

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON
RESOLUTION NO. 26-2014**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH BEACH
WATER DISTRICT, PACIFIC COUNTY, WASHINGTON, ADOPTING AN
EMPLOYEE TOTAL COMPENSATION POLICY**

WHEREAS, North Beach Water District (District) strives to provide excellent service to its rate payers at all times, and supports this standard by promoting organizational values including customer service, productivity, accountability, innovation, initiative, stewardship, and ethics; and

WHEREAS, the Board of Commissioners (Board) recognizes the importance of attracting and retaining highly qualified employees who exemplify the District's organizational values; and

WHEREAS, the Board recognizes that fostering an environment attractive to such employees depends on a judicious and comprehensive strategy, including a competitive compensation program; now, therefore,

BE IT RESOLVED by the Board of Commissioners of North Beach Water District, Pacific County, that the Employee Total Compensation Policy attached hereto and incorporated herein as Exhibit "A" is hereby adopted.

ADOPTED by the Board of Commissioners on North Beach Water District, Pacific County, Washington at a special meeting held on the 29th day of October, 2014.

Brian Sheldon, Commissioner
Position #1

Gwen Brake, Commissioner
Position #2

Glenn Ripley, Commissioner
Position #3

EXHIBIT A

Board Policy - Employee Total Compensation

Adoption

Date: October 29, 2014

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Resolution: 26-2014

1. Policy Statement

North Beach Water District (District) considers its employees as the most vital resource for advancing its mission and programs. This total compensation program will accomplish two primary goals:

Attract, retain, and motivate a highly qualified and competent workforce and

Encourage and reward workplace activities that support the District's mission and overall objectives.

A competitive total compensation package includes an effective wage/Wage administration program and a comprehensive benefits plan. Within its fiscal resources and in compliance with applicable statutes, the District will administer this policy in a consistent and equitable manner.

This policy is designed to provide a philosophical foundation and structure for the policies found in the North Beach Water District's Employee Manual (Employee Manual) not replace those policies. The Employee Manual will reference this policy where appropriate.

2. Applicability

This policy applies to all regular full time and part time FLSA non-exempt and exempt employees. Nothing in this policy will supersede any terms or conditions in an employment agreement between the District and an employee.

3. General Provision

Total compensation is the sum of an employee's Wage and benefits. Therefore, a total compensation philosophy requires definition at two levels - both a compensation and benefits philosophy.

Board Policy - Total Compensation

Adopted: Resolution 26-2014 Tuesday, October 29, 2014

Revised:

Revised:

3.1. Compensation Philosophy

The District's compensation philosophy is to pay salaries designed to attract, retain, and motivate a highly qualified and competent workforce, while linking employee compensation with the District's strategic goals and objectives. The District considers internal equity and external market pressures when designing pay practices. Employee pay generally reflects the level of contribution to the District, recognizes quality performance, and encourages growth and development. Jobs of like responsibility and labor market conditions are paid within comparable pay ranges based on an evaluation of each job and relevant market data. Individuals with comparable backgrounds are hired at comparable rates for the same or a similar job classification. Performance evaluations are the driving component of the District's compensation program.

3.2. Benefits Philosophy

It is the philosophy of the District to provide a competitive employee benefits program designed to attract and retain a highly qualified competent workforce while helping employees address their changing needs. The District does so based on the premise that a healthy and secure staff are best able to contribute both to their own personal success, as well as that of the District. In order to accomplish these objectives, the District strives to provide a benefits program that is administered consistently and reflects the belief that the District and its employees share responsibility for working together as partners to provide the best and most cost effective programs available.

4. Definitions

4.1. Demotion

A demotion occurs when an employee's job assignment is permanently changed to a job at a lower market rate. When this occurs and depending on extenuating circumstances, the employee's rate of pay may change.

4.2. Equity Adjustment

An equity adjustment is used to address Wage inequities arising from external pressure in high demand fields, internal Wage compression, or

concerns regarding the retention of key employees. These types of pay increases are not granted to reward performance.

