

ARTICLE X. PERSONNEL COMMITTEE
Amended March 10, 2008, Amended June 11, 2019

A. Authority and Jurisdiction

On April 19, 1994, the KPOA Board of Directors established a Personnel Committee (Res. 94-4-7). The current Committee membership is: Chair - President, the Vice President, the Chief Financial Officer, and at least one association member, appointed by the Board. Preferably, one member should serve two additional years to serve to provide continuity.

B. Committee Mission

The Committee is responsible for oversight of all personnel employed by the Association. The Committee shall recommend personnel policies to the KPOA Board and ensure that the best interests of both the Association and its employees are maintained. The Committee is responsible for fair and equitable compensation of KPOA employees and resolution of personnel issues.

C. Committee Objectives and Action Plan

1. Ensure the selection of competent employees able to meet the needs of KPOA.
2. Work with KPOA's staff to analyze the labor market annually to ensure that KPOA employees are fairly compensated for the work they do.
3. Ensure that job descriptions are kept up to date and that compensation is properly aligned.
4. Ensure that all laws and regulations regarding employment are properly applied.
5. Ensure that all employees are evaluated at least annually with the objective of helping them to improve and to recognize achievement.

APP X-1
PERSONNEL COMMITTEE
OBJECTIVES
Amended February 19, 2008

Objectives

See Article X Section C.

Meetings

As required and may be called by any member of the committee or requested by the General Manager.

APP X - 2
PERSONNEL POLICY AND PROCEDURES
HANDBOOK

Amended June 8, 2010, Amended November 10, 2015, Amended December 11, 2015,
Amended November 8, 2016, Amended March 14, 2017
Amended December 12, 2017, Amended October 8, 2019

I. PURPOSE

To provide a guide for the hiring, employment, evaluation, compensation, benefits and, if necessary, termination of employees required by Kala Point Owners' Association (KPOA) for the accomplishment of its purpose as defined in the governing documents.

II. INTRODUCTION

KPOA intends to hire competent employees able to fulfill the needs of KPOA and to compensate fairly (salary plus benefits) its employees for the sustained performance of their work. This requires careful selection, job descriptions, establishment of goals, evaluation of results and appropriate compensation. It shall be the policy of KPOA to comply fully with all laws and regulations pertaining to employment. The General Manager is the person to whom the employee reports. The supervisor of the General Manager shall be the KPOA President.

KPOA is essentially a service organization whose success depends very heavily on the quality of its employees. The Board of Directors shall have responsibility for ensuring that this policy is current, effective and being properly applied. The Board shall establish a Personnel Committee of at least four Members. The Committee shall be composed of the President, Vice President, CFO, and at least one association member selected for their experience in personnel management and ideally to provide as much continuity from year to year as possible. It shall be the responsibility of the Personnel Committee to ensure that this policy produces fair and equitable results in its application.

III. EMPLOYEE CLASSIFICATIONS

Employees shall be categorized as exempt, non-exempt regular or non-exempt temporary.

Exempt employees shall be paid on an annual salary basis, are not eligible for overtime, and may have employment contracts at the option of the Board. Non-exempt employees shall be paid at an hourly rate and are eligible for overtime. Regular employees are hired for year-round positions. All regular employees having an average of 30 hours or more per week over the prior one year (or planned to have 30 hours or more per week during their first year of service) shall be eligible for Medical Benefits, , employees working an average of 20 hours per week (or planned to have 20 hours or more per week during their first year of service) shall be eligible for Vacation, Sick Time, and Holiday Pay Benefits according to the schedule in this policy, and are hereinafter referred to as EWB (employee with benefits). Temporary nonexempt hourly employees may be hired for periods of specific need and shall only be eligible for legally required benefits. Temporary employees subsequently accepted as regular employees shall have an anniversary date based upon the beginning of regular employment.

IV. HIRING POLICY

The Administrative Assistant shall give job applicants a KPOA Employment Form and advise

the applicant of any open positions. If there are no immediate openings, the applicant shall be advised that the application will be kept in an active file for one year. All applications shall be kept in the personnel files of those hired. The General Manager is responsible for the hiring process of non-exempt employees. The Personnel Committee is responsible for the hiring process of exempt employees. KPOA has a practice of not hiring family members that would be a direct report to the related manager.

KPOA prohibits discrimination based on race, color, religion, sex, age, national origin, veteran status, sexual orientation, family status, or disability:

1. KPOA will not discriminate against any employee, manager, or applicant.
2. All employees, managers, and job applicants are guaranteed the same employment opportunities.
3. The General Manager will make all recruitment, placement, selection, training, and layoff decisions based solely on job-related qualifications and abilities.
4. No person or employee, no matter his or her title or position, has authority, expressed, actual, apparent or implied, to discriminate against another employee of KPOA.
5. The Kala Point Owners' Association conducts background checks on all job candidates post-offer (contingency offer). KPOA may also use a third party administrator to conduct background checks. The type of information collected by KPOA includes, but is not limited to, a criminal background check, education, employment history, credit, and professional and personal references. This process conducted will verify the accuracy of the information provided by the candidate and determine his/her suitability for employment.

KPOA will ensure that all background checks conducted comply with applicable Federal and State Statutes, such as the Fair Credit Reporting Act.

