

FEB 14 1995



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*[Handwritten Signature]*  
EXECUTIVE SECRETARY

January 19, 1995

To: Board of Directors (Organization & Personnel Committee--Action)  
From: General Manager  
Subject: Acceptance of Incentive Plan (Pay-for Performance) for the Management and Professional Employees Association (MAPA), Field Supervisors and Professional Personnel Association (FSPA), and the Association of Confidential Employees (ACE)

Report

The District's agreements with MAPA and FSPA, which were executed following authorization by your Board in July, 1994, provide that the parties develop incentive plans ("pay-for-performance" program) to:

- attract and retain quality staff,
- focus employee attention on activities that achieve District strategic objectives,
- determine expectations of employees and develop employee performance objectives,
- motivate high quality results,
- identify and reward excellent performance, and
- assist employees in personal career development.

If the plan for a respective bargaining unit is completed by March, 1995, accepted by the bargaining units' membership, accepted by your Board, and implemented by July, 1995, the funds available on July 2, 1995, are to be increased by 0.5% to a total equal to 3.0%. A minimum of 0.75% is to be allocated to the incentive plan for a respective bargaining unit unless the unit's membership votes to allocate more, up to a maximum of 3%.

The District's August 23, 1993, memorandum of understanding with ACE provides that employees in the unit represented by ACE will receive the largest across-the-board increase received by any of the other represented units. Therefore, an incentive plan has also been developed for the unit represented by ACE.

January 19, 1995

The incentive plan was developed by a team made up of representatives from the three employee organizations. Members of the Human Resources Division staff participated in the team's meetings. They have collaboratively agreed to a common program and implementation plan (attachments). As a result of each organization's vote, the only potential differences that may occur in the plan's implementation among the units will be the amount of the incentive pool allocated. The resulting amount put at risk by a unit will be matched by the District, and allocated to employees rated outstanding, exceeds expectations, and meets expectations.

The recommended plan is aligned with the pay-for-performance plan for the unrepresented group and includes generally the same components for establishment of performance objectives and review of employee performance.

#### Recommendation

It is recommended that the Board accept the respective incentive plans submitted by the General Manager subject to prior ratification by MAPA, FSPA, and ACE as set forth in the attachments.

John R. Wodraska  
General Manager

By Izetta E. Birch  
Izetta E. Birch  
Director of Human Resources

Concur:

J. Wodraska  
John R. Wodraska  
General Manager

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Attachments

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## ATTACHMENT A

**Incentive Plan Components**

1. Modifies the current annual performance appraisal for employees in the bargaining units to a two-fold process.

First, employee evaluation (Attachment B), to rate the employee's performance with respect to MWD values and job skills in order to:

- determine eligibility for merit increases in the employee's salary range, and,
- determine eligibility for participation in the incentive plan payment.

Second, to include an incentive plan (pay-for-performance) which includes:

- a performance agreement between employee and supervisor to establish team and individual objectives, duties, and standards (by July 1, 1995); objectives will be based on the General Manager's priorities, the District's strategic plan, the employee's Division and Branch goals, and implementation of measures to improve productivity.
- quarterly feedback (Attachment C) on accomplishments, barriers, and revision of goals (September, December, March, June).
- incentive plan evaluation balanced between individual and team ratings as appropriate (Attachment D).
- incentive ratings (December and June for semiannual ratings, and June for annual ratings; MPEA, FSPA and ACE are surveying membership on this matter).

2. Linkage in the two-fold evaluation process:  
*An individual on a corrective action plan, not meeting standards with respect to District values, performing below expectations or in an unsatisfactory manner on their employee evaluation is not eligible to receive an incentive plan payment for that evaluation period.*
3. Eligibility - an employee must be employed by the District in one of the three bargaining units for at least six pay periods of the evaluation period to be eligible for an incentive plan payment.

**Allocation of Incentive Plan Funds**

1. Funds will be allocated by bargaining unit.
2. Funds could be allocated semiannually (in January 1996 for the July to December 1995 evaluation period, and in July 1996 for the January to June 1996 evaluation period) or annually (in July 1996 for the July 1995 to June 1996 evaluation period depending on the preference of the bargaining unit).

## ATTACHMENT A (continued)

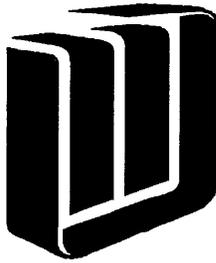
3. Each employee rated in a particular category in a unit would receive the same payment, expressed as a percentage of salary.
4. An employee rated outstanding would receive a greater payment than the payment received by an employee rated exceeds expectations in any particular pay grade. An employee rated exceeds expectations would receive a greater payment than the payment received by an employee rated meets expectations.  
Note: MPEA, FSPA, and ACE are surveying membership on this matter.
5. A lump sum incentive plan payment would be included within compensation for the purposes of the District's deferred compensation programs and the Public Employees Retirement System definition of compensation.

### **Benefits to District**

1. Rewards outstanding performance.
2. Encourages improvement in performance, quarterly through reviews, and semiannually or annually, through distribution of monies
3. Recognizes importance of values, skills, and accomplishments

### **Benefits to Unit's Membership**

1. Recognizes increasing complexity of duties and responsibilities of positions by allocating plan funds as a percentage of salary.
2. Ensures equitable distribution of incentive plan monies Districtwide.



METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Performance Review Report**  
MAPA, FSPA, ACE

Employee's Name \_\_\_\_\_ Payroll Number \_\_\_\_\_ Division/Branch \_\_\_\_\_  
 Classification \_\_\_\_\_ Class Code \_\_\_\_\_ Report Period: From \_\_\_\_\_ To \_\_\_\_\_

<p><b>Values:</b></p> <ul style="list-style-type: none"> <li>• Integrity</li> <li>• Open Communication</li> <li>• Stewardship</li> <li>• Diversity</li> <li>• Teamwork</li> <li>• Leadership</li> </ul>	<p><input type="checkbox"/> Meets Standards <input type="checkbox"/> Does Not Meet Standards</p>
<p><b>Skills:</b></p> <ul style="list-style-type: none"> <li>• Communication</li> <li>• Developing Subordinates</li> <li>• Adaptability</li> <li>• Employee Relations</li> <li>• Customer Relations</li> <li>• Accountability</li> <li>• Leadership</li> <li>• Planning &amp; Organizing</li> <li>• Technical Knowledge</li> </ul>	<p><input type="checkbox"/> Outstanding <input type="checkbox"/> Exceeds Expectations <input type="checkbox"/> Meets Expectations <input type="checkbox"/> Below Expectations <input type="checkbox"/> Unsatisfactory</p>

Employee is eligible for incentive plan award for this period.

Attach quarterly comments, additional reviewer input and employee comments to describe employee's strengths and weaknesses, and to justify merit increases and/or eligibility for incentive plan award. Refer to Performance Review & Incentive Plan Guides for information on documentation, review of ratings, etc.

List other contributors to this report ; these may include others who formally supervised the employee during this period, project team leaders, etc.		<b>RATER'S STATEMENT</b>	
Name:	Position/Division:	This report is based on my observation and/or knowledge. It represents my best judgment of the employee's performance.	
		SIGNATURE:	DATE:
		<b>MANAGER'S REVIEW</b>	
I have reviewed this performance review report.		SIGNATURE:	DATE:
		<b>EMPLOYEE'S SIGNATURE</b>	
I have received a copy of this report.		SIGNATURE:	DATE:

White - Human Resources    Canary - Employee    Pink - Rater/Department

## ATTACHMENT C

Employee Name: \_\_\_\_\_ Date for Annual Performance Review: \_\_\_\_\_ Quarter \_\_\_\_\_  
(1,2,3, or 4)

## QUARTERLY MEETINGS PERFORMANCE EVALUATION AND INCENTIVE PLAN

Attach quarterly comments. These should include, but are not limited to:

- performance plan (team goals, individual goals and core job duties)
- revisions to performance plan (adjustments, additions, deletions)
- accomplishments
- unplanned projects and achievements
- mutual feedback and input regarding skills and values
- agreements of support
- barriers to accomplishment of plan
- assignments to other managers, project teams

### First Quarterly Meeting:

Scheduled Date: \_\_\_\_\_

Rater's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Second Quarterly Meeting and Completion of Incentive Plan Review:

Scheduled Date: \_\_\_\_\_

Rater's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Third Quarterly Meeting:

Scheduled Date: \_\_\_\_\_

Rater's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Fourth Quarterly Meeting and Completion of Incentive Plan Review:

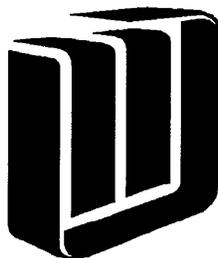
Scheduled Date: \_\_\_\_\_

Rater's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Incentive Plan Report**

MAPA, FSPA, ACE

19 \_\_\_\_\_  
 July to December  
 January to June

Employee's Name \_\_\_\_\_ Payroll Number \_\_\_\_\_ Division/Branch \_\_\_\_\_  
 Classification \_\_\_\_\_ Class Code \_\_\_\_\_ Report Period: From \_\_\_\_\_ To \_\_\_\_\_

<p><b>Part I: Team Performance</b> <i>(attach documentation on team goals and accomplishments)</i></p> <p><input type="checkbox"/> Outstanding  <input type="checkbox"/> Exceeds Expectations  <input type="checkbox"/> Meets Expectations  <input type="checkbox"/> Below Expectations  <input type="checkbox"/> Unsatisfactory</p>	<p><b>Part II: Individual Performance</b> <i>(attach documentation on individual goals and core job duties)</i></p> <p><input type="checkbox"/> Outstanding  <input type="checkbox"/> Exceeds Expectations  <input type="checkbox"/> Meets Expectations  <input type="checkbox"/> Below Expectations  <input type="checkbox"/> Unsatisfactory</p>
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<p><input type="checkbox"/> Employee is eligible for incentive plan award for this period.</p>	<p><b>Most recent annual performance review:</b>                  Date of review _____                  Rating received _____</p>
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Attach additional reviewer input and employee comments to this form. Refer to Incentive Plan Guide for information on documentation, review of ratings, etc.

List other contributors to this report ; these may include others who formally supervised the employee during this period, project team leaders, etc.		<b>RATER'S STATEMENT</b>	
Name:	Position/Division:	<i>This report is based on my observation and/or knowledge. It represents my best judgment of the employee's performance.</i>	
		SIGNATURE:	DATE:
		<b>MANAGER'S REVIEW</b>	
		<i>I have reviewed this incentive report.</i>	
		SIGNATURE:	DATE:
		<b>EMPLOYEE'S SIGNATURE</b>	
		<i>I have received a copy of this report.</i>	
		SIGNATURE:	DATE:

White - Human Resources    Canary - Employee    Pink - Rater/Department