

**Peachtree City Water & Sewerage Authority  
Regular Meeting  
Agenda  
Monday, May 6, 2019  
6:30 p.m.**

- I. Pledge of Allegiance
- II. Public Comment
- III. Minutes
  - April 8, 2019 - Regular Meeting Minutes
- IV. Reports
  - A. Authority Members
  - B. General Manager
- V. Audit Report Presentation
- VI. Property, Crime, General Liability, Boiler & Machinery, Umbrella, Auto, Inland Marine, Employment Practices Liability, Public Entity Liability, Flood & Earthquake and CyberFirst Liability Insurance Coverage – renewal May 1, 2019
- VII. Golf cart path request from City of Peachtree City
- VIII. Employee Handbook
- IX. Executive Session – Real Estate, Personnel, Potential Litigation
- X. Adjourn

**\*\* Location of meeting is Peachtree City Water & Sewerage Authority at 1127 Hwy. 74, South \*\***

**NOTE: This agenda is subject to change up to twenty-four hours prior to the scheduled meeting.**

**A quorum of City Council will be in attendance.**

Peachtree City Water and Sewerage Authority

April 8, 2019

The Peachtree City Water and Sewerage Authority held its monthly meeting on Monday, April 8, 2019, in the conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Vanessa Fleisch, Vice-Chairman Mike King, Treasurer/Secretary Terry Ernst, Board Member Phil Prebor, Board Member Kevin Madden, Ms. Melissa Griffis (attorney with Rosenzweig, Jones, Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Mr. Charlie Hawkins (The Hawkins Firm, LLC), Mr. Nathan Brooks (WASA staff), Mr. Larry Michaels (WASA staff), Mr. John Dufresne, Mr. Vic Hardy, Ms. Vicki Hardy, Ms. Corinne Kehayes, Mr. Chris Stanley, Ms. Cindy Kelly, Mr. Jimmy Kelly, and Ms. Robin Lorber.

Ms. Fleisch called the meeting to order at 6:30 pm, and began with the Pledge of Allegiance.

Ms. Fleisch opened the meeting up for public comment. There were no public comments.

Ms. Fleisch asked for a motion to approve the March 4, 2019 regular meeting minutes. Mr. King made the motion, seconded by Mr. Madden. Motion carried.

Ms. Fleisch asked for a motion to approve the March 20, 2019 special called meeting minutes, and noted a change to the minutes. Mr. King made a motion to approve the minutes with the change noted, seconded by Mr. Madden. Motion carried.

Mr. Dan Davis provided a report as the General Manager. Mr. Dan Davis stated that all vacant staff positions are now filled.

Ms. Griffis stated the attached Agreement with Planterra Ridge covers the time period of 4/19/2019 to 10/31/2019. This Agreement edits some of provisions of the prior agreement (dated 4/20/2005). Planterra Ridge is looking for other availability for their reuse; this Agreement will get them through their current season. The Agreement language was drafted by Club Corp and reviewed by Mr. Dan Davis and Ms. Griffis. The prior agreement did not accurately reflect actual WASA costs. This Agreement is in-line with calculated cost by the WASA team and includes the 20% markup. Mr. Ernst made a motion to approve the Agreement with Planterra Ridge, seconded by Mr. King. Motion carried.

Mr. Dan Davis discussed the Wilksmoor Woods/Century Communities Memorandum of Understanding (MOU). Mr. Dan Davis stated in the Westside Village/Wilksmoor there is a parcel of land uphill from Everton which is under construction. Wilksmoor Woods needs access to public sewer, which is currently not available to the site; a gravity sewer line can be constructed in the next 6 to 12 months. The developer has asked to construct a temporary pump station (built to WASA standards) which can discharge into a gravity sewer line. The developer will extend the gravity sewer line to connect into a new gravity sewer line when access is available. The developer will provide a bond which if needed will cover the cost of construction and condemnation. Mr. King asked if there are any occupancy issues in the area. Mr. Dan Davis responded that nothing is built yet; it is a raw piece of land. Ms. Griffis stated the request is that the Board authorize Ms. Fleisch to sign the MOU once reviewed and approved by Mr. Dan Davis and Ms. Griffis. The MOU is to include: temporary pump station to WASA standards which allows developer to achieve sewer service in their subdivision for a temporary basis; at the time gravity

sewer is available through the adjacent subdivision the developer will connect within three months; the developer has up to five years to make this transition; and a cash bond for construction cost, value of the land, and legal (condemnation) and engineering cost if necessary. Mr. Prebor confirmed that WASA does not need the pump station. Mr. Dan Davis confirmed, stating that the downstream project is not far enough along to connect to the upstream project. Mr. Dan Davis stated the lift station will be designed to handle all homes being built. Mr. Dan Davis stated the lift station will be WASA's responsibility to maintain, but will be removed when the gravity line construction is complete. Ms. Robin Lorber stated that if Pulte builds Phase 6, then they should be able to tie-in. Mr. Dan Davis stated that they would be able to connect to gravity sewer, if approved. Mr. King asked if condemnation of the property could delay this process. Mr. Dan Davis was referring to the property to connect that is not owned by this development. Ms. Griffis stated yes, condemnation could delay the process. Mr. Dan Davis confirmed if that were to happen, the development will still be on the pump station. Mr. King made a motion to authorize Ms. Fleisch to execute a MOU between WASA and Wilksmoor Woods/Century Communities upon Mr. Dan Davis and Ms. Griffis approval of the terms discussed, seconded by Mr. Ernst. Motion carried.

Ms. Baer discussed the Verizon Connect Contract as a means of tracking WASA vehicle location and maintenance. There was previously a similar system installed on the vehicles. The Verizon Connect Contract is to reinstall similar type devices in order to track where vehicles have been but also to track various maintenance needs for all the vehicles. Mr. Dan Davis added that this is also a safety issue. Ms. Baer confirmed that at some point the previous system was discontinued. The one-time and recurring costs are outlined in the contract. Ms. Griffis stated the request is to approve Mr. Philip Abbott, as WASA's IT consultant, to sign the Verizon Connect Contract. Mr. Ernst made a motion to approve the Verizon Connect Contract, seconded by Mr. Prebor. Motion carried.

Mr. Dan Davis discussed the draft Employee Handbook and Employee Pay Ranges. Mr. Dan Davis noted he will present preliminary findings of the Compensation Resources Benefits and Salary Study and Mr. Hawkins will present a draft of the Employee Handbook. Mr. Dan Davis noted the Handbook draft is based on the SHRM template modified for Georgia law and some of WASA's current policies, and taking into consideration previous studies (Mercer Study/Update and Whit Perrin Study). Mr. Dan Davis stated the team also looked at the benefits of the City of Peachtree City.

Mr. Dan Davis stated the 2006 Mercer Study shows WASA pay rates at 62% of the market, however no benefits were studied. In 2013 Mercer updated the study; pay rates at this time were determined to be 2.96% below the market. The Mercer update looked at benefits; it was determined that WASA was competitive in all areas with the exception of Vision and Short-term Disability insurance. As a result, the pay plan was updated to bring WASA's pay to 50% of the market. The 2017 Whit Perrin study covered compensation and benefits, as well as HR policies utilizing data from AWWA. Salaries were found to be below the market at 88.6% on average from the midpoint of the 75<sup>th</sup> percentile. The Whit Perrin study noted that longevity pay is typically only awarded for staff that have reached the max of their pay grade; few organizations offered some form of attendance bonuses typically as a small percentage of annual pay; few organizations offer comparable longevity pay; and WASA longevity pay represents a significant portion of an employee's pay after they reach the five-year mark. The 2017 Whit Perrin study showed WASA healthcare and dental benefits were competitive. The study found few employers offer retirement defined benefit plans (pension) and of the defined contribution plans offered, the company match was 1% to 12% of salary with an average of 5% match. Mr. King inquired as to WASA's current retirement matching program. Mr. Dan Davis responded that WASA currently has a defined contribution

plan with 8% to a retirement account and match 100% of employee contributions up to 8%; for a total possible WASA contribution of 16%. The study also found the following with regard to other benefits:

- Two weeks per year paid leave with increases for service is typical.
- Typically 10 paid holidays; WASA currently provides for 11.
- Life insurance typically paid 100% by the employer. WASA currently provides two times the employee salary plus \$15,000.
- Long-Term Disability and Short-Term Disability typically covered by the employer.

Mr. Dan Davis noted that overall WASA benefits were found to be competitive. Mr. Dan Davis noted that the team looked at WASA's benefits as compared to the City of Peachtree City. WASA currently offers longevity pay; the City does not offer bonuses or longevity pay. Mr. Dan Davis reviewed the accrual rates for WASA versus City employees; WASA employees can carry over a max of 50 days of vacation per year, and City employees can carry over a max of the employee's yearly accrual rate plus 20%. WASA's maximum sick time carry over is 80 days; the City maximum carry over is 30 days. Bereavement and Jury Duty policies are similar between the organizations. WASA life insurance provides two times the employee salary plus \$15,000; the City provides for one time employee salary. Short-term disability is optional and long-term disability is provided for both WASA and City employees. WASA has a defined contribution plan (as discussed) and the City has a defined pension plan – the two plans cannot be compared. Mr. Dan Davis stated the Compensation Resources (CR) report will be presented in May. The CR report will look at various data sources based on revenue, geography, industry, etc. CR will provide salary data at the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile; and we have asked them to formulate the 70<sup>th</sup> percentile. If the Board chooses to adopt the 70<sup>th</sup> percentile, it will serve as the midpoint. The data will be adjusted to reflect geography and inflation. Shift differentials and longevity pay will be addressed. Mr. Dan Davis summarized by saying that it appears WASA employees are being underpaid. Preliminary employee pay ranges based on CR data were provided.

