

	EMPLOYEE MANUAL	
	Subject:	Compensation Policy
	Section No:	40
	Date:	August 23, 2017
	Board Approved Policy OR	X
	Management Operating Procedure	

Introduction

The Agency's compensation policy is intended to support the General Manager in the achievement of the Agency's mission and the Board's strategic objectives for the community, enhance harmonious employee relations and meet the needs of a majority of the workforce. It should further, foster a teamwork concept within the organization, recognizing the importance of a satisfied, productive, and cohesive workforce. In implementing this policy, the following guidelines will be considered based upon the financial capacity of the Agency.

Compensation Philosophy

The Agency's compensation philosophy is to establish and maintain a compensation structure based on marketplace norms, internal alignment and equity among various groups of employees. This philosophy is designed to facilitate the General Manager's responsibility to recruit quality employees, insure fairness, and periodically review and update the compensation program.

Implementation

The Agency's compensation program will be implemented in accordance with the following guidelines:

Attract and Retain Quality Employees

The Agency's compensation program should ensure that the General Manager has the ability to attract and retain the quality of persons the Agency needs to meet its mission and implement the Board's policy objectives and priorities.

Labor Market

The Agency's compensation practice will incorporate a survey of labor markets that include:

1. Local labor market comprised of water agencies and general purpose governments.

2. Southern California regional market comprised of water agencies and general purpose governments that provide water services similar to those provided by the Agency.
3. In addition to the labor markets referenced above, the Agency may collect supplemental survey data to address compensation issues associated with unique job classification and non-industry specific classifications.

Sharing of Compensation Survey Information

Consistent with the Agency's commitment to an open and collaborative relationship with employees, the compensation survey data collected pursuant to this policy will be shared with employees.

Competitive Position

If fiscally prudent, it is the Agency's objective to compensate employees at the middle of the labor market as measured by the mean and/or median.

Measurement of Competitive Position

Competitive position will be calculated utilizing total cash compensation which includes base salary plus cash add-ons to base salary including PERS pick-up, incentive pay, deferred compensation, etc. In addition, the Agency will also consider health and retirement benefits, leave benefits, and reimbursement policies.

Internal Alignment

Consideration will be given to both labor market survey data and internal relationships in establishing salary ranges. When establishing internal relationships, priority will be given to:

1. Appropriate differential between superior and subordinate classes
2. Appropriate differentials among classes in the same class series
3. Relationships among related class series
4. Relationships across unrelated class series.

Mix of Base salary, Total cash and Benefits

The Agency's practice is to provide a mix of base salary, total cash and benefits that is generally competitive with the labor market. When evaluating benefits, the Agency will consider both the cost and the content of the benefits.

Pay Administration

The Agency will establish pay ranges for each classification and assign pay grades within a pay schedule. Pay ranges minimum and maximum will be established from

market survey results. Individual compensation adjustments within the salary range will be made in accordance with the appropriate personnel policies.

Fiscally Prudent

The Agency's compensation program shall ensure that it will not jeopardize the financial condition of the Agency. The Agency's practice is to compensate employees in accordance with the Agency's financial condition. In determining the Agency's financial condition, the Agency will consider competing service priorities, reserves and revenue growth.

Conclusion

By adopting this compensation policy which aligns with the Agency's mission and the Board's objectives, the Agency will continue to effectively invest in its employees. This policy should be reviewed periodically by the Board and updated as needed.