

REGIONAL WATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Human Resources
Policy Title : Employee Compensation Policy
Policy Number : 400.2
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Date Amended : September 13, 2012

EMPLOYEE COMPENSATION POLICY

It is the intent of the Authority to provide employee compensation that is fair and equitable and that is comparable, based upon an employee's experience, skills and performance consistent with established job descriptions, with that of similar water and public entities regionally. As a small, professional, management-focused organization, it is the intent of the Authority to provide employee compensation at or above the labor market mean for the industry.

The compensation practices of the Authority will be competitive within the industry and geographical area to attract the most qualified candidates and to minimize turnover of its employees.

The Executive Director will have the authority to set and change employee compensation in accordance with the intent of this Policy and within the budgetary guidelines approved by the Board of Directors. As part of the annual budget review process, the Executive Director will be responsible for preparing and presenting a labor budget to the Board of Directors in accordance with this Policy. The Board of Directors will consider, amend as required, and approve the annual labor budget for the Authority. Once the labor budget has been approved, the Executive Director may determine in his or her discretion how to apply any approved increase to each employee's existing salary.

The specific terms of this Policy apply to staff only. All aspects of the Executive Director's compensation are subject to Board approval of an employment contract.

I. Salary/Pay Ranges

It is the Authority's Policy to provide a program for advancement of its employees within the salary range of their position using a merit based system based on objective regular goal setting and performance evaluations. Employees will typically advance within their pay range annually, subject to the discretion of the Executive Director, based on evaluation of the employee's performance and growth in responsibility and/or expertise in performing the work

of the position. The Executive Director may move an employee to a higher level classification, based on performance, experience and documented needs of the organization.

Classification salary ranges shall typically be established with a 20% range between the minimum and maximum of the range. The Executive Director shall recommend salary ranges for all employment positions with the Authority, with the exception of the Executive Director position, subject to review and approval by the Board of Directors. Salary steps will be established within each range to provide guidelines for use in annual budgeting. The Executive Director shall recommend the salary steps for each position, subject to review and approval by the Board of Directors.

RWA's job classifications and the salary range for each classification are set forth in Exhibit A attached to this Policy. Exhibit A may be amended and replaced from time to time as proposed by the Executive Director and approved by the Board in accordance with this Policy.

II. Cost of Living Adjustment

The Executive Director will consider the United States Department of Labor's Consumer Price Index (CPI) for All Western Small Cities (population under 1 million) for the 12 months ending in November of each year in developing the proposed budget for the Authority. If the Board approves a budget that includes funding for a cost of living adjustment (COLA), the Executive Director will have the discretion to apply a COLA to all staff salaries, regardless of position within a salary range in the fiscal year for which the budget is adopted.

To avoid penalizing employees at or near the top of the salary range, and to ensure salary ranges remain current between compensation surveys, the November CPI will be applied annually to the pay ranges in Exhibit A. The Executive Director will report the adjusted salary ranges to the Executive Committee at its next regular meeting.

III. Compensation Survey

The Executive Committee will generally conduct a compensation survey at least every five years to ensure that the total compensation offered by the Authority (salaries, wages, and benefits) is consistent with this Policy; provided, however that a compensation survey may be commissioned at any time if directed by the Executive Committee or if recommended by the Executive Director and approved by the Executive Committee. The Executive Committee may also use its discretion to waive or vary the five year commitment.