

Kosrae Utilities Authority

Administrative Procedures Manual

Approved: July 30, 1996
KUA Board of Directors

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A. INTRODUCTION

1. The Kosrae Utilities Authority was created by State Law 5 - 38; Legislative Bill 5 - 41. In that law Title 7 was amended to establish Chapter 12. This manual, referred to in Section 7.1215, is known as the Administration Manual of the KUA.
2. The General Manager has the responsibility for the following [reference Section 7.1210]:
 - a. The day to day operation of the KUA, including the direction of all employees.
 - b. The hiring, firing and discipline of all KUA employees.

The General Manager shall exercise these responsibilities in a manner consistent with this manual. However, nothing in this manual shall restrict the action of the General Manager, should one of the following situations arise, provided that any action outside the provisions of this manual is reported to the next regular meeting of the Board.

- i. An emergency situation.
 - ii. A situation that prevents or is hindering the proper operation and maintenance of the KUA.
3. The KUA is an equal opportunity employer; provided however employment by the KUA shall be done in accordance with the laws of the State of Kosrae and the Federated States of Micronesia giving preference in employment of the citizens of the Federated States of Micronesia. The employment, promotion, demotion and, if necessary dismissal, shall occur without discrimination on the grounds of sex or racial origin, and without political interference. Employment and promotion shall be based on merit, which will be assessed on the basis of qualification, experience and personal aptitude.

B. HIRING

1. The General Manager shall be responsible for the hiring of all employees in the Authority. The General Manager may delegate this authority to an employee, or to a committee of employees of the Authority.
2. The Board of the KUA shall be responsible for the creation of permanent employment positions within the KUA. The Board shall also be responsible to establish the salaries and employee benefits, either by referral to this manual, by general resolution, or by special resolution in a particular case.
3. New or vacant positions shall be advertised for a minimum of 7 days. The announcements shall include a brief description of the position and posted in public locations and announced on the radio.
4. The General Manager shall appoint an interview panel. Normally it will be the supervisor of the division where the vacancy exists, one or two other employees plus the General Manager. The interview panel shall then interview applicants that have been pre-screened and develop a ranked listing of applicants. The General Manager will then make the final decision to offer the position.

5. All appointments shall be on merit, and shall be based on qualifications, experience and personal aptitude for the position advertised. Existing employees of the KUA are eligible and invited to apply for any advertised position.
6. Employment in the KUA shall be restricted to FSM citizens, and Micronesian persons who are legal residents of the FSM, except where the General Manager declares that a position is open to expatriate employees. Every effort will be made to fill KUA positions with FSM citizens before the hiring of expatriate employees.

C. HIRING OF EXPATRIATE EMPLOYEES

1. The General Manager may declare that the qualifications, experience and personal aptitude required for a particular position require that position be advertised to expatriate employees.
2. All the provisions in B. above will apply. In particular, the position shall be advertised in Kosrae, and FSM citizens eligible are invited to apply for the position. A copy of the position advertisement may be sent to the Pacific Power Association and other trade organizations, and may be advertised overseas in a manner determined by the General Manager.
3. The KUA will, if necessary, arrange for the final interview of an expatriate employee in Kosrae.
4. Expatriate employees shall be employed in accordance with the terms and conditions as specified in their employment contract. The renewal contract for a continuing employee does not need to be advertised.
5. The KUA may establish an eligibility list from persons interviewed for an expatriate position. An appointment may be made from the eligibility list to a position similar to that advertised without the need to re-advertise the position.

D. PAY PERIODS

Pay checks are issued every other Thursday (26 pay periods in a calendar year).

E. PAY RANGES

1. The KUA pay plan includes a “range” and “step” schedule for all employees not on a separate pay contract. The Pay Schedule fairly reflects the differences in duties and responsibilities of positions, and takes into account rates paid by other employers for comparable work. Also, it reflects the KUA’s financial condition and policies.
The schedule includes an entry step and four subsequent steps to a top salary for each position. Normally, employees will start at the first step of the salary range but, if justified by exceptional qualifications or experience, the General Manager may approve beginning at a higher step.
2. The KUA shall pay a night differential of 15% for work performed from 6:00 PM to 7:00 AM.
3. The KUA shall pay a hazardous differential of 25% per hour for work performed at heights exceeding 6 feet or working in an energized substation.