Mr. Hawkins discussed the draft Employee Handbook. Mr. Hawkins noted there are some changes to language and a couple items in the current handbook were removed because they don't apply to WASA (for example FMLA). FMLA applies to organizations with 50 or more employees. Since this policy does not apply to WASA, it has been removed. As well, the Grievance Procedure was removed because it is an unusual policy for this type of organization. A written On-Call policy has been added providing a clear policy. A vehicle use policy has been added as well. Mr. Hawkins noted that most employers now have a Paid Time Off (PTO) policy versus a Sick/Vacation policy. Starting next year we suggest WASA move to a PTO policy. The advantage of a PTO policy is that the employee can use the time for whatever they prefer. Mr. Hawkins suggested in order to minimize disruption, WASA could leave the current policy in place for the remainder of 2019; and beginning next year with a maximum rollover of 200 vacation hours and 50 sick hours; and at the end of 2020 limit the PTO carryover to 120 hours. Mr. Hawkins proposed the employees be paid one-half regular rate for vacation time lost due to the transition. Mr. Prebor asked if PTO is approved based on seniority. Mr. Hawkins stated time off should be planned in advance and if you are sick that is different; time off would be monitored in the same way it is now. Mr. Hawkins noted another issue to the current system is employees choosing to bank time instead of taking time; the intent of paid time off is to take vacation; there are many studies showing the various benefits of employees taking their vacation time. Mr. Prebor asked regarding how these changes will affect the rate payers and the budget. Mr. Dan Davis responded that we believe these changes can be implemented within the 2018 budget. Ms. Fleisch asked for clarity regarding the Grievance Procedure. Mr. Hawkins stated based on his experience this type policy is not seen in other similar organizations. Mr. Hawkins stated that certainly if an employee has a complaint, we will consider it. But the current policy creates more administrative work, and provides a structure allowing employees who should leave

the ability to work the system thus prolonging their exit. Mr. Madden asked regarding the Confidentiality and Conflict of Interest policy; how do we determine the discipline/action. Mr. Hawkins stated the discipline policy provides some flexibility/discretion to address these type issues, including immediate termination if necessary. Mr. Hawkins noted this issue is also discussed in the Social Media policy, admonishing people to not disclose confidential information.

Ms. Fleisch asked for a motion to adjourn into Executive Session for the purposes of Real Estate, Potential Litigation and Personnel. The motion was made by Mr. King and seconded by Mr. Madden. Motion carried. The meeting was adjourned into Executive Session at 7:24 pm.

The meeting was reconvened at 8:34 pm.

Ms. Fleisch asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Ernst. Motion carried. The meeting was adjourned at 8:34 pm.

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Chairman - Vanessa Fleisch

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Treasurer/Secretary - Terry Ernst

**PEACHTREE CITY WATER &  
SEWERAGE AUTHORITY**

**(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

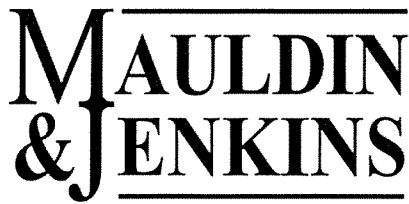
# PEACHTREE CITY WATER & SEWERAGE AUTHORITY

## FINANCIAL REPORT SEPTEMBER 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors  
Peachtree City Water & Sewerage Authority  
Peachtree City, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **Peachtree City Water & Sewerage Authority** (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as 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 accounting principles generally accepted in the United States of America; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 entity'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 entity'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Peachtree City Water & Sewerage Authority, a component unit of Peachtree City, Georgia, as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 10, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, as of October 1, 2017. This standard changed the accounting for the Authority's goodwill and the related disclosures. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2019, on our consideration of the Peachtree City Water & Sewerage Authority'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 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 Peachtree City Water & Sewerage Authority's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 7, 2019

# PEACHTREE CITY WATER & SEWERAGE AUTHORITY

## STATEMENT OF NET POSITION SEPTEMBER 30, 2018

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<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 912,264
Investments	3,282,012
Accounts receivable, net	1,551,425
Prepaid expenses	<u>62,269</u>
Total current assets	<u>5,807,970</u>
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents	<u>1,600,648</u>
Total restricted assets	<u>1,600,648</u>
<b>CAPITAL ASSETS</b>	
Non-depreciable	2,109,580
Depreciable, net of accumulated depreciation	<u>29,760,737</u>
Total capital assets, net	<u>31,870,317</u>
Total assets	<u><u>\$ 39,278,935</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred bond refunding loss	\$ 630,887
Goodwill	<u>1,100,001</u>
Total deferred outflows of resources	<u><u>\$ 1,730,888</u></u>

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**LIABILITIES**

**CURRENT LIABILITIES**

Payable from current assets:

Accounts payable and accrued expenses	\$ 403,231
	<u>403,231</u>

Payable from restricted assets:

Interest payable	43,062
Revenue bonds payable, current	2,260,000
	<u>2,303,062</u>

Total current liabilities	<u>2,706,293</u>
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**LONG-TERM LIABILITIES**

Revenue bonds payable, net	<u>16,143,217</u>
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Total liabilities	<u>18,849,510</u>
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**NET POSITION**

**NET POSITION**

Net investment in capital assets	14,097,987
Restricted for debt service	1,557,586
Unrestricted	<u>6,504,740</u>

Total net position	<u>\$ 22,160,313</u>
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**See Notes to Financial Statements.**

**PEACHTREE CITY WATER & SEWERAGE AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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<b>Operating revenues:</b>	
Charges for services	\$ 9,753,373
<b>Operating expenses:</b>	
Salaries, wages, and employee benefits	2,392,536
Plant operations	2,197,793
Consulting and legal	546,558
Amortization expense	66,667
Depreciation expense	3,487,901
Other operating expenses	439,412
Total operating expenses	<u>9,130,867</u>
Operating income	<u>622,506</u>
<b>Non-operating revenues (expenses):</b>	
Interest income	32,234
Interest expense	<u>(700,596)</u>
Total non-operating expenses, net	<u>(668,362)</u>
Loss before capital contributions	<u>(45,856)</u>
<b>Capital contributions</b>	<u>1,608,560</u>
Change in net position	1,562,704
<b>Net position, beginning of year, as restated</b>	<u>20,597,609</u>
<b>Net position, end of year</b>	<u>\$ 22,160,313</u>

See Notes to Financial Statements.

# PEACHTREE CITY WATER & SEWERAGE AUTHORITY

## STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 9,686,326
Payments to suppliers	(3,121,273)
Payments to employees	(2,479,534)
	<hr/>
Net cash provided by operating activities	4,085,519
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(1,333,749)
Principal payments on long-term debt	(2,225,000)
Payment of interest on bonds	(523,878)
	<hr/>
Net cash used in capital and related financing activities	(4,082,627)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from investments	818,453
Interest received	32,234
	<hr/>
Net cash provided by investing activities	850,687
Net increase in cash and cash equivalents	853,579
Cash and cash equivalents (including restricted amounts of \$1,573,606), beginning of year	<hr/> 1,659,333
Cash and cash equivalents (including restricted amounts of \$1,600,648), end of year	<hr/> <hr/> \$ 2,512,912
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 622,506
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	3,554,568
Changes in assets and liabilities:	
Increase in accounts receivable	(67,047)
Increase in prepaid expenses	(1,211)
Increase in accounts payable	63,701
Decrease in accrued payroll and compensated absences	(86,998)
	<hr/>
Net cash provided by operating activities	<hr/> <hr/> \$ 4,085,519
<b>Noncash capital and related financing activities:</b>	
Developer contributions	<hr/> <hr/> \$ 1,608,560

See Notes to Financial Statements.

# PEACHTREE CITY WATER & SEWERAGE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Business**

On March 31, 1987, the General Assembly of the State of Georgia approved enabling legislation to create the Peachtree City Water & Sewerage Authority (the "Authority").

The purpose of the Authority is to manage the sewer systems of Peachtree City, Georgia (the "City") and they are empowered to do all things necessary to accomplish this purpose. The Authority is a utility charged with the collection and treatment of public, commercial, and industrial wastewater within the City. The Authority owns and operates the entire sewer system infrastructure located in Peachtree City. The Authority's related services include waste treatment, maintenance of sewer lines, and installation of new sewer lines.

The Authority is considered to be a blended component unit of Peachtree City, Georgia, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61. The City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The Authority's governing body is the same as that of the City. The Authority and Peachtree City have entered into a sewer agreement whereby the City is obligated to make contract payments when the Authority has insufficient funds to meet the debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged.

#### **Significant Accounting Policies**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies.

#### **Basis of Presentation**

The Authority's financial statements include provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Significant Accounting Policies (Continued)

##### Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type - *Enterprise Fund*. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

##### Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on the *flow of economic resources measurement focus* and use the *accrual basis of accounting*. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Net position is segregated into net investment in capital assets and restricted and unrestricted net position components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

##### Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Significant Accounting Policies (Continued)**

##### **Cash and Investments**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority.

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents. Investments are stated at fair value.

##### **Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond September 30, 2018, are recorded as prepaid expenses.

##### **Receivables**

All receivables are reported at their gross value and are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues are recognized at the end of each fiscal year based on billings during the month following the close of the fiscal year.

##### **Restricted Assets**

The Authority, because of certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and purchase additional equipment and improvements.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Significant Accounting Policies (Continued)

##### Capital Assets

Capital assets are carried at cost. Donated capital assets are recorded at acquisition value. Capital assets of the Authority are depreciated using the straight-line method over the following useful lives:

Vehicles	5 years
Equipment	10 years
Sewer plants	10 - 25 years
Pump stations	20 years
Pipeline	50 years
Buildings	50 years
Infrastructure	50 years

Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and a gain or loss is recognized.

##### Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position is those amounts, because of certain bond covenants, that can be used only to service outstanding debt and purchase additional equipment and improvements.

##### Bond Premium/Discount and Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums and discounts are presented as an addition and reduction, respectively, of the face amount of bonds payable. Bond issuance costs are expensed in the period incurred.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Significant Accounting Policies (Continued)

##### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority had two items that qualified for reporting in this category: deferred bond refunding loss and goodwill. A bond refunding loss results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. Goodwill results under circumstances in which an asset is acquired and the consideration provided exceeds the net position acquired. This amount is deferred and amortized over the useful life of the asset acquired, starting at the acquisition date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority had no items that qualified for reporting in this category.

##### Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the Authority's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

##### Capital Contributions

Capital contributions consist of capital grants or contributions from developers, customers and other governmental entities.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. DEPOSITS AND INVESTMENTS

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2018, the Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

**Interest Rate Risk.** The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2018, the Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Government bonds	March 2020 - November 2021	\$ 671,696
Certificates of deposit	October 2018 - May 2020	2,610,316
		<u>\$ 3,282,012</u>

**Fair Value Measurements.** The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of September 30, 2018, all of the Authority's investments subject to level disclosure are valued at Level 1.

