



Policy 21 – Utility Vehicle Use Policy

Part A

Insurability of Operators Policy

Operators of Utility vehicles must meet the Utility’s guidelines for operators of Utility vehicles and the underwriting guidelines set by the Utility’s vehicle liability insurance carrier set forth in Part A of this policy . Operators of Utility vehicles must be insurable under the Utility’s vehicle liability insurance policy. The term “Utility vehicle” as used in this Policy includes any type of motor vehicle owned or leased by the Utility.

The Utility’s guidelines for operators of Utility vehicles include the following:

- a. The Utility will order a Moving Violation Report (MVR) at least annually on each operator;
- b. Operators must report any moving violation to the Utility within 10 days of the violation, and the failure to report such moving violation may result in disciplinary action up to and including termination; and
- c. Each operator shall furnish annually his or her motor vehicle operator’s license for the Utility to copy and place in its files.

The Utility reserves the right to adopt additional guidelines or to revise these guidelines in the future

When a Utility employee’s job duties require the operation of a Utility vehicle, only persons who are insurable by the Utility’s vehicle liability insurance carrier shall be eligible for employment by the Utility.

All current and future operators of Utility vehicles must be insurable under the Utility’s vehicle liability insurance policy without any additional premiums being required for a higher risk operator by the Utility.

All current and future employees and applicants for employment with the Utility covered under this policy shall authorize the Utility to request a copy of their Moving Violation Report (MVR) for a determination of insurability.

Serious Violations	Moving Violations
<i>Driving under the influence of alcohol or drugs, and/or refusal to submit to a blood alcohol test</i>	<i>Speeding violations</i>
<i>Any felony involving the use of a vehicle</i>	<i>Improper or excessive lane changes</i>
<i>Vehicular homicide</i>	<i>Following the vehicle ahead to closely</i>
<i>Fleeing or attempting to elude police, failure to stop & report an accident in which the driver was involved.</i>	<i>At fault accident</i>
<i>Reckless driving/racing</i>	<i>Running a red light or stop sign</i>
<i>A violation arising in connection with a fatal accident</i>	<i>Failure to yield</i>
<i>Driving under a suspended or revoked licenses</i>	

Any operator or applicant for employment with the Utility with a “serious” violation or three (3) or more “moving violations” within the last three years as set forth in the table below are considered uninsurable.

Any operator who is considered uninsurable under this policy will be subject to a reduction in position and/or pay, placed on non-driving status or termination of employment at the Utility’s discretion.

I have read and received a copy of this policy.

 (Employee)

 (Date)

Part B

Operators of Utility vehicles shall comply with Part B of this Policy to help ensure the safety of Utility employees and the public.

Utility vehicles shall be used only for Utility business are not for personal use. “De minimis” or occasional use by an employee during the normal commute to and from work and/or to an assigned jobsite shall not be considered personal use. De minimus use may include “stops” in a Utility vehicle at a grocery store, bank, dropping-off or picking-up **your** child(ren) at school and similar stops when performed during the normal commute to and from work and/or to an assigned jobsite.

If an employee uses a Utility vehicle for non-Utility business in an emergency, the employee shall report such use in writing to the Manager within five (5) days of such use.

Employees permitted to take a Utility vehicle home because the employee uses the Utility vehicle for commuting purposes shall not use the Utility vehicle to run personal errands or attend personal functions after taking the vehicle home. Employees who use a Utility vehicle only for commuting purposes must comply with certain IRS requirements to have such personal use valued at \$1.50 each way. These requirements are covered in Part D of this Policy. This paragraph shall not apply to employees permitted to take a Utility vehicle home when such employees are on-call.

OPERATOR SAFETY REGULATIONS

To properly carry out the mission of the Utility, the Utility adopts certain regulations and requirements for the operators of Utility vehicles that will ensure uniformity and safety. Many of these regulations and requirements are based on both Federal and State laws, but are also designed to protect our operators and other users of the roadways, as well as the Utility's equipment, and property of others.

- The operator will comply with all traffic and safety regulations in the location the operator is traveling. Seat belts are required for the operators of Utility vehicles and for passengers in accordance with Tennessee State Law. (exception: meter readers while reading meters).
- The operator shall report for work timely to enable the operator to have adequate time to check the vehicle and its equipment.
- The operator must be physically able to efficiently perform his or her duties. An operator who is ill or fatigued will not be permitted to work. The drinking of alcoholic beverages while on duty or just prior to reporting for duty is absolutely prohibited. The use of drugs that will adversely affect the operator's ability to operate a vehicle safely is prohibited.
- The operator of a vehicle is required to complete the daily check sheet before using the vehicle each day. If a defect is found that may impair the safe operation of the vehicle, the operator shall report said defect to his or her supervisor in writing by use of the attached "Vehicle Inspection Form".
- The operator is responsible for the proper maintenance of his or her vehicle while traveling, including oil, water, and tires. The abuse of vehicles will not be tolerated.
- The operator shall be responsible for cleaning all glass, including windshield, side windows, and mirrors, and the interior of the vehicle.
- The operator will complete assigned trips without undue delay in keeping with public safety.
- Any operator who finds it necessary to use any safety equipment, with special regard to fire extinguishers or first aid kits either on equipment or in the Utility office, will report such to his or her supervisor.

