

Committee Members

Dave Sadoff, **Chairperson**
Castro Valley Sanitary District
Shelia Young, **Vice Chairperson**
Oro Loma Sanitary District
Keith Carson, County of Alameda
Jesse Arreguin, City of Berkeley
Don Biddle, City of Dublin
Vinnie Bacon, City of Fremont
Sara Lamnin, City of Hayward
Bob Carling, City of Livermore
Mike Hannon, City of Newark
Dan Kalb, City of Oakland
Deborah Cox, City of San Leandro
Lorrin Ellis, City of Union City
Wendy Sommer, Executive Director

AGENDA
ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE

Thursday, July 13, 2017

9:00 A.M.

NOTE MEETING LOCATION

Oro Loma Sanitary District
2655 Grant Avenue
San Lorenzo, CA 94580
510-276-4700
(Directions included)

1. Convene Meeting

2. Public Comments

An opportunity is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Programs & Administration Committee, but not listed on the agenda. Each speaker is limited to three minutes.

Page

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|-----------|---|-----------------------------|
| 1 | 3. Approval of the Draft Minutes of June 8, 2017 (Pat Cabrera) | Action |
| 5 | 4. Changes to the Agency's Human Resources Manual (Pat Cabrera)
That the P&A Committee recommend that the Waste Management Authority Board approve the changes to the Agency's HR manual, specifically the elimination of Attachment A and changes to pages 2-4, 2-5. | Action |
| 19 | 5. Oro Loma and Castro Valley Sanitary Districts Horizontal Levee Project (Tom Padia)
This item is for information only. Tour immediately following the presentation. Wear shoes suitable for hiking if you wish to take the tour. | Information and Tour |
| | 6. Member Comments | Information |
| | 7. Adjournment | |

The Programs & Administration Committee is a Committee that contains more than a quorum of the Board. However, all items considered by the Committee requiring approval of the Board will be forwarded to the Board for consideration at a regularly noticed board meeting.

Directions to the Oro Loma Sanitary District
2655 Grant Avenue, San Lorenzo, CA 94580

From 580 East ... coming from Oakland

- Take Exit 150th Ave toward Fairmont Dr. from I-580 E
- Turn right onto 150th Avenue
- Use any lane to turn left onto Hesperian Blvd.
- Turn right onto Grant Avenue
- Destination will be on right.

From 580 West ... coming from Castro Valley

- Merge onto I 238
- Exit on Washington Ave
- Use the left 2 lanes to turn left onto Washington Ave
- Continue to Grant Avenue
- Turn right onto Grant Ave
- Destination will be on right.

From 880 North ... coming from Oakland

- Take the Washington Avenue Exit toward San Lorenzo
- Take a left onto Beatrice
- Then immediate right onto Washington
- Follow Washington Avenue to Grant Avenue
- Make a right onto Grant Avenue
- Destination on the right

From 880 South ... coming from Hayward

- Take the Hesperian Blvd. exit
- Turn left onto Hesperian Blvd.
- Turn right onto Grant Ave.
- Destination will be on the right.

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**MINUTES OF THE ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE**

Thursday, June 8, 2017

9:00 A.M.

**StopWaste Offices
1537 Webster Street
Oakland CA 94612
510-891-6500**

**Teleconference:
Lorrin Ellis
1260 Pacific St.
Union City, CA 94587
510-675-5621**

Members Present:

Castro Valley Sanitary District	Dave Sadoff
City of Dublin	Don Biddle
City of Fremont	Vinnie Bacon
City of Hayward	Sara Lamnin
City of Newark	Mike Hannon
Oro Loma Sanitary District	Shelia Young
City of San Leandro	Deborah Cox
City of Union City	Lorrin Ellis (teleconference)

Absent:

County of Alameda	Keith Carson
City of Berkeley	Jesse Arreguin
City of Livermore	Bob Carling
City of Oakland	Dan Kalb

Staff Present:

Pat Cabrera, Administrative Services Director
Wendy Sommer, Executive Director
Tom Padia, Deputy Executive Director
Todd High, Financial Services Manager
Meri Soll, Senior Program Manager
Arliss Dunn, Clerk of the Board

1. Convene Meeting

Chair Dave Sadoff called the meeting to order at 9:02 a.m.

2. Public Comments

There were none.

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3. Approval of the Draft Minutes of April 13, 2017 (Pat Cabrera)

Action

Board member Cox made the motion to approve the draft minutes of April 13, 2017. Board member Biddle seconded and the motion carried 8-0 (Ayes: Bacon, Biddle, Cox, Ellis, Hannon, Lamnin, Sadoff, Young. Nays: None. Abstain: None. Absent: Arreguin, Carling, Carson, Kalb).

4. Fiscal Year 2016-17 Funding Approval for Retiree Medical Benefits (Pat Cabrera & Todd High)

Action

Staff recommends that the P&A Committee recommend that the Authority Board authorize the Executive Director to contribute an additional \$250,000 to the Agency's California Employers' Retiree Benefit Trust Fund (CERBT) account to fund the Other Post-Employment Benefits (OPEB) liabilities.

