

Sacramento Suburban Water District

Employee Compensation Policy

Adopted: July 19, 2004

Revised: September 18, 2006; September 15, 2008

100.00 Purpose of the Policy

The primary purpose of this policy is to state the intention of the District in regards to employee compensation, delineate the process, and clarify the role and responsibility of the General Manager in the process. A compensation program is necessary to provide each employee with fair and equitable compensation for the value of the skills the employee brings to the District and the position. In order to provide each employee with fair and equitable compensation, it is desirable to develop a systematic method of establishing and maintaining a compensation program. Pursuant to Section 30580 of the California Water Code, the General Manager has the responsibility to fix and alter the compensation of employees subject to the approval of the Board of Directors as given to the General Manager through the annual budget process.

200.00 Policy

It is the District's policy to provide all of its employees fair and equitable compensation defined in terms of comparison to other positions within the District and the local labor market for the value of the skills the employee brings to the position and the District.

- a) It is the District's policy to remain competitive within the local labor market and not become a "training arena" for the water industry in the greater Sacramento area. To accomplish this, the District will target the third quartile of total compensation in the local labor market when setting total compensation for District positions.
- b) The compensation program can include, in addition to direct wages (regular and overtime), any District contributions toward stand-by pay, paid time off benefits, medical/dental/vision insurance, life insurance, short and long term disability, retirement, boot allowance, incentive program, and training/educational programs. The total compensation program will be used when comparing the District's competitive position to the current local labor market.
- c) It is the District'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.

300.00 Authority and Responsibility

The Board of Directors has the responsibility and authority to establish annual budgetary guidelines for the District that include the labor budget.

- a) The General Manager will prepare and present a detailed total compensation budget as part of the annual budget review process to the Board of Directors in accordance with this Policy.
- b) The Board of Directors will consider, amend as needed, and approve the annual compensation budget.
- c) The General Manager will have the authority to fix and alter employee compensation in accordance with the intent of this policy and within the budgetary guidelines approved by the Board of Directors.

The General Manager may change or alter the compensation budget during the year by either: 1) requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or 2) submitting an amended compensation budget, explaining reasons for the change, and receiving Board approval for the change.

The General Manager will have full authority to implement this Policy up to the limits of the approved compensation budget which includes:

- Determining staffing requirements, titles, positions, responsibilities and organization structure.
- Establishing salary bands.
- Setting goals and conducting performance reviews.
- Establishing annual and mid-year salary adjustments.
- Creating incentive pay programs.
- Creating programs for position upgrades and special assignments.
- Providing salary and benefit benchmarking information and surveys for Board review.
- Creating dual or multiple grade positions as needed.

The General Manager will insure the equitable and uniform implementation of this Policy, which includes reporting to the Board on at least an annual basis, typically during the budget process.

400.00 Policy Review

This Policy will be reviewed at least biennially.