### NOTE 3. RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at September 30, 2018:

Accounts receivable	\$ 1,582,486
Less allowance for uncollectibles	31,061
Net total receivables	<u>\$ 1,551,425</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the Authority for the year ended September 30, 2018, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 1,609,580	\$ -	\$ -	\$ -	\$ 1,609,580
Construction in progress	1,209,118	279,969	-	(1,489,087)	-
Assets to be disposed of	500,000	-	-	-	500,000
Total	<u>3,318,698</u>	<u>279,969</u>	<u>-</u>	<u>(1,489,087)</u>	<u>2,109,580</u>
Capital assets, being depreciated:					
Land improvements	18,300	-	-	-	18,300
Buildings	1,849,920	74,185	-	-	1,924,105
Vehicles	2,166,548	27,395	-	-	2,193,943
Equipment	1,899,106	126,705	-	-	2,025,811
Infrastructure	373,776	-	-	-	373,776
Sewer plants	26,018,394	384,515	-	168,719	26,571,628
Pump stations	9,747,914	210,183	-	-	9,958,097
Pipeline	16,966,478	1,839,357	-	1,320,368	20,126,203
Total	<u>59,040,436</u>	<u>2,662,340</u>	<u>-</u>	<u>1,489,087</u>	<u>63,191,863</u>
Less accumulated depreciation for:					
Land improvements	18,300	-	-	-	18,300
Buildings	529,572	38,751	-	-	568,323
Vehicles	1,863,432	245,041	-	-	2,108,473
Equipment	1,385,327	160,044	-	-	1,545,371
Infrastructure	42,324	3,766	-	-	46,090
Sewer plants	15,156,832	1,237,573	-	-	16,394,405
Pump stations	6,601,315	1,517,769	-	-	8,119,084
Pipeline	4,346,123	284,957	-	-	4,631,080
Total	<u>29,943,225</u>	<u>3,487,901</u>	<u>-</u>	<u>-</u>	<u>33,431,126</u>
Depreciable property, net	<u>29,097,211</u>	<u>(825,561)</u>	<u>-</u>	<u>1,489,087</u>	<u>29,760,737</u>
Total capital assets, net	<u>\$ 32,415,909</u>	<u>\$ (545,592)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,870,317</u>

Depreciation expense for the year ended September 30, 2018, was \$3,487,901.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity of the Water & Sewerage Authority as of and for the year ended September 30, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 19,900,000	\$ -	\$ (2,225,000)	\$ 17,675,000	\$ 2,260,000
Bond premium	840,112	-	(111,895)	728,217	-
Revenue bonds, net	<u>20,740,112</u>	<u>-</u>	<u>(2,336,895)</u>	<u>18,403,217</u>	<u>2,260,000</u>
Compensated absences (in accrued expenses)	<u>181,713</u>	<u>62,434</u>	<u>(121,297)</u>	<u>122,850</u>	<u>122,850</u>
	<u><u>\$ 20,921,825</u></u>	<u><u>\$ 62,434</u></u>	<u><u>\$ (2,458,192)</u></u>	<u><u>\$ 18,526,067</u></u>	<u><u>\$ 2,382,850</u></u>

On January 30, 2013, the Authority issued \$7,800,000 in 2013A series sewer system revenue bonds with interest rates ranging from 2.0% to 4.0% to fully refund the 2002 Series bonds.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 300,000	\$ 300,000
2020	-	300,000	300,000
2021	-	300,000	300,000
2022	-	300,000	300,000
2023	1,900,000	268,000	2,168,000
2024-2027	<u>5,900,000</u>	<u>484,400</u>	<u>6,384,400</u>
	<u><u>\$ 7,800,000</u></u>	<u><u>\$ 1,952,400</u></u>	<u><u>\$ 9,752,400</u></u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. LONG-TERM DEBT (CONTINUED)

On January 30, 2013, the Authority issued \$20,800,000 in 2013B sewer system revenue bonds with interest rates ranging from .48% to 2.67% in order to advance refund \$18,975,000 of outstanding 2005 Series bonds. The proceeds were deposited into an escrow account to provide for the future debt service payments on the 2005 Series bonds. As a result, that portion of the Series 2005 bonds are considered defeased and have been removed from the Authority's financial statements. The outstanding principal of the defeased bonds is \$13,435,000 as of September 30, 2018.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,260,000	\$ 189,430	\$ 2,449,430
2020	2,300,000	147,676	2,447,676
2021	2,345,000	99,698	2,444,698
2022	2,405,000	44,788	2,449,788
2023	565,000	7,543	572,543
	<u>\$ 9,875,000</u>	<u>\$ 489,135</u>	<u>\$ 10,364,135</u>

The Series 2013A and Series 2013B bonds are limited obligations of the Authority, payable solely from net operating revenues of the system and the contract payments. The Authority and the City have entered into a sewer system agreement whereby the City is obligated to make contract payments when the Authority has insufficient funds to meet the debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged.

### NOTE 6. PROFIT SHARING AND SAVINGS PLANS

All employees of the Authority over 18 years of age and after completing six consecutive months of service are eligible to participate in the Peachtree City Water & Sewerage Authority Profit Sharing and Savings Plan. Participants are 100% vested in profit sharing and matching accounts after five years of service.

The Authority contributes 8% of defined compensation for all eligible employees. If the employee also contributes between 4% and 8% to the Plan, the Authority matches 100% of the employee's contribution up to a max of 8% of the employee's salary.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 6. PROFIT SHARING AND SAVINGS PLANS (CONTINUED)**

The Authority also contributes \$10,000 annually to a Money Purchase Plan and Trust for the sole benefit of the general manager ("GM"). The GM is immediately 100% vested and does not make any voluntary contributions to this plan.

Retirement expense for the year ended September 30, 2018 was \$190,341. These plans were effective June 1, 1998.

### **NOTE 7. RISK MANAGEMENT**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has joined together with other governmental entities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the Authority is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The Authority is also to allow the pool's agents and attorneys to represent the Authority in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Authority within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Additionally, the Authority has purchased private insurance to cover all other exposure related to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Settled claims have not exceeded the coverages in the last three fiscal years.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. COMMITMENTS AND CONTINGENCIES

#### Contractual Commitments

As of September 30, 2018, The Authority did not have any contractual commitments on uncompleted contracts.

### NOTE 9. IMPAIRMENT OF LONG-LIVED ASSETS

In August 2001, the Financial Accounting Standards Board issued Statement No. 144, *Accounting for the Impairment of Disposal of Long-lived Assets*. This Statement requires that a single accounting model be used for long-lived assets to be disposed of by sale, and broadens the presentation of discontinued operations to include more disposal transactions. The Statement requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. Subsequent to September 30, 2003, the Authority made a decision to shut down a wastewater treatment facility. This facility had an approximate book value of \$653,000. Estimated undiscounted cash flows are expected to be approximately \$500,000; consequently, an impairment loss of approximately \$153,000 was recognized in the year ended September 30, 2003. The facility is now classified as "assets to be disposed of".

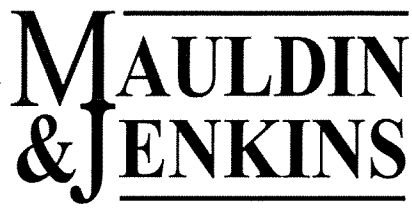
### NOTE 10. CHANGE IN ACCOUNTING PRINCIPLE

The Authority determined that a restatement to beginning net position was required to recognize the change in accounting principle for the implementation of GASB Statement No. 85, *Omnibus 2017*, as of October 1, 2017. This standard requires acquisitions previously reported as goodwill be reclassified as deferred outflows of resources and amortized over the useful life of the asset acquired, starting at the acquisition date.

The restatement is as follows:

Net position, beginning of year, as previously reported	\$ 21,597,608
Adjustment to record amortization expense in accordance with GASB Statement No. 85	<u>(999,999)</u>
Net position, beginning of year, as restated	<u>\$ 20,597,609</u>





**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**

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**To the Board of Directors  
Peachtree City Water & Sewerage Authority  
Peachtree City, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Peachtree City Water & Sewerage Authority (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 7, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 that a material misstatement of the entity'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 that 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.

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As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 7, 2019

# PEACHTREE CITY WATER & SEWERAGE AUTHORITY

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes <u> X </u> No
Noncompliance material to financial statements noted?	____ Yes <u> X </u> No

#### Federal Awards

There was not an audit of major federal award programs as of September 30, 2018 due to the total amount expended being less than \$750,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

### SECTION III STATUS OF PRIOR YEAR FINDINGS

None reported.

**Peachtree City Water & Sewer Authority  
Insurance Summary**

2018-2019 COVERAGES	18/19	19/20	2019-2020 COVERAGES
<p><b><u>Property - State National Insurance Company</u></b>  <b>Location 1</b> – 100 Aviation Way, Peachtree City, GA 30269  <b>Location 2</b> – 1127 Hwy 74 South, Peachtree City, GA 30269  <b>Blanket Building &amp; Personal Property</b>     <b>\$13,222,248</b>  <b>EDP - \$250,000 Blanket per occ / \$10,000 away from premises</b></p> <p><b>Deductible:</b> \$10,000  <b>Valuation:</b> Replacement Cost / Special Cause of Loss / 90% Coins  <b>Loss of Income /Extra Expense:</b>             \$100,000/\$500,000</p> <p><b><u>Crime - State National Insurance Company</u></b>  Employee Dishonesty   \$250,000  Forgery or Alteration   \$250,000  Computer Fraud         Included  Theft of Money &amp; Securities (Loss Inside your Bldg) \$75,000  <b>Deductible:</b> \$1,000</p> <p><b><u>General Liability - State National Insurance Company</u></b>  \$3,000,000 General Aggregate  \$3,000,000 Products &amp; Completed Operations Aggregate  \$1,000,000 Each Occurrence  \$1,000,000 Advertising and Personal Injury  \$1,000,000 Failure to Supply Limit  \$1,000,000 Premises Damage Limit  \$ 5,000 Medical Expense  <b>\$ 5,000 DEDUCTIBLE</b></p> <p><b>Employee Benefit Liability:</b>  \$1,000,000 / \$3,000,000 Limit</p> <p><b><u>Boiler &amp; Machinery – State National Insurance Company</u></b>  \$13,222,248 Limit  \$2,500 Deductible / 24 hour on Service Interruption</p> <p><b><u>Umbrella – State National Insurance Company</u></b>  \$1,000,000 Limit / \$10,000 Deductible</p>	<p><b>\$ 63,612</b></p> <p><b>Included</b></p> <p><b>Included</b></p> <p><b>Included</b></p> <p><b>\$2,728</b></p> <p><b>\$ 6,917</b></p>	<p><b>\$58,776</b></p> <p><b>Included</b></p> <p><b>Included</b></p> <p><b>Included</b></p> <p><b>Included</b></p> <p><b>\$ 4,459</b></p>	<p><b><u>Property - Travelers</u></b>  <b>Location 1</b> – 100 Aviation Way, Peachtree City, GA 30269  <b>Location 2</b> – 1127 Hwy 74 South, Peachtree City, GA 30269  <b>Blanket Building &amp; Personal Property</b>     <b>\$13,247,248</b>  <b>EDP - \$250,000 Blanket per occ / \$10,000 away from premises</b></p> <p><b>Deductible:</b> \$10,000  <b>Valuation:</b> Replacement Cost / Special Cause of Loss / 90% Coins  <b>Loss of Income /Extra Expense:</b>             \$100,000/\$500,000</p> <p><b><u>Crime - Travelers</u></b>  Employee Dishonesty   \$500,000  Forgery or Alteration   \$500,000  Computer Fraud         Included  Theft of Money &amp; Securities (Loss Inside your Bldg) \$75,000  <b>Deductible:</b> \$1,000</p> <p><b><u>General Liability - Travelers</u></b>  \$3,000,000 General Aggregate  \$3,000,000 Products &amp; Completed Operations Aggregate  \$1,000,000 Each Occurrence  \$1,000,000 Advertising and Personal Injury  \$1,000,000 Failure to Supply Limit  \$1,000,000 Premises Damage Limit  \$ 5,000 Medical Expense  <b>\$ 5,000 DEDUCTIBLE</b></p> <p><b>Employee Benefit Liability:</b>  \$1,000,000 / \$3,000,000 Limit  Deductible \$1,000</p> <p><b><u>Boiler &amp; Machinery – Travelers</u></b>  \$13,247,248 Limit  <b>\$2,500 Deductible</b> / 24 hour on Service Interruption</p> <p><b><u>Umbrella – Travelers</u></b>  \$1,000,000 Limit / \$10,000 Deductible</p>