Todd High provided an overview of the staff report. A link to the report is available here:

[Funding-Retiree-Benefits-06-08-17.pdf](#)

Board member Lamnin requested an overview of the Board policy of being 100% funded. Mr. High stated with respect to post retirement benefits it's beneficial to be more funded as future costs continue to escalate. Board member Lamnin inquired if there is a need to be 100% funded versus 80-90% funded. Ms. Cabrera stated that the Board adopted a goal of being 90% funded for retirement benefits but we are not nearly there although we are working towards that goal. Ms. Cabrera added the agency established an OPEB trust in 2007 with the idea of being close to 100% funded. In 2012 the agency made a payment to the trust which put us over 100% but we are now slightly under 100% due to changes in actuarial assumptions. The current trust is performing much better than the CalPERS fund so staff considered it a better return than to leave it in Local Agency Investment Fund (LAIF). The percentage of funding will continue to fluctuate due to actuarial assumptions. Board member Lamnin inquired as to why we are not considering funding the other (retirement) unfunded liability. Ms. Cabrera stated that we have a plan for paying on the retirement liability and it depends on when we receive the conservation easement payment from NextEra. The retirement liability is more complicated as CalPERS is constantly adjusting the rates and we are currently at approximately a 78% funded status. Mr. High stated the accounting treatment for OPEB will change going into the next fiscal year as it will be treated similar to the pension liability and to the extent that we could be under funded it will result in a liability going on the agency books which will then be amortized into the future. Mr. High stated that this is an opportunity to be ahead of the next accounting change for post-retirement benefits.

Board member Hannon stated that he appreciated that the agency made a payment last year of \$600,000 towards the unfunded liability as it positions the agency to address unfunded liability in the future. Board member Hannon asked for clarification on the average annualized rate of return and why the 7-7.2% rate of return is a good rate. Mr. High stated that the agency is in the highest performing fund and maybe we should look at a less risky and less volatile fund although with less rate of return.

Board member Hannon made the motion to approve the staff recommendation. Board member Biddle seconded and the motion carried 7-1:

(Ayes: Bacon, Biddle, Cox, Ellis, Hannon, Sadoff, Young. Nays: Lamnin. Abstain: None. Absent: Arreguin, Carling, Carson, Kalb).

5. Reusable Bag Ordinance Update (Meri Soll)

Information

This item is for information only.

Meri Soll provided an overview of the staff report. A link to the report is available here:

[Reusable-Bag-Update-06-08-17.pdf](#)

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Board member Lamnin suggested that staff send the postings to Board members so that they may include them on their social media sites as well. Chair Sadoff stated that CVSan members receive various monthly news clips and postings and asked that staff send the posting to them as well. Ms. Soll stated that she would send the posting to all Board members and TAC. Board member Biddle stated that the May 1st transition appeared to go well with no complaints or concerns. Ms. Soll confirmed that the transition went well. Ms. Soll stated that in her experiences at retailers the process did not appear arduous but more of a natural extension of the first ban. Board member Young stated that she was unsure that she needed to bring a bag but the clerk at Macy's asked if she required a bag. Board member Young suggested that staff send the social media links to Board members so that they can post them on their individual social media pages. Board member Cox suggested that staff reach out to local and state elected officials in Alameda County to post on their websites and social media pages as well. Board member Hannon stated that he is concerned about the information being available in multiple languages and suggested that staff include on the postcards and fliers that the information is available in multiple languages on the website. Ms. Soll stated that she is planning to send a flier to eating establishments and will make sure that the information regarding multiple languages is available on the flier. Board member Hannon stated that he appreciates that enforcement will be complaint based and inquired if staff is still considering conducting random inspections to ensure compliance. Ms. Soll stated that the Board decided to do a year of implementation for both retail and restaurants to analyze any issues and then come back to the board to discuss random inspections.

Chair Sadoff inquired if there have been any complaints from store owners. Ms. Soll stated that there have been very few complaints in comparison to the first roll-out and of the complaints received none were serious or egregious. Chair Sadoff inquired about number of complaint notifications received. Ms. Soll stated we have received 2 complaint notifications. Chair Sadoff inquired about the cost for outreach for both retail and eating establishments. Ms. Soll stated that most of the outreach cost was attributed to printing and mailing. Ms. Soll stated that she would provide a break-down of cost for both retail and establishments and will include this information in the minutes. The information is included below:

We have spent close to \$25,000 to date for printing, postage, and translation of outreach materials for both retail stores (two mailings to 9,000 affected stores) and eating establishments (one mailing to 5,000 affected establishments). We have one more large mailing planned for September to eating establishments and anticipate those costs to be an additional \$6,000.

Chair Sadoff thanked Ms. Soll for her report.

6. Castro Valley Sanitary District Less-Than-Weekly Garbage Collection Pilot – Information Transmittal of Final Report (Tom Padia)

This item is for information only.