All criminal background screens are conducted post-offer (contingency offer). However, as part of Title VII of the Civil Rights Act, this information cannot be used as a basis for denying employment, unless it is determined to be job-related.

See Exhibit C Background Check Guidelines

See Exhibit D Background Check Authorization Form

KPOA prohibits verbal, physical, or visual conduct that belittles or demeans any individual.

Attendance

Employees are expected to arrive at work before they are scheduled to start and be productively engaged in KPOA business by the scheduled start time.

KPOA views attendance as an important facet of your job performance review. All unapproved absences will be noted in the employees personnel file. Excessive absences, including Sick Leave, will result in disciplinary action, up to and including termination.

Smoking

KPOA endeavors to provide a healthy environment. Therefore, any form of tobacco products such as pipes, cigars, cigarettes, chew, snuff, snus (spitless tobacco) and clove cigarettes is prohibited.

Use of Company Property

KPOA will provide you with the necessary equipment to do your job. None of this equipment should be used for personal use, nor removed from the physical confines of KPOA - unless it is approved by the General Manager.

Computer equipment, including laptops, may not be used for personal use - this includes word processing and computing functions. It is forbidden to install any other programs to a company computer without the written permission of the General Manager. These forbidden programs include, but are not limited to, unlicensed software, pirated music, and pornography. The copying of programs installed on the company computers is not allowed unless you are specifically directed to do so in writing by the General Manager.

The telephone lines at KPOA must remain open for business calls to service the members of Kala Point. Employees are requested to discourage any personal calls - incoming and outgoing - with the exception of emergency calls. No long distance calls, which are not strictly business-related, are not to be made on company phones.

V. JOB DESCRIPTION

A job description for all exempt positions shall be prepared, reviewed, and updated as needed by the Board. A job description for all non-exempt positions shall be prepared, reviewed, and updated as necessary by the General Manager. The Board shall approve all job descriptions. If employment contracts are used, the contract shall reflect the principles of this policy. Job classifications shall be determined based on the job description. Where there are specific qualifications for a job, such qualifications shall be shown in the job description. These may include requirements for such elements as confidentiality, trust in handling money, or keeping books and records. The following elements, as appropriate, should be included in the job description:

1. Specific duties to be performed by this position;
2. Requirements for attention and responsiveness to the members;
3. Responsibility for planning and organizing duties to best utilize available resources and to protect Association assets;
4. Financial management and administration including sound purchasing practices and prudent use of assets.
5. Responsibility for communicating ideas, situations and concerns to management;
6. Responsibility for directing, developing and motivating others as appropriate;
7. Responsibility for quality and timeliness of work including attendance; and
8. Responsibility for exercising initiative and adaptability for special projects assigned to the employee.

If the General Manager or the Personnel Committee determines that there are significant changes in the responsibility in a position, it may be reclassified or a new position created. An increase in the volume of work does not necessarily warrant a position change. Current employees shall be considered first for promotion into new or vacated positions.

Upon the revision of any existing job description or the creation of a new Board-approved position, the General Manager shall give a copy of the job description and applicable compensation range to the employee.

VI. ANNUAL GOALS

All regular employees and the General Manager shall annually establish written goals and appropriate measures for achievement.

VII. EMPLOYEE PERFORMANCE REVIEW

The purpose of a performance review is to evaluate ongoing performance for the evaluation period and to help the employee improve performance. Any employee may appeal his/her review to the Personnel Committee and to the Board. At least annually, and no later than June 1, the General Manager will prepare a written performance review covering the categories of the job description and the specific goals for the job. New employees shall be reviewed in writing after the first six months. Employees may request an interim review or the General Manager may choose to give one where appropriate.

Directors having input to the performance reviews of non-exempt employees should provide this directly to the General Manager. In the case of exempt employees, the President shall request input to the performance review from each director to the extent that him/her have direct knowledge. All reviews shall be approved by the next level of supervision, generally the President, before discussion with the employee.

Throughout the year, as specific achievements are made or constructive criticism is required, each should be discussed with the employee. When the written review is done, there should be no surprises to the employee.

Each category of the performance review for non-exempt employees shall be prepared by the General Manager and shall be rated on a scale of 1 to 5 to aid in establishing an overall rating, recognizing some categories may be more heavily weighted than others may.

<u>Performance Rating Scale</u>	<u>Step</u>
Learning or below requirements	1
Satisfactory in most aspects of the job	2
Fully satisfactory in all aspects of the job	3
Exceeds job requirements in some aspects	4
Exceeds job requirements in all aspects	5

Employees should be hired with the expectation that she/he would attain step 3 after appropriate learning and development. An employee remaining at step 1 would be a candidate for termination. An employee at step 4 or 5 may be a candidate for new responsibilities.

When complete and after review by the President, the General Manager shall discuss the performance review with the non-exempt employee, noting any comments or reactions. The employee may add any comments he/she may wish and shall sign the review to acknowledge having received it. Such signature indicates neither agreement nor disagreement with the review.

The performance review shall be placed in the employee's confidential file maintained by the General Manager and a copy shall be given to the employee.

VIII. PROBATION

All employees shall be on probation for a period of six-months (180 days) after date of hire and may be discharged without cause during this period or terminated at the end of the probationary

period.

