has a good place to work. As with any relationship, however, the working relationship can at times create misunderstandings and friction. If a problem develops, or if you feel you have been treated improperly, we strongly encourage you to use the following procedure:

STEP ONE: - Talk over the problem with your Supervisor. He/She may be in the best position to resolve your concern or answer your question. If your Supervisor cannot give you an answer immediately, they may ask you to wait while your concern is studied and more information collected. In any event, your Supervisor should respond to your question or concern.

STEP TWO: - If you are dissatisfied with the response from your Supervisor, you may advance your concern in writing, to the General Manager. The written concern should clearly state the concern, the answer received from your supervisor, and why you remain dissatisfied. The General Manager will consider your concern and inform you of his or her conclusion. If your Supervisor is the General Manager, proceed to step three.

STEP THREE: - If you are dissatisfied with the General Manager's response, you may take your concern to the O.M.W.D. Board of Trustees. The Board will consider your concern and discuss their conclusion with you.

B. Open Door Policy

If for any reason you feel you cannot go to your Supervisor or the General Manager initially, please contact a Board Member to consider your concern.

Appendix A: Employee Acknowledgments

Employee Acknowledgment of Receipt of Handbook

I have received my copy of the O.M.W.D. Employee Handbook. I understand that the handbook has been provided to me for informational purposes only and that the O.M.W.D. may change or withdraw any policies, procedures, or benefit programs at any time. I acknowledge that this handbook is not a contract of employment, express or implied, and that I am not guaranteed employment for any specific duration. Either O.M.W.D. or I may terminate my employment at any time with or without notice or cause.

Initial

Alcohol and Controlled Substance Policy Acknowledgment

I have received a copy of the employer's policy regarding the maintenance of a drug-free workplace. I realize that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on this employer's premises or while conducting the employer's business. A violation of this policy can subject me to discipline up to and including termination. I realize I must abide by the terms of this policy and that if I am directly engaged in work performed pursuant to a federal grant or contract, as a condition of employment, I must notify the employer of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction. I further realize that federal law mandates that the employer communicate this conviction to the federal agency, and I hereby waive any and all claims that may arise for conveying this information to the federal agency.

Initial

Acknowledgment of Receipt of Workplace Technology Policy

I have received a written copy of O.M.W.D.'s Workplace Technology policy. I fully understand the terms of this policy and agree to abide by them. I understand that the O.M.W.D.'s computer and electronic communications systems are to be used for business purposes only, with limited exceptions and only as approved by my department head, and that all information stored in, transmitted, or received through O.M.W.D.'s systems is the property of O.M.W.D. I acknowledge that I have no expectation of privacy in connection with the use of this equipment. I acknowledge and consent to O.M.W.D. monitoring my use of this equipment at any time at its discretion. Such monitoring may include, but is not limited to, printing and reading E-mails entering, leaving, or stored in these systems; listening to my voice mail messages; recording the Internet address of any site that I visit; and recording any network activity in which I transmit or receive any kind of file. I acknowledge that any message I send or receive may be recorded and stored in an archive file for management use. I know that any violation of this policy could lead to discipline, up to and including termination.

Initial

Employee's signature

Date

**OSKALOOSA MUNICIPAL WATER
DEPARTMENT**

EMPLOYEE MANUAL

Revised: August, 2015

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SECTION 1
INTRODUCTION

The purpose of this employee manual is to generally describe Oskaloosa Municipal Water Department (hereinafter referred to as O.M.W.D.) personnel guidelines and procedures. The manual contains only general managerial guidelines, and shall not constitute or create an express or implied contract or promise of employment or of any particular terms, benefits or duration of employment. Employment with O.M.W.D. is at will. O.M.W.D. or the employee may terminate the employment relationship at any time, with or without cause. Except as otherwise required by law, O.M.W.D. reserves the right to handle each employee and employment issue as it deems most appropriate. O.M.W.D. may add to, revoke or modify the guidelines, policies and benefits described below without prior notice. Employees are required to stay up to date with new policies and procedures.

SECTION 2 **EMPLOYMENT POLICIES**

A. Commitment to Equal Employment Opportunity

O.M.W.D. will not discriminate against applicants or employees on the basis of race, color, creed, sex, pregnancy, age (if over the age of eighteen (18)), religion, ancestry, national origin, marital status, sexual orientation, gender identity, genetic information, status as a military veteran, disability, including those related to pregnancy or childbirth, membership or non-membership in a labor organization, or any other characteristic protected under federal, state or local law. All employees are responsible for understanding, adhering to and strictly enforcing this policy.

In furtherance of this policy, O.M.W.D. will:

1. Continue to recruit, hire, train, transfer, promote, compensate, discipline, discharge, and otherwise treat employees in all job classifications without regard to any protected characteristics.
2. Continue to base employment decisions upon legitimate, non-discriminatory factors including, but not necessarily limited to, an individual's skills, experience, disciplinary record, performance, attendance records, development potential, and qualifications.
3. Continue to ensure that personnel actions such as hiring, compensation, benefits, layoffs, discipline and termination will be administered without regard to protected characteristics.

The responsibility for carrying out this Equal Employment Opportunity policy is assigned to all personnel involved in employment practice decisions.

If you feel you have been unlawfully discriminated against, we encourage you to bring this to the attention of your supervisor, the General Manager, or a member of the Board.

B. ADA Compliance

The Americans with Disabilities Act (ADA) and its amendment, prohibits discrimination against qualified individuals on the basis of disability. It is the policy of O.M.W.D. to comply with the ADA. O.M.W.D. will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of that person's physical or mental disability. In compliance with the ADA, O.M.W.D. will consider reasonable accommodations that do not pose undue hardship to the O.M.W.D. to enable qualified applicants or employees with disabilities to perform the essential functions of the position. O.M.W.D. encourages applicants or employees to make suggestions regarding reasonable accommodations to their supervisors, department heads, or the O.M.W.D. ADA Coordinator.

C. GINA Compliance

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, O.M.W.D. asks that employees not provide any genetic information when responding to requests for medical information. 'Genetic information,' as defined by GINA, includes an individual's family medical history, the results of an individual or an individual's family member's genetic test, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

D. Harassment

Harassment, retaliation, coercion, interference, or intimidation of any employee due to that employee's race, religion, color, sex, creed, age, national origin, sexual orientation, gender identity, disability or any other characteristic protected by local, state, or federal law is strictly forbidden. Harassing conduct in the workplace includes, but is not limited to: epithets, slurs, or negative stereotyping; threatening, intimidating, or hostile acts or words; and written or printed materials that denigrate or show hostility to an individual or group made or posted in the workplace or in the course of employment for O.M.W.D. Such conduct is a prohibited form of discrimination under state and federal employment laws and is also considered misconduct subject to disciplinary action up to and including termination.