Tom Padia provided an overview of the staff report. The report is available here:

[CVSAN-Pilot-Report-06-08-17.pdf](#)

Board member Biddle inquired if the report determined any significant cost savings or rate reductions. Mr. Padia stated that the voluntary pilot did not identify any cost savings for CVSan, and that in other jurisdictions that have implemented true Every Other Week service at the start of a new agreement, variations in other services and other external variables have affected the ultimate rate requirements. Locally, a number of jurisdictions have experienced overall rate increases of 20-50% at the start of new contracts. Board member Cox inquired if there has been pushback for loss of jobs for truck drivers due to the decrease in truck traffic. Mr. Padia stated during the pilot there was no reduction in truck traffic as the trucks maintained weekly collection services. Chair Sadoff stated that at the end of the pilot staff reported that 10% of residents continued to put out their bins every other week. Mr. Padia attributed some success

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to CVSan messaging “If you don’t fill it up, don’t put it out” and considers it a useful message for all three carts, garbage, recycling, and organics, and can also lead to cost savings if the driver does not have to tip the partially full cart. Board member Bacon stated that messaging is vital to a very diverse population such as Fremont, with a lack of English language skills. Board member Bacon stated that he can typically set out his garbage can every other week but if there was rate increase he would set it out weekly. Mr. Padia stated that there is rethinking across jurisdictions about loading all costs for all three bins into the garbage cart and lowering the rate for smaller cans because this creates a financial bind as collection costs remain essentially the same. Some jurisdictions are looking at a core fee with volume-based rates for each of the three carts as a way to relieve some of the financial bind and reflect more of a cost for service. Board member Hannon commented that rates will change behavior and suggested recycling service every week. Board member Hannon inquired if there is any information on the rate structure in Portland. Mr. Padia stated that the city of Portland a few years ago implemented city-wide mandatory every other week garbage collection for single-family homes which resulted in a large drop in weight for garbage and an increase in the amount of organics collected. Mr. Padia added he has not done a financial analysis of their rate structure. Board member Hannon requested that staff provide an informational memo to the Board regarding the city of Portland rate structure prior to implementing every other week services as it could help inform jurisdictions when evaluating rate structures. Mr. Padia stated that he would do so. However, there are many variables that will affect rates. Board member Hannon inquired if all jurisdictions provide pails for food scrap collection. Mr. Padia stated that at the inception of food scraps collection nearly all jurisdictions provided pails. There is no standard for providing pails as some jurisdictions are currently providing them upon request and some are providing them to multi-family residents as well.

Board member Lamnin inquired if the better performing jurisdictions are finding more contamination in the green waste stream. Mr. Padia stated no there has been no documented increase in contamination of residential organics. Chair Sadoff thanked the Authority Board for approving the funding for the pilot and stated although we didn’t get all of the results that we were looking for we received very useful data and the fact that we have 10% residual behavior change is encouraging going forward.

Chair Sadoff thanked Mr. Padia for his report.

7. Member Comments

Board member Lamnin requested that staff consider including future agenda topics such as a presentation on the food waste program, freezer packs, unfunded liability, etc. in the agenda packet. Ms. Sommer stated certainly and that agenda planning is usually done through the WMA Board calendaring process.

Chair Sadoff announced that the Oro Loma Sanitary District and Castro Valley Sanitary District were joint recipients of a 2017 Bay Hero Award. The Bay Hero Award was presented to the sanitary districts’ boards by the San Francisco Bay Institute in recognition of the Horizontal Levee project. The horizontal levee demonstration is a full-scale pilot of a sea level rise response using native plants. Board member Young stated that they were honored to receive the award and added the demonstration site is at the Oro Loma Sanitary District property. Ms. Sommer stated that it would be a good idea for the Board to tour the project over the summer. Board member Young stated staff can contact General Manager Jason Warner or Board member Young.

8. Adjournment

The meeting adjourned at 10:02 a.m.

DATE: July 13, 2017

TO: Programs and Administration Committee

FROM: Pat Cabrera, Administrative Services Director

SUBJECT: Changes to the Agency's Human Resources Manual

SUMMARY

At the July 13, 2017 Programs and Administration (P&A) Committee meeting, staff will recommend changes to the Agency's Human Resources (HR) manual as it pertains to the salary adjustment plan (referred to as Attachment A). The key changes are as follows:

- Eliminate Attachment A, which is a merit based salary adjustment plan.
- Return to the more traditional salary adjustment plan which consists of general wage increases (tied to the Consumer Price Index) and sometimes referred to as COLAs (cost of living adjustments) and salary "steps" (salary increases within a classification's salary range). Employees must maintain at least satisfactory performance for any pay increase. Any employee performing below a satisfactory level will be placed in a performance improvement plan.

DISCUSSION

In October 2012, the Authority Board approved a new salary adjustment plan referred to as Attachment A. This plan eliminated any automatic pay increase including general wage increases associated with COLAs or increases within a salary range (often referred to as step increases). Instead the plan awarded salary increases based on performance. The salary pool was comprised of the funding that would have been available under a traditional salary adjustment plan, which was then allocated by a ranking system based on an employee's performance evaluation score.

This system has been in place for four years and has been problematic for a variety of reasons outlined below:

- The implementation of the plan is complicated. Salary increases for employees are predicated on a ranking system which tallies each employee's scores based on her/his respective performance evaluation. An average of the employee's final score (which is an average of her/his individual performance evaluation ratings) is ranked against her/his co-workers, which is then used to determine how much of the salary pool s/he will get. Even if an employee is performing well, s/he can get less than the average of the salary pool depending on the average of the total rankings. With the exception of the ASD, few if any employees understand how this system actually works.