EMPLOYEE COMPENSATION

Employee compensation is based on an established range for each job classification and the anniversary date for appropriate benefits. The anniversary date shall be the most recent date of hire unless the employee is given Board-approved credit for prior employment.

Individual salary rates shall be considered confidential information.

X. EMPLOYEE COMPENSATION RANGES

For each position, a compensation range shall be established with five steps. The five steps will be based upon factors including but not limited to:

1. Contract compensation;
2. Comparable compensation according to local market conditions;
3. Inflation factors;
4. Association budgetary constraints; and
5. Changes in benefit programs (benefits are a part of total compensation).

It shall be the responsibility of the Personnel Committee with the support of the General Manager to gather all pertinent labor market data each year for the purpose of determining whether or not the KPOA compensation ranges are appropriate relative to the considerations listed above. The Board shall approve any proposed changes. Changes in compensation ranges do not guarantee an increase to any employees. Employee increases are merit based, as described below in Compensation Recommendations.

XI. COMPENSATION RECOMMENDATIONS

Based on the performance reviews, the General Manager shall recommend any compensation adjustments to the Personnel Committee. The Personnel Committee and General Manager shall make recommendations to the Board at its regular meeting in June to be effective July 1 for all employees with one year or more of service. New employees with less than one year of service may be considered for interim increases by the General Manager based on performance reviews and with the approval of the Board.

Increases in compensation shall be for sustained good performance. No employee is guaranteed a compensation increase.

The General Manager and the President or the Vice President, and exempt employees by the President or the Vice President shall sign approved increases for non-exempt employees. The General Manager of any change shall notify employees as soon as practicable after Board approval (and signatures).

XII. TIME RECORD

A time record (card) shall be maintained for all non-exempt employees. All time records shall be signed by the employees and approved by the General Manager. All time records shall be submitted Bi-weekly on the last worked day (typically Friday).

Non-exempt employees shall record the start and stop times for the shift and lunch break, the hours worked regular time, the hours worked overtime, and leave-with-pay hours.

XIII. WORK WEEK

The workweek shall be from Saturday through Friday.

XIV. PAY DATES AND PAY PERIOD

Salaries and wages shall be paid biweekly. The pay period shall be for two workweeks. The pay date shall be on Thursday for the preceding pay period.

XV. PAY RATES

SALARY OR WAGES PER PAY PERIOD

Exempt Employees: Salary per pay period = Annual salary divided by 26

Non-Exempt Employees: Wages per pay period = Hourly rate times actual hours worked or pre-approved leave-with-pay during the pay period

PAY FOR OVERTIME HOURS

Exempt Employees: are not eligible for overtime.

Non-Exempt (Regular or Temporary) Employees: An employee working more than 40 hours per week shall be paid one and a half times the hourly rate for hours worked overtime (over 40 hours). Note: Holiday pay and leave-with-pay hours count towards the 40 hours worked.

Emergency Call Out: A non-exempt employee who is called in to work outside normal business hours shall be compensated at the prevailing overtime rate for a minimum of two (2) hours.

Overtime Approval

All overtime hours must be pre-approved by the General Manager or in his/her absence by the President or in his/her absence the Vice President.

XVI. EMPLOYEE BENEFITS

KPOA will provide, at a minimum, all statutory employee benefits as prescribed by the U.S. and the Washington State governments to all of its employees. Additional benefits may be offered at the discretion of the Board and as provided herein. Annually, at year-end, each employee shall be provided with necessary tax statements. In addition, a statement of employee benefits including the cost to KPOA shall be provided to each employee.

XVII. SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES OF SMALL EMPLOYERS (SIMPLE IRA)

1. A SIMPLE IRA will be established for each employee (regular or temporary) who meets the eligibility requirements.
 - a. All Employees receiving at least \$4000 in compensation during each of the 2 prior years and who are reasonably expected to receive at least \$4000 in compensation during the current year are eligible to participate in the plan.
2. The employee will be enrolled in the plan as of January 1 of the year following establishment of eligibility.
3. The KPOA contribution shall be a non-elective contribution of 2% of compensation on behalf of each eligible employee.

4. The employee may contribute a percentage of compensation up to the limit established by the IRS. The amount, which is deductible from gross compensation for tax purposes, is subject to various limitations defined by the IRS.
5. In addition to the 60-day period preceding the first day of the Plan Year, an employee may make or amend his or her Salary Deferral Agreement quarterly.
6. An employee who terminates his or her Salary Deferral Agreement during the year may enter into a new Salary Deferral Agreement as provided above.

XVIII. MEDICAL INSURANCE

A medical insurance plan, as approved by the Board of Directors, shall be provided for employees as follows:

Regular Fulltime Employees who are scheduled to work 40 hours per week shall be eligible for Medical Benefits. Their Legal Dependents are also eligible at the same employee contribution rate as the employees. Regular Employees who are scheduled to work 30 - 39 hours per week are Eligible for Medical Benefits. Their Legal Dependents are also eligible for coverage under the KPOA medical insurance plan. If the employee elects to include their dependents in the plan, the total cost of dependent coverage will be borne by the employee.