If you believe that you are being harassed or subjected to discrimination of any kind, you should use the complaint procedure for sexual harassment allegations. Complaints will be investigated and appropriate action taken. There will be no retaliation against anyone who submits a good faith harassment complaint or participates in an investigation relating to such a complaint.

E. Prohibition of Sexual Harassment

O.M.W.D. forbids sexual harassment in the work environment. Sexual harassment has been defined as illegal discrimination on the basis of sex.

It may include unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual or harassing nature when:

1. Submission to such conduct is made a term or condition, either explicitly or implicitly, of an individual's employment.
2. Submission to or rejection of such conduct by an individual is used as a factor in decisions affecting that individual's employment.
3. Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creates an intimidating, hostile or offensive working environment.

Any behavior of a sexual nature not welcomed by the Employee or found to be personally offensive is expressly forbidden. Sexual harassment may consist of a variety of behaviors, including, but not limited to the following examples:

1. Repeated verbal conduct such as sexual innuendo, suggestive comments, jokes of a sexual nature, sexual propositions or threats;
2. Continued non-verbal or visual materials such as derogatory posters, photography, graffiti, cartoons, drawings or gestures;
3. Repeated physical conduct such as unwelcome touching, hugging, kissing, coerced sexual contact or assault;
4. Repeated threats or demands to submit to sexual requests in order to keep your job or receive some job-related benefit; or
5. Retaliation for reporting or threatening to report harassment.

If you believe that you are being subjected to sexual harassment, you should:

First: Tell the harasser to stop.

Second: Make a record and immediately report the incident to your Supervisor or the General Manager.

Third: If the conduct continues, it should be immediately reported to the above individuals.

Any reported incident will be investigated. Complaints and actions taken to resolve complaints of sexual harassment will be handled as confidentially as possible, given O.M.W.D.'s obligation to investigate and act upon reports of such harassment. If, at any time, you feel your complaint is not being investigated and handled appropriately, immediately advise your supervisor or the General Manager of your concerns (see the procedure outlined in Section 7 "Complaint Procedure" page 30). Violation of this policy will result in discipline up to and including termination. All employees shall be protected from coercion, intimidation, retaliation, interference, or discrimination for filing a complaint under this policy, participating in an investigation or filing a complaint with a state or federal agency.

F. Employment of Relatives

Relatives of current employees of O.M.W.D. may be hired if they will not be working together in the same reporting chain or in a position to influence one another's compensation.

If employees become relatives after employment commences, the two (2) employees will be given the option of deciding who will transfer, if possible, or who will terminate employment. If the two (2) employees cannot make the decision in a timely manner, length of service in the

department will be the deciding factor and the least senior employee will be transferred, if possible. Otherwise, the employment of the least senior employee will be terminated. The Board may grant a waiver of this policy if it determines it is in the best interest of the Utility.

For the purposes of this policy, a relative is defined as parents, children, brothers, sisters, brothers-in-law, sisters-in-law, father-in-law, mother-in-law, spouses, and individuals who are not legally related but who reside with the employee.

G. Personnel Records

O.M.W.D. maintains personnel files for all employees. Personnel files are the property of O.M.W.D. Access to personnel files is generally limited to supervisory and executive personnel. Employees may review their own personnel records by submitting a written request to the General Manager, who will make the necessary arrangements for the employee's review of their personnel records.

H. Mileage Reimbursement

In the event an employee uses their own personal vehicle to attend a water department related function or perform other water department related matters, the water department will reimburse that employee for the miles driven. The amount of the reimbursement will be based on the current federal guideline mileage reimbursement rate.

I. Job Postings

Whenever a position becomes available, a notice of such opening will be posted at the Water Department Office for at least ten (10) calendar days before the deadline for filling the position. The notice will contain the position title, a brief job description and minimum hiring specifications. O.M.W.D. reserves the right to use other recruiting sources to fill open positions at their discretion.

Applicants, including current employees, shall be considered on the basis of ability, performance, experience, training, aptitude, disciplinary record and other job-related qualifications. Military service may also be a factor in hiring decisions, as provided by Iowa's Veteran's Preference law.

J. Driving Records

O.M.W.D. reserves the right to request the disclosure of an applicant's driving record prior to hire, and upon request thereafter as a condition of continued employment, if the applicant may be responsible for the operation of any type of vehicle at any time during employment.

K. Physical Examinations

O.M.W.D. may require Employees to submit to a job-related medical examination by a qualified physician designated by O.M.W.D. and at the O.M.W.D.'s expense after the employee has been offered a position, and before the employee begins work, if such examination is required of all entering employees in the classification. The job offer may be conditioned on the results of a post-offer medical examination. The results of the examination will be kept in a confidential file, separate from the employee's personnel file.

Employees may also be required to submit to a job-related physical examination when necessary to determine if the employee is still able to perform the essential functions of the position, or for fitness for duty examinations required by federal, state or local law. Also, voluntary medical examinations may be conducted as part of the O.M.W.D.'s employee health programs.

L. Probationary Period

Each new hire shall be "on probation" for ninety (90) days. Employment during the probationary period is at the exclusive discretion of the employer. No explanation or justification for failing to continue employment need be given. Completion of a probationary period does not change an employee's status as an at-will employee and does not restrict the O.M.W.D.'s right to terminate employment.

During the probationary period an employee accrues, but cannot use vacation leave. Sick leave is not accrued until the employee successfully completes the probationary period. Probationary employees do not receive paid holidays.

M. Employee Licenses and Certifications

It is the employee's responsibility to keep their licenses and/or certifications current. All required licenses and certificates shall be brought to the appropriate department head to be copied for the employee's personnel file. Failure to keep licenses and certificates current may result in termination.

N. Inclement Weather

In the case of a severe snowstorm (blizzard conditions as determined by the National Weather Service) the following policy will be in effect:

1. If an employee is unable to get to work, he/she may request to be allowed to charge such an absence to vacation, compensatory time or personal time provided he/she has the time accumulated. If no paid time is available, the employee may choose to take the time off without pay.
2. An employee may request to leave work early because of blizzard conditions. If the request is approved, the employee may use accumulated comp time, vacation or personal time. If no paid time is available, the employee may choose to take the time off without pay.
3. Benefit accumulation and eligibility will not be affected if an employee chooses to take the time off without pay.
4. Employees may be required to report to work during severe weather conditions when their presence is needed to serve the public.

In extreme circumstances, the General Manager may determine that it is necessary to close the offices/facilities. In this case, the employee may use accumulated vacation, compensatory time or personal time. If the employee does not have any accumulated time, he/she may be allowed to make up the lost time with approval of the department head.