**Peachtree City Water & Sewer Authority  
Insurance Summary**

2018-2019 COVERAGES	18/19	19/20	2019-2020 COVERAGES
<p><b><u>Auto</u></b>— State National Insurance Company            \$1,000,000 Liability Limit            \$ 100,000 Uninsured Motorist            \$ 5,000 Medical Payments</p> <p><b>* Liability only applies to these vehicles</b></p> <p><b>Deductibles:</b> \$1,000 Comprehensive / \$1,000 Collision</p> <p><b>Hired Car Physical Damage:</b> No Limit (\$100 Comp/\$1,000 Coll)</p> <p><b><u>Vehicle Schedule:</u></b></p> <p>2003 Ford F350, S#8124    Comp Only            2006 Ford F250, S#9819            2015 Ford F150, S#1880            2011 Dodge, S#5592            2011 Freightliner, S#5949            2011 Ford, S#4746            2011 Pace, S#7076            2012 Freightliner, S#2619            2012 Freightliner, S#2618            2012 Ford Transit, S#0729            2013 Ford Fusion, S#5150            2014 Ford F150, S#4046            2014 Ford F150, S#2897            2014 Ford F150, S#4047            2014 Freightliner, S#3695            2014 Gator, S#0715</p> <p>Continued on next page</p>	<p><b>\$ 25,398</b></p>	<p><b>\$25,393</b></p>	<p><b><u>Auto</u></b>— Travelers            \$1,000,000 Liability Limit            \$ 100,000 Uninsured Motorist            \$ 5,000 Medical Payments</p> <p><b>* Liability only applies to these vehicles</b></p> <p><b>Deductibles:</b> \$1,000 Comprehensive / \$1,000 Collision</p> <p><b>Hired Car Physical Damage:</b> No Limit (\$100 Comp/\$1,000 Coll)</p> <p><b><u>Vehicle Schedule:</u></b></p> <p>2003 Ford F350, S#8124    Comp Only            2006 Ford F250, S#9819            2015 Ford F150, S#1880            2011 Dodge, S#5592            2011 Freightliner, S#5949            2011 Ford, S#4746            2011 Pace, S#7076            2012 Freightliner, S#2619            2012 Freightliner, S#2618            2012 Ford Transit, S#0729            2013 Ford Fusion, S#5150            2014 Ford F150, S#4046            2014 Ford F150, S#2897            2014 Ford F150, S#4047            2014 Freightliner, S#3695            2014 Gator, S#0715</p> <p>Continued on next page</p>

**Peachtree City Water & Sewer Authority  
Insurance Summary**

2018-2019 COVERAGES	18/19	19/20	2019-2020 COVERAGES
<p><u>Vehicle Schedule Continued:</u></p> <p>2015 Ford F150, S#0185            2015 Ford F250, S#0930            2015 Ford F150, S#3050            2016 Ford, S#2896            2015 Ford F150, S#6123            20' Utility @7000#GVWR, S#4605            2016 Freightliner, S#4195            2016 Ford F150, S#7878            2011 Pace TV Trl, S#215A            1999 Gator Trl, S#1152            2017 Ford F350 #3574            2017 Ford F150 #0739            2017 Ford F150 #5410            2017 Ford F250 #8318            2014 Ford F150 #2896</p>			<p><u>Vehicle Schedule Continued:</u></p> <p>2015 Ford F150, S#0185            2015 Ford F250, S#0930            2015 Ford F150, S#3050            2016 Ford, S#2896            2015 Ford F150, S#6123            20' Utility @7000#GVWR, S#4605            2016 Freightliner, S#4195            2016 Ford F150, S#7878            2011 Pace TV Trl, S#215A            1999 Gator Trl, S#1152            2017 Ford F350 #3574            2017 Ford F150 #0739            2017 Ford F150 #5410            2017 Ford F250 #8318            2014 Ford F150 #2896            2016 Ford F150 #3950</p>

**Peachtree City Water & Sewer Authority  
Insurance Summary**

2018-2019 COVERAGES	18/19	19/20	2019-2020 COVERAGES
<p><b><u>Inland Marine</u></b> – <b>State National Insurance Company</b>  Blanket Tools &amp; Equipment: \$15,000 (\$2,500 Max Any One Item)  <b>Deductible:</b> \$1,000  Rented &amp; Leased Equipment - \$250,000 Limit(\$75,000 any one item)  <b>Equipment Schedule:</b>  1987 Ram Jet Sewerage Cleaner           \$ 5,000  Onen Generator                               \$15,000  Cat Yancy 416F2 Backhoe                 \$86,000  2007 New Holland Tractor               \$12,570  2007 New Holland Tractor               \$12,570  2012 Kawasaki Mule #5919               \$11,500  2012 Baldor Generator                     \$20,000  2012 Blue Phoenix Generator, S#2013   \$19,980  2012 Godwin Pump, S#7101/12           \$28,774  2012 Sullair Air Compressor, S#4088   \$11,332  2014 Bobcat E50 Excavator, S#1764     \$45,523  2014 Bobcat Track Loader, S#1626      \$46,405  1999 Grass Hopper, S#6645               \$10,000  2016 Grass Hopper, S#7105               \$11,117  2015 Grass Hopper, S#7465               \$11,928  2015 Grass Hopper, S#6120               \$10,818  2015 EZ GO Golf Cart, S#1703           \$ 7,195  2015 EZ GO Golf Cart, S#6477           \$ 7,195  2013 New Holland Tractor, S#9409      \$16,034  2013 New Holland Tractor, S#6714      \$20,940  2007 Woods Rotary Cutter, S#3212      \$ 1,884  2007 Woods Rotary Cutter, S#3213      \$ 1,884  2013 Woods Brush Cutter, S#2548       \$ 2,800  2013 Woods Brush Cutter, S#2494       \$ 2,500  2013 Dirt Dog Box Blade, S#0183       \$ 450  2013 Dirt Dog Box Blade, S#0027       \$ 550  2015 Blue Diamond, S#3010             \$ 4,970  Bobcat Grapple #0681                   \$2,500</p> <p>Unscheduled Equipment \$50,000</p>	<b>Included</b>	<b>Included</b>	<p><b><u>Inland Marine</u></b> – <b>Travelers</b>  Blanket Tools &amp; Equipment: \$15,000 (\$2,500 Max Any One Item)  <b>Deductible:</b> \$1,000  Rented &amp; Leased Equipment - \$250,000 Limit(\$75,000 any one item)  <b>Equipment Schedule:</b>  1987 Ram Jet Sewerage Cleaner           \$ 5,000  Onen Generator                               \$15,000  Cat Yancy 416F2 Backhoe                 \$86,000  2007 New Holland Tractor               \$12,570  2007 New Holland Tractor               \$12,570  2012 Kawasaki Mule #5919               \$11,500  2012 Baldor Generator                     \$20,000  2012 Blue Phoenix Generator, S#2013   \$19,980  2012 Godwin Pump, S#7101/12           \$28,774  2012 Sullair Air Compressor, S#4088   \$11,332  2014 Bobcat E50 Excavator, S#1764     \$45,523  2014 Bobcat Track Loader, S#1626      \$46,405  1999 Grass Hopper, S#6645               \$10,000  2016 Grass Hopper, S#7105               \$11,117  2015 Grass Hopper, S#7465               \$11,928  2015 Grass Hopper, S#6120               \$10,818  2015 EZ GO Golf Cart, S#1703           \$ 7,195  2015 EZ GO Golf Cart, S#6477           \$ 7,195  2013 New Holland Tractor, S#9409      \$16,034  2013 New Holland Tractor, S#6714      \$20,940  2007 Woods Rotary Cutter, S#3212      \$ 1,884  2007 Woods Rotary Cutter, S#3213      \$ 1,884  2013 Woods Brush Cutter, S#2548       \$ 2,800  2013 Woods Brush Cutter, S#2494       \$ 2,500  2013 Dirt Dog Box Blade, S#0183       \$ 450  2013 Dirt Dog Box Blade, S#0027       \$ 550  2015 Blue Diamond, S#3010             \$ 4,970  Bobcat Grapple #0681                   \$2,500</p> <p>Unscheduled Equipment \$50,000</p>

**Peachtree City Water & Sewer Authority  
Insurance Summary**

2018-2019 COVERAGES	18/19	19/20	2019-2020 COVERAGES
<p><b><u>Employment Practices Liability</u></b> – State National Insurance Company            \$3,000,000 Aggregate            \$1,000,000 Each Wrongful EPL offense</p> <p><b>Deductible:</b> \$2,500  <b>Retroactive Date:</b> Full Prior Acts</p> <p><b><u>Public Entity Liability</u></b> – State National Insurance Company            \$3,000,000 Total Limit            \$1,000,000 Each Wrongful Act            Claims Made  <b>Deductible:</b> \$2,500</p> <p><b>Retroactive Date:</b> Full Prior Acts</p> <p><b><u>Flood &amp; Earthquake</u></b> – State National Insurance Company            \$1,000,000 Flood Limit – Excludes Zones A &amp; B            \$1,000,000 Earthquake Limit</p> <p><b>Deductible:</b> \$25,000</p>	Included	Included	<p><b><u>Employment Practices Liability</u></b> – Travelers            \$3,000,000 Aggregate            \$1,000,000 Each Wrongful EPL offense            Claims Made  <b>Deductible:</b> \$5,000  <b>Retroactive Date:</b> Full Prior Acts</p> <p><b><u>Public Entity Liability</u></b> – Travelers            \$3,000,000 Total Limit            \$1,000,000 Each Wrongful Act            Claims Made  <b>Deductible:</b> \$5,000</p> <p><b>Retroactive Date:</b> Full Prior Acts</p> <p><b><u>Flood &amp; Earthquake</u></b> – Travelers            \$1,000,000 Flood Limit – Excludes Zones A &amp; B            \$1,000,000 Earthquake Limit</p> <p><b>Deductible:</b> \$25,000</p> <p><b><u>CyberFirst Liability</u></b> - Travelers            \$1,000,000 Network and Information Security            \$1,000,000 Communications and Media Liability</p> <p><b>Retention:</b> \$2,500</p>
<b>Total Premium for 2018-2019</b>	<b>\$98,655</b>	<b>\$ 88,628</b>	<b>Total Premium for 2019-2020</b>

**A.M. Best Rating: State National Insurance Company A The Travelers A++**





# EMPLOYEE HANDBOOK

## **Welcome**

Welcome to Peachtree City Water and Sewerage Authority (“**PCWASA**”)! We are delighted that you have chosen to join our organization and hope that you will enjoy a long and successful career with us. As you become familiar with our culture and mission, we hope you will take advantage of opportunities to enhance your career and further **PCWASA**’s goals.