The intent of the employee contribution is to have employees share in the cost of medical premiums when premium rates increase at excessive rates. The contribution shall be calculated as follows:

- KPOA Base is equal to the prior year KPOA contribution
- If the percentage change between the current year and the previous year is equal to or less than 10.0% of KPOA base, then KPOA will absorb the entire increase.
- If the percentage change is between 10.0% and 20.0 % of KPOA Base, then the employee contribution shall be half of the difference between KPOA Base and the total premium.
- If the percentage change exceeds 20.0% of KPOA Base, then the employee contribution shall be the difference between 110% of KPOA Base and the total premium.

The employee contribution rate will be reviewed and approved by the Board annually.

The Board reserves the right to modify coverage, set a maximum dollar contribution to the plan, or discontinue the plan.

XIX. LEAVE PROCEDURES

All requests for leave (with or without pay), except for unexpected sick time, must be on the approved KPOA form, and signed in advance by both the employee and the General Manager. The KPOA President shall sign for the exempt position.

XX. LEAVE-WITHOUT-PAY

A request for a non-medical leave-without-pay shall be considered on an individual basis for regular employees and is NOT automatically approved.

For non-medical leave-without-pay in excess of 5 days, the employee must prepay his/her medical premiums if:

1. He/she wants to continue medical benefits or
2. Dropping the benefits would jeopardize the current KPOA health benefit plan.

For non-medical leave-without-pay in excess of 5 days, the employee shall not continue to accrue benefits during the leave.

A request for a medical leave-without-pay shall be considered on an individual basis for regular employees and is NOT automatically approved, whether work related or non-work related. An employee with benefits on medical leave-without-pay shall continue to accrue benefits for 60 days beginning with the first day of the next month immediately following the first day of work missed. The General Manager may extend this period subject to approval.

The request shall be submitted to and approved by the General Manager. The General Manager must submit his/her request to the President/Vice President for approval.

During leave-without-pay, there shall be no loss of previously accrued benefits, if any.

An employee who fails to return at the end of a scheduled leave of absence or any agreed upon extension may be terminated.

Leave-without-pay for a period of 45 calendar days or less shall not alter an employee's anniversary date of employment. Leave-without-pay for a period in excess of 45 calendar days shall result in the employee's anniversary date of employment being adjusted to reflect the period of leave.

XXI. LEAVE-WITH-PAY FOR EMPLOYEES WITH BENEFITS

A. PAID TIME OFF HOURS CALCULATION

Paid time off, as described below is based on days. For employees working a 40-hour workweek, a day is 8 hours. For employees working less than a 40-hour work week, the hours for a day shall be determined by totaling the hours worked in the preceding twelve (12) months, dividing by fifty-two (52), then dividing by five (5). This calculation will be performed once each year on the employee's anniversary date and be effective until the next anniversary date.

For employees with less than one year of service, the General Manager shall estimate the total hours expected to work for the next twelve (12) months and use the formula above.

When hours are accrued per pay period, the accrual shall be accurate to the second decimal point (i.e., 0.01).

B. VACATION

1. An employee working an average of 20 hours per week shall be eligible for Vacation Pay Benefits after one full year of service and on a prorated basis thereafter. A year of service is defined as a full year of employment from the anniversary date. Hours paid for a vacation shall be based on the paid time off hour's calculation in paragraph (A) above.

After:	1 year	5 vacation days
	3 years	10 vacation days
	10 years	15 vacation days
	15 years	20 vacation days

2. No more than two (2) times the annual accrual of vacation days may be accumulated and carried over into the next anniversary year. After one full year of service, vacation hours are accumulated each pay period.
3. After one full year of service, a terminating employee shall be paid for unused accrued vacation days. Unused accrued vacation days by a terminating employee shall be paid at the current pay rate at the time of termination.
4. Vacation requests (forms available in the KPOA office) are to be submitted as far in advance as possible to the General Manager for approval. Vacation may be taken one or more hours at a time, if approved by the General Manager. While employee wishes for vacation dates should be accommodated to the greatest degree possible, the operational needs of KPOA must be covered. Requests shall be kept in the employee's personnel file.
5. The General Manager shall submit his/her own vacation request to the President or in his absence the Vice President for approval in advance of such vacation plans.
6. The General Manager shall maintain records of eligibility dates, accumulated vacation and vacation time taken for each employee and shall furnish this information to the employee upon request.
7. Vacation pay shall be based on the employee's current rate of pay and paid time off hours as calculated in paragraph (A) above.

C. SICK LEAVE

1. During each full year of service, employees working an average of 20 hours per week (or planned to have 20 hours or more per week during their first year of service) shall be eligible for Sick Leave Benefits and shall earn a maximum of 10 days of paid sick leave, which shall accumulate each pay period at a rate of 3.08 hours. A maximum of 30 sick leave days may be accumulated. Hours paid for a sick leave day shall be based on the paid time off hour's calculation in paragraph (a) above.
2. Payment for sick leave shall not exceed the accumulated days and shall be made at the current pay rate and paid time off hours as calculated in paragraph (A) above at the time the illness occurs. The General Manager must approve all sick leaves.
3. No pay for unused sick leave shall be granted under any circumstances.
4. Sick leave may be used for the illness of the employee or the employee's dependents including doctor, dental and eye care appointments.
5. An employee with an absence due to sick leave of five consecutive days may be required to present a release from a doctor upon return to work. Such release shall state the nature and duration of the illness and the employee's fitness to return to work.
6. The General Manager shall maintain records of the credit and use of sick leave and shall provide the employee with this information upon request.