- The salary plan has system inequities. The plan allows an employee to go over the top of range for a year (provided that s/he does not go over the 95th percentile); the salary then resets to the prior top of range for the next evaluation cycle. Since the salary pool cannot be more than the cost of a traditional system, employees in the lower end of their respective salary range (and often in the lower paid classifications) who would have received a 5% “step increase” end up subsidizing employees who temporarily go over the top of range and would have only received a CPI increase (under the traditional system). Attempts were made to correct for this problem, which only made the system more complicated.
- Teamwork was one of the performance evaluation’s core competencies. However, employees essentially competed against each other since an individual’s salary increase was dependent upon how her/his score compared to her/his co-worker. Although there was no indication that employees tried to undermine each other in order to get a higher score, the system nonetheless had contradictory and/or inconsistent components.
- Finally, the system was developed as a way to motivate employees, but in fact had a demotivating affect. Even the top performers did not feel particularly motivated by the increase s/he received. The reason for this is two-fold: 1) with a few exceptions, the percentage difference in the salary increases were minimal; and, 2) as most research indicates employees are generally not motivated by money particularly those in government positions where salary is not built upon commissions or bonuses. The Agency is very fortunate to have employees who are committed to their work and are more interested in furthering the mission of our organization. Obviously, maintaining a good compensation structure is important, but a “zero sum” merit based system that is built upon a confusing and competitive rating system is not productive or conducive to employee morale.

Staff is recommending eliminating Attachment A except for the portion that discusses when the Agency will conduct a compensation study (see page 2-5). Staff is recommending returning to the traditional pay increase structure (employed by most public sector agencies), which includes step increases until an employee reaches the top of her/his salary range, general wage increases (tied to the CPI) and periodic compensation surveys. General wage increases and any changes resulting from a compensation survey require Authority Board approval. Under the proposed system, if an employee’s performance is below satisfactory s/he be placed on a performance improvement plan. As shown on page 2-5 employees must not be in a performance improvement plan to receive any salary increase (step increase or general wage increase). Furthermore, an employee will no longer be able to go over the top of her/his salary range.

RECOMMENDATION

That the P&A Committee recommend that the Waste Management Authority Board approve the changes to the Agency’s HR manual, specifically the elimination of Attachment A and changes to pages 2-4, 2-5.

Attachment 1: HR manual redlined pages 2-4, 2-5 and removal of Attachment A.

Attachment 2: HR manual revised (no redline) pages 2-4, 2-5.

2.2 Salary Administration

The Authority's policy is to recognize and compensate employees for the work they perform within and beyond the normal work period. The Authority embraces the philosophy to pay fair and reasonable wages that will attract, retain and motivate qualified personnel to meet organizational goals and objectives.

2.2.1 Salary Adjustment Plan Design

The salary plan shall include all classifications in the Authority. Except for the ED, the salary structure shall consist of a salary range. Each range is established using salary control points that will be set to the appropriate labor market. ~~The salary ranges will be reviewed periodically and modifications recommended where appropriate. Annual salary increases are based upon performance as outlined in attachment A.~~ In order to properly compensate employees, adjustments in salary shall be made as described below. Adjustments shall not be automatic, but require at least satisfactory performance. Employees are eligible for up to a 5% "step" increase once a year until s/he reaches the top of her/his respective salary range. For meritorious performance, the ED in consultation with the ASD may award an employee a step increase sooner than the normal adjustment date or award more than a 5% increase provided that the increase does not exceed the top of range.

In addition, salary ranges will be adjusted as follows: The Agency will conduct a total compensation survey periodically but no sooner than every three years to enable the Board to assess whether compensation remains competitive with the market. The Programs and Administration Committee will be consulted in the survey development process to help determine salary range placements and other pertinent criteria. In the years between the surveys, salary ranges will be adjusted by the most currently available Consumer Price Index (CPI) - All Urban Consumers (San Francisco – Oakland- San Jose Area) as determined by the US Bureau of Labor Statistics (BLS), or a lesser amount if necessary to conform to the findings of the most recent total compensation survey. The Board will be asked to approve the salary ranges every year as part of the budget process. Any salary increase requires at least satisfactory performance.

Performance evaluations will be conducted at least annually. Any employee who does not maintain at least satisfactory performance shall be placed on a performance improvement plan (PIP). While on a PIP the employee will not be eligible for a general wage increase (CPI adjustment) or a "step" increase (if not at the top of her/his salary range). The employee will not be eligible for any retroactive adjustments once s/he is no longer on the PIP but will be eligible for a salary increase the following salary adjustment cycle assuming one is approved by the Board or the employee is not at the top of her/his salary range.

2.2.2 Changes in Status

~~A.~~ **Completion of Probationary Period** - All regular status employees shall serve a twelve (12) month ~~original~~ employment probationary period. ~~Employees who are promoted or reclassified serve month probationary period~~

~~B.~~ **A. Promotions** – Promoted employees shall be placed in the higher salary range and will receive an increase in salary of 5% (but not to exceed the maximum of the new range) or the bottom of the new salary range, whichever is greater. If the employee moves from a non-exempt to an exempt position, the rules regarding overtime compensation and administrative leave for the new position will apply. ~~Anniversary dates for board approved annual pay increases not associated with a promotion will remain consistent with other employees (currently awarded at the beginning pay period closest to October 1st), subject to the provisions of the Annual Salary Adjustment Plan (Attachment A). Anniversary dates for length of service remains the same. In order to ensure equality for those employees not being~~

~~promoted, any individual promoted can receive up to but not more than the average of the pool for the next annual salary adjustment.~~

C. Compensation When Reclassified – When an employee’s position is reclassified to a higher level classification, or when a classification is assigned to a higher salary range, the employee will receive an increase in salary of 5% (not to exceed the maximum of the new salary range) or the bottom of the new salary range, whichever is greater. If the employee moves from a non-exempt to an exempt position, the rules regarding overtime compensation and administrative leave for the new position will apply. When an employee’s position is reclassified to a lower paid classification and salary range (generally due to a classification study), the employee shall retain her/his present salary but will not receive any general wage (CPI) increases until the employee’s new salary range exceeds the employee’s current salary. Anniversary dates for Bboard approved annual pay increases not associated with a reclassification will remain consistent with other employees (currently awarded at the beginning pay period closest to October 1st), subject to the provisions of the Annual Salary Adjustment Plan (Attachment A). Anniversary dates for length of service remains the same. In order to ensure equality for those employees not being reclassified, any individual reclassified can receive up to but not more than the average of the pool for the next annual salary adjustment.