- If at any time the vehicle should become unsafe, the operator will properly park the vehicle and notify his or her supervisor keeping in mind the safety and security of the vehicle and cargo.
- The operator of any vehicle that is stopped or disabled upon the highway must immediately put out available emergency signals such as flags, reflectors, and/or flares.
- The operator must report immediately any damage to the vehicle or any instance of property damage or personal injury caused by use of the vehicle.
- The operator will advise his or her supervisor in the event he or she is arrested or charged for an alleged violation of motor vehicle laws.
- Each operator must have a valid operator's license in his or her possession at all times.
- The operator will not pick up hitchhikers or carry unauthorized persons in Utility vehicles.
- The operator must remain insurable as set forth in Part A of this Policy
- The person to whom the Utility vehicle is assigned is the only authorized operator. Vehicles may not be loaned to anyone not authorized the Utility.

Part C

Employees who are provided Utility vehicles as a part of the employee's compensation and/or benefit package must comply with Part C of this Policy. Such employees shall use the Utility vehicle primarily in the day-to-day operation of Utility business but may also use the Utility vehicle for personal use at the employee's discretion.

The Utility will insure that proper vehicle liability insurance is provided to protect both the Utility, the employee and the passengers of these vehicles.

The employee to whom the vehicle is assigned is responsible for the proper operation of the vehicle. Under normal conditions the employee shall be the only operator of the vehicle. However, occasional use by other persons is allowed as long as they met the conditions for operations set forth in this Policy.

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- The operator is responsible for the proper maintenance of his or her vehicle while traveling, including oil, water, and tires. The abuse of vehicles will not be tolerated.
- Each operator must have a valid operator's license in his or her possession at all times.
- The operator must remain insurable as set forth in Part A of this Policy.

Part D

Reporting Personal Use of Utility-Owned Vehicle

IRS Requirements

When a Utility employee uses a Utility vehicle for personal use, the value of the personal use of that vehicle must be included as taxable income to the employee and is to be reported on the employee's W-2 Form. The value of such personal use is subject to the FICA tax and federal income tax withholding. **A Utility may elect not to withhold federal income tax provided the Utility gives the employee advance written notice of its election not to withhold.** Personal use of certain vehicles unlikely to be used for personal reasons is exempt from being treated as wages. These exempt vehicles include buses, ambulances, police and fire vehicles, construction vehicles, and any vehicle designed to carry cargo with a loaded gross weight of over 14,000 pounds. Pickup trucks may also be exempt when they are marked with permanent decals or painting and are equipped with a hydraulic lift gate, permanently installed tanks or drums, permanently installed side boards or panels materially raising the sides of the bed, or heavy equipment such as an electric generator, welder, boom, or crane used to tow automobiles and other vehicles which make them unlikely to be used for personal use.

Personal Use - Commuting. When the Utility permits an employee to take a Utility vehicle to and from work for commuting purposes, the personal use of the vehicle used in commuting must be included in the employee's wages. The IRS will permit an employer to include \$1.50 as the value of the commuting use per one way commute. When the Utility vehicle is used to commute to and from work, \$3.00 a day for commuting use may be used to include in an employee's wages for such personal use. This rule for valuing commuting use can only be used when the following conditions are met: (1) the Utility owns or leases the vehicle for its employees to use for Utility business, (2) the Utility requires the employee to

commute in the vehicle for bona fide non-compensatory reasons, (3) the Utility establishes a written policy which does not allow the employee to use the vehicle for personal reasons other than commuting and de minimus personal use (such as a stop for a personal errand on the way between work and home), (4) the employee does not use the vehicle for personal purposes other than commuting or de minimus personal use, and (5) the employee must not be a control employee.

Personal Use – Non-Commuting. When an employee's personal use of utility vehicle is not eligible for the commuting value rule, the employee's personal use of a Utility vehicle must be valued by the Utility for IRS reporting purposes using one of three rules: (1) the fair market value rule; (2) the annual lease method rule; or (3) the cents-per-mile valuation rule. Each rule of valuation has very specific regulations which govern when the particular rule can be used and how such rule is to be applied. A detailed description of these valuation rules is beyond the scope of this policy. The Utility, the employee, the Utility's accountant and the employee's tax advisor should determine the most appropriate valuation method which should be used by the employee to report his or her personal use of a Utility vehicle.

Adopted this Date January 6, 2006

Effective Date January 6, 2006