O. Smoke-Free Workplace

The O.M.W.D. building is designated as a non-smoking facility. Smoking is prohibited in all portions of the facility, as well as on the grounds. Employees who smoke should observe all fire and safety rules when working around or near hazardous chemicals or materials. Additionally, state law prohibits smoking in company-owned vehicles.

P. Direct Deposit

All employees hired on or after July 1, 2015 are required to arrange for their paychecks to be direct deposited into a personal bank account.

SECTION 3

WAGE AND HOUR PRACTICES

A. Hours of Work

The work week begins on Monday and ends on Sunday. Work hours are scheduled as required by workload, production flow, customer needs and the efficient management of personnel resources. Employee work hours thus may change from time to time.

Office and Distribution Employees:

Normal work hours are from 8:00 AM to 5:00 PM, Monday through Friday with a one hour lunch break. Distribution employees will work rotating weekend shifts at the Water Treatment Plant. Scheduled hours are subject to change.

Plant Operation Employees (shift employees):

Plant Operators normal work hours are 7:00 AM to 3:30 PM Monday through Friday with a ½ hour lunch break. Plant Operators will work rotating weekend shifts at the Water Treatment Plant. Scheduled hours are subject to change.

When Distribution or Plant Operators are scheduled to work a weekend shift, they will take two days off during the week, prior to working the weekend.

There shall be no "organized" work breaks. Each employee is allowed a fifteen minute break for each four hour period of time worked. The timing and location of breaks shall vary with work site circumstances. Breaks are not to be used to extend the lunch hour or to allow employees to leave prior to the scheduled ending time.

Only managers and supervisors are authorized to change an individual's work hours. Wages shall be paid for hours actually worked. No wages shall be paid for any other time away from the work place, other than authorized vacation, sick leave, funeral leave, jury duty or paid holidays.

B. Overtime

Overtime hours paid to hourly employees are defined as those hours:

- actually worked in excess of eight hours per day;
- actually worked in excess of forty straight time hours per work week;
- actually worked, when the employee is called upon to work non-normal hours, to help deal with an emergency situation.

Vacation, sick, Holiday, funeral, comp time, jury duty, and all other paid leave are excluded from hours worked for purposes of overtime calculations.

Hourly employees are paid overtime at the rate of one and one-half times the base hourly rate applicable to the work actually performed during overtime hours. Overtime will thus be time and one-half the regular rate of pay.

All overtime must be expressly approved, in writing, in advance by the General Manager. Only approved overtime hours will be paid.

C. Time Cards

Non exempt employees are employees who are required to be paid overtime under provisions of the Fair Labor Standards Act. Non-exempt employees are required to personally and accurately record their time worked. An employee should never record more or less time than they actually work. Inaccurate or incomplete recording of hours worked may result in discipline up to and including discharge. All time worked must be turned in to the Office Manager on the Monday following each scheduled 2 week pay period. All time worked overtime is to be approved, in writing, by the General Manager. Any time that is worked in exchange for "compensatory" time must be turned in and approved as it is earned. Any time off taken in exchange for "compensatory" time must be identified and recorded as such.

D. Lactation Breaks

An employee who is nursing a child up to one year old may take a break for a reasonable period of time for the purpose of expressing breast milk any time she needs to express milk. O.M.W.D. will make a location available to the employee (other than a bathroom) that is shielded from view and free from intrusion from coworkers and the public for purposes of expressing milk. If a suitable location cannot be identified for a nursing mother in a particular location, please contact the General Manager as soon as possible to discuss viable alternatives.

SECTION 4
LEAVE BENEFITS

A. Vacation Pay

O.M.W.D. believes that it is of mutual benefit for employees to spend some time away from their work environment each year. Paid vacation leave is provided for all full-time employees.

Employees earn but cannot use vacation leave until they have successfully completed their first year of employment. Vacation time will not be paid if an employee is terminated or resigns during their first year of employment. Vacation leave is earned by full time employees as follows:

FIRST YEAR	5 DAYS (40 hours)
2 – 5 YEARS	10 DAYS (80 hours)
6 - 13 YEARS	15 DAYS (120 hours)
14 OR MORE YEARS	20 DAYS (160 hours)

Vacation leave is issued annually on an employee's anniversary date. For example, an employee has no vacation leave during his or her first year of employment, but on the date of the employee's first anniversary, he or she will be given 40 hours to use over the next year.

1. All vacations must be approved by the General Manager in advance. Vacation pay will not be given for days missed unless applied for in advance.
2. Requests for vacation must be made far enough in advance for the employee to schedule an alternative time if necessary.
3. The General Manager has the right to approve vacation leave for employees at times that do not interfere with the efficient operations of the Department.
4. Vacation time may be taken in increments of one (1) hour.
5. Vacation leave must be earned before it can be used.
6. Vacation time may not be carried forward from one anniversary year period to another. Vacation must be taken during the anniversary year after it is earned.
7. Probationary period shall be one hundred eighty (180) days.

A qualified employee who terminates their employment with O.M.W.D. must give a two (2) week written notice of their intent to end employment or they will forfeit payment of their accrued vacation pay. An employee fired for violation of policy, or unlawful acts, is not entitled to payment of accrued vacation pay.

Vacation will not accrue during unpaid leaves of absence.

B. Sick Leave

After the probationary period, sick leave may be accrued at one day per month of full time employment. Example: An employee may accrue up to six (6) days sick leave in the first year of employment and up to twelve (12) days per year after that.

Sick leave is a privilege available for regular full time employees and can be used in the following circumstances:

- When the employee is unable to perform his/her job duties because of illness, injury, pregnancy disability or birth of a child;
- When the employee, or the employee’s parent, spouse, child or other dependent, has medical, surgical, dental or optical examinations or treatment;
- When an employee is required to care for an ill member of their immediate family, he/she may use accumulated sick leave. Immediate family is defined as the employee’s parent, spouse, child or other dependent.

Sick leave may be used in increments of one hour (i.e. one hour, two (2) hours, three (3) hours, etc.), unless otherwise approved by the General Manager. After three (3) or more consecutive sick days, an employee will be required to provide a physician's note, giving cause for the employee's absence and releasing the employee to return to work. If an employee is absent from work for an extended documented sick leave, lasting up to twelve (12) consecutive weeks, O.M.W.D. will restore the employee to the employee’s former position, or an equivalent position, whenever possible.

Sick leave may accrue up to ninety (90) days. Accrued sick leave will be paid to an employee upon separation of service according to the following schedule.