Annual Salary Adjustments – In order to properly compensate employees, adjustments in salary shall be made. Adjustments shall not be automatic, but require at least satisfactory performance. Employees are eligible for up to a 5% “step” increase once a year as outlined above until s/he reaches the top of her/his/her respective salary range. For meritorious performance the ED in consultation with the ASD may award an employee a step increase sooner than the normal adjustment date or award more than a 5% increase provided that the increase does not exceed the top of range. In addition, salary ranges will be adjusted as follows: The Agency will conduct a total compensation survey periodically but no sooner than every three years to enable the Board to assess whether compensation remains competitive with the market. The Programs and Administration Committee will be consulted in the survey development process to help determine salary range placements and other pertinent criteria. In the years between the surveys, salary ranges will be adjusted by the most currently available Consumer Price Index (CPI) – All Urban Consumers (San Francisco – Oakland – San Jose Area) as determined by the US Bureau of Labor Statistics (BLS), or a lesser amount if necessary to conform to the findings of the most recent total compensation survey. The Board will be asked to approve the salary ranges every year as part of the budget process.

B.

D. – Performance evaluations will be conducted at least annually. Any employee who does not maintain at least satisfactory performance shall be placed on a performance improvement plan (PIP). While on a PIP the employee will not be eligible for a general wage increase (CPI adjustment) or a “step” increase (if not at the top of his/her salary range). The employee will not be eligible for any retroactive adjustments once s/he is no longer on the PIP but will be eligible for a salary increase the following salary adjustment cycle assuming one is approved by the Board or the employee is not at the top of his/her/his salary range. shall depend upon an evaluation that shall be performed annually. Salary adjustments will be administered in accordance with the Annual Salary Adjustment Plan (see Attachment A). The salary pool available will be based on the salary ranges in effect at the time of the annual budget adoption

E.C. Voluntary Demotion - Employees who are voluntarily demoted shall be placed in the new classification’s salary range, at the same salary if it is within the new range. Salary will

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be adjusted if it is outside the new range. The new salary shall not exceed the maximum rate for the new, lower salary range, without approval of the ASD and ED.

F.D. Involuntary Demotion - Employees who are involuntarily demoted as a result of disciplinary action shall be placed in the new classification range and their salary may be reduced by five percent (5%) from their present salary. However, their salary shall not exceed the maximum rate for the new lower salary range, without approval of the ASD and ED.

G.E. Transfers - Employees who laterally transfer to a classification with the same pay range shall retain their present salary.

Attachment A (revised 6/22/2016)

Annual Salary Adjustment Plan

- I. ~~All pay increases will be scaled based on a quantitative performance evaluation, not time in grade.~~
 - II. ~~This plan replaces automatic step increases. Salary increases will range between 0% and 150% of the average possible increase for employees. However, no salary will be more than the indexed 95th percentile of the employee's respective salary range for his/her classification. This ensures that StopWaste employees are never the highest paid employees in similar jobs for government agencies.~~
 - III. ~~The Agency will not increase the average salary percentage for the higher salaried, approximately one third (1/3) of the employment pool excluding the Executive Director (ED), by a larger percentage than the average salary percentage of the other approximately two thirds (2/3s) of the employment pool, unless this restriction is inconsistent with direction of the Board (such as in the event of a future salary survey that shows that a different pattern of increases is appropriate). The positions in the "1/3" of the employment pool currently consist of the Chief Financial Officer, Senior Program Managers, the Deputy Executive Director (DED), the Principal Program Manager, and Administrative Services Director (ASD) classifications. The remaining positions comprise the "2/3s" of the employment pool. Should any new classifications be established its place within the employment pool will be determined by its salary range, i.e.; if the salary range is at or higher than the salary range of the Chief Finance Officer, the position will be included in the "1/3" section of the employment pool and if the salary range is lower than the salary range of the Chief Finance Officer it will be included in the "2/3s" section of the employment pool.~~
 - IV. ~~The increases will typically take effect on October 1 of each year (some exceptions could apply for new hires). Increases up to the top of range at the time granted will become permanent, assuming at least continued satisfactory performance. Employees that go above the top of range in any given year will revert back to the top of range (prior to the increase) at the end of that evaluation period. All increases are subject to approval by the ED, based on his or her assessment of performance. Depending on the needs of the Agency an employee could instead opt for the time off equivalent to the value of the salary increase for that time frame only (i.e., the time off is for that evaluation cycle only and must be used prior to the next evaluation).~~
 - V. ~~Salary increases will be determined by evaluating the outcome of the employee's pre-approved top priorities and the teamwork core competency.~~
 - VI. ~~The top priorities list will be prepared during the budget development process. These priorities will be clearly articulated in terms of measurable deliverables. Project leads will~~
-

initially work out the top priorities with everyone on their teams. Project team leads will then go to their Program Group meeting for review and initial approval of the priorities. The Executive Team (ED, ASD, DED and the Principal Program Manager), will review the program group results for consistency across the organization and final approval. However, any proposed changes will go back to the project team or program group before being finalized.