4. Overtime rates shall be 150% of normal time rates and shall apply to all hours worked, in excess of 80 hours, in any given pay period.
5. When the KUA requires an employee to work hours outside of the shift to which the employee is normally assigned, such work shall be paid at overtime rates. If an employee is called from his/her home then they will receive a minimum of two hours pay.
6. Holiday rates will apply to employees required to work during scheduled holidays. Holiday rates shall be 100% of normal time rates and be added to the employee's rate for the holiday worked.

F. EVALUATION AND PROGRESSION.

1. The performance of each employee shall be evaluated by their supervisor annually. The form of this evaluation (Appendix A), shall be determined by the General Manager. The review should be objective, encourage initiative and the completion of training. The evaluation form shall be signed by the employee, the department supervisor and the General Manager.
2. Employees receiving a "very good" or "excellent" evaluation shall be eligible to progress across the Pay Range they are in to the next pay Step within that Range. Some positions may have more than one Range, and to progress to a higher Range, both a satisfactory evaluation, and completion of specific training is required. The General Manager, on the recommendation of an employee's supervisor, may approve a merit increase of more than one Step in the pay scale.
3. The General Manager is authorized to award bonuses from time to time to employees for exceptional work. The total amount of the bonus to be paid to all employees shall be approved by the Board.

G. DISCIPLINE AND DISMISSAL.

1. The General Manager has the authority to immediately dismiss or discipline any employee who is found to have deliberately or negligently endangered life or endangered or damaged the property of the KUA.
2. The General Manager shall provide for the discipline of employees on a fair and equitable basis, whose conduct or capacity is such to be detrimental to the efficient operation of the KUA.
3. Discipline shall include, but shall not be limited to, one or more of the following: suspension, demotion, placing on probationary status, reassignment or dismissal.
4. Following the decision for discipline action of an employee, the employee has the right to present mitigating circumstances, defenses, or other information which argue in his or her favor within 5 days of receiving notice of such discipline action. If a presentation is made, the General Manager will review the intended action in light of the presentation and subsequently, make a final written determination on employment status. If the employee does

not make a presentation, the dismissal action and the effective date previously stated will be final and no further notice will be given to the employee.

5. Nothing in this subsection shall be construed as creating an expectation or a right in KUA employees to tenured or permanent employment. The general manager shall remain the sole judge as to the efficiency and value of the employee, and the general manager reserves the right, at any time, with or without cause, to remove any KUA employee without prejudice and without the right of recovery of damages by the employee.

H. LEAVE

1. Holiday Leave. The KUA will follow the Kosrae State Government's schedule for observance of the following holidays:

New Year's Day	January 1
Kosrae Constitution Day	January 11
FSM Constitution Day	May 10
Liberation Day	September 8
United Nations Day	October 24
Self-Government Day	November 3
Thanksgiving Day	4th Thursday in November
Christmas Day	December 25

2. Annual Leave. Annual leave or vacation, shall be granted for the purpose of rest and relaxation, and to provide time-off for personal or emergency reasons. The KUA will provide the following paid annual leave.

Time of Service	Annual Leave
1 to 5 years	3 hours/pay period
5 to 15 years	5 hours/pay period
more than 15 years	7 hours/pay period

Time of service may include continuous service with the Kosrae State Government. An employee shall be in full pay status for the entire pay period in order to accrual for that period.

The maximum accrual for annual leave shall be four hundred (400) hours. Excess hours are not redeemable.

Employees shall be encouraged to take vacation leave. Employees may “trade” some of their vacation accrual for pay when requested in conjunction with vacation leave. When 40 hours of vacation leave is taken, an additional 40 hours of pay may be requested. Vacation time may be traded in no more than twice in a calendar year, with an 80-hour maximum pay-out.

Annual leave shall not be taken in advance of accrual.

Requests for annual leave must be made in advance on a leave request form (Appendix B). Annual leave requests must be approved by the employees immediate supervisor. Annual leave requests will only be approved where the leave will not disrupt the efficient operation of the KUA. Only in cases of a valid emergency will a prior approval not be required.

