



EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Compensation Program

Original Approval Date:
July 8, 2015

Last Revised:
May 23, 2018

Policy No: 2.3

Page
1 of 4

Purpose

The East Valley Water District Compensation Program is designed to attract, retain, motivate, and reward the best possible work force in an equitable manner. To accomplish this, the District has established the following plan, provisions, and standards for employee compensation.

Program

The Compensation Program is designed to fairly compensate each employee at a salary that is determined by individual performance, funding, the competitive job market, job responsibilities, and the required level of expertise. The compensation program includes base salary, a Pay for Performance incentive component, and a competitive benefit program.

Salary Ranges

Salary ranges will exist for all classifications. Each range shall have five (5) steps, two and a half percent (2.5%) between steps. The salary ranges shall be established based on the competitive market median less five percent (5%).

In order to maintain a competitive position within the labor market, the District shall consider adjustments to salary ranges. Adjustments to the ranges shall be based upon marketplace data and budget considerations.

Adjustments to individual salaries based on range movement are not automatic. An employee must "meet expectations" in order to receive a step increase. If an employee "does not meet expectations" on the Performance Evaluation then a step increase may not be granted.

Employee Increases

A designated supervisor shall be responsible for 1) the annual review of each employee's performance; and 2) recommendations for employee salary increases. Increase recommendations shall be within the District's annual salary budget guidelines and based on the individual employee's performance.



EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Compensation Program			
Original Approval Date: July 8, 2015	Last Revised: May 23, 2018	Policy No: 2.3	Page 2 of 4

Guidelines for recommending increases:

- **Range Minimum** is the portion of the range where a new or less experienced employee would be placed. Progress through the range would occur as an employee moves towards the fully competent level (maximum of the range). There may be circumstances, such as hiring a highly experienced individual, which would warrant salary placement near or at the range maximum. Exceptions must be approved by the General Manager/CEO.
- **The Range Maximum** is the position of the salary range where an employee may normally expect to progress. Most employees will achieve and maintain a salary at this point of the range (fully competent). The achievement of full competency is determined by the ability to meet standards in the District's core competencies and achievement of individually determined goals for the review period.

Annual Increase Guidelines:

Adjustments to an employee's salary will be made based on the results of the Performance Evaluation. Salary adjustments shall be based on achievement of core competencies and goals and objectives.

If an employee is evaluated as "meets expectations" or better, and is not yet at the top of the range, the employee will be granted a step advancement within 30 days of the annual performance review cycle.

Timing of Increases

Salary increases will be considered on an annual basis, in conjunction with the District's fiscal year performance review cycle in July of each year.

Start Salary

Human Resources, in collaboration with the hiring manager, will determine the start rate of pay within the established range for a newly hired employee.

New Hires

- An employee shall be eligible for advancement in step at the satisfactory completion of his/her twelve (12) month probationary period as indicated on the Performance Evaluation. Advancement in step may be denied in the event of an extension of probation or an imposition of discipline.



EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Compensation Program

Original Approval Date:
July 8, 2015

Last Revised:
May 23, 2018

Policy No: 2.3

Page
3 of 4

- Individuals passing probation during the first nine (9) months of the annual rating period (July 1 - March 31) will be eligible to participate in the current District-wide annual performance review cycle (example below).
 - **Employees hired from July 1st through March 31st**
 - Month of hire: January 2015
 - 1st step increase: January 2016
 - 2nd step increase: July 2016 - now on the District-wide annual performance review cycle
 - Pay for Performance program eligibility begins: July 2016
- Individuals passing probation within the last three (3) months of the rating period, April 1st - June 30th (4th quarter) will be eligible to participate in the following year's annual performance review cycle (example below).
 - **Employees hired during the 4th quarter of the year April 1st through June 30th**
 - Month of hire: April 2015
 - 1st step increase: April 2016
 - 2nd step increase: July 2017
 - Pay for Performance program eligibility begins: July 2016

Promotions

If an individual is promoted within the review period, performance in both positions will be evaluated for Pay for Performance purposes.

Pay for Performance Program Guidelines:

The Pay for Performance Program is a discretionary incentive program that allows for up to an additional ten percent (10 %) of base salary for management and five percent (5%) of base salary for all other employees, aligned with the performance review cycle, to be paid out annually in lump sum form for exceptional performance. Employees are eligible for the program upon completion of probation.

Pay for Performance is utilized for those employees whose performance consistently meets or exceeds expectations as defined by efforts toward divisional and personal goal achievement, successful ratings on evaluation core competencies, and for those who have been identified as giving world class customer service, have established more efficient business processes, or generate ideas resulting in cost savings for the District.

An employee must at least "meet expectations" in all core competencies on their annual Performance Evaluation to be eligible for this program. It is at the supervisor's discretion



EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Compensation Program			
Original Approval Date: July 8, 2015	Last Revised: May 23, 2018	Policy No: 2.3	Page 4 of 4

to determine the percentage recommendation for their staff's Pay for Performance incentive. Also, an employee may not have received formal discipline during the rating period to be considered eligible for this program.

- Employees with performance that either "Meets Expectations," "Exceeds Expectations," or "Far Exceeds Expectations," will have the opportunity to participate in the Pay for Performance Program and have the potential to earn a lump sum payment of up to 5% of base salary for employees and up to 10% of base salary for management.
- *If base pay is above the maximum:* Employees with pay frozen at or above the maximum of their range and perform at "Meets Expectations," "Exceeds Expectations," or "Far Exceeds Expectations," will have the opportunity to participate in the Pay for Performance Program and have the potential to earn a lump sum payment up to 5% for employees and up to 10% for management above the range maximum.

Pay for Performance Evaluation Procedure:

The process for the Pay for Performance evaluation is as follows:

- 1) Core competencies, goals and objectives will be determined at the beginning of the fiscal year.
- 2) Supervisors and managers will meet with staff to communicate Department and individual goals and recommended actions staff should take to achieve these goals.
- 3) Prior to the end of the rating period (June 30th), staff will be asked to complete a self-evaluation relating to the core competencies, goals and objectives for their supervisor to review.
- 4) At the end of the rating period, a separate Pay for Performance evaluation will be completed to document each employee's accomplishments relative to the competencies, goals and objectives to determine eligibility and percentage recommended for incentive pay.

Revised: April 26, 2016
September 27, 2017
May 23, 2018