7. An employee must call the office on a scheduled workday when the employee will not work due to sick leave. If an employee fails to notify the office on three (3) consecutive scheduled workdays, KPOA may assume the employee has resigned.

D. EMERGENCY LEAVE

During the year, certain emergencies may occur such as heavy snowfalls necessitating snow removal and sanding of roads, high winds requiring removal of fallen trees and limbs, fire in the neighboring forest or other natural phenomena. The General Manager, with the approval of the President, Vice President, or Secretary may declare an emergency leave day and close normal operations.

Employees with benefits scheduled but not required to work will have the day off with pay for the scheduled hours and that day will not be charged against the employees' annual leave allotment. Employees with benefits required to work will be paid overtime at the appropriate rate (double time for holidays, otherwise one-and-a-half time.)

E. HOLIDAYS

There are eight paid holidays per year for employees with benefits: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. For employees working an average of 20 hours per week (or planned to have 20 hours or more per week during their first year of service) shall be eligible for Holiday Pay benefits. The Friday after Thanksgiving shall be a paid day off as well as Christmas Eve Day. If a holiday falls on a Saturday, the preceding Friday shall be the paid day off; if the holiday falls on a Sunday, the following Monday shall be the paid day off. Hours paid for a holiday shall be based on the paid time off hour's calculation in paragraph (A) above.

For non-exempt employees with benefits, work on one of the six paid holidays shall be paid at two times the hourly rate.

F. BEREAVEMENT LEAVE

An employee with benefits shall be allowed up to four days off with pay due to the death of one of the employee's immediate family members. Immediate family members are defined as an employee's spouse, parents, parents-in-law, stepparents, siblings, siblings-in-law, children, stepchildren, grandparents, or grandchildren.

The General Manager must approve bereavement leave in advance.

G. JURY DUTY - WITNESS DUTY

An employee with benefits who is required to serve on a jury or is subpoenaed as a witness shall be paid the difference between the earnings as a juror or witness and the regular salary/wages, as computed for paid time off hours in paragraph (A) above, for a maximum of ten (10) days. If an employee reports for jury duty and is excused, the employee shall report for work for the balance of the day, if there are three or more hours remaining in the workday.

H. Employee Family Leave Policy (EFL)

CATEGORY OF LEAVE: Paid absences for the birth of a child/children or the placement of a minor child/children for adoption or foster care with the employee is authorized for KPOA employees.

EMPLOYEE ELIGIBILITY - For purposes of this policy:

- a. Employee must have worked for KPOA for at least 12 months prior to requesting EFL.
- b. Paid absences such as vacation, holidays, and sick leave shall be included in the above calculations as hours worked.

BASIS FOR REQUESTING EFL: The birth of a child to the employee or the employee's spouse or the placement of a child with the employee for purposes of adoption or foster care.

LEAVE ENTITLEMENT: Leave is authorized the period January 1 through December 31. One leave period shall be authorized per event, i.e., birth, adoption, and foster care placement. The amount of leave shall be calculated as follows: average payroll hours per week worked in the previous calendar year multiplied by two with a maximum paid family leave of 80 hours. If an employee was not employed the entire previous calendar year, the previous 12 months shall be used as the basis for calculation. The maximum paid EFL is 80 hours.

MINIMUM INCREMENTS: Hourly employees – the number of hours of one regular workday; salaried employees – discretion of the Board President/Vice President. The General Manager may set minimum increments to meet administrative office responsibilities.

RESTRICTIONS: Unused EFL does not carry over to the following year.

TRANSFERABILITY: EFL is not transferable from one employee to another.

AUTHORIZATION:

- a. The General Manager (GM) shall approve EFL requests by KPOA employees.
- b. The KPOA Board President/ Vice President shall approve EFL requests by the GM.

CERTIFICATION: The word of the employee is sufficient to invoke his/her EFL entitlement.

RECORDKEEPING REQUIREMENTS: The General Manager shall establish a recordkeeping system of EFL requests and usage.

REPORTING REQUIREMENTS: The General Manager shall prepare an annual report of EFL usage to the KPOA BOARD President and the Personnel Committee.

KPOA EMPLOYEE FAMILY LEAVE (EFL – Justification)

JUSTIFICATION: This provides an additional personnel benefit to our KPOA employees, which will help our staff to better balance their professional and family obligations. Additionally, enacting EFL demonstrates KPOA recognition of the value of staff contributions, as not only employees but also parents and members of the community as a whole.

XXII. CONFLICTS OF INTEREST

For non-exempt employees it shall be the responsibility of every employee to bring to the attention of the General Manager any conflict or potential conflict between the interests of

KPOA and those of the employee. For exempt employees the KPOA President shall be notified of potential conflicts of interest.

XXIII. ALCOHOL AND DRUG FREE WORKPLACE

Kala Point Owners' Association supports the requirements of the State of Washington and the United States Drug Free Workplace Act of 1988, recognizing that the maintenance of an alcohol and drug free workplace is essential to the safety and welfare of its employees. It is the responsibility of the employer through management and supervisory personnel to administer this policy. It is the responsibility of the employee to be alcohol and drug free while performing on the job.