- VII. The “Top Priorities” scale will consist of a 0-5 rating system, where 0 implies a mandatory performance improvement plan and 5 implies work that fully satisfies all of the following criteria for “Top Priorities” review. The criteria for “Top Priorities” review are: a) completion of the priority b) quality of the work completed, c) complexity of the work relative to the skills of the person and job classification (this allows for judgments of complexity that reflect the fact that what is simple and relatively easy for one person might be complex and therefore very difficult for another), d) whether the work was on-time and within budget or not, and e) mitigating factors such as schedule or budget over runs for reasons beyond the control of the person being reviewed. These five criteria will be the basis for a single score between 0-5 for each priority, based on the judgment of the reviewer, but reviewers are required to explain the score they provide using these and only these criteria. Given that the successfactors evaluation system requires a descriptor for each rating, the following scale provides a guideline for the reviewer. However, as outlined above, the reviewer must explain in the comment portion of the evaluation form the rationale for each score.—

TOP PRIORITIES SCALE

Score	Description
0	Seldom satisfies any of the five criteria
1	Occasionally satisfies the five criteria
2	More than occasionally but inconsistently satisfies the five criteria.
3	Usually satisfies the five criteria.
4	Satisfies all of the five criteria.
5	Satisfies all of the five criteria, and was an example of superb performance that others in the organization are encouraged to emulate.

- VIII. Teamwork is defined as effective communication and follow through on commitments to work colleagues, including completing all related administrative tasks and deliverables, thoroughly, accurately and on time, coordinating tasks and collaborating with team members, and assisting others whenever possible without undermining one's ability to get his/her own work done.

TEAMWORK SCALE

Score	Description
0	Seldom satisfies any of the teamwork elements (as defined above).
1	Occasionally satisfies the teamwork elements.
2	More than occasionally but inconsistently satisfies the teamwork elements.
3	Usually satisfies the teamwork elements.
4	Satisfies all of the teamwork elements.
5	Satisfies all of the teamwork elements, and was an example of a superb team player that others in the organization are encouraged to emulate.

- IX. ~~Completion of priorities and core competencies will be weighted (2/3 for completion of priorities and 1/3 for teamwork). Any final score above “0” should result in some type of pay increase (assuming there is funding available for salary increases). Any employee who receives a score of “0” on any item will be placed on a performance improvement plan. Any scores of “1” or “2” may also result in a performance improvement plan. Given this weighing component, fractional final scores will be allowed and will be used in the salary increase calculation if applicable.~~
- X. ~~In addition to the annual review there will also be a mid-year review in February/March. In general, these reviewers are comprised of the leads for the projects within which the priorities exist as well as other individuals (such as peers or admin staff) who work closely with the person being reviewed. Employees who have not completed their probationary period will not serve as reviewers. The reviewers will comment on both the top priorities and the teamwork core competency using the successfactors tool for the individual assigned to them. The reviewers will not be anonymous, and individuals will be able to comment on who is assigned to review him/her. These assignments will be developed by the ASD in consultation with the other Program Group (PG) leads⁸. These reviewers will have an opportunity to submit comments in writing or be invited by the person who is being reviewed to a meeting with his/her PG lead. The PG leads will not submit written comments but will convey the results to the individual in a mandatory 1:1 meeting, as well as to provide any verbal input regarding the assessment. The ED will follow the process outlined above with respect to the PG leads.~~
- XI. ~~Staff is also encouraged to use the “notes” and “badge” functions in the successfactors software. These functions will allow performance feedback to become an on going function in addition to the mid-year and annual reviews.~~

⁸ For mid-year and annual reviews the Program Group leads currently are Pat Cabrera, Wendy Sommer, Tom Padia and Karen Kho (for Energy Council staff only).