You are joining an organization that has a reputation for outstanding leadership, innovation, and expertise. Our employees use their creativity and talent to invent new solutions, meet new demands, and offer the most effective services/products in the industry. With your active involvement, creativity, and support, **PCWASA** will continue to achieve its goals. We sincerely hope you will take pride in being an important part of **PCWASA**'s success.

Please take time to review the policies contained in this handbook. If you have questions, feel free to ask your supervisor or to contact the Human Resources (HR) Administrator.

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## Employment at Will

Employment at the Peachtree City Water and Sewerage Authority (“**PCWASA**”) is on an at-will basis unless otherwise stated in a written individual employment agreement signed by the General Manager of the company.

This means that either the employee or the company may terminate the employment relationship at any time, for any reason, with or without notice.

Nothing in this employee handbook is intended to or creates an employment agreement, express or implied. Nothing contained in this or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time. In addition, no company representative is authorized to modify this policy for any employee or to enter into any agreement, oral or written, that changes the at-will relationship. The policies and procedures in this handbook may be changed by **PCWASA** from time to time.

Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended and do not create an employment contract for any specific period of time.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the National Labor Relations Act. Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. **PCWASA** employees have the right to engage in or refrain from such activities.

## Governance of the Authority

### **Authority Board Members**

**PCWASA** is a public body corporation enacted by the General Assembly of Georgia and is run by its five-member Board of Directors (“Board”). The Board members are the members of the City Counsel of the City of Peachtree City to serve as ex-officio members. The membership, or any interest in such office, is not assignable or otherwise transferable. Membership on the Board shall not confer upon any member, any benefits or any rights or interest in or to any of the assets or properties of **PCWASA**.

The Board appoints and approves the General Manager and personnel policies and procedures. The Board considers proposed amendments to personnel policies and procedures, works with the General Manager and HR Administrator on personnel matters, adopts policies regarding

working conditions, reviews various employee benefit proposals and decides various personnel issues.

### **General Manager**

The General Manager reports to the Board and is responsible for the day to day operations of the Authority. The General Manager is responsible for developing the Authority's annual budget and making recommendations to the Authority regarding long-range planning and projects. With the assistance of a HR Administrator, the General Manager is also responsible for implementing and enforcing the policies contained in this handbook and other human resources matters.

## **Equal Opportunity and Commitment to Diversity**

### **Equal Opportunity**

**PCWASA** provides equal employment opportunities to all employees and applicants for employment without regard to race, color, national origin, sex, religion, age, disability or genetic information. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

**PCWASA** expressly prohibits any form of unlawful employee harassment or discrimination based on any of the characteristics mentioned above. Improper interference with the ability of other employees to perform their expected job duties is absolutely not tolerated.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the HR Administrator or the General Manager. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. If an employee feels he or she has been subjected to any such retaliation, he or she should bring it to the attention of the HR Administrator or the General Manager.

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process described below. "Adverse conduct" includes but is not limited to:

- (1) shunning and avoiding an individual who reports harassment, discrimination or retaliation;
- (2) express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination or retaliation; or
- (3) denying employment benefits because an applicant or employee reported harassment, discrimination or retaliation or participated in the reporting and investigation process.

Complaints of discrimination should be filed according to the procedures described in the Harassment and Complaint Procedure.

## **Americans with Disabilities Act (ADA) and Reasonable Accommodation**

To ensure equal employment opportunities to qualified individuals with a disability, **PCWASA** will make reasonable accommodations for the known disability of an otherwise qualified individual, unless undue hardship on the operation of the business would result. Employees who may require a reasonable accommodation should contact the HR Administrator. **PCWASA** may require you to provide information regarding your disability in order to evaluate what reasonable accommodations may be needed.

## **Commitment to Diversity**

**PCWASA** is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at **PCWASA** and is an important principle of sound business management.

## **Harassment and Complaint Procedure**

Sexual and other unlawful harassment is a violation of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, as well as many state laws. Harassment based on a characteristic protected by law, such as race, color, national origin, sex, religion, age, disability status, or other characteristic protected by state or federal law, is prohibited.

It is **PCWASA's** policy to provide a work environment free of sexual and other harassment. To that end, harassment of **PCWASA's** employees by management, supervisors, coworkers, or nonemployees who are in the workplace is absolutely prohibited. Further, any retaliation against an individual who has complained about sexual or other harassment or retaliation against individuals for cooperating with an investigation of a harassment complaint is similarly unlawful and will not be tolerated. **PCWASA** will take all steps necessary to prevent and eliminate unlawful harassment.

**Definition of Unlawful Harassment.** "Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment; has the purpose or effect of substantially and unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

Unlawful harassment includes, but is not limited to, epithets; slurs; jokes; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile, or intimidating acts based on race, color, national origin, sex, religion, age, disability status, or other characteristic protected by state or federal law.

**Definition of Sexual Harassment.** While all forms of harassment are prohibited, special attention should be paid to sexual harassment. "Sexual harassment" is generally defined under both state and federal law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; *or*
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that, if unwelcome, may constitute sexual harassment depending on the totality of the circumstances, including the severity of the conduct and its pervasiveness:

- Unwanted sexual advances, whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life, comments about an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, or cartoons;
- Unwelcome leering, whistling, brushing up against another's body, sexual gestures, or suggestive or insulting comments;
- Inquiries into one's sexual experiences; *and*
- Discussion of one's sexual activities.

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment and retaliation against individuals for cooperating with an investigation of sexual harassment complaint is unlawful and will not be tolerated at **PCWASA**.

**Complaint Procedure.** Any employee who believes he or she has been subject to or witnessed illegal discrimination, including sexual or other forms of unlawful harassment, is requested and encouraged to make a complaint. You may complain directly to your immediate supervisor or department manager, the HR Administrator, or any other member of management with whom you feel comfortable bringing such a complaint. You may also make your complaint to any member of the Board. Similarly, if you observe acts of discrimination toward or harassment of another employee, you are requested and encouraged to report this to one of the individuals listed above.

No reprisal, retaliation, or other adverse action will be taken against an employee for making a complaint or report of discrimination or harassment or for assisting in the investigation of any such complaint or report. Any suspected retaliation or intimidation should be reported immediately to one of the persons identified above.

All complaints will be investigated promptly and, to the extent possible, with regard for confidentiality.



If the investigation confirms conduct contrary to this policy has occurred, **PCWASA** will take immediate, appropriate, corrective action, including discipline, up to and including immediate termination.

## Conflicts of Interest and Confidentiality

### **Conflicts of Interest**

**PCWASA** expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. **PCWASA** recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on the company.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed. The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous employment by or ownership interest in another firm that is a vendor to **PCWASA**.
2. Borrowing money from customers or firms, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
3. Accepting substantial gifts or excessive entertainment from an outside organization or agency.
4. Speculating or dealing in materials, equipment, supplies, services, or property purchased by the company.
5. Participating in civic or professional organization activities in a manner that divulges confidential company information.
6. Misusing privileged information or revealing confidential data to outsiders.
7. Using one's position in the company or knowledge of its affairs for personal gains.
8. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

## **Confidential Information**

The protection of confidential business information and trade secrets is vital to the interests and success of **PCWASA**. Confidential information is any and all information disclosed to or known by you because of employment with the company that is not generally known to people outside the company about its business. That may include information about **PCWASA**, as well as information about its vendors or customers.

An employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if he or she does not actually benefit from the disclosed information.

All inquiries from the media must be referred to the General Manager.

This provision is not intended to, and should not be interpreted to, prohibit employees from discussing wages and other terms and conditions of employment if they so choose.

## **Employment Relationship**

### **Employment Classification**

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, **PCWASA** classifies its employees as shown below. **PCWASA** may review or change employee classifications at any time.

#### **Exempt and Nonexempt**

**Exempt.** Exempt employees are paid on a salaried basis and are not eligible to receive overtime pay.

**Nonexempt.** Nonexempt employees are paid on an hourly basis and are eligible to receive overtime pay for all hours worked after 40 hours in a single workweek.

#### **Regular Employees**

**Regular, Full-Time.** Employees who are not in a temporary status and work a minimum of 30 hours weekly and maintain continuous employment status. Generally, these employees are eligible for the full-time benefits package and are subject to the terms, conditions, and limitations of each benefit program.

**Regular, Part-Time.** Employees who are not in a temporary status and who are regularly scheduled to work fewer than 30 hours weekly and who maintain continuous employment status. Part-time employees are not eligible for the benefit programs offered by **PCWASA** to its full-time employees.

### **Temporary Employees**

**Temporary, Full-Time.** Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work the company's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

**Temporary, Part-Time.** Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work fewer than 30 hours weekly for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

### **Work Week and Hours of Work**

The standard workweek is from Monday 12:00 a.m. to Sunday 11:59 p.m. and generally consists of 40 work hours. Office hours are 8:00 a.m. to 5:00 p.m., with a minimum 30-minute lunch break. Individual work schedules may vary depending on the needs of each department.

### **Meal Breaks**

Employees are entitled to a minimum 30-minute unpaid meal break each day. If a nonexempt employee is required to work through a meal break, he or she will be paid for the 30-minute period. The length of meal breaks may vary depending on the department you work in and the needs of the business. You should not perform any work while on an unpaid meal break.