YEARS OF SERVICE	PERCENT OF ACCRUED PAID
10 - 14	50%
15 - 19	75%
20 or more	100%

Employees hired after January 1, 2016, will not be eligible for accrued sick leave payout.

Sick leave does not accrue during unpaid leaves of absence.

Notification - An employee who is unable to report for work shall report the reason for the absence to the supervisor within one half hour of the regular starting time for that employee. Failure to provide notice on each such day may be considered a leave of absence without pay for that full day. The Utility may require evidence, paid for by the employee, supporting the use of sick leave, as it sees fit.

C. Funeral Leave

A full-time employee in good standing may be granted up to three working days leave with pay in the event of the death of a spouse, child, parent, father-in-law, mother-in-law, sister, brother, grandparents or members of the employee's immediate household.

D. Paid Holidays

A full-time employee that has passed the probationary period qualifies for the following paid holidays. Holidays must be taken as a day away from the workplace and may not be cashed in if unused. If an employee is scheduled to work on a Holiday, they may schedule a paid day off at a later date with their supervisor.

New Years Day	Veterans Day
Presidents Day	Thanksgiving
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day

Holidays falling on a Saturday are normally observed on the preceding Friday. Holidays falling on a Sunday are normally observed on the following Monday. However, employees whose normal schedule includes weekends will observe the actual holiday.

If a holiday falls during an employee’s vacation or any period of approved sick leave, it will be counted as a holiday and will not be deducted from the employee’s accumulated vacation or sick leave.

Employees on an unpaid leave of absence at the time a holiday occurs will not be paid for the holiday.

E. Family and Medical Leave Act (FMLA)

Upon formal request, the Oskaloosa Water Department will grant a leave under the Family and Medical Leave Act for up to twelve (12) workweeks per calendar year.

Qualifying Reasons for Leave

1. The birth of a child and/or to care for a newborn child if the leave is completed within twelve (12) months of the birth.
2. To care for a newly adopted child or child placed in your home for foster care (under eighteen (18) years of age) if the leave is completed within twelve (12) months of the adoption or placement.
3. To care for a spouse, child (under eighteen (18) years of age), or parent (not parents-in-law) who has a “serious health condition.” FMLA leave may be taken to care for

an adult child eighteen (18) years of age or older if the child is incapable of self-care because of a mental or physical disability.

4. The employee's own "serious health condition" if it renders the employee incapable of working.

An employee may request leave on an intermittent basis. However, for intermittent leave requested for reasons listed in 1 and 2 above, O.M.W.D. can request that all such leave be taken at one time. Intermittent leave requested for medical reasons must be supported by the certification of the health care provider. In cases of planned medical treatment the employee is expected to schedule the treatment so as to create minimum disruption for the department.

A "serious health condition" means an illness, injury, impairment, or physical or mental condition that requires inpatient care in a hospital, hospice, or residential care facility, or continuing treatment by a health care provider resulting in an absence from work for more than three consecutive work days. Voluntary or cosmetic treatments that are done on an outpatient basis or which are not medically necessary are not included. The definition is not meant to cover short-term conditions where treatment and recovery are brief.

A "serious" health condition also is defined as one that makes an individual unable to attend work, school, or perform other daily activities for more than three (3) days, and requires continuing treatment by a health care provider. Also qualifying under FMLA would be treatment for a serious, chronic health condition that if left untreated, would likely result in an absence from work of more than three (3) days, care for long term conditions for which treatment may not be effective, multiple treatments, and recovery therefrom and for pregnancy or prenatal care.

Qualification for Leave

An employee who has worked at least twelve (12) total months for O.M.W.D. and at least 1,250 hours during the previous twelve (12) months is eligible for FMLA leave. Hours will be prorated for part-time employees based on the average number of hours worked per week.

FMLA Leave Period

The FMLA twelve (12) month period will begin each calendar year on January . Any FMLA leave taken after that date will, for the remainder of that twelve (12) month period, be counted toward the twelve (12) week annual allotment.

Notice Requirement

A special request form is available from the office. If the request for the leave of absence is not reasonably foreseeable, the employee must notify the O.M.W.D. as soon as possible. Employees must provide thirty (30) days advance notice whenever the leave is "foreseeable."

Medical Certification

The employee must provide the O.M.W.D. with certification from a health care provider of his/her serious health condition, or the family member's requiring the leave. The O.M.W.D. office will provide a certification form and the employee must return the completed form within

fifteen (15) days or the leave may be denied or delayed until the employee provides proper certification.

Should the O.M.W.D. disagree with the opinion given by the employee's health care provider, the O.M.W.D. reserves its right to require opinions from second or third health care providers at O.M.W.D. expense.

Paid/Unpaid Leave

Subject to the stated provisions for the use of other types of annual leave, the O.M.W.D. requires that the employee immediately use all available sick, vacation, and compensatory paid leave time provided to employees by the O.M.W.D. as part of the twelve (12) week FMLA leave. The employee will not accrue paid holidays or sick leave while on unpaid FMLA leave.

Health Insurance

While on leave covered by the FMLA, the O.M.W.D. will maintain the employee's coverage under any group health insurance plan on the same conditions as coverage would have been provided if the employee had been continuously employed during the entire leave period. The employee will be required to continue to pay his or her contribution to the premium either through payroll deduction or by direct payment to the O.M.W.D. by the ___th of the month. Loss of insurance coverage will result if the premium amount is paid more than thirty (30) days late. If the employee misses a premium payment and the O.M.W.D. pays the employee's contribution, the employee will be required to reimburse the O.M.W.D. for the delinquent payment upon return from leave. Under certain circumstances, if an employee fails to return to work after an approved FMLA leave, the O.M.W.D., may require the employee to reimburse it for the amount the O.M.W.D. paid for the health insurance coverage during the leave.

Double Spouse

When both spouses work for the Oskaloosa Water Department they will be limited to a combined total of twelve (12) weeks for leave taken for birth, adoption, foster placement, or the care of an employee's parent. This limitation does not apply when leave is taken for an employee's own serious health condition, or to care for a spouse or child.

Return From FMLA Leave

An employee who is returning from a family leave of absence must notify the General Manager of the intent to return to work no less than seven (7) calendar days prior to the anticipated date of return.

If the leave was taken because of the employee's own illness or injury, he/she is required to provide a fitness-for-duty certification from a health care provider before returning to work. A failure to do so may cause a delay in the employee's reinstatement.

Upon return from FMLA leave, employees will be returned to their original position or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.

Fraudulent Leave Requests

An employee who fraudulently obtains FMLA leave from the O.M.W.D. is not protected by the Act's job restoration or maintenance of health benefits provisions and will be subject to appropriate disciplinary action, including discharge.