- XII. Annual performance reviews will be done in writing (using the successfactors tool) by the PG leads and will include an opportunity for a 1:1 with reviewed staff if s/he requests it. Individuals will submit self assessments on their performance with respect to their priorities and teamwork to the PG leads by the end of July.
- XIII. The PG leads will begin their review process once they receive the self assessments. The PG leads may ask reviewers who work more directly with the individual being reviewed to participate in writing prior to finalizing an individual's performance review. Verbal input may also be requested by the PG leads. As outlined in item 12, the PG leads will conduct a 1:1 meeting with the individuals s/he is responsible for reviewing if requested and additional follow up with other reviewers may occur if necessary. Staff members can request that a particular individual be consulted about their work or be allowed to comment in writing. Based on the scores, the program group leaders will make recommended salary increases for employees within their group and submit to the ED by October 1st for initial final approval unless a later date is approved by the ED. The ED will follow this process with respect to the PG leads.
- XIV. Salary increase recommendation will be based on individual scores from 0-5 divided by the average of all individual scores. That is, although individual scores allow some room for judgment, recommended salary increases will be strictly based on the relative score of each individual in comparison with the scores of other people (see Salary Calculation Example). This ranking will not be included in the employee's evaluation, however, the average score for the entire agency will be provided if requested.
- XV. The initially approved increases will be distributed to employees confidentially. Any employee may ask the ED to adjust their initially approved increase based on some specific rationale. However, if an adjustment is approved it shall not affect the salary adjustments for other employees.
- XVI. To assist in ensuring pay equity if there is scoring compression toward the top of the scoring range, the ED in consultation with the ASD and appropriate program group lead may make a pay adjustment not to exceed 1.5 times the average of the pool or the top of the employee's salary range if the employee has received an average score of 4.3 or higher. Any such increase will be part of the overall salary increase pool.
- XVII. Salary range adjustments will be incorporated into the budget every year unless the Board determines adequate funding is not available. The salary pool will consist of the difference between the employees' current salary, any adjustments to the salary ranges (either by the annual CPI or the results of a salary survey) up to the top of range for all job classifications including what funding increase in total would be available under the previous (traditional) "step increase" system. However, the salary pool will not include any funds related to the salaries of employees on probation (e.g., new hires, promotions, reclassifications). Employees on probation will participate in the review process, but will not be eligible for salary increases until the next salary adjustment cycle after they successfully complete their probationary period. As stated above, employees are eligible to receive an annual salary increase of zero not to exceed the lower of either the 95th percentile of their respective
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~~classification or 150% of the average available increase (see item 3 with respect to limits to the higher 1/3 of the employment pool). However, salary increases can be reduced or suspended by the Board at their discretion, during times of financial hardship.~~

~~XVIII. The Agency will conduct a total compensation survey periodically but no sooner than every three years to enable the Board to assess whether compensation remains competitive with the market. The Programs and Administration Committee will be consulted in the survey development process to help determine salary range placements and other pertinent criteria. In the years between the surveys, salary ranges will be adjusted by the most currently available Consumer Price Index (CPI) — All Urban Consumers (San Francisco — Oakland — San Jose Area) as determined by the US Bureau of Labor Statistics (BLS), or a lesser amount if necessary to conform to the findings of the most recent total compensation survey. However, salary increases for employees will not be automatic even for cost of living adjustments (COLA). The Board will be asked to approve the salary ranges every year as part of the budget process.~~

~~XIX. The ED's contract currently states s/he will participate in a performance-based compensation system, should one be adopted. The process for annual review by a committee is specified in the ED's contract, but commencing in 2013 the review committee shall also use this salary adjustment plan as guidance in making any recommendations to the full Board about changes in ED compensation. Such changes, if any, shall be subject to approval of the full WMA Board~~

~~XX. Promotions will no longer be only "self-initiated," but can also be recommended by the program group lead or a senior program manager based on changes in the individual's duties and the needs of the Agency. Concurrence by the ASD is required prior to submitting to the ED for final approval.~~

Salary Calculation Example:

~~Employee John Smith received a total score of 4 (on a scale of 0-5) for his FY 13/14 performance and the average of the score for employees was 3.5. Therefore he could receive 1.14 ($4/3.5 = 1.14$) times the average percent budgeted for salaries (provided that this increase would not place him above the 95th percentile of his salary range or be greater than 150% of the average increase). If the average annualized increase was 3.0%; 114% of the average of the pool would be 3.42% ($3.0\% \times 1.14 = 3.42\%$), which is less than 150% of the average of the pool ($3.0\% \times 1.5 = 4.5\%$). If the increase placed him at or below the top of range at the time of the increase, he would retain that salary which would become the starting point for the next evaluation cycle. However if the increase placed him above the top of range at the time of the increase, his salary would revert back to no more than that top of range at the start of the next evaluation cycle.~~

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2.2 Salary Administration

The Authority's policy is to recognize and compensate employees for the work they perform within and beyond the normal work period. The Authority embraces the philosophy to pay fair and reasonable wages that will attract, retain and motivate qualified personnel to meet organizational goals and objectives.

2.2.1 Salary Adjustment Plan Design

The salary plan shall include all classifications in the Authority. Except for the ED, the salary structure shall consist of a salary range. Each range is established using salary control points that will be set to the appropriate labor market. In order to properly compensate employees, adjustments in salary shall be made as described below. Adjustments shall not be automatic, but require at least satisfactory performance. Employees are eligible for up to a 5% "step" increase once a year until s/he reaches the top of her/his respective salary range. For meritorious performance, the ED in consultation with the ASD, may award an employee a step increase sooner than the normal adjustment date or award more than a 5% increase provided that the increase does not exceed the top of range.

In addition, salary ranges will be adjusted as follows: The Agency will conduct a total compensation survey periodically but no sooner than every three years to enable the Board to assess whether compensation remains competitive with the market. The Programs and Administration Committee will be consulted in the survey development process to help determine salary range placements and other pertinent criteria. In the years between the surveys, salary ranges will be adjusted by the most currently available Consumer Price Index (CPI) - All Urban Consumers (San Francisco – Oakland- San Jose Area) as determined by the US Bureau of Labor Statistics (BLS), or a lesser amount if necessary to conform to the findings of the most recent total compensation survey. The Board will be asked to approve the salary ranges every year as part of the budget process.

Performance evaluations will be conducted at least annually. Any employee who does not maintain at least satisfactory performance shall be placed on a performance improvement plan (PIP). While on a PIP the employee will not be eligible for a general wage increase (CPI adjustment) or a "step" increase (if not at the top of her/his salary range). The employee will not be eligible for any retroactive adjustments once s/he is no longer on the PIP but will be eligible for a salary increase the following salary adjustment cycle assuming one is approved by the Board or the employee is not at the top of her/his salary range.