In the event there is reasonable suspicion that substance abuse is a factor in an employee's performance, the matter shall be brought to the attention of the General Manager. The General Manager shall investigate the allegation and may require the employee to be evaluated, at KPOA's expense, for substance abuse by referring the individual to an approved testing facility. Based on the evidence produced from the evaluation, the employee may be required, as a condition of continued employment, to participate in a comprehensive substance abuse treatment program, at the employee's expense. Failure of the employee to report for an evaluation shall be considered an act of insubordination and shall be subject to immediate disciplinary action, which may include termination.

The employer shall afford employees an opportunity to deal with drug and alcohol related problems. All employees are encouraged to seek advice, information, and assistance voluntarily. Medical confidentiality will be maintained, consistent with this policy.

Any employee who voluntarily requests assistance in dealing with a personal drug and/or alcohol problem may do so through a private treatment program for drug and alcohol problems, at the employee's expense. If an employee seeks drug or alcohol treatment voluntarily and not under adverse employment circumstances, the discontinuation of any involvement with alcohol or drugs shall be required for continued employment. This is consistent with the employer's policy of maintaining a drug free workplace.

All employees who use prescribed or over-the-counter drugs, which may cause adverse side effects (e.g., drowsiness or impaired reflexes or reaction time), shall inform the General Manager that they are taking such medication. Such employees are responsible for informing the General Manager of the possible effects of the drug on performance and the expected duration of use. If the drug use could cause production or safety problems, the General Manager may grant the employee sick leave or temporarily assign the employee different duties.

If at any time an employee shall be involved in any accident which is associated with that person's employment or if at any time the employer has a reasonable suspicion that an employee is under the influence of non-prescribed drugs or alcohol, the employer shall have the right to demand that the employee undergo a test of their breath, blood and/or urine. Failure of the employee to report for such testing shall be considered insubordination and shall be grounds for immediate disciplinary action, which may include termination.

Each employee has the responsibility to report to the General Manager the facts and circumstances leading up to a conviction for violating any criminal drug or alcohol statute.

Reporting must take place within five (5) days from the date of conviction. Failure of the employee to report may result in termination.

An employee convicted of such offense may be required, as a condition of continued employment, to satisfactorily and participate in a substance abuse assistance, rehabilitation, or education program. The cost of such program will be at the employee's expense.

The confidentiality of all complaints and reported violation of the provisions of this policy will be strictly maintained, except as required by the public disclosure laws, court order, or as required in ordinary personnel actions.

XXIV. SEXUAL OR RACIAL HARASSMENT POLICY

Policy:

It is the policy of Kala Point Owners' Association to provide a work environment for all of its employees, which is harmonious and free from intimidation. To this end, the Association will not tolerate any form or degree of sexual or racial harassment. Harassment is deemed a violation of the trust granted by KPOA, (App X-2, and Sec. XXV). An employee who engages in such behavior may be in violation of federal and state law, as well as this policy. Prompt disciplinary action shall be taken against an employee who is guilty of sexual or racial harassment. Employees or witnesses who report harassment shall not be subjected to any form of retaliation. Any employee responsible for any form of retaliatory conduct shall be subject to disciplinary action.

All complaints, investigations, and reports made according to this policy will be kept confidential unless KPOA is required to reveal such matters under law or court order.

Section I -- Definitions

Sexual or Racial Harassment Includes

1. Any deliberate or repeated unsolicited or unwanted verbal or written comments, conduct, gestures, or physical contact of a sexual or racial nature by any employee, which are unwelcome to the recipient or which cause the recipient discomfort or humiliation or which interfere with the recipient's work performance or which have the purpose or effect of creating an intimidating, hostile, or offensive working environment.
2. Any incident in which the General Manager uses implicit or explicit coercive sexual or racially biased behavior to influence or affect the career, salary, or employment of another employee or prospective employee.
3. Any incident described in Section I-1 above involving activities of an employee harassing anyone within the covered property.

Section II -- Sexual or Racial Harassment Examples

Examples of Sexual or Racial Harassment include but are not limited to:

1. Remarks or jokes about a person's clothing, body, sexual activity, heritage, race, or unwanted touching, patting, or brushing against a person;

2. Verbal abuse of a racial or sexual nature or pressure for sexual activity;
3. Deliberate or repeated behavior of a sexual nature which is unsolicited or unwelcome;
and
4. Deliberate or repeated behavior using racial slurs, signs, or gestures.

If an employee is uncertain if what he/she is experiencing is sexual or racial harassment, the General Manager or any member of the Personnel Committee is available for confidential assistance.

PROCEDURES

The following procedure is to be used when anyone within the covered property believes that he/she is experiencing racial or sexual harassment of any kind by an employee.

ACTION BY:

Employee

1. Clearly informs the "harasser", whenever possible, that his/her behavior is inappropriate, offensive, and unwelcome and should immediately cease. "I don't like (describe)_____
_____. You must stop NOW!"
2. Informs the first non-involved supervisor (General Manager) of the specific allegation, the date(s) of the occurrence(s), the individuals involved and any witnesses.
 - (a) Exception - When the General Manager is the subject of the complaint, the employee shall inform any member of the Personnel Committee who shall investigate.

Person receiving a complaint or witnessing harassment

Any employee or KPOA member receiving a complaint for harassment or witnessing harassment should notify the Personnel Committee in a timely manner.