### **Time Records**

Timekeeping systems vary depending on your department. Your supervisor will give you instructions on how to use the timekeeping system applicable to you. It is important that you use these systems to clock in and out so that they maintain an accurate record of the time you actually work. This includes clocking out and back in for your meal break. Any use of the timekeeping system to defeat their purpose – such as clocking in or out for another employee who is not actually present – is strictly prohibited. If for any reason you believe that the timekeeping system you use is not accurately recording your time or that of your co-workers, you should immediately raise this issue with your supervisor or the General Manager. **PCWASA** wants to ensure that all nonexempt employees are paid for all hours they actually work, including overtime for all hours worked in excess of 40 in a workweek.

### **Overtime**

When required due to the needs of the business, you may be asked to work overtime. Overtime is actual hours worked in excess of 40 in a single workweek. Nonexempt employees will be paid overtime compensation at the rate of one and one half their regular rate of pay for all hours over 40 actually worked in a single workweek. Paid leave, such as holiday, PTO, bereavement time, and jury duty does not apply towards work time. You may be disciplined if you work overtime without prior approval of your supervisor, but you will be paid for all time worked.

## **Shift Differentials**

The Treatment Department operates 24 hours a day, seven days a week, with three eight-hour shifts each day. Employees assigned to shifts other than the standard 7:00 a.m. to 3:00 p.m. Monday through Friday shift earn shift differentials of between four and ten percent to compensate for working atypical hours. You should contact the HR Administrator or your supervisor for details on these shift differentials.

## **On-Call Requirements**

In order to ensure that there are no interruptions in service, some employees are required to be “on-call” for periods of seven days at a time to address emergency repairs. The “on-call” week begins Monday morning at 12:00 a.m. and ends on Sunday evening at 11:59 p.m. Your supervisor will maintain and publish the on-call schedule well in advance of the need for “on-call” assistance, and assignments will rotate among all employees whose job duties require “on-call” service. Depending on the nature of your duties, you will receive a payment (currently \$75 for the primary technician or \$50 for a helper, which is subject to change) for any week you are on-call, whether or not you are actually called to perform services outside of normal working hours. If called, all time worked will be added (with a minimum of two hours) to hours worked for that workweek and you will be paid overtime for hours in excess of 40, if applicable.

Any employee who is on the active “on-call” list must report to work within 30 minutes of being called. This means that you must not consume alcohol or any unprescribed controlled substance or travel beyond a range that would make it impossible to report to work within 30 minutes if called. Absent a genuine emergency or serious illness, you may be disciplined up to and including discharge if you are on the active list and fail to report ready to work within 30 minutes of being called.

It is your responsibility to identify another qualified employee to fill in for you during the time you are on the active “on-call” list if you know of a personal conflict for the week that you are assigned “on-call” duties. You must find a substitution who agrees to take the entire week that you are on-call and notify both your supervisor and the HR Administrator of any such substitution at least 24 hours prior to the beginning of your “on-call” week. Substitutions for less than an entire week or which are made without the required notice are not permitted.

## **Training and Educational Assistance**

**PCWASA** encourages its employees to earn state certifications which are applicable to their positions. You may be eligible to earn an upward adjustment in your compensation upon completion of applicable state certifications. Please contact your supervisor or the HR Administrator for details.

## **Deductions from Pay/Safe Harbor**

**PCWASA** does not make improper deductions from the salaries of exempt employees and complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees

classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position.

**Permitted deductions.** The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes;
- Deductions for employee benefits when authorized by the employee;
- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees, or for military pay; or
- Unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

During the week an exempt employee begins work for the company or during the last week of employment, the employee will only be paid for actual hours worked.

**Improper deductions.** If an employee classified as exempt believes that an improper deduction has been taken from his or her pay, the employee should immediately report the deduction to the HR Administrator. The report will be promptly investigated and if it is found that an improper deduction has been made, the company will reimburse the employee for the improper deduction.

## **Paychecks**

**PCWASA** operates on a biweekly pay period, with pay dates every other Friday. If a pay day falls on a federal holiday, employees will receive their paycheck on the preceding workday. Direct deposit is available to all employees who make that election. See the Controller if you have questions about direct deposit.

## **Access to Personnel Files**

Employee files are maintained by the HR Administrator and are considered confidential. Managers and supervisors may only have access to personnel file information on a need-to-know basis. Representatives of government or law enforcement agencies, or other persons pursuant to a court order or subpoena, may be allowed access to file information. Personnel file access by current employees and former employees upon request will generally be permitted within three days of the request. Employee files are property of **PCWASA** and may not be removed from the premises.

## Employment of Relatives and Domestic Partners

Relatives and domestic partners may be hired by the company if (1) the persons concerned will not work in a direct supervisory relationship, and (2) in the sole discretion of **PCWASA** the employment will not pose difficulties for supervision, security, safety, or morale. For the purposes of this policy, “relatives” are defined as spouses, children, siblings, parents, or grandparents. A “domestic partnership” is generally defined as a committed relationship between two individuals who are sharing a home or living arrangements.

Current employees who marry each other or become involved in a domestic partnership will be permitted to continue employment with the company provided they don’t work in a direct supervisory relationship with each other or otherwise pose difficulties as mentioned above. If employees who marry or live together do work in a direct supervisory relationship with each other, the company will attempt to reassign one of the employees to another position for which he or she is qualified if such a position is available. If no such position is available, the employees will be permitted to determine which one of them will resign from the company.

## Separation from Employment

In all cases of voluntary resignation (one initiated by the employee), employees are asked to provide a written notice to their supervisor at least 10 working days in advance of the last day of work. The 10 days must be actual working days. Holidays and Paid Time Off (PTO) will not be counted toward the 10-day notice.

Employees who do not provide the requested amount of notice will generally not be considered for re-hire and will forfeit payment of any PTO that would otherwise be paid under applicable Company policies. Employees terminated for cause will also forfeit payment of unused PTO.

In most cases, the HR Administrator will conduct an exit meeting on or before the last day of employment to collect all company property, and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) will be sent to the employee’s home address.

## Workplace Safety

### General Policy

**PCWASA** intends to maintain a safe and secure working environment for all employees and visitors. We expect our employees to use common sense and refrain from horseplay, careless behavior and negligent actions. It takes the efforts of every employee to keep our workplace safe.

In the event of a medical or other emergency you should immediately dial 911 and ask for appropriate assistance before taking any other action.

While the federal Occupational Safety and Health Act (“OSHA”) does not apply to state and local government entities like **PCWASA**, you should nevertheless observe OSHA safety standards. While working, employees must observe safety precautions for their safety and the

safety of others. All work areas must be kept clean and free of clutter and debris. All hazards or potentially dangerous conditions must be corrected immediately and reported to a supervisor.

If you are involved in an accident, you must report the accident to your supervisor and the HR Administrator immediately and obtain any necessary medical treatment or testing in accordance with our workers' compensation and drug-free workplace policies. You must also fill out an accident report regardless of the severity of the injury. You may be subject to disciplinary action up to and including discharge if you fail to comply with this policy.

### **Drug-Free and Alcohol-Free Workplace**

It is the policy of **PCWASA** to maintain a drug-free and alcohol-free work environment that is safe and productive for employees and others having business with the company. **PCWASA** complies with the Georgia Drug-Free Workplace Program.

The unlawful use, possession, purchase, sale, distribution, or being under the influence of any unprescribed controlled substance and/or the misuse of legal drugs while on company or client premises or while performing services for the company is strictly prohibited. **PCWASA** also prohibits reporting to work or performing services under the influence of alcohol or consuming alcohol while on duty or during work hours. In addition, **PCWASA** prohibits off-premises abuse of alcohol and controlled substances, as well as the possession, use, or sale of illegal drugs, when these activities adversely affect job performance, job safety, or the Company's reputation in the community.

To ensure compliance with this policy, substance abuse screening may be conducted in the following situations:

- **Pre-employment:** Required for all prospective employees who receive a conditional offer of employment.
- **For Cause:** Upon reasonable suspicion that the employee is under the influence of alcohol or drugs that could affect or has adversely affected the employee's job performance, including situations where the employee has caused or contributed to an on the job injury which resulted in a loss of worktime.
- **Random:** As authorized or required by federal or state law.

Compliance with this policy is a condition of employment. Employees who test positive or who refuse to submit to substance abuse screening will be subject to termination. Notwithstanding any provision herein, this policy will be enforced at all times in accordance with applicable law.

Any employee violating this policy is subject to discipline, up to and including termination, for the first offense.

**PCWASA** encourages any employee with a substance abuse problem to utilize its confidential Employee Assistance Program described in the Employee Benefits section herein.

## Smoke-Free Workplace

Smoking is not allowed in company buildings or work areas at any time. “Smoking” includes the use of any tobacco products (including chewing tobacco), electronic smoking devices, and e-cigarettes.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly.

## Workplace Violence Prevention

**PCWASA** is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we discourage employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at company-sponsored functions.

All **PCWASA** employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent behavior should promptly inform their supervisor, manager, or the HR Administrator. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence against the company, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

**PCWASA** prohibits the possession of weapons on any part of its property at all times, including parking lots or in company vehicles. Additionally, while on duty, employees may not carry a weapon of any type. Weapons include, but are not limited to, handguns, rifles, automatic weapons, and knives that can be used as weapons (excluding pocketknives, utility knives, and other instruments that are used to open packages, cut string, and for other miscellaneous tasks), martial arts paraphernalia, stun guns, and tear gas. Any employee violating this policy is subject to discipline up to and including dismissal for the first offense.

The company reserves the right to inspect all belongings of employees on its premises, including packages, briefcases, purses and handbags, gym bags, and personal vehicles on company property. In addition, **PCWASA** may inspect the contents of lockers, storage areas, file cabinets, desks, and work stations at any time and may remove all Company property and other items that are in violation of Company rules and policies.



## Emergency Closings

**PCWASA** will always make every attempt to be open for business. In situations in which some employees are concerned about their safety, management may advise supervisors to notify their departments that the office is not officially closed, but anyone may choose to leave the office if he or she feels uncomfortable.

If the office is officially closed during the course of the day to permit employees to leave early, nonexempt employees who are working on-site as of the time of the closing will be paid for a full day. If you leave earlier than the official closing time, you will be paid only for actual hours worked, or you can take PTO time. Exempt employees will be paid for a normal full day but are expected to complete their work at another time.

## Workplace Guidelines

### Attendance

All employees are expected to arrive on time, ready to work, every day they are scheduled to work.

If unable to arrive at work on time, or if an employee will be absent for an entire day, the employee must contact the supervisor as soon as possible. Voice mail and e-mail messages are not acceptable except in certain emergency circumstances. Excessive absenteeism or tardiness will result in discipline up to and including termination. Failure to show up or call in for a scheduled shift without prior approval may result in termination. If an employee fails to report to work or call in to inform the supervisor of the absence for three consecutive days or more, the employee will be considered to have voluntarily resigned employment.