F. FMLA For Military Families

The FMLA was amended to include coverage for eligible employees to care for qualifying service members. Eligible employees may take twenty-six (26) workweeks of leave during a single twelve (12) month period to care for a covered service member with a serious injury or illness who is the spouse, son, daughter, parent, or next of kin to the employee (Military Caregiver Leave). The second type of leave available to certain military families is known as Exigency Leave and entitles eligible employees to up to 12 weeks of leave because of "any qualifying exigency" arising out of the fact that a qualifying family member is on active duty in a foreign country or has been notified of an impending call to active duty status in a foreign country. For purposes of this policy, adult children are qualifying family members.

Unless otherwise stated in this provision, the FMLA provisions described above apply to FMLA military leave.

Paid leave must be extinguished first before unpaid military family FMLA leave is taken. Both types of military family FMLA leave are subject to certification or other verification requirements. Where an employee fails to timely comply with any such requirements, or where this process establishes time off and absences from work are not covered by FMLA, the FMLA leave may be delayed or denied and any absences and time off may be considered unexcused absences subjecting the employee to disciplinary action, up to and including termination of employment.

G. Military Leave

Leaves Available

O.M.W.D. will grant leaves of absence for military service to full-time and part-time regular employees in accordance with applicable state and federal law. A full-time or part-time regular employee, who is a member of the uniformed services, when ordered by proper authority to serve in the uniformed services, shall be granted leave for the period of service. This leave shall be without loss of pay for the first thirty (30) calendar days of the leave. Employees are entitled to one period of paid leave for military service per fiscal year. Any amount of military leave taken during any part of an employee's scheduled workday, regardless of the number of hours taken, shall count as one day toward the thirty calendar days without loss of pay. Absences required for military service that exceed thirty (30) calendar days shall be granted in accordance with the O.M.W.D.'s policies on vacation, compensatory time or unpaid leave, and with applicable state and federal law.

Reemployment Rights - Eligibility

Eligibility for reemployment with O.M.W.D. after an employee completes military service will be determined in accordance with applicable state and federal law. Conditions for reemployment are briefly explained as follows:

1. The employee or an appropriate officer of the uniformed service in which the employee serves, must give advance written or verbal notice of the service to the employee's immediate supervisor, unless military necessity prevents the employee from giving notice or if it is otherwise impossible or unreasonable;
2. The cumulative length of the absence and all previous absences from employment with the O.M.W.D. for reason of military service must not exceed five (5) years;
3. The employee's discharge from military service must be for reasons other than dishonorable; and
4. Upon returning from military service, the employee must report to work or submit a timely application for reemployment according to the following schedule:
 - a. For service of less than thirty (30) days the employee must report to work by the beginning of his or her first regularly scheduled work day that would fall eight (8) hours after the employee returns home.
 - b. For service of 31 to 180 days the employee must apply for reemployment within fourteen (14) days after completing service.
 - c. For service of 181 days or more the employee must apply for reemployment no later than ninety (90) days after completing service.

Continuation of Benefits During Military Service

Employees on leave for military service and any of their dependents entitled to coverage under O.M.W.D.'s health insurance plan are entitled to coverage as follows:

1. An employee that leaves employment for less than thirty-one (31) days is entitled to continued health insurance coverage, and will not be required to pay more than what an active employee would pay for coverage.

An employee that leaves employment for more than thirty (30) days is allowed to elect to receive continued coverage under O.M.W.D.'s health insurance plan for up to eighteen (18) months following separation from employment or until the employee's reemployment rights expire, whichever event occurs first. O.M.W.D may require the employee to pay up to 102% of the premium.

H. Jury and Witness Duty

Any employee required to report for jury duty shall receive a paid leave of absence for the time spent on duty subject to the following limitations. All employees summoned to jury duty or serving as a witness must submit a copy of the summons to their supervisor within two (2) working days after receiving the summons. All employees on jury or witness duty who are released from service by 12:00 Noon are expected to report for work the same afternoon.

While on jury duty, O.M.W.D. will continue the employee's regular salary, but the employee must submit certification of the number of hours spent in such service and assign any compensation received in connection with the duty, less any reimbursement for travel or meal expenses, to the O.M.W.D.

Hours spent by any employee appearing as a witness in any job-related legal proceeding at the direction of the O.M.W.D. shall be considered to be work time.

If an employee is summoned to appear in court as a witness in a case in which he or she is not directly involved, the employee may take an unpaid leave or use accrued vacation hours or accumulated compensatory time.

I. Voting Leave

The O.M.W.D. encourages all employees to fulfill their civic responsibilities and to vote in all official public elections. Generally, an employee's working hours are such that the employee will have ample time to vote before or after working hours. However, if an employee does not have three (3) consecutive nonworking hours between the opening and closing of polls in which to vote, an employee may submit a written request to his or her supervisor as soon as possible before the election for paid time off of up to three (3) hours to vote. The department head will notify the employee of the time he or she will be allowed to vote.

J. Pregnancy Leave

Leave associated with an employee's own serious health condition, the birth of a child or to care for the newborn child within one year of birth may be available under the O.M.W.D.'s Family and Medical Leave policy outlined above.

If an employee is ineligible for FMLA leave, the employee is nonetheless entitled to a job protected leave of absence for the period that the employee is disabled because of the employee's pregnancy, childbirth, or related medical conditions, not to exceed eight (8) weeks. The employee will be required to utilize any available paid vacation leave, sick leave, and personal days during this leave of absence, and after all paid time is exhausted the leave shall be unpaid. The employee must provide timely notice of the period of leave requested; the O.M.W.D. must approve any change in the period requested; and the O.M.W.D. may require that the employee's disability resulting from pregnancy be verified by medical certification stating that the employee is not able to reasonably perform the duties of employment. Any pregnancy leave will be exhausted concurrently with any other available leave or benefits, including but not limited to FMLA leave or any short term disability benefits.

SECTION 5
INSURANCE BENEFITS

A. Health Insurance

The O.M.W.D. provides employee, employee/spouse, employee/child(ren) or employee/spouse/child(ren) health insurance to all eligible employees at no expense to the employee.

If the employee elects not to enroll in health insurance or enrolls in an employee-only insurance policy, \$174.00 will be deposited in a 403(b) retirement fund in lieu of spouse and/or children health insurance coverage.

B. Dental Insurance

Dental insurance is also available to all eligible employees. If the employee elects to have dental insurance, the employee is required to pay \$5.00 per month for single coverage, \$10.00 per month for employee/spouse, and \$16.00 per month for family coverage. This amount will be deducted from the first paycheck of each month.

C. Eye Insurance

Eye insurance is also provided for all eligible employees, their spouse and children at no additional cost to the employee.