Personnel Committee

1. Investigates the complaint in a timely manner.
2. Informs the Board (in executive session) of the complaint and investigation-taking place.
3. Determines any disciplinary action for employees.
4. The Personnel Committee advises the parties to the complaint of the results and any disciplinary action taken.

Parties to the complaint

May appeal the decision to the full Board, within 30 days, if they feel the findings were incorrect or the disciplinary action was inappropriate.

Board

Following an appeal, the board:

1. Reviews the original decision and renders a written decision on the appeal.
2. Provides written copies of the decision to all parties to the complaint and to the General Manager.

General Manager/Personnel Committee

1. Makes follow-up inquiries to ensure the harassment has not resumed and the victim and witnesses have not suffered any retaliation.
2. Maintains a permanent file of incident and actions taken.

XXV. TERMINATION (EMPLOYEE AT WILL)

Employment at Will is a doctrine of American law that defines an employment relationship in which either party can break the relationship with no liability, provided there was no express contract for a definite term governing the employment relationship or that the employer does not belong to a collective bargain (i.e. a union). Under this legal doctrine:

- Any hiring is presumed to be “at will”; that is, the employer is free to discharge individuals “for good cause, or no cause at all,” and the employee is equally free to quit, strike, or otherwise cease work.
- If a reason is given, it cannot be based on **discrimination or retaliation**, such as being fired for reporting illegal activities or unsafe conditions.

An employee may be terminated for unsatisfactory performance, for failure to reasonably progress to fully satisfactory performance, for violations of the criminal law or for violation of the trust granted by KPOA.

An employee may be immediately terminated for violation of the trust granted by KPOA for misuse of KPOA property or equipment failure to maintain confidential information when the information is so identified. Failure to use supplied safety equipment, failure to report material conflicts of interest, use of drugs or alcohol in the work place (other than that prescribed by a doctor), physical violence or the threat thereof, misuse of KPOA funds or to misrepresent entitlement to payment.

An employee charged and convicted of a violation of criminal law may be terminated upon conviction. Prior to conviction, an employee unable to satisfactorily perform his/her duties shall be suspended without pay until convicted or able to return to work.

At the time of termination, the employee shall be advised in writing of the right to appeal the termination within 30 days to the full Board. The President shall be advised as soon as possible of any actual or planned terminations and the reason. The appropriate General Manager is responsible for the termination process of non-exempt employees and shall present a written recommendation to the Personnel Committee for its approval. The Personnel Committee is responsible for the termination process of exempt employees and shall present a written recommendation to the full Board for its approval. All recommendations to terminate an employee shall define clearly the cause(s) for termination, what efforts have been made to rectify the situation, and be accompanied by copies of the employee's performance reviews. Any employee termination for cause, exempt or non-exempt, shall be approved by two-thirds (2/3) of

the full Board (excluding vacancies).

XXVI. ARBITRATION AGREEMENT

All non-exempt employees shall be asked to sign an Arbitration Agreement (see Exhibit A).
Note: The General Manager's (if any) contract contains such an agreement

XXVII. OPEN DOOR POLICY

Any employee having questions or concerns about his/her job is encouraged to discuss the matter with the General Manager. As an alternative, the employee may discuss the matter with a member of the Personnel Committee or any other director. The member contacted shall then ensure that the employee's concerns are appropriately addressed.

XXVIII. PERSONNEL FILES

The General Manager shall maintain a confidential personnel file for each employee except that the President shall maintain a confidential personnel file for each exempt employee reporting to him/her. Such files shall be available only on a "need to know" basis. The contents shall include the employment application, all performance reviews, the job description, compensation record, vacation record, sick leave record, and any other documents pertaining to employment at KPOA. An employee is entitled to review his or her own file upon request to the supervisor, but only in the presence of the supervisor.

Employee files shall be maintained for five years after the termination of employment. Requests for verification of former employment with Kala Point shall be answered with the dates of employment only.

XXIX. DISTRIBUTION OF THIS POLICY

Upon approval by the Board, this policy shall be distributed to all employees. Each employee shall sign a receipt, which shall be kept in the employee's personnel file.

XXX. BULLETIN BOARD

All legally required employment notices shall be posted at the clubhouse/Administration Bldg.

APP X-2
Exhibit A
Arbitration Agreement
Amended February 19, 2008

We agree that any disputes arising during, or from, the employee's employment with the Kala Point Owners' Association shall be settled by arbitration pursuant to the rules of the American Arbitration Association.

Employee

General Manager

Date

Date

APP X – 2
Exhibit B
Acknowledgement of Receipt
Employee Handbook
Amended June 8, 2010

This employee handbook has been prepared for your information and understanding of the policies, philosophies and practices and benefits of Kala Point Owners’ Association. Please read it carefully. Upon completion of your review of this handbook, sign the statement below, and return it to your supervisor by the due date. A copy of this acknowledgment appears at the back of the handbook for your records.

I, _____, have received and read a copy of the Kala Point Owners’ Association Employee Handbook, which outlines the goals, policies, benefits and expectations of KPOA, as well as my responsibilities as an employee.

I have familiarized myself with the contents of this handbook. By my signature below, I acknowledge, understand, accept and agree to comply with the information contained in the Employee Handbook provided to me by KPOA. I understand this handbook is not intended to cover every situation, which may arise during my employment, but is simply a general guide to the goals, policies, practices, benefits and expectations of KPOA.