2.2.2 Changes in Status

- A. **Completion of Probationary Period** - All regular status employees shall serve a twelve (12) month employment probationary period.
- B. **Promotions** – Promoted employees shall be placed in the higher salary range and will receive an increase in salary of 5% (but not to exceed the maximum of the new range) or the bottom of the new salary range, whichever is greater. If the employee moves from a non-exempt to an exempt position, the rules regarding overtime compensation and administrative leave for the new position will apply.
- C. **Compensation When Reclassified** – When an employee's position is reclassified to a higher level classification, or when a classification is assigned to a higher salary range, the employee will receive an increase in salary of 5% (not to exceed the maximum of the new salary range) or the bottom of the new salary range, whichever is greater. If the employee moves from a non-exempt to an exempt position, the rules regarding overtime compensation and administrative leave for the new position will apply. When an employee's position is reclassified to a lower paid classification and salary range (generally due to a classification

study), the employee shall retain her/his present salary but will not receive any general wage (CPI) increases until the employee's new salary range exceeds the employee's current salary.

- D. Voluntary Demotion** - Employees who are voluntarily demoted shall be placed in the new classification's salary range, at the same salary if it is within the new range. Salary will be adjusted if it is outside the new range. The new salary shall not exceed the maximum rate for the new, lower salary range, without approval of the ASD and ED.
- E. Involuntary Demotion** - Employees who are involuntarily demoted as a result of disciplinary action shall be placed in the new classification range and their salary may be reduced by five percent (5%) from their present salary. However, their salary shall not exceed the maximum rate for the new lower salary range, without approval of the ASD and ED.
- F. Transfers** - Employees who laterally transfer to a classification with the same pay range shall retain their present salary.

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DATE: July 13, 2017
TO: Programs & Administration Committee
FROM: Pat Cabrera, Administrative Services Director
BY: Tom Padia, Deputy Director
SUBJECT: Oro Loma and Castro Valley Sanitary Districts Horizontal Levee Project

SUMMARY

The Oro Loma and Castro Valley Sanitary Districts partnered to implement a full scale pilot demonstration to respond to sea level rise known as the “horizontal levee project” (see attached overview from the Oro Loma website). The July 13, 2017 meeting of the P&A Committee will be held at the Oro Loma Sanitary District offices and will include a presentation on the horizontal levee project followed by a walking tour of the project, located on the southern edge of the Oro Loma water pollution control facility that is jointly owned with the Castro Valley Sanitary District. The 30-45 minute tour will traverse surfaces around the slope that are uneven and attendees should wear shoes suitable for hiking.

RECOMMENDATION

This item is for information only.



Oro Loma Sanitary District Named a Bay Hero for Innovative Project to Protect Against Sea Level Rise

April 12, 2017 Published by [Andrea Simon](#)

Award recognizes concerted efforts to protect the San Francisco Bay shoreline and shore environment

Oro Loma Sanitary District and Castro Valley Sanitary District are joint recipients of a 2017 Bay Hero Award. The Bay Hero Award was presented to the sanitary districts' boards by the San Francisco Bay Institute in recognition of their far-reaching vision and response to sea level rise, as well as their undaunted efforts to innovate toward a sustainable solution.

"This is a great honor that is well deserved by our districts' boards," said Jason Warner, General Manager of Oro Loma Sanitary District. "These individuals persevered through numerous obstacles to obtain the funding and collaboration needed to get the horizontal levee off the drawing board and make it a reality. We are extremely proud of their vision, and even more proud of what the horizontal levee means to our community and the shoreline."

The horizontal levee project is the culmination of the board members' and staff initiatives. The horizontal levee demonstration is a full-scale pilot of a sea level rise response, providing multiple benefits. These include robust flood protection, expansion of upland transition habitat (high ground during peak surge events), improved San Francisco Bay water quality, and lower costs compared to traditional sea barriers. It is located on the southern edge of the existing water pollution control facility jointly owned by Oro Loma and Castro Valley Sanitary Districts. Instead of a vertical wall to protect against storm surges, a horizontal levee uses vegetation on a gentle slope to break waves. The native plants and wildlife that live on horizontal levees can thrive while helping to further process cleaned wastewater from treatment plants.

Now that the pilot is constructed, its operation and benefits are being studied by a research team from UC Berkeley led by civil and environmental engineering professor Dr. David L. Sedlak. The research will quantify the water quality benefits. The pilot will also serve to demonstrate the quality of the habitat created by the horizontal levee.

Oro Loma and Castro Valley Sanitary Districts partnered to pay for the \$9M demonstration and equalization project. An Integrated Regional Water Management Program grant provided \$2.1M of the required funds.

About Oro Loma Sanitary District

Oro Loma Sanitary District was formed on August 7, 1911, and is one of the oldest sanitary agencies in Alameda County, California. As a special district of Alameda County government, Oro Loma provides wastewater collection and treatment, solid waste, and recycling services. The District serves several communities in unincorporated Alameda County, including San Lorenzo, Ashland, Cherryland, Fairview, as well as portions of Castro Valley and designated areas within the cities of Hayward and San Leandro. Oro Loma's service area is located about 13 miles south of Oakland and 30 miles north of San Jose on the eastern shore of the San Francisco Bay.

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