D. Life Insurance

Employees are provided basic life insurance of \$20,000.00 by the O.M.W.D. It also provides a group term life benefit of \$5,000.00 on the spouse, and various amounts of coverage for children, dependant on their age. If additional coverage is desired, it can be added at the employee's expense, which will be payroll deducted from the first paycheck of each month.

SECTION 6

GUIDELINES REGARDING CONDUCT AND DISCIPLINE

A. Disciplinary Guidelines

Employees are expected to follow O.M.W.D. policies, to use common sense and courtesy when dealing with customers, visitors and co-workers, and to perform their duties effectively with a professional attitude. When an employee fails to meet O.M.W.D. performance or conduct expectations, O.M.W.D. may take whatever disciplinary action it deems necessary in an attempt to address what it considers to be the unacceptable conduct or performance.

The nature of disciplinary action taken in any situation will be determined by O.M.W.D. in its sole discretion and will depend on the individual circumstances. Discipline may include, but is not limited to, the following measures, verbal warning, written warning, suspension without pay, or discharge.

Nothing in this policy or any other provision of this Handbook or employment related document may be interpreted as establishing any right to oral, written, or progressive discipline prior to discharge. O.M.W.D. expressly reserves the right to terminate any employee's employment at will, without prior notice or discipline and for any reason.

B. Conduct Guidelines

O.M.W.D. is dedicated to providing a high quality product and service for its customers and a high quality work environment for its employees. Our commitment to those goals requires that employees conduct themselves in an ethical, efficient and professional manner at all times. In order to reach its goals, certain types of employee conduct or performance are unacceptable and will result in discipline up to and including immediate discharge. If an employee has concerns about the safety of their work environment or the conduct of another employee, it should be reported immediately to their supervisor.

While this Handbook describes certain types of unacceptable conduct or performance as well as certain types of progressive discipline, please understand that no employee is necessarily entitled to any progressive discipline. Furthermore, the following examples of unsatisfactory conduct or performances are only general guidelines. O.M.W.D. has the right to handle each disciplinary situation as it deems most appropriate. Any employee may be discharged without prior notice or counseling if O.M.W.D. deems that necessary. As it is not possible to provide an exhaustive list of unacceptable conduct or performance, the following constitutes only a representative list of actions which may result in discipline up to and including discharge:

1. Violation of safety rules or conduct which creates a safety or health hazard.
2. Performance which falls below O.M.W.D. standards, including those of quality, quantity, efficiency, timeliness, or courtesy.

3. Misappropriation, mismanagement, misuse or neglect of equipment, products, supplies, money or any other property which belongs to O.M.W.D., one of its employees, or a third party.
4. Failure or refusal to comply with O.M.W.D. policies, procedures, or supervisory instructions.
5. Tardiness, absenteeism or failure to give a supervisor adequate notice in advance of an absence. Repeated absenteeism will not be tolerated and is grounds for dismissal.
6. Insubordination, or use of abusive, threatening or obscene language.
7. Actions which are beyond the scope of an employee's authority.
8. Sexual harassment of employees, customers, or third parties.
9. Assault or battery of any person during working hours.
10. Unlawful discrimination, whether by acts or statements.
11. Inability or unwillingness to communicate and/or cooperate with other employees.
12. Possession, consumption, use or being under the influence of drugs, or alcohol while on O.M.W.D. or customer premises or on O.M.W.D. time, or while operating O.M.W.D. equipment.
13. Any other conduct which represents unacceptable conduct or performance, or a violation of any law, ordinance or rule.

C. Alcohol and Controlled Substance Policy

O.M.W.D. prohibits the consumption, possession, transfer, or sale of alcohol or controlled substances in its facilities or on customer premises or jobsites, or arriving to work while under the influence of alcohol or a controlled substance. O.M.W.D. also prohibits the possession, transfer or sale of any controlled substances, including, but not limited to, marijuana, cocaine, "crack" and any other controlled substance. This prohibition extends to prescription drugs unless the employee has a current prescription. No substance which impairs an employee's performance, including a prescription drug, may be used during work hours.

Employees are prohibited from operating or driving any vehicles or equipment owned, leased or rented by O.M.W.D. while under the influence of alcohol or a controlled substance.

O.M.W.D. reserves the right to search employees and employee property during work time and at any time the employee is on O.M.W.D. or customer premises. Any refusal to allow a search by an authorized supervisor or manager will be grounds for disciplinary action, up to and including termination.

Failure to abide by the alcohol and controlled substance policy is grounds for disciplinary action, up to and including termination.

D. No Solicitation

No solicitation of any kind will be permitted in work areas by employees who should be performing their assigned work tasks, or if the solicitation by non-working employees interferes with the work of other employees who are performing their assigned work tasks.

Solicitation during established breaks, meal times or other specified break periods is not prohibited.

No distribution of any kind, including circulars or other printed materials is permitted in any work area at any time.

An employee who violates these rules or assists others in doing so will be subject to discipline or discharge.

E. Company Vehicle

O.M.W.D. vehicles issued to an employee are to be used for legitimate Water Department business purposes only. No person, other than the employee to whom the vehicle is assigned or other authorized employee, is permitted to drive the Water Department vehicle. The employee operating the vehicle must have a valid driver's license. Driving a Water Department vehicle while under the influence of alcohol or a controlled substance is grounds for disciplinary action, up to and including discharge. Vehicles are to be kept clean inside and out and there will be no tobacco products allowed in Water Department vehicles.

F. Gifts

O.M.W.D. employees are not allowed to accept gifts, tips, or gratuities valued at more than \$2.99, from any vendor or customer. This includes entertainment, trips, and meals beyond ordinary business meals. If an employee has any question about whether acceptance of a gift might violate this policy, they must consult with the General Manager, or the Board of Trustees. Violation of this policy may result in disciplinary action.

G. Investigations

All employees are required to fully cooperate with any member of management who is conducting a work-related investigation. Employees will be disciplined for lying to any member of management, or providing information to any member of management that is dishonest, misleading, inaccurate, or incomplete.

Employees will also be disciplined for impeding, obstructing, or failing to cooperate with an inquiry or investigation conducted by any member of management. "Obstructing" includes, but is not limited to, threatening, intimidating, or coercing other individuals who may be contacted by management, and discouraging other individuals who may be contacted by management from responding to or cooperating with management. "Failing to cooperate" includes, but is not

limited to, failing to provide information, documents, or materials requested by management, and providing information, documents, or materials to management that are dishonest, misleading, inaccurate, or incomplete.