### Job Performance

Communication between employees and supervisors or managers is very important. Discussions regarding job performance are ongoing and often informal. Employees should initiate conversations with their supervisors if they feel additional ongoing feedback is needed.

Generally, formal performance reviews are conducted annually. These reviews include a written performance appraisal and discussion between the employee and the supervisor about job performance and expectations for the coming year.

### Outside Employment

Employees are permitted to work a second job as long as it does not interfere with their job performance with **PCWASA**. However, you must notify your supervisor and the HR Administrator before accepting another position and approval of this request is subject to the sole discretion of **PCWASA**. The demands of a second job must not interfere with you working your regularly assigned schedule and will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours.

If outside work activity causes or contributes to job-related problems, it must be discontinued, or the employee may be subject to disciplinary action, up to and including termination.

## **Dress and Grooming**

**PCWASA** provides a casual yet professional work environment for its employees. Even though the dress code is casual, it is important to project a professional image to our customers, visitors, and coworkers. All employees are expected to dress in a manner consistent with good hygiene, safety, and good taste. Please use common sense.

Any questions or complaints regarding the appropriateness of attire should be directed to the HR Administrator. Decisions regarding attire will be made by the HR Administrator in consultation with the General Manager and not by individual departments or managers.

## **Social Media Acceptable Use**

**PCWASA** encourages employees to share information with co-workers and with those outside the company for the purposes of gathering information, generating new ideas, and learning from the work of others. Social media provide inexpensive, informal, and timely ways to participate in an exchange of ideas and information. However, information posted on a website is available to the public and, therefore, the company has established the following guidelines for employee participation in social media.

*Note:* As used in this policy, “social media” refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and SnapChat, among others.

**Off-duty use of social media.** Employees may maintain personal websites or weblogs on their own time using their own facilities. Employees must ensure that social media activity does not interfere with their work. In general, the company considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas.

**On-duty use of social media.** Employees may engage in social media activity during work time provided it is directly related to their work, approved by their manager, and does not identify or reference company clients, customers, or vendors without express permission. The company monitors employee use of company computers and the Internet, including employee blogging and social networking activity.

**Respect.** Demonstrate respect for the dignity of the company, its customers, its vendors, and its employees. A social media site is a public place, and employees should avoid inappropriate comments. For example, employees should not divulge **PCWASA** confidential information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites. Similarly, employees should not use profanity, make derogatory comments, or engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status. Even if a message is posted anonymously, it may be possible to trace it back to the sender.

**Post disclaimers.** If an employee identifies himself or herself as a company employee or discusses matters related to the company on a social media site, the site must include a disclaimer on the front page stating that it does not express the views of the company and that the employee is expressing only his or her personal views. For example: “The views expressed on this website/Weblog are mine alone and do not necessarily reflect the views of my employer.” Place the disclaimer in a prominent position and repeat it for each posting expressing an opinion related to the company or the company’s business. Employees must keep in mind that if they post information on a social media site that is in violation of company policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

**Confidentiality.** Do not identify or reference company customers or vendors without express permission. Employees may write about their jobs in general but may not disclose any confidential or proprietary information. For examples of confidential information, please refer to the confidentiality policy. When in doubt, ask before publishing.

**New ideas.** Please remember that new ideas related to work or the company’s business belong to the company. Do not post them on a social media site without the company’s permission.

**Links.** Employees may provide a link from a social media site to the company’s website during employment (subject to discontinuance at the company’s sole discretion). Employees should contact the Web design group to obtain the graphic for links to the company’s site and to register the site with the company.

**Trademarks and copyrights.** Do not use the company’s or others’ trademarks on a social media site, or reproduce the company’s or others’ material without first obtaining permission.

**Legal.** Employees are expected to comply with all applicable laws, including but not limited to, Federal Trade Commission (FTC) guidelines, copyright, trademark, and harassment laws.

**Discipline.** Violations of this policy may result in discipline up to and including immediate termination of employment.

*Note:* Nothing in this policy is meant to, nor should it be interpreted to, in any way limit your rights under any applicable federal, state, or local laws, including your rights under the National Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits.

## **Bulletin Boards**

All required governmental postings are posted on the boards located in the break room. These boards may also contain general announcements.

Employees may submit to the HR Administrator notices of general interest, such as for-sale notices; recreational-type announcements and/or club functions (e-mail should not be used for the aforementioned); postcards; expressions of gratitude or sympathy; and notices looking for/offering carpools, tickets, roommates, or pets. The HR Administrator approves, posts, and takes down all notices. All notices posted by employees will be removed after two weeks

unless otherwise stipulated. The company reserves the right to refuse permission to post or to take down any announcement.

## **Solicitation**

Employees should be able to work in an environment that is free from unnecessary annoyances and interference with their work. In order to protect our employees and visitors, solicitation by employees is strictly prohibited while either the employee being solicited or the employee doing the soliciting is on “working time.” “Working time” is defined as time during which an employee is not at a meal, on break, or on the premises immediately before or after his or her shift.

Employees are also prohibited from distributing written materials, handbills, or any other type of literature on working time and, at all times, in “working areas,” which includes all office areas. “Working areas” do not include break rooms, parking lots, or common areas shared by employees during nonworking time.

Nonemployees may not trespass or solicit or distribute materials anywhere on company property at any time.

## **Computers, Internet, Email, and Other Resources**

The company provides a wide variety of communication tools and resources to employees for use in running day-to-day business activities. Whether it is the telephone, voice mail, fax, scanner, internet, intranet, e-mail, text messaging, or any other company-provided technology, use should be reserved for business-related matters during working hours. All communication using these tools should be handled in a professional and respectful manner.

Employees should not have any expectation of privacy in their use of company computer, e-mail, phone, or other communication tools. All communications made using company-provided equipment or services including email and internet activity, are subject to inspection and monitoring by the company. Employees should keep in mind that even if they delete an email, voicemail or other communication, a copy may be archived on the company’s systems.

Employee use of company-provided communication systems, including personal e-mail and internet use, that are not job-related have the potential to drain, rather than enhance, productivity and system performance. You should also be aware that information transmitted through e-mail and the internet is not completely secure or may contain viruses or malware, and information you transmit and receive could damage the company’s systems as well as the reputation and/or competitiveness of the company. To protect against possible problems, delete any e-mail messages prior to opening that are received from unknown senders and advertisers.

It is against company policy to turn off antivirus protection software, install unauthorized software, or make unauthorized changes to system configurations installed on company computers. You are also prohibited from making any unauthorized copies of **PCWASA** information, or deleting any information from **PCWASA** computers, computer network,

smartphones, external drives or any other storage media. Violations of this policy may result in termination for a first offense.

The company encourages employees to use e-mail only to communicate with fellow employees, suppliers, customers, or potential customers regarding company business. Internal and external e-mails are considered business records and may be subject to federal and state recordkeeping requirements as well as to discovery in the event of litigation. Be aware of this possibility when sending e-mails within and outside the company.

All use of company-provided communications systems, including e-mail and internet use, should conform to our company guidelines/policies, including but not limited to the Equal Opportunity, Harassment, Confidential Information, and Conflicts of Interest. So, for example, employees should not engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status or make defamatory comments. Similarly, employees should not divulge confidential information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites.

Because e-mail, telephone and voice mail, and internet communication equipment are provided for company business purposes and are critical to the company's success, your communications may be accessed without advance notice by the management of **PCWASA**.

The electronic communication systems are not secure and may allow inadvertent disclosure, accidental transmission to third parties, etc. Sensitive information should not be sent via unsecured electronic means.

Office telephones are for business purposes. While the company recognizes that some personal calls are necessary, these should be kept as brief as possible and to a minimum. Abuse of these privileges is subject to corrective action up to and including termination.

Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment as protected under the National Labor Relations Act. Employees have the right to engage in or to refrain from such activities.

## **Company Vehicles**

**PCWASA** provides vehicles for business use. Only employees whose job duties require using a **PCWASA** vehicle will be allowed to operate a **PCWASA** vehicle and only after the employee has consented to a complete background and driving history check acceptable to **PCWASA**. Any traffic violations charged against the employee, whether or not while driving a **PCWASA** vehicle, should be immediately reported to the HR Administrator. The approval of an employee to drive a **PCWASA** vehicle may be revoked at any time in the sole discretion of **PCWASA**.

Vehicle use by approved employees is strictly limited to business purposes. Employees must not be intoxicated or impaired for any reason, must drive in compliance with all applicable laws, and must not allow non-essential persons (including non-employees of **PCWASA**) to ride in a

company-owned vehicle. Any citations given to an employee while operating a **PCWASA** vehicle must be immediately reported to the HR Administrator, and the employee is responsible for paying any applicable fines assessed.

If an employee is involved in an accident while operating a **PCWASA** vehicle, he should immediately dial 911 to report the accident. The employee should then next report the accident to the HR Administrator. The employee should also report damage caused to the vehicle for other reasons, like theft or vandalism.

## **Disciplinary Procedure**

The Company expects employees to comply with the Company's standards of behavior and performance and to correct any noncompliance with these standards.

Under normal circumstances, the Company endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. It does, however, retain the right to administer discipline in any manner it sees fit. This policy does not modify the status of employees as employees-at-will or in any way restrict the Company's right to bypass the disciplinary procedures suggested.

The following steps are suggested in the discipline procedure. All steps should be documented in the employee's personnel file.

- Step 1: **Coaching**. When a performance problem is first identified, the nature of the problem and the action necessary to correct it should be discussed with the employee. The supervisor should place a memo in the employee's file identifying the date the counseling took place, the matters discussed, and the steps necessary to resolve the performance issue.
- Step 2: **Written Performance Improvement Plan**. If a private informal discussion with the employee has not resulted in corrective action, the supervisor should meet with the employee and (a) again review the problem, (b) permit the employee to present his or her views on the problem, and (c) develop a written Performance Improvement Plan that identifies the performance issues that must be corrected and a time frame in which those issues must be corrected. The plan should advise the employee of the consequences of failing to correct the performance issues, up to and including discharge. The employee should sign the plan to acknowledge receipt and it should be placed in the employee's personnel file.
- Step 3: **Final Written Warning**. This is an optional step if there are good reasons why the employee has not successfully completed the Performance Improvement Plan.
- Step 4: **Termination**.

The progressive disciplinary procedures described above also may be applied to an employee who is experiencing a series of unrelated problems involving job performance or behavior.

In cases involving serious misconduct, or any time the supervisor determines it is necessary, such as a major breach of policy or violation of law, the procedures contained above may be disregarded. Typically, the supervisor should suspend the employee immediately (with or without pay) and an investigation of the incidents leading up to the suspension should be conducted to determine if any further action, such as termination, should be taken.

