

**EASTERN MUNICIPAL WATER DISTRICT
HUMAN RESOURCE MANAGEMENT
POLICIES AND PROCEDURES**



SECTION: Classification and Compensation Procedures	DATE: May 1, 2005	PREPARED BY: Angela Carman
PAGE: 1	REVISION DATE: October 3, 2007	APPROVED BY:

I. Definitions:

(Definitions uses herein are intended to be consistent with Ordinance 30, as amended.)

- A. "Anniversary Date" - the annual anniversary of last employment date for an employee in a Full- or Part-Time Regular position, used to determine eligibility for vacation, sick leave and/or other benefits.
- B. "Classifications" - a listing or group of positions or jobs as set forth by Resolution No. 3345 (Exhibit "A" - Classifications of Positions"), as amended by the Board of Directors from time to time. Said listing or group of positions or jobs may be either similar in duties and responsibilities or require approximately the same abilities, education, experience, and background which are of a similar level of job worth and salary range.
- C. "Continuous Service" - (sometimes denoted - "Continuous Employment") - the uninterrupted payroll status of an employee. (Exception: Authorized Leave of Absence would not be considered a break in service even though an employee would not be in a payroll status; however, such a period of absence would not count toward eligibility for increased vacation, sick leave, and/or other benefits).
- D. "Demotion" - A demotion is the appointment of an employee from an incumbent position to a position in a different classification for which the control point is lower. An employee demoted for disciplinary reasons shall be placed within the designated range for the class to which demoted as provided in the Order of Demotion.

An employee who voluntarily requests a demotion will be placed on the step of the salary range for the lower classification closest to, without exceeding, their existing salary, however, if the employee's existing salary exceeds the Control Point of the lower salary range, the employee's salary will be reduced to the Control Point of the classification to which employee voluntarily demoted.

- E. "Executive Employee" - those classifications identified with a "+" under the column titled E on Exhibit "A" of Resolution No. 3345, as amended, are considered Executive classifications and as a condition of employment are required to work whatever hours are necessary to accomplish their assigned job. The monthly salary identified on Exhibit "E" of Resolution No. 3348, as amended, for the range and step authorized for each Executive employee is considered full compensation for all hours worked.

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- F. "Exempt Employee" – those classifications identified by the letter "y" under the column titled E on Exhibit "A" of Resolution No. 3345, as amended, are compensated for each hour of authorized overtime worked at their existing hourly rate. Exempt employees may choose to accrue compensatory time off on an hour for hour basis in lieu of paid overtime, up to a maximum of 40 hours, for each hour of authorized overtime worked. Accrued compensatory time shall be taken with the approval of the department head at such times as will not impair the work schedule or efficiency of the department. Accrued compensatory time off must be used before accrued vacation hours are used.
- G. "Full-Time Employee" - the holder of a Regular position established by the District on a continuing basis for the number of hours usual or prescribed for normal Regular District employment. All positions shall be full-time unless otherwise designated, and compensation shall be on an hourly basis paid biweekly. Full-Time Regular Employees are eligible for all benefits following completion of the initial probation period (some benefits become effective on employment date).
- H. "Holidays" - those days or hours designated as such by official action of the Board of Directors.
- I. "Initial Probation Period" - All employees, except probationary part-time employees, shall serve an initial probationary period of 2080 regular working hours of service in a paid status (designated classifications may have a longer probation period to allow for acquiring mandated certification), and must maintain a "good" performance rating or better before obtaining regular employment status with the District. Part-time employees shall serve an initial probationary period of twelve consecutive months of service and must maintain a "good" performance rating or better before obtaining regular employment status with the District. Employee performance reviews shall be administered at three months, six months, and twelve months. The twelfth month review will be held prior to completion of 2080 hours of regular employment (twelve consecutive months for part-time employees) and prior to the employee being released from probation. An employee may be removed from the initial probation at any time with the approval of the General Manager or designee. During the initial probation period an employee may be discharged at any time without cause and without right to review.
- J. "Masculine" - whenever the masculine form of any word is used herein, it also includes the feminine gender unless the context clearly indicates a contrary intent.
- K. "Nonexempt Employee" - those classifications identified by the letter "n" under the column titled E on Exhibit "A" of Resolution No. 3345, as amended. Nonexempt classifications are compensated for each hour of authorized overtime worked at one and a half times their existing regular rate. Nonexempt employees may choose to accrue compensatory time off in lieu of paid overtime on the basis of one and a half hours for each hour of authorized overtime worked up to a maximum of 40 hours. Any employee shall be permitted to use such

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compensatory time off within a "reasonable period" after making the request, if such use does not "unduly disrupt" the operations of the agency. Accrued compensatory time off must be used before accrued vacation hours are used.

- L. "Nonscheduled Workday" - any day an employee is scheduled to be off duty and not assigned or scheduled to work on a particular shift or overtime basis.
- M. "Overtime" - Except for those classifications designated as Executive, overtime is defined as all authorized hours worked in excess of 40 hours in a seven-day work period. Work periods are defined pursuant to I.D. Memo No. 7091, as amended.
- N. "Part-Time Employee" - the holder of a Regular position established by the District on a continuing basis for working hours which are less than the number of hours usual or prescribed for normal Regular District employment, and compensation shall be on an hourly basis paid biweekly. Eligibility for some benefits shall be normally conditioned upon such Part-Time employees working not less than 20 hours per week (30 hours per week for District's Long Term Disability Insurance Program, and 32 hours per week for District's Dental Insurance Plan) and following completion of the initial probation period, will be prorated on the basis of such Part-Time Regular Employee's prescribed working hours to that of a normal Full-Time Regular Employee's hours.
- O. "Pay Periods" - the successive two calendar week periods of time which begin at 12:01 on Sunday (commencing with June 1, 1980) and extend through 12:00 midnight of the second succeeding Saturday (i.e., for the month of June 1980 and end Saturday, June 14, at 12:00 midnight; the next period would begin at 12:01 a.m. on Sunday, June 15 and end Saturday June 28 at 12:00 midnight).
- P. "Position" - a particular classification to which a group of duties or responsibilities is assigned or delegated by competent authority.
- Q. "Position Specification" - (also known as "Job Description") the specific duties and responsibilities assigned to any given position.
- R. "Pre Retirement" - an employee who prior to their official retirement date opts to exhaust all vacation accruals (including sick leave accruals that have been converted to vacation accruals pursuant to Section 5.W.13 of the MOU) will be placed into Pre-retirement status. Prior to going into Pre-retirement status, sick leave and vacation accruals are calculated up to the date of retirement. While in Pre-retirement status, the employee will not continue to accrue vacation or sick leave. Holidays will only be paid if the employee is paid for more than 40 hours during the pay period in which the holiday falls. Unused floating holidays may be used by the employee while in Pre-retirement status. Unless specified above, no other paid or unpaid leaves are available to an employee in Pre-retirement status.
- S. "Probationary Employee" - A Full or Part-time Regular Employee who has not completed an initial probation period, or who, at the discretion of the department

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head, has not completed a satisfactory probation period in a position to which he was promoted, demoted or transferred.

- T. "Promotion" - change of position from one classification and salary range to a different classification with a higher salary range, whether in the same or different department.
- U. "Promotional Probation" - When promoted to another position, employees will serve a promotional probationary period of 1040 regular work hours (six consecutive months for part-time employees). When an employee does not successfully complete a promotional probation, the employee will be returned to his previously held classification or a classification at the same salary range at the same step he held before being promoted. The employee's review date will be returned to the date in the previously held classification.
- V. "Reclassification" - a change in the title of a position to reflect significant changes to assigned duties and responsibilities. Such changes may be accompanied by the assignment of the position to a higher or lower salary range. Reclassification results in the reallocation of an existing position to a different classification without creating a vacancy.
- W. "Regular Employee" - A Full or Part-Time Employee who has completed the probation period in a given classification.
- X. "Retirement" - refers to an employee who retires from the District under the provisions of the Public Employees' Retirement Law.
- Y. "Review Date" - the date on which an employee's work performance is evaluated by the department. Review Date is either the 1st or 16th of the month initially established at the completion of the initial probation and subsequently occurring at least annually thereafter. An employee's review date may be changed in the event of any salary change (i.e., promotion, re-classification, step-increase, etc.) when approved by the General Manager.
- Z. "Scheduled Workday" - any day an employee is assigned to work in accordance with his position specification (includes days for which employee is assigned to work on an overtime basis, if any).
- A-A. "Separation" - as used herein, the word separation refers to either an employee's resignation or discharge from the District's employ.
- A-B. "Temporary Employee" - A person employed as extra help, emergency or otherwise, or a student employee. Compensation shall be on an hourly basis, paid biweekly. Such employees are not eligible for benefits. Should a Temporary Employee be changed to Probationary-Regular Status, the probation period for benefits eligibility begins on the date of transfer, with no credit for the period of time served as a Temporary Employee. Temporary employees are at-will employees who may be terminated at any time, without cause, and without right of appeal.

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- A-C. "Title Change" - a change in title of a position without significant changes to on-going duties, responsibilities, or salary level.
- A-D. "Transfer" - change of an employee from one position to another of the same classification and salary range, whether in the same or a different department.
- A-E. "Wage Adjustment" - a change of classification assignment to a higher or lower salary range.

II. Reclassifications

When developing a new class concept (job description) and/or significantly changing job responsibilities for one or more employees, District managers are to use the following process:

1. If new responsibilities extend beyond a three-month period or are expected to, the department head is to evaluate organizational impacts and related class and salary adjustments with their DGM/AGM.
2. If the DGM/AGM concurs that the proposed change is warranted, he presents to the Compensation Committee the justification for any proposed organizational/classification changes. Only the Compensation Committee (composed of the General Manager, Deputy General Manager, Assistant General Manager of Engineering, Assistant General Manager of Operations and Maintenance, Assistant General Manager of Resource Development, Chief Financial Officer, the Director of Human Resources/Risk Management and IBEW Local 1436 President/Business Manager, and others as authorized by the General Manager) may authorize the Human Resources and Risk Management Department to initiate a classification and compensation study.
3. Position Authorization Forms (PAF) approved by the Compensation Committee and signed by the appropriate DGM/AGM is forwarded to Human Resources. Human Resources works with the department to refine the proposed class concept(s), draft final job descriptions, and develop a salary proposal consistent with our classification plan. To do this, Human Resources reviews organization structure, conducts comparison audits, analyzes size and scope of the job and collects salary data when warranted.
4. Human Resources reviews findings with the department head and submit its recommendation to the Compensation Committee.
5. If the DGM/AGM or department head is not in agreement with the Human Resources Department's recommendation, the DGM/AGM or department head is responsible for presenting a separate recommendation to the Compensation Committee.
6. The District will meet and confer with the affected bargaining unit's recognized representatives regarding proposed Compensation Committee proposals. If the proposed changes effect a non-represented classification, the action will be implemented following the Compensation Committee's approval.

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7. If the meet and confer process results in modification to a proposal approved by the Compensation Committee, the modifications must be approved by the Compensation Committee before implementation.

If agreement cannot be reached with the recognized bargaining unit, the District's designated Employee Relations Officer will advise the Compensation Committee of available alternatives.

8. Once the Compensation Committee authorizes the proposed change, Human Resources initiates the necessary paper work to adjust the affected employee(s)' classification, salary range, or other notices/records (i.e., notice to department head, employee(s) and Payroll, update Exhibit "A" of the MOU, update official set of job description, and update Normal Line of Promotions charts.)

III. **Salary Administration**

1. Reclassifications that result in an employee being placed on a higher range will result in the following actions:
 - The effective date will be the first day of the pay period following approval of the Compensation Committee or agreement with the recognized bargaining unit.
 - Supervisors must complete a performance review with their reclassification proposal. If the most recent performance review has been completed within the previous 6 months, and performance has been consistent with that rating, the supervisor may use that rating and lump sum recommendation in lieu of completing a new performance review.
 - A new review date will be established for affected employees based on the effective date of the reclassification.
 - All reclassified employees will receive a pay increase of approximately 5% (i.e., the equivalent of two-steps). If an employee is currently at the Control Point of his pay range and he is reclassified to a department director level position one range or approximately 7.5% higher, he will receive a pay increase of approximately 7.5% (i.e., Control Point to Control Point). In such cases a prorated bonus will apply only for the period between his last performance review and his reclassification. A second prorated bonus will not apply.
 - Supervisors of employees on step 9 or at the control point may recommend prorated pay for performance awards (limited to 2.5% for employees on step 9 and 10% for employees at the control point) upon reclassification. The pro-rated amount will be calculated based upon how many pay periods since the most recent annual review.
 - To avoid situations where reclassifications to higher ranges may result in less total pay than what employees could expect in pay and bonuses at

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their current range and step, a second prorated lump sum bonus will be provided under the following conditions:

- a. The employee is reclassified to a pay range approximately 7.5% higher or more than his or her current range.
- b. The employee is on step 9 or the control point immediately prior to reclassification.

When the above conditions are present, the following salary administration process will be allowed: A supervisor may recommend one additional prorated pay for performance award on the first anniversary of the employee's previous review date. This amount will be based upon how many pay periods since the first pro-rated lump sum was awarded. This interim prorated performance review is limited to 2.5% for employees reclassified from step 9 and 10% for employees reclassified from the control point. This interim prorated pay for performance award will be based on the employee's current salary and prorated for the period the employee had been reclassified and the first anniversary of the employee's previous review date.

If an employee who is reclassified receives a pro-rated lump sum bonus, but leaves their new classification prior to receiving their second pro-rated lump sum bonus, the second pro-rated lump sum bonus is forfeited.

2. Reclassifications that result in an employee being placed on a lower range will result in the following actions:

- ▶ A new review date will be based on the effective date of the reclassification.
- ▶ The employee will be placed on the new lower pay range at a level that most closely matches the employee's current pay without exceeding it or the control point of the new lower range.
- ▶ The effective date will be the first day of the pay period following approval of the Compensation Committee or agreement with the recognized bargaining unit.
- ▶ Y-rating procedures may be implemented on an exception basis subject to negotiations.

3. Wage adjustments will be implemented as follows:

- ▶ The District will meet and confer with the recognized bargaining unit representatives before implementing any changes proposed by the Compensation Committee that effect represented classifications.
- ▶ Employees whose pay range is reduced will be placed on the step of the new lower pay range that most nearly matches their current pay without falling below it provided the pay does not exceed the control point of the new pay range.

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- ▶ Employees whose pay range is increased will retain the same step placement within the new pay range as that previously held within the lower pay range. Employees within an open pay range will retain the same relative position to the new pay range's Control Point as that previously held within the lower pay range. This policy is limited to wage adjustments only and is not applied to any other pay action such as reclassifications etc.
- ▶ Employee's review date will not change.
- ▶ The effective date will be the first day of the pay period following approval of the Compensation Committee or agreement with the recognized bargaining unit.
- ▶ Y-rating procedures may be implemented on an exception basis subject to negotiations.

4. Flex classes:

"Flexible staffing classes" or flex classes are classifications within a multiple-level job series for which department managers, working with Human Resources, have the authority within budget and approval guidelines to promote incumbents to the higher level class based on demonstrated performance and skills. Human Resources will not conduct the usual job posting or recruitment processes when flexing a flex class incumbent to a higher level. The following guidelines and limitations apply to the flex class process:

- ▶ Employees flexed will be assigned a new review date.
- ▶ Department head's must certify on the attached form that employees have satisfied the flex class requirements and attach a copy of the flex class criteria used in evaluating employees. HR will assign an effective date as the first pay period following Human Resource's receipt of the completed flex certification form.
- ▶ Employees flexed will receive a pay increase of approximately 5%.
- ▶ All employees must complete an initial probation period before gaining regular status. If incumbents have not completed an initial probation period at the time of being flexed, they will remain on probation. When a flexed employee has successfully completed the initial probation, the supervisor will complete a probation review advising HRM to remove the incumbent from initial probation. This action will not, however, result in the incumbent being eligible for a pay increase. The incumbent will be eligible for a pay increase at their next regular annual review consistent with the District's Pay for Performance Policy.

5. Promotions or Competitive Reclassifications that result in an employee being placed on a higher range will result in the following actions:

Note: For the purposes of this section any reference to promotion also includes competitive reclassifications.

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- ▶ The effective date will be the first day of the pay period following one full pay period after the promotion has been accepted unless an earlier date is acceptable to the employee's current department head.
- ▶ Supervisors must complete a performance review at the time the employee is promoted. If the most recent performance review has been completed within the previous 6 months, and performance has been consistent with that rating, the supervisor may use that rating and lump sum recommendation in lieu of completing a new performance review.
- ▶ A new review date will be established for affected employees based on the effective date of the promotion.
- ▶ All promoted employees will receive a pay increase of approximately 5% (i.e., the equivalent of two-steps). If an employee is currently at the Control Point of his pay range and he is promoted to a department director level position one range or approximately 7.5% higher, he will receive a pay increase of approximately 7.5% (i.e., Control Point to Control Point). In such cases a prorated bonus will apply only for the period between his last performance review and his promotion. A second prorated bonus will not apply.
- ▶ Supervisors of employees on step 9 or at the control point may recommend prorated pay for performance awards (limited to 2.5% for employees on step 9 and 10% for employees at the control point) upon promotion. The pro-rated amount will be calculated based upon how many pay periods since the most recent annual review.
- ▶ To avoid situations where promotions to higher ranges may result in less total pay than what employees could expect in pay and bonuses at their current range and step, a second prorated lump sum bonus will be provided under the following conditions:
 - a. The employee is promoted to a pay range approximately 7.5% higher or more than his or her current range.
 - b. The employee is on step 9 or the control point immediately prior to promotion.

When the above conditions are present, the following salary administration process will be allowed: The employee's current supervisor may recommend a one-time prorated pay for performance award on the first anniversary of the employee's previous review date. This amount will be based upon how many pay periods since the first pro-rated lump sum was awarded. This interim prorated performance review is limited to 2.5% for employees promoted from step 9 and 10% for employees promoted from the control point. This interim prorated pay for performance award will be based on the employee's current salary and prorated for the period the employee had been promoted and the first anniversary of the employee's previous review date.

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If an employee who is promoted receives a pro-rated lump sum bonus, but leaves their new classification prior to receiving their second pro-rated lump sum bonus, the second pro-rated lump sum bonus is forfeited.

6. Y-Rated Employees:

- Negotiated general pay adjustments, also known as COLAs, are available in the form of a lump sum payment to all employees whose pay rate is currently Y-rated. This lump sum payment is to be calculated based on the employee's currently Y-rated pay level and the percentage increase agreed upon during contract negotiations between the District and the Union.
- Pay for Performance Awards of up to 10% as provided by Section 5.A.6 "Performance Management", of Ordinance 30, as amended, are available in the form of a lump sum payment to all eligible employees whose pay rate is currently Y-rated. Such lump sum payments are to be calculated based on the employees currently Y-rated pay level.

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