4.3. External Equity

External equity is the relative worth of comparable jobs in relevant labor markets factored for general economic variances and adjusted to reflect the local economic marketplace. The District utilizes professionally accepted analysis practices and recognized published survey sources, such as local and national Wage data, including those from the Bureau of Labor Statistic (BLS), American Water Works Association (AWWA), and Washington Association of Sewer and Water Districts (WASWD).

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4.4. Internal Equity

Internal equity is the relative worth of each job when comparing job duties, responsibilities, accountability, formal training, and experience of one job to another.

4.5. Market Adjustment

A market adjustment occurs when the General Manager determines that a job is either under or over priced in relation to comparable jobs in the relevant labor market. If this occurs, the pay range of the job and the pay rate of an employee may be adjusted. An employee's new pay rate will not exceed the new pay range maximum rate. Neither should an employee's new pay rate be lower than the minimum rate of the new pay range. Market adjustments are not granted to reward performance.

4.6. Market Rate

Pay rate or wage at the top of a tier for a job description or classification.

4.7. Promotion

A promotion is an employment action resulting from an employee competing for and receiving appointment to a job at a higher market rate. A Wage increase generally accompanies a promotion. The promotion increase must not cause the pay of an employee to exceed the maximum rate of the pay range.

4.8. Reclassification

A reclassification occurs when the General Manager determines through job analysis that the duties and responsibilities of a job have changed significantly from the documented parameters of the employee's current job description. The resulting change can be upward or downward depending upon whether the job had an increase or decrease in its level of duties and responsibilities. Generally, a reclassification may be treated as a promotion. In instances where a reclassification results in the assignment of a job to a lower market rate, this action is treated as a demotion. A reclassification is not the appropriate remedy for recognizing employees who have acquired additional academic or professional credentials, or whose background, skills, and work experience qualify them for a higher level position.

4.9. Title Change

A title change occurs when the General Manager determines that a different title is more descriptive of the nature of work being performed by an employee. This action does not result in a change in market rate or pay range, and the employee's pay rate remains the same.

5. Compensation

5.1. Pay Ranges

The District has established a pay structure based upon job descriptions with corresponding pay ranges. Wage ranges are adjusted annually in order to remain competitive and near the median of the wages paid by other employers in regional and local comparison groups or labor markets. The District determines its comparison groups, or designated labor markets, based on the geographical areas from which new employees are recruited. Survey data that best reflect those labor markets are used to set and review the wage range structure annually.

5.2. Wage Increases

Wage increases are performance-based and link employee pay to performance. Annual performance reviews are utilized set performance strategies, goals, and objectives for employees. Employees can use those written strategies, goals, and objectives to measure their

performance throughout the year. The aim of this strategy is to encourage higher levels of performance and productivity and ultimately institutional effectiveness. Wage increases are set by the General Manager and ratified by the Board of Commissioners. All Wage increases are contingent on the availability of funding.

5.3. Acting or Interim Pay

A temporary Wage differential or a one-time, lump-sum payment may be appropriate when an employee temporarily fills a position at a higher job level and in a higher market rate for a consecutive period of two or more months. The general guidelines for compensating an employee serving in an interim or acting capacity is determined by temporarily adjusting the employee's Wage from 5 percent of his or her base pay or an elevation in pay to at least the minimum of the hiring rate of the temporary, interim position, whichever is greater.

5.4. Setting Hiring Rates for New/Reclassified Employees

The pay rate for a new employee is set at an amount between the minimum hiring rate and market rate for the job description. In determining the starting rate of pay, consideration is given to the new employee's education, certification, and experience, as well as the pay rates of other employees within the hiring unit who perform similar jobs and with similar education and experience. The beginning Wage is set by the General Manager and ratified by the Board of Commissioners.

6. Job Classification System

6.1. Job Description

The District maintains job descriptions for all jobs at the District. Job descriptions distinguish jobs from others that may be in the same occupation or at or near the same pay grade. They also assist in determining the appropriate rates of pay based upon the level and nature of the job.