## Time Off and Leaves of Absence

### **Holidays**

The company observes and allows time off with pay for the following holidays:

- New Year's Day
- MLK Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Workday directly before or after Christmas (depending on day of the week for Christmas)
- Christmas

Any changes to this schedule will be designated by the company at the start of each calendar year.

If a holiday falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a Saturday, the company will select either the following Monday or the preceding Friday as a substitute holiday. The company reserves the right to pay eligible employees in lieu of time off if the holiday falls on Saturday.

**Holiday pay.** Full-time regular employees are eligible for holiday pay. Part-time and temporary employees, including summer employees, are not eligible for holiday pay.

To receive holiday pay, an eligible nonexempt employee must be at work or taking an approved absence on the work days immediately preceding and immediately following the day on which the holiday is observed. An approved absence is a day of PTO. If an employee is absent on one or both of these days because of an illness or injury, the company may require verification of the reason for the absence before approving holiday pay.

Holiday pay shall be at the employee's regular straight-time rate times the employee's regularly scheduled hours (not to exceed eight hours). If you work on a holiday and would otherwise be eligible to receive holiday pay, you will be paid for hours actually worked, at a rate of 1.5 times

the regular rate, in addition to holiday pay. Only holiday hours actually worked will be considered in the calculation of overtime for that workweek.

**Religious Observances**

Employees who need time off to observe religious practices or holidays not already scheduled by the company should speak with their supervisor. Depending upon business needs, the employee may be able to work on a day that is normally observed as a holiday and then take time off for another religious day. Employees may also be able to switch a scheduled day with another employee, or take PTO, or take off unpaid days. The company will seek to reasonably accommodate individuals’ religious observances.

**Leave Requests Generally**

If you need to be absent from the workplace for any reason, you need to notify your immediate supervisor as soon as possible. Requests for Paid Time Off are addressed in the section below. In most cases, any leave you request and which **PCWASA** grants will be paid and deducted from your applicable PTO balance. While **PCWASA** will consider any requests for leave after your **PTO** balance has been exhausted, it cannot guarantee that such requests will be granted.

**Paid Annual Leave, Sick Leave and Paid Time Off (PTO)**

As of the effective date of this handbook through December 31, 2019, employees will continue to accrue both paid Annual Leave and paid Sick Leave as before. All full-time employees accrue sick leave at the rate of 3.7 hours per pay period up to a maximum accrual of 640 hours. Paid annual leave is accrued at the following rates depending on an employee’s years of service:

Length of Service	Paid Leave Accrual
Under 5 years	3.08 hours per pay period/10 days per year
Over 5 years through 10 years	4.62 hours per pay period/15 days per year
Over 10 years through 15 years	6.16 hours per pay period/20 days per year
Over 15 years through 20 years	7.70 hours per pay period/25 days per year
20+ years	9.24 hours per pay period/30 days per year

Beginning January 1, 2020, **PCWASA** will convert to a Paid Time Off (“PTO”) system instead of a split Annual Leave/Sick Leave system. The new PTO system will provide all regular, full-time staff members with paid time away from work that can be used for vacation, personal time, personal illness, time off to care for dependents, or any other personal need. PTO must be scheduled in advance and have supervisory approval, except in the case of illness or emergency. The PTO policy takes the place of Annual Leave and Sick Leave.

**Eligibility.** All full-time employees are eligible to earn PTO. Part-time employees do not earn PTO. PTO is earned on a bi-weekly pay period. PTO is not earned for months when unpaid leave



is taken or when short- or long-term disability benefits are paid. PTO is not earned by temporary or contract employees or those whose job descriptions specifically exclude this benefit. PTO is earned on the following schedule:

Years of Service	PTO Accrued
0-5	18 days/year or 5.54 hours/pay period
6-15	23 days/year or 7.08 hours/pay period
15+	28 days/year or 8.62 hours/pay period

**Procedures.** PTO should be scheduled as early as possible in advance, according to department policy, and must have supervisory approval. Time off taken in excess of the amount that will be earned during the calendar year will be without pay.

**Payment of unused PTO.** You will be paid accrued and unused PTO if you resign (including retirement), so long as you give **PCWASA** at least ten full working days advance notice prior to the effective date of your termination. You will also be paid accrued and unused vacation if **PCWASA** terminates your employment without good cause, including an involuntary layoff. You will not be paid accrued and unused PTO if you are terminated for cause or do not give **PCWASA** at least ten full working days advance notice.

**PTO for new hires and rehires.** New and rehired employees begin accruing PTO beginning with the date of hire. If an employee is rehired, prior service will be added to current service to determine the PTO accrual rate in the years following the year of rehire, unless the time away from the company exceeds the length of prior service.

**Transition from Annual Leave/Sick Leave to PTO.** As stated above, the existing Annual Leave/Sick Leave system will remain in effect until December 31, 2019. Employees may carry over up to 200 hours of Annual Leave and 50 hours of Sick Leave into 2020, both of which will be converted to PTO. In other words, employees will begin calendar year 2020 with up to 250 hours of PTO (depending on their balances of Annual Leave/Sick Leave as of December 31, 2019) and then begin to accrue PTO according to the schedule set forth above. In addition, employees with more than 200 hours of Annual Leave as of December 31, 2019 will be paid for the excess over 200 hours at ½ of the value of the excess.

**Limits on carry over of PTO.** Effective January 1, 2021, and each calendar year thereafter, employees may carry over a maximum of 120 hours of PTO from the prior calendar year. Any PTO over 120 hours at the end of calendar year 2020 and thereafter will be forfeited. You should therefore plan to use your PTO each year so that you do not have a balance of more than 120 hours at the end of the year starting with calendar year 2020.

### **Military Leave**

**PCWASA** supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify the HR Administrator and his or her supervisor,

who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

Upon return from military leave, employees will be granted the same seniority, pay, and benefits as if they had worked continuously. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination.

All employees who enter military service may accumulate a total absence of five years and still retain employment rights.

### **Bereavement Leave**

Employees with more than three months' service may take up to three days of paid bereavement leave upon the death of a member of their immediate family. "Immediate family members" are defined as an employee's spouse, domestic partner, parents, stepparents, siblings, children, stepchildren, grandparent, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild. All regular, full-time employees may take up to one day off with pay to attend the funeral of an extended family member (aunts, uncles, and cousins).

The company may require verification of the need for the leave. The employee's supervisor and the HR Administrator will consider this time off on a case-by-case basis.

Payment for bereavement leave is computed at the regular hourly rate to a maximum of eight hours for one day. Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

### **Jury Duty/Court Appearance**

The company supports employees in their civic duty to serve on a jury. Employees must present any summons to jury duty to their supervisor as soon as possible after receiving the notice to allow advance planning for an employee's absence.

Nonexempt employees will be paid for jury duty service at their regular rate of pay minus any compensation received from the court for the period of service.

If an employee is released from jury duty after four hours or less of service, he or she must report to work for the remainder of that work day.

Time for appearance in court for personal business will be the individual employee's responsibility. Normally, PTO will be used for this purpose.

## Time Off for Voting

**PCWASA** recognizes that voting is a right and privilege of being a citizen of the United States and encourages employees to exercise their right to vote. In almost all cases, you will have sufficient time outside working hours to vote. If for any reason you think this won't be the case, contact your supervisor to discuss scheduling accommodations.

## Employee Benefits

### In General

**PCWASA** recognizes the value of benefits to employees and their families. The company supports employees by offering a comprehensive and competitive benefits program for its regular, full-time employees.

Insurance benefits offered to all full-time employees include medical, dental, vision, long-term disability, and life insurance.

We also offer employees the opportunity to participate in a tax-sheltered retirement plan that includes matching contributions from **PCWASA**.

Detailed information regarding all of these benefits, including qualification periods, employee contributions, coverages, claims procedures and value added services, are available from the HR Administrator. While **PCWASA** intends to continue offering similar benefits in the future, these benefits may be increased, reduced and/or withdrawn in the sole discretion of **PCWASA**.

### Workers' Compensation

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment.

**PCWASA** pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to employees who sustain an injury on the job.

The company abides by all applicable state workers' compensation laws and regulations.

If an employee sustains a job-related injury or illness, it is important to notify the supervisor and HR Administrator immediately. The supervisor will complete an injury report with input from the employee and return the form to the HR Administrator. The HR Administrator will file the claim with the insurance company. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with FMLA leave, if applicable, where permitted by state and federal law. In addition, employees will not be paid PTO for approved absences covered by the company's workers' compensation program, except

to supplement the workers' compensation benefits such as when the plan only covers a portion of the employee's salary as allowed by state law.

### **Employee Assistance Program**

The Employee Assistance Program (EAP) is a resource designed to provide highly confidential and experienced help for employees in dealing with issues that affect their lives and the quality of their job performance. **PCWASA** wants employees to be able to maintain a healthy balance of work and family that allows them to enjoy life. The EAP is a confidential counseling and referral service that can help employees successfully deal with life's challenges.

The company encourages employees to use this valuable service whenever they have such a need. Employees who choose to use these counseling services are assured the information disclosed in their sessions is confidential and not available to the company, nor is the company given any information on who chooses to use the services. Information on how to use this service, including a confidential hotline phone number, is posted in in the break room.

EMPLOYEE HANDBOOK ACKNOWLEDGMENT AND RECEIPT

I hereby acknowledge receipt of the employee handbook of **PCWASA**. I understand and agree that it is my responsibility to read and comply with the policies in the handbook.

I understand that the handbook and all other written and oral materials provided to me are intended for informational purposes only. Neither it, company practices, nor other communications create an employment contract or term. I understand that the policies and benefits, both in the handbook and those communicated to me in any other fashion, are subject to interpretation, review, removal, and change by management at any time without notice.

I further understand that I am an at-will employee and that neither this document nor any other communication shall bind the company to employ me now or hereafter and that my employment may be terminated by me or the company without reason at any time. I understand that no representative of the company has any authority to enter into any agreement for employment for any specified period of time or to assure any other personnel action or to assure any benefits or terms or conditions of employment, or make any agreement contrary to the foregoing.

I also understand and agree that this agreement may not be modified orally and that only the General Manager may make a commitment for employment for a definite term. I also understand that if such an agreement is made, it must be in writing and signed by the General Manager.

\_\_\_\_\_  
Employee's Name in Print

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date Signed by Employee

**TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE**

**RECEIPT OF ANTI-HARASSMENT POLICY**

I have read and I understand the Company's Anti-Harassment Policy.

\_\_\_\_\_  
Employee's Name in Print

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date Signed by Employee

**TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE**