



<b>EMPLOYEE MANUAL</b>	
Title: <b>PAY PLAN</b>	
Policy No.: 9.0	Section Nos. 9.0 – 9.11
Approval Date: March 2024	Effective Date: March 2024
Approved By: Board of Directors	

**9.0 PAY PLAN**

The pay plan consists of monthly salary ranges of nine (9) pay steps each. There is a five percent (5%) salary differential between each monthly salary classification. There is a two and one-half percent (2-1/2%) salary differential between each of the nine (9) pay steps in each monthly salary classification. All classifications of employment, except the General Manager, shall be allocated to one (1) of the salary ranges of the pay plan. Temporary employees may be employed at hourly rates within the salary range of their classification.

The General Manager shall approve and grant all appointments and advancements under the pay plan.

**9.1 Pay Day**

Agency employees shall be paid every other Friday. The pay period closes at the conclusion of the Friday night shift preceding the payday, except for those employees assigned to a special shift schedule. Deductions from the salary paycheck shall be made for:

- State Income Tax
- Federal Income Tax
- State Disability Insurance
- Medicare Tax (for employees hired after March 31, 1986 and who were not hired while on unemployment)
- Social Security for employees not a member of PERS or not participating in the FICA-Substitute Retirement Plan Deferred Compensation Option
- Flexible Benefits Spending Plan
- Any other deduction required by law
- Voluntary deductions may be made for other programs approved by the Board of Directors or authorized in writing by the employee.

**9.2 Computation of Pay Rates**

The hourly rate of pay shall generally be an even amount determined by multiplying the monthly salary by 12 and dividing the product by 2080. Rates will be rounded to the nearest cent, counting one-half cent and over as the next higher cent (e.g., round \$18.845 to \$18.85). The number 2080 represents the normal hours of employment in a year – i.e., 26 pay periods comprising 80 hours each. Individual classifications, such as water treatment plant operators may be calculated differently. Contact Human Resources for more information.

**9.3 Job Class Descriptions**

The Agency has adopted a Job Class Description for each position within the Agency, setting forth the duties and requirements of that position. A copy of the current Job Class Descriptions for the Agency may be obtained from the Human Resources Office.



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**9.4 Initial Appointment**

The first step is the minimum rate and shall normally be the hiring rate for the classification.

In certain circumstances, the General Manager may authorize compensation at any step above the minimum salary rate. In general, hiring above the minimum step will be to address recruitment difficulties, to obtain an employee with special qualifications or other such business purposes. To hire someone above the minimum step, the Senior Manager must obtain written approval from the General Manager, in advance of the job and salary offer. The written request must demonstrate how the initial appointment above the minimum salary rate would benefit the Agency.

**9.5 Wage Rate Classifications**

The Board has established Wage Rate Classifications for each job class, which classifications establish a range of pay for job classes within the Agency. The Board may revise the Wage Rate Classifications at any time, with or without notice to the employees.

**9.6 Anniversary, Performance Review Dates and Salary Step Advancement**

An employee’s appointment date is his/her anniversary and review date to determine permanent status. Promotions and other employment activity then may change the initial anniversary date to a new date.

The Agency Employee Manual provides that after each year of service, the employee will receive a written performance evaluation. Based on the evaluation, the employee is eligible for salary step advancement, until the employee reaches the top step of the range.

Notwithstanding their anniversary date, employees will be reviewed in April/May of each year, recommendations for pay increases will be made in June, and merit increases will be effective the first complete pay period of July.

Notwithstanding any probationary period and without an employee completing probation, new employees hired between July 1 and December 31 of the year may be eligible for a two-step merit increase, accompanied by a performance evaluation, on July of the following year. New employees hired between January 1 and June 30 of the year may be considered for a one-step merit increase, accompanied by a performance review, on the first complete pay period of July of the same year. A performance evaluation will be completed for every new employee before the end of the probationary period.

Supervisors will recommend a two, one or no step increase, based upon the performance evaluation, for employees with one or more years of service.

The supervisor shall forward the completed performance evaluation and a recommended pay treatment to the Senior Manager for review and approval. The evaluation then is sent to the Human Resources Office for authorization. After the Human Resources Office authorizes the pay treatment, the supervisor will be notified so he/she can share the recommendation with the employee.



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**9.7 Promotion**

A promotion is defined as the movement of an employee from one classification to another classification that is in a higher salary range. If an employee moves to a classification at the same salary range, this is a lateral transfer, not a promotion. An example of a lateral transfer would be the movement of an employee from one Department to another in the same classification. Another example would be the movement of an employee to an equivalent classification, where the title is different, and the salary range is the same.

A promotion is generally to a vacant position and must be approved by the General Manager in advance.

**9.8 Mid-Year Promotion (Career Path Advancement)**

Mid-year promotions will only be considered and implemented during the month of January so long as the promotion meets the criteria established in section 9.7, and (a) the promotion is tied to achievable goals as detailed in the employee’s performance evaluation, and (b) is planned and budgeted. An example of a mid-year promotion would be if the employee has achieved a certification and now meets the required education and experience criteria for the next position in their career path and (a) and (b) from above are met, a mid-year promotion may be granted.

**9.9 Salary Treatment for Promotions**

When an employee is promoted, the employee will be placed into the salary range at the higher classification, at the first step that is approximately 5% greater (typically two-steps) than the current step or pay rate. Employees promoted between July 1 and December 31 would become eligible and may be considered for a two-step merit increase, accompanied by and subject to a performance review, effective the first complete pay period of July the following year. Employees promoted between January 1 and June 30 may be considered for a one-step merit increase, accompanied by and subject to a performance review, effective the first complete pay period of July of the same year. A performance evaluation will be completed for every promoted employee when he or she successfully passes the probationary period.

**9.10 Cost of Living Adjustments and General Wage Increases**

Cost of living adjustments (COLA) and general wage increases are granted only at the discretion of the Board of Directors.

Past practice has been for the Board of Directors to grant a COLA effective the first pay period of each fiscal year. The Agency uses a program of periodic market surveys for general wages increases, with interim cost of living adjustments. The results of the market survey have been effective in July of each year.

At the time that the Board of Directors considers a COLA, staff will provide the Board for its consideration information on the Los Angeles – Long Beach – Anaheim area Consumer Price Index (CPI) and any other requested information that will assist in the decision-making process.



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Any general wage increase or COLA adjustment to the salaries, if any, will normally take effect the first complete pay period of the month for which it is granted.

**9.11 Commercial Driver License – Class A Stipend**

To maintain safe and efficient operations of its heavy vehicles, the Agency needs certain field staff to hold Commercial A (Class A) Commercial Driver Licenses (CDL) in order to legally operate heavy vehicles. This type of license places a certain amount of personal burden and responsibility on the license holder, which should be recognized, and as such, fairly compensated.

The California Department of Motor Vehicles (CA DMV) defines a Class A type of driver’s license as one that allows the legal operation of “any legal combination of vehicles with a gross combination weight rating (GCWR) of 26,001 pounds or more, provided the gross vehicle weight rating (GVWR) of the vehicle(s) being towed is in excess of 10,000 pounds.”

Subject to the approval of an employee’s Senior Manager, employees that hold a valid CA DMV Class A license used in the course of their employment with the Agency shall be reimbursed for the actual CA DMV license fees and required medical exams, and receive a payroll stipend of \$80 per pay period. The number of employees eligible for the Class A stipend is limited to twenty-five (25). Adjustments to this stipend are not included in any COLA unless specifically authorized by the Board of Directors.