I understand that the Kala Point Owners’ Association Employee Handbook is not a contract of employment and should not be deemed as such.

(Employee signature)

Please return by: _____

Exhibit C
Background Check Guidelines
Amended June 8, 2010

General Guidelines:

1. **NEW HIRES:** Background checks are required for all new hires. This includes all full-time, part-time, and temporary part-time employees. The background check must be completed and results verified **before** any employee begins work. At no time should an employee begin work until KPOA has verified results of the background check.
2. **RE-HIRES:** A background check is required for all returning employees that have been separated from KPOA for longer than 90 days.
3. **EMPLOYMENT CONTINGENCY:** Background checks are to be processed after a contingent offer of employment has been extended to the applicant. Note: *The offer of employment is contingent upon the successful results of the background check.*
4. **AUTHORIZATION BY APPLICANT:** The candidate must authorize the background check. This is done by having the applicant complete the *Employment Background Authorization form*. This form is available to the applicant on the KPOA website, administration office, and can be sent via e-mail to the candidate as well. To expedite the process, the candidate may fax the completed and signed form to the KPOA Office.

Note: *All applicants must complete an Application for Employment and Employment Background Authorization form as this is required to be submitted to the third party administrator (Personnel Committee or General Manager) conducting the background check.*

Verification of Background Checks

1. The results of the background check will be sent directly to the KPOA Administration Office.
2. The General Manager will review the report. If any discrepancies or criminal histories are noted, the General Manager will notify the President or Vice President of the Board of Directors for final determination.
3. If the background check is favorable, the Personnel Committee will notify the General Manager, that the candidate is approved to begin employment. In certain instances, the General Manager may conduct the background check, which at that time he will notify the candidate that him/her is approved to begin employment.

Adverse Action Notifications

1. If a background check is returned with unfavorable results, the Personnel Committee will notify the General Manager.
2. KPOA will contact the candidate to inform him/her that the KPOA is rescinding its contingent offer of employment and that he/she will receive written notification that the Personnel Committee/General Manager (third party administrator) will send a summary of the candidate's rights under the Fair Credit Reporting Act. The Personnel Committee

or General Manager Will give the candidate the opportunity to review a copy of the report, which informs him/her of his/her rights to dispute inaccurate information.

APP X – 2
Exhibit D
Background Check Authorization Form
Amended June 8, 2010

WASHINGTON STATE: If we request an investigative consumer report, you have the right, upon written request made within a reasonable period after your receipt of this disclosure, to receive from us a complete and accurate disclosure of the nature and scope of the investigation we requested. You also have the right to request from the consumer-reporting agency a written summary of your rights and remedies under the Washington Fair Credit Reporting Act.

APPLICANT COMPLETES THE FOLLOWING

Signature

Today's Date

Print Full Name

Position Applied For

Department

The following information is required by law enforcement agencies and other positive identification purposes when checking public records. It is confidential and will not be used for any other purposes.

Home Address

City

State

Zip

Date of Birth

Social Security Number

Name as it appears on License

Driver's License Number and State

**Have you ever been convicted of or pled guilty to a crime? No Yes if yes, please explain:
(A conviction will not automatically disqualify you from being considered as a candidate for employment.)**

APP X-2
Exhibit E
Exit Interview
Approved November 8, 2011

Your opinion is important to us.

Name: _____ **Supervisor:** _____

Department: _____ **Position:** _____

1.	Why are you leaving the company? (If more than one applies, please indicate.)	Personal reason	Medical benefits	Position Ended (Seasonal)	Quality of supervision	Work environment
2.	Please explain your reason(s) for leaving in more detail.					
3.	What suggestions for improvement do you have for us?					
4.	If we implemented those suggestions, would you return to work here?			Yes	No	
5.	Would you recommend this company to your friends as a good place to work?			Yes	No	
In this section, please rate the following statements:		Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	
6.	I believe that I was treated like a valuable member of the company.	1	2	3	4	
7.	My immediate supervisor let me know when I was doing a good job.	1	2	3	4	
8.	I felt free to suggest to my supervisor changes that would improve my department.	1	2	3	4	
9.	My job duties and responsibilities were clearly defined.	1	2	3	4	
10.	I received the proper training in order to perform my job effectively.	1	2	3	4	

11.	Employee problems and complaints were resolved fairly and promptly in my department.	1	2	3	4
12.	If I had questions or concerns, I felt comfortable speaking with:				
	My immediate supervisor	1	2	3	4
	Upper management	1	2	3	4
	Personnel Committee	1	2	3	4
13.	I was kept well informed about the company, its policies and procedures, and other important information.	1	2	3	4
14.	I felt that the company provided me with job security.	1	2	3	4
15.	Please rate the benefits that you received at the company (keeping in mind the benefits offered by other companies that you have worked for):				
	In this section, please rate the following items:	Excellent	Good	Fair	Poor
	Medical	1	2	3	4
	Dental	1	2	3	4
	Vision	1	2	3	4
	Paid time off	1	2	3	4
	401(k) plan	1	2	3	4
	Please list any additional benefits that you would have wanted the company to offer:				

Additional comments and suggestions are encouraged (Use the space provided below for any additional comments.)

Name of Employee _____ Date _____

General Manager _____ Date _____

Board President _____ Date _____