H. Workplace Privacy and Searches

O.M.W.D. attempts to maintain equipment and supplies that permit work to be accomplished in the most efficient and effective manner possible. While employees are encouraged to use these items, it is important to understand that they are O.M.W.D. property and are to be used to conduct O.M.W.D. business.

As part of your employment, a desk, locker, vehicle or work space may be made available to you. These spaces and equipment are O.M.W.D. property. Because the spaces are O.M.W.D. property, not the employee's personal property, they are subject to being inspected by O.M.W.D. at any time, with or without notice to the employee.

O.M.W.D. assumes no responsibility or liability for any items of personal property which are placed in the work spaces that are assigned to the employee.

If O.M.W.D. conducts an examination or inspection under the terms of this policy, there will be at least two (2) individuals present at the time of the examination or inspection.

I. Use of Workplace Technology

O.M.W.D. may provide electronic mail systems, computers, telephone systems, voice mail, fax machines and other technology to employees at O.M.W.D.'s expense for their use in performing their duties for O.M.W.D. The purpose of this policy is to prevent misuse of the O.M.W.D.'s workplace technology and to ensure appropriate, efficient and effective use of such technology. These machines and systems are business equipment owned by O.M.W.D. to be used for business purposes. Exceptions are limited to necessary personal phone calls, and authorized personal use of the Internet and e-mail systems during nonworking time as approved by department heads.

Employees shall maintain the highest professional ethics and conduct while on O.M.W.D.'s electronic communication systems. Employees must restrict personal use to occasional use that does not interfere with the O.M.W.D. business. Occasional, incidental personal use of O.M.W.D. technology must not interfere with job activities nor result in any expense to the O.M.W.D. Personal activities which interfere with the O.M.W.D.'s network, including streaming games or video, are strictly prohibited.

Obscene, demeaning, defamatory, or disruptive messages are prohibited. This includes, but is not limited to, messages that are inconsistent with O.M.W.D.'s policies concerning workplace harassment and sexual harassment. Any use of the Internet or other technology to obtain, transfer, download, or send sexually explicit material for personal use is expressly prohibited.

All communications over and activity conducted on the O.M.W.D. owned systems are property of the O.M.W.D. O.M.W.D. may access, review, audit, and disclose all matters sent over its systems or placed into their storage without prior notice.

Employees should have no expectation or right of privacy when using O.M.W.D. owned systems. The Internet is an open, unsecured network. Also, some electronic communications such as electronic mail and computer files may exist on back-up tapes after the user deletes them. Simply deleting a message or file may not fully eliminate the message from the system. The use of personal passwords or access codes does not restrict the O.M.W.D.'s ability to access electronic communications or files.

The O.M.W.D. may retrieve an employee's voice and electronic mail messages and computer files for non-investigative reasons (such as to retrieve a needed computer file or message) and as part of a valid investigative search relating to workplace misconduct.

The O.M.W.D. may review a record of an employee's Internet usage. An employee's use of the electronic mail, Internet, voice mail or other computer systems constitutes consent to O.M.W.D.'s review of the employee's electronically stored e-mail, files or messages. All messages should be composed with the expectation that they will be made public.

Employees must inform their department heads of voice mail, e-mail and computer passwords or access codes. Employees shall not use unauthorized codes, passwords, or other means to gain access to others' files.

Loading, copying or installing any software, including commercial software, shareware, freeware, games, screen savers, or any other type of software, is prohibited without authorization from the appropriate department head. Employees who are authorized to download information from the Internet must comply with disk scanning procedures established by the O.M.W.D. to minimize the risk of contracting a computer virus.

Employees are prohibited from deactivating software designed to detect and destroy computer viruses.

Use of the electronic communication system to copy and/or transmit any documents, images, software or other information protected by a copyright owned by someone other than O.M.W.D., without proper authorization from the copyright owner, is prohibited. Copyright protection applies to any document, image, software or information unless it is specifically marked as public, not copyrighted, or freeware. In the absence of any specific copyright markings, material or information should be considered copyright protected. The O.M.W.D. assumes no responsibility for reviewing, ascertaining or policing copyright material that may be transmitted to or from the electronic communication system by employees.

Employees will be disciplined, up to and including termination, for violating O.M.W.D.'s technology policy. Employees who are terminated, laid off, or on extended leave of absence are prohibited from accessing e-mail or other O.M.W.D. electronic communications systems.

J. Social Media

Social Computing Guidelines

The purpose of this policy is to establish O.M.W.D. regulations defining the use of various technologies known collectively as “social media”. Social media accounts shall be used for the purpose of informing the public about O.M.W.D. business, services, and events. All official O.M.W.D. presence on social media accounts are considered an extension of O.M.W.D.’s information networks.

This policy covers all social media messages generated on or handled by electronic communication systems owned by O.M.W.D. This policy is also applicable to all social media messages generated by employees of O.M.W.D. that relate to their status as an employee of O.M.W.D.. The regulation of employee speech is subject to the right of employees to freedom of speech as that right has been interpreted by the court.

O.M.W.D.’s website will remain the official location for content regarding O.M.W.D. business, services, and events. Whenever possible, links within social media formats should direct users back to O.M.W.D.’s website for more information, forms, documents, or online services necessary to conduct business with O.M.W.D.

All O.M.W.D.’s social media accounts should be viewable to the public and not use privacy settings.

The O.M.W.D. and authorized departmental extensions should be used on all social media accounts to confirm authenticity of site.

Online representation on social media accounts is ultimately the responsibility of the General Manager. The General Manager shall appoint a social media moderator to control the social media account and ensure appropriateness of content.

Social media accounts should be regularly monitored and updated at least twice a week.

Employees representing O.M.W.D. via social media accounts must conduct themselves at all times as representatives of O.M.W.D. and must comply with the Guidelines contained in this policy and with the provisions relating to “Prohibited Content”.

Any employee who discovers a violation of this policy shall immediately notify the General Manager. An employee who violates this policy or uses social media for improper purposes shall be subject to disciplinary action up to, and including, termination of employment.

Definitions

Social Media: Various forms of discussion and information-sharing, including social networks, blogs, video sharing, podcasts, wikis, message boards, and online forums. Technologies include: picture-sharing, wall-postings, fan pages, email, instant messaging, and music-sharing. Examples of social media applications include, but are not limited to, Google and Yahoo Groups

(reference, social networking), Wikipedia (reference), MySpace (social networking), Facebook (social networking), YouTube (social networking and video sharing), Flickr (photo sharing), Twitter (social networking and micro-blogging), LinkedIn (business networking), and news media comment sharing/bloggging.

Business Purposes: Use of social media as a means of communicating official information about O.M.W.D., including events, department activities, emergency information, and feature stories. Business Purposes also includes use of social media for interaction with a professional association, information source necessary to the job duties of an employee, and interaction with other members of a professional association.