Job descriptions are used in other ways, such as for recruiting and selecting staff, defining career growth opportunities, developing performance expectations or standards, and compliance with various laws and statutes.

6.2. Job Evaluation and Analysis

The District, from time to time, conducts job evaluations and analyses. Positions are classified by comparing a specific job description with the current duties and responsibilities associated with the actual work performed by that position, certifications required by federal, state, and local agencies to perform the work, and other relevant factors.

7. Fair Labor Standards Act FLSA

The Fair Labor Standards Act regulates minimum wage and overtime pay standards. It requires employers to pay hourly, non -exempt employees the minimum wage rate plus overtime of one and one-half times their regular hourly pay rate for all hours worked over 40 hours in a standard work week. The work week for the District is Sunday through Saturday. (DOL Fact Sheet #07)

7.1. Overtime Pay

Only jobs classified by the District as hourly are eligible for overtime pay. Overtime must be pre-approved by the employee's supervisor. Eligible employees are compensated for overtime in accordance with applicable federal and state laws.

Hourly employees may never waive their right to overtime pay. An employee who works overtime hours without prior approval from his or her supervisor may be subject to disciplinary action. Supervisors may not, on the other hand, require employees to work overtime but later refuse to compensate them accordingly. (DOL Fact Sheet #23)(RCW 49.46.130)

7.2. On Call Pay

On call employees are not "engaged to wait" for customer service or emergency work. An employee who is scheduled to be "On Call" is required to be available to receive telephone calls screened from the answering service.

The maximum response time for "On Call" Employees will be 15 minutes. (DOL Fact Sheet #22)

7.3. Call Back Pay

All employees are subject to "Call Back" should an emergency arise at

the District. Employees who are not "On Call" who are not able to respond to a "Call Back" will not be subject to disciplinary action.

The expected response time for a "Call Back" is 30 minutes except for the "On Call" employee who is subject to the response time for the "On Call" status.

The General Manager will determine if an emergency requires employees to be Called Back to work and which employees will be Called Back.

Employees who are "Called Back" will be compensated a minimum of two (2) hours pay at 1.5 times their regular hourly rate and for any hours worked in excess of the two (2) hours will be compensated at 1.5 times their regular hourly rate.

7.4. Flexible Scheduling

A supervisor/manager may adjust the work schedule for an employee so that an employee does not exceed forty (40) hours in a work week.

7.5. Change in FLSA Status

Exemption from the Fair Labor Standards Act is determined by an employee's Wage level and the nature of the work performed. A change from one exemption status to the other has implications for employees.

Employee Moving from Hourly to Salaried

The employee's rate of pay will be converted from hourly to an annual rate of pay.

Unused vacation and sick time will be converted to Personal Leave Time (PLT) allotment for salaried employees up to the maximum of 30 days annually.

Employee Moving from Salaried to Hourly

The employee's rate of pay will be converted from an annual to an hourly rate of pay.

All earned but unused Personal Leave Time (PLT) will be converted to vacation up to the maximum of 160 hours and sick time up to a maximum of 80 hours.

Hourly employees must maintain time records for hours worked and absences.

8. Accountability and Responsibility

The General Manager determines appropriate annual Wage range adjustments based on industry, regional, and local labor market data and other relevant factors.

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The Board of Commissioners must ratify the General Managers annual Wage range adjustments before they become effective.

The General Manager sets appropriate performance strategies, goals, and objectives for employees at annual performance review and regularly tracks employee's progress on achieving those performance standards.

The General Manager determines appropriate annual wage increases based on performance for each employee.

The Board of Commissioners must ratify the General Managers annual wage increases before they become effective.

The General Manager is responsible for designing and administering the compensation and benefits program and assuring consistent and uniform application of this policy.

The General Manager is responsible for consistent application of the policy as it relates to staff actions initiated and/or requested by employees. The General Manager, also assure that current and accurate job descriptions are maintained for all employees within their positions, and that reclassification actions are initiated when appropriate.

Supervisors and managers are responsible for being aware of the goals of the program and for administering the policy consistently and in a timely and equitable manner.