

3030 – COMPENSATION *(adopted 09/03/2020 as part of the Personnel Policy)*

1. This policy shall apply to all non-exempt District employees.
  - A. New Employees - All newly appointed employees shall be paid at the first step of the salary range for the position to which the employee is appointed except as provided elsewhere herein.
  - B. Advanced Step Hiring - Based on the experience and qualifications of an applicant, the General Manager is authorized for an appointment up to Step 3 of the salary range. If a qualified applicant cannot be successfully recruited at Step one through Step 3, the General Manager may request the Board of Directors to authorize an appointment at an advanced step. Whenever advanced step hiring is approved an existing employee being paid at a lower salary step in the same range may be advanced to the step at which the new employee is appointed.
  - C. Re-employed Individuals - A person who previously held a full-time position from which the person was separated in good standing may, when re-employed in a position with the same or lower pay range than held at separation, be appointed at the same salary rate which was paid at the effective date of the person's termination, or the nearest lower applicable step for the range to which the person is appointed, provided such re-employment occurs within twelve (12) months from the date of said termination.
  - D. Substitute Employees - Subject to the following, a Substitute Employee shall be paid according to the salary schedule of the position that the employee is filling as a substitute.
    1. If the substitute employee is also a probationary employee, then the employee shall be paid at step one of the salary range.
    2. If the substitute employee is not a probationary employee, then the employee shall be paid at the lowest step of the salary range that avoids a reduction in pay for the employee.
2. Increase in compensation other than Cost of Living Adjustments for non-exempt employees.
  - A. Employees may qualify for advancement to the second step after completion of 12 months' service or the probation period if shorter upon the recommendation of the department head and approval by the General Manager.
  - B. Employees may qualify for advancement to the third step after the

completion of one year of service in step two upon recommendation of the department head and approval by the General Manager.

- C. Employees may qualify for advancement to the fourth step after completion of one year of service at the third step upon recommendation of the department head and approval of the General Manager.
  - D. Employees may qualify for advancement to the fifth step after completion of one year of service at the fourth step upon recommendation of the department head and approval of the General Manager.
  - E. A report verifying satisfactory performance of each employee recommended for advancement shall be submitted to the General Manager prior to final action on such recommendation.
  - F. Upon completion of two (2) years of outstanding service at Step 5 of a classification, and no opportunity for promotion to a new classification, and upon recommendation of the department head, the General Manager may award a one (1) time merit stipend. This stipend shall not exceed 2.5% of the current salary of the employee. The stipend will be a one-time payment which shall be paid the next pay period following the employee's qualification under this provision. The employee is limited to one stipend every twenty-four (24) months. The stipend will not be used for calculation of retirement benefits.
3. For the purpose of determining eligibility for step advancement for non-exempt employees, the anniversary date shall be as follows:
- A. For employees entering the District service whom are appointed to a permanent position at the first step, the anniversary date shall be the day following the completion of 12 months of service at such step.
  - B. For employees entering the District service who are appointed to a permanent position at a step other than the first step, the anniversary date shall be the day following the completion of 12 months of service at such step.
  - C. For employees who have completed six months' service at the first step and are thereafter compensated at a step other than the first step, the anniversary date shall be the date following the completion of one year of service at the higher step.

4. Cost of Living Adjustments -Annually, the Board may consider a Cost of Living Adjustment (COLA) for non-exempt employees. If the COLA is approved, it shall be calculated based on the average of Bureau of Labor Statistics Index CPI-W for the San Francisco/San Jose/Oakland SMSA for the preceding year and the Bureau of Labor Statistics Index CPI-W for the Los Angeles/Orange/Riverside SMSA for the preceding year. If approved by the Board of Directors, the step plan will be adjusted accordingly, thus keeping the plan current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to Section 3030(2) in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board approved Cost of Living Adjustments.
  
5. Promotion -Non-exempt employees promoted to a position with a higher pay range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay nearest to five percent but not less than four percent over the pay previously received by the employee; provided, however, the increase may exceed five percent at the discretion of the department head, if approved by the General Manager, and that such increase shall not exceed the top step of the range allocated to the new classification. Such action shall require the General Manager to establish a new anniversary date in accordance with the following criteria:
  - A. For employees who are promoted to a permanent position and placed at the first step of the salary range, the anniversary date shall be the date following the completion of 12 months of service at such step.
  - B. For employees who are promoted to a permanent position and placed at a step other than the first step, the anniversary date shall be the day following the completion of one year of service at such step.
  
6. Exempt Employees

The following policies apply to exempt employees:

- A. The Board of Directors, upon considering the recommendation of the General Manager, shall establish the initial salary for exempt employees within the existing salary range.
- B. The Board of Directors, as part of the budget process, shall consider increases in compensation and cost-of-living adjustments for exempt employees.