Personal Use: On-duty and off-duty use of personal social media sites by an O.M.W.D. employee for any purpose that is not a business purpose. This includes access on personal or O.M.W.D. provided computers and smart phones.

Posting Guidelines

Employees should be conscious of what they post on social media sites and avoid presenting personal opinions that imply endorsement by O.M.W.D. If posted material could be attributed to O.M.W.D., the post must be accompanied by a disclaimer identifying the statements or opinions presented as those of the poster and stating that the statements or opinions do not reflect those of O.M.W.D.

Employees should not portray themselves as spokesperson for O.M.W.D. unless they are specifically authorized to do so by either the General Manager or his or her designee.

Those responsible for O.M.W.D.'s social media accounts are responsible for complying with applicable federal, state, and local laws, regulations, and polices. This includes adherence to established laws and policies regarding copyright, records retention, Freedom of Information Act (FOIA), First Amendment free speech rights, privacy laws, and information security policies established by O.M.W.D.

Employees may not post text, video, pictures, or other material that would reasonably be considered to be detrimental to the image of O.M.W.D. Employees may only post material which the employee has permission to use.

Employees should keep in mind that once an item is posted it is publicly available on the Internet and cannot be retracted.

Prohibited Content

The following content shall be prohibited on official O.M.W.D. social media sites.

Profane language or content.

Content that promotes, fosters, or perpetuates illegal discrimination of any kind.

Sexually explicit content or links to such content.

Solicitation of others for commercial ventures, or religious, social, charitable or political causes.

Making or publishing of false, defamatory, or malicious statements concerning any employee, supervisor, O.M.W.D., or its operations.

Personal information about employees.

Posting of HIPAA protected information is not permitted.

Use of chat sessions in social media will not be permitted.

The General Manager or designated representative, reserves the right to delete submissions that are deemed inappropriate, according to prescribed unacceptable content standards. If any record is deleted for unacceptable content, the General Manager or designated representative will retain a public record of that content and keep a record of why the information was removed.

Friends, fans, or followers should be removed if they continue to post inappropriate content. One warning should be given. If the individual posts inappropriate content a second time, they should be removed or blocked.

Social Media Account Security

Social media accounts should be tied to an O.M.W.D. email address.

Moderators should never leave a workstation unattended when logged on the social media account.

Only the General Manager and moderator(s) should know the login and password to social media accounts.

If the moderator changes, the login and password should also change.

Personal Use of Social Media

Employees should make certain any online activities do not interfere with their effectiveness at work and ensure any on-duty personal use is limited in nature. If on-duty personal use is interfering with work effectiveness, employees will be subject to disciplinary action.

Employees should be mindful of blurring their personal and professional lives when using or accessing social media sites.

Employees may not use social media to engage in libelous, defamatory, obscene, or maliciously false behavior directed at O.M.W.D., elected officials, appointed officials, other employees, or members of the public.

Employees may not post confidential information which they have learned through their employment with O.M.W.D.

Posting of HIPPA protected information is not permitted.

Employees may not use their O.M.W.D. email account in connection with a personal social networking account.

Employees shall not participate in online social media or forums on behalf of O.M.W.D. unless they are authorized to do so by the General Manager or the designated representative.

When violations of these guidelines occur, O.M.W.D. will exercise judgment in determining the appropriate level of discipline, up to and including termination, by reviewing each incident on a case-by-case basis.

SECTION 7
COMPLAINT PROCEDURE

A. Resolving Employee Questions and Complaints

O.M.W.D. wants every employee to feel he or she has a good place to work. As with any relationship, however, the working relationship can at times create misunderstandings and friction. If a problem develops, or if you feel you have been treated improperly, we strongly encourage you to use the following procedure:

STEP ONE: - Talk over the problem with your Supervisor. He/She may be in the best position to resolve your concern or answer your question. If your Supervisor cannot give you an answer immediately, they may ask you to wait while your concern is studied and more information collected. In any event, your Supervisor should respond to your question or concern.

STEP TWO: - If you are dissatisfied with the response from your Supervisor, you may advance your concern in writing, to the General Manager. The written concern should clearly state the concern, the answer received from your supervisor, and why you remain dissatisfied. The General Manager will consider your concern and inform you of his or her conclusion. If your Supervisor is the General Manager, proceed to step three.

STEP THREE: - If you are dissatisfied with the General Manager's response, you may take your concern to the O.M.W.D. Board of Trustees. The Board will consider your concern and discuss their conclusion with you.

B. Open Door Policy

If for any reason you feel you cannot go to your Supervisor or the General Manager initially, please contact a Board Member to consider your concern.

Appendix A: Employee Acknowledgments

Employee Acknowledgment of Receipt of Handbook

I have received my copy of the O.M.W.D. Employee Handbook. I understand that the handbook has been provided to me for informational purposes only and that the O.M.W.D may change or withdraw any policies, procedures, or benefit programs at any time. I acknowledge that this handbook is not a contract of employment, express or implied, and that I am not guaranteed employment for any specific duration. Either O.M.W.D. or I may terminate my employment at any time with or without notice or cause.

Initial

Alcohol and Controlled Substance Policy Acknowledgment

I have received a copy of the employer's policy regarding the maintenance of a drug-free workplace. I realize that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on this employer's premises or while conducting the employer's business. A violation of this policy can subject me to discipline up to and including termination. I realize I must abide by the terms of this policy and that if I am directly engaged in work performed pursuant to a federal grant or contract, as a condition of employment, I must notify the employer of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction. I further realize that federal law mandates that the employer communicate this conviction to the federal agency, and I hereby waive any and all claims that may arise for conveying this information to the federal agency.

Initial

Acknowledgment of Receipt of Workplace Technology Policy

I have received a written copy of O.M.W.D.'s Workplace Technology policy. I fully understand the terms of this policy and agree to abide by them. I understand that the O.M.W.D.'s computer and electronic communications systems are to be used for business purposes only, with limited exceptions and only as approved by my department head, and that all information stored in, transmitted, or received through O.M.W.D.'s systems is the property of O.M.W.D. I acknowledge that I have no expectation of privacy in connection with the use of this equipment. I acknowledge and consent to O.M.W.D. monitoring my use of this equipment at any time at its discretion. Such monitoring may include, but is not limited to, printing and reading E-mails entering, leaving, or stored in these systems; listening to my voice mail messages; recording the Internet address of any site that I visit; and recording any network activity in which I transmit or receive any kind of file. I acknowledge that any message I send or receive may be recorded and stored in an archive file for management use. I know that any violation of this policy could lead to discipline, up to and including termination.

Initial

Employee's signature

Date