3. Sick Leave. Sick leave shall be granted for the purpose of protecting the employee from loss of pay due to illness. Sick leave accrual is 3 hours per pay period. Requests for sick leave must be made on a leave request form (Appendix B).
- There is no maximum accumulation of sick leave.
 - An employee must be in full pay status for the entire pay period in order for to accrue sick leave.
 - An employee who becomes sick while on annual leave may be granted sick leave for the period of his/her illness provided that the period to be covered by sick leave is supported by a certificate by a licensed physician.
 - A physician’s certificate may be required to determine ability of the employee to continue in the service of the KUA. When an employee’s pattern of sick leave indicates possible misuse of sick leave, the employee may be required to provide a physician’s certificate every time the employee uses sick leave.

4. Maternity Leave. Up to six (6) weeks of maternity leave will be paid to an employee [within a twenty four (24) month period] who is absent from work because of childbirth. Any time taken in excess of this will be charged to the employee's sick leave or annual leave account if there is a licensed physician's certificate supporting this action. In the event there is not sufficient sick leave or annual leave available, then the employee will be granted leave without pay. For the benefit of the mother and child, the KUA will endeavor to provide a flexible work schedule for six (6) months following the employee's return to work. Requests for maternity leave must be made on a leave request form (Appendix B).
5. Paternity Leave. Up to sixteen (16) hours of paternity leave with pay will be paid [within a twenty four (24) month period] to an employee who is absent from work due to the birth of a natural child of that employee. This time will be charged to the employee's accrued sick leave. Requests for paternity leave must be made on a leave request form (Appendix D).
6. Funeral Leave. Up to forty (40) hours of funeral leave will be paid [within a twelve (12) month period] to an employee who is absent from work immediately after the death of an immediate family member (spouse or child, child of child, brother or sister, parent or grand parent of employee or spouse). Any funeral leave taken in excess of forty (40) hours will be charged to the employee's sick leave or annual leave account. In the event there is neither sufficient sick leave or annual leave available, then the employee will be granted funeral leave without pay. Requests for funeral leave must be made on a leave request form (Appendix B).

Other KUA employees may contribute up to 5 hours of accrued sick leave annually to employees suffering a hardship due to multiple funerals in their immediate family. The total contributions may not exceed 40 hours to the hardship employee, nor may the contributions exceed the amount of additional funeral leave taken. The General Manager must approve all contributions in advance.

7. Administrative Leave. The General Manager may declare Administrative Leave with pay for the following reasons:

Voting in Municipal, State or National elections.

Observance or participation in civic activities. (Employee participation in civic activities must be pre-approved by the General Manager. Leave may then be granted with a maximum limit of 40 hours during a 12 month period.)

State and nationally observed holidays not listed in Section H, Paragraph 1.

8. Leave Without Pay. The General Manager may grant leave without pay, to an employee in good standing, for a justifiable reason. Requests for leave without pay must be made on a leave request form (Appendix B).

I. EMPLOYEE BENEFITS

1. The KUA shall provide life insurance for all employees at no cost to the employees. The extent of coverage shall be twice the employee's annual salary. In the event of accidental death, the coverage will be double.
2. The KUA shall insure (self or otherwise) all other employee related insurance risks, including workers compensation and damage to employee's property if used in connection to work.
3. Employees and the KUA shall contribute to Social Security to the extent required by the law of the Federated States of Micronesia.
4. KUA employees are eligible to participate in the National Government Employee's Health Insurance Program. The KUA will provide a minimum of 52% of the insurance premium if the employee elects to participate.

J. BOARD COMPENSATION

The Board of Directors will receive \$35.00 compensation, plus documented expenses, for each day of official Board of Director meetings in accordance with the provisions of the KUA ByLaws and State Law 5-38.

K. TERMINATING EMPLOYMENT

1. Employee resignation from the KUA shall be in writing and submitted at least fourteen (14) days in advance of the effective date. The General Manager may approve a variation to this requirement.
2. The retirement age for all employees in the KUA shall be sixty (60) years.
3. The General Manager is authorized to terminate an employee for medical reasons, where there is evidence that there is incapacity to perform the duties of a position. The General Manager shall arrange for a physician to examine the employee and present a report.
4. Any employee who is AWOL (absent without leave) for 5 consecutive days shall be deemed to have abandoned their employment, and shall be immediately terminated. An employee who is terminated for AWOL will be entitled to the provisions listed in Section G.

