



Santa Clara Valley Water District

File No.: 21-0371

Agenda Date: 4/27/2021

Item No.: 4.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Revise Board Governance Policy Governance Process GP-3.4 - Board Appointed Officers (BAO) Performance Evaluation and Compensation Review Process.

RECOMMENDATION:

Review and approve revisions to Board Governance Policy Governance Process GP-3.4 - Board Appointed Officers (BAO) Performance Evaluation and Compensation Review Process.

SUMMARY:

To ensure consistency in the Board Appointed Officer (BAO) performance evaluation and compensation review process, the Board developed a process which was utilized during the 2019 and 2020 review processes. The review process incorporates yearly “pay for performance” versus longevity pay, eliminates salary compaction, and includes adjusting BAO pay scales when the Classified Employees and Unrepresented Employees pay scales are adjusted, generally in June of each year.

To document the evaluation and compensation process used by the Board, it is recommended that Board Governance Policy Governance Process GP-3.4 be revised.

Current Governance Policy Language

The current GP-3.4 language states:

3.4 The Board will approve BAO compensation and benefit decisions at a public meeting and will enact such decisions by Board resolution.

3.4.1. BAO compensation will be determined following an annual performance evaluation considering job accomplishments, monitoring reports, other information, including the financial health of the District, and other methods deemed appropriate by the Board, in accordance with the Board Appointed Officer Performance Evaluation procedure.

3.4.2. In determining BAO compensation and benefits, the Board may consider data from Board authorized studies of other similarly situated employees in relevant industry

comparator agencies.

Proposed Revised Governance Policy Language

Below is the **proposed new BAO evaluation and compensation Board Governance Policy language**:

3.4 **In June of each year** the Board will approve BAO compensation and benefit decisions at a public meeting and will enact such decisions by Board resolution.

3.4.1. **To ensure there are no compaction issues with unclassified staff compensation, the Board will adjust the BAOs' compensation scale at the same time the Board adopts the Classified Employees and Unrepresented Employees Salary Structure.**

3.4.2 **Annually, BAO compensation will be determined using a two-step performance evaluation process that** considers job accomplishments, monitoring reports, other information, including the financial health of the District, and other methods deemed appropriate by the Board.

3.4.2.1 **The Board will use the following scale to document the BAOs' fiscal year performance (Step 1):**

Step 1. Evaluate BAOs' performance using the following scale:

Performance Level 1: Sustained outstanding performance
Performance Level 2: Performance usually exceeds expectations
Performance Level 3: Performance expected at full professional level
Performance Level 5: Significant improvement required
Performance Level 6: Unsatisfactory

3.4.2.2 **BAOs' compensation for the following fiscal year will be determined according to their individual performances levels as shown below (Step 2):**

Step 2. Match compensation with performance level:

Performance Level 1: High point of compensation scale plus one-time extra performance pay
Performance Level 2: High point of compensation scale
Performance Level 3: Between Mid-point and High point of compensation scale
Performance Level 4: Mid-point of compensation scale
Performance Level 5: Low point of compensation scale
Performance Level 6: Employment termination consideration

3.4.3. In determining BAO compensation and benefits, the Board may consider data from

Board authorized studies of other similarly situated employees in relevant industry comparator agencies.

3.4.4 This Governance Policy Section (GP-3.4) is not applicable when recruiting new BAOs.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

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