DISCIPLINE AND DISMISSAL.

L. ARRIVING LATE TO WORK

Employees that arrive late for work disrupt the operation of the utility. Tardiness may cause the KUA unnecessary expense since, in some instances, the KUA must pay overtime charges to fill in the vacancy. In some cases, the KUA may need to delay or postpone scheduled work because employees are late to work.

Employees reporting late to work or their shift, without prior approval from their Supervisor, which cause unnecessary expense, delay or frustration to the KUA, will receive a Late Notice (Appendix C), from their Supervisor. After receiving 3 Late Notices in a 12 month period, the employee will be suspended without pay for 3 days and placed on disciplinary probation. Any further Late Notices issued to that employee may result in termination of employment from the KUA.

M. TRAINING

1. The KUA emphasizes training for all employees. The KUA encourages staff to take advantage of the training programs offered by the Authority. KUA staff are encouraged to design their own training programs that will be of advantage to the KUA, and to seek approval from the General Manager.
2. The KUA will pay for all approved employee training classes including, but not limited to travel, per diem, tuition, registration and class material. The employee may enter into a Education Contract (Appendix D), with the KUA, approved by the general manager, to attend locally taught classes at the Community College of Micronesia. In that contract, the Employee will attend classes in accordance with an agreed upon schedule and for an agreed upon number of hours. The contract may provide for financial incentives for exceptional performance and penalties for failure to complete the contract. Should the employee be eligible for a Pell Grant, the KUA will be reimbursed for tuition of the classes taken.

N. TRAVEL

The KUA will pay travel and transportation expenses for Board Members and Employees as required for approved KUA related travel. These expenses shall be paid by the KUA according to the following:

1. All travel expenditures must be approved by the General Manager.
2. The travel of the General Manager must be approved by the Chairman of the Board.
3. Any estimated travel expenditures in excess of \$10,000 must also be approved by the Board and noted in Board minutes.
4. Economy class air transportation, for the employee only, by the shortest direct round trip route from Kosrae to the authorized travel destination.
5. Lodging, for the employee only, at good or moderate accommodations appropriate for the intended business. The KUA will provide advance payment or reimburse the employee for actual expenses. Requests for payments must be supported by receipts of actual expenditures.
6. Food allowance of \$50.00 per day, for the employee only. Expenditures exceeding this amount must be supported by receipts of actual expenses, and may be reimbursed at the discretion of the general manager. Purchase of alcoholic beverages are prohibited.
7. Rental car, only if required and necessary. The use of a taxi or public transportation is encouraged when practical.
8. Invoices and receipts must be presented for all expenses except for the food allowance.

9. All reimbursements for travel (including cash advances) must be submitted on the Travel Expense Form (Appendix E), and approved by the General Manager.

O. DRUG FREE WORK PLACE

1. The Board and management of the KUA supports the implementation of a drug free program in order to improve efficiencies and to eliminate drug use of any kind among employees and contractors.
2. The manufacture, distribution, dispensing, possession or use of a controlled substance in any of the KUA facilities or workplaces is prohibited.
3. All employees and contractors are hereby notified that, as a condition of employment, every employee or contractor must abide by the terms of the KUA drug free work place policy.
4. An employee or contractor must notify the KUA General Manager in writing of any criminal FSM or Kosrae State drug conviction no later than five calendar days after such conviction.
5. The KUA General Manager will notify, in writing within 10 calendar days, the employee or contractor receiving a drug conviction, of any programs offered by the State, FSM or US Federal Agency associated with the KUA, that may assist the individual with drug rehabilitation through financial, technical or other program assistance.
6. If an employee is found in violation of this policy the employee will be issued with a letter of adverse action, and the discipline procedures in the Administrative Manual will be followed.
7. A copy of this policy shall be signed by each employee, and placed in the employees personnel file. This procedure shall be repeated annually.