

**SPECIAL ADMINISTRATIVE COMMITTEE MEETING
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CA. 90712
10:30 AM, MONDAY, JANUARY 14, 2019**

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For information" or "For discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

- 1. DETERMINATION OF QUORUM**
- 2. PUBLIC COMMENT**
Pursuant to Government Code Section 54954.3
- 3. WRD ORGANIZATIONAL CHART**
Staff Recommendation: The Administrative Committee recommends that the Board of Directors adopt the organizational structure depicted in the attached draft organizational chart.
- 4. STATUTORY AND REGULATORY REQUIREMENTS FOR PUBLICLY AVAILABLE PAY SCHEDULES**
Staff Recommendation: The Administrative Committee recommend the Board of Directors adopt the attached salary schedule as the 2019 WRD Salary Schedule and make it publicly available on the District's website.
- 5. DEPARTMENT REPORT**
- 6. DIRECTORS REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 7. ADJOURNMENT**
The Administrative Committee will adjourn to its next regularly scheduled meeting.

Agenda posted on 01/16/2019. In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Brandon Mims, Board Deputy Secretary at (562) 921-5521 for assistance to enable the District to make reasonable accommodations. All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712. Agendas and minutes are available at the District's website, www.wrd.org. EXHAUSTION OF ADMINISTRATIVE REMEDIES – If you challenge a District action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Deputy Secretary at, or prior to, the public hearing. Any written correspondence delivered to the District office before the District's final action on a matter will become a part of the administrative record.

**MEMORANDUM****ITEM NO. 3**

DATE: JANUARY 14, 2019

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: WRD ORGANIZATIONAL CHART

SUMMARY

WRD's organizational structure adjusts from time to time to make changes to operations and organizational structures in an effort to improve service levels and perform at higher and more efficient capacities. The organizational structure also changes in response to employee turnover and attrition. As WRD operations evolve, so do the workforce needs of the individual and collective departments providing the aforementioned services.

There are a total of 42 authorized Full Time Equivalent (FTE) positions at WRD, as depicted in the attached Draft July 2017 WRD Organizational Chart. An FTE is the equivalent of one person working 8 hours a day for an entire working year. Two people working half time for a year would be equivalent to one FTE. Of the currently authorized 42 FTEs, 38 FTEs are supported by WRD's Replenishment Assessment and the remaining 4 FTEs are supported by Watermaster operating funds, which are independent of the replenishment assessment.

The General Manager seeks to implement a Water Resources Department focused on planning efforts as well as adding a second Assistant General Manager position to oversee the administrative and financial responsibilities of the District. Adding this department and positions may increase the total number of staff by two positions, increasing the total number of FTE's to 44, 4 which are supported by Watermaster funds. These positions may be filled by utilizing one existing budgeted but vacant staff position and also internal recruitments which would reduce the total number of FTE's to less than 44. The titles for the Water Resources Department positions currently exist with position descriptions and established salary range categories. The Assistant General Manager salary range currently exists.

Water Resources Department

With the completion and successful execution of the WIN program WRD must begin developing future strategic goals and initiatives to define how the agency will continue to be a leader in local water supply sustainability.

Looking beyond WRD's successful WIN program, future program planning will necessitate a concerted effort. Future program planning, development and implementation will require a dedicated planning department and staff. The Water Resources Department and Manager of Water Resources would be responsible for working under the General Manager with additional direction from the Board of Directors to ensure the District's goals are being developed and well thought out steps are begin taken to implement projects and programs to meet these goals.

In addition to the long-range planning, the new proposed Water Resources Department would handle additional ongoing planning efforts such as, but not limited to:

- Implement the Regional Brackish Water Reclamation Program;
- Develop and implement WRD's 2040 Plan "WIN 4 ALL";
- Managing WRD's Capital Improvement Program (CIP) budget process;
- Development and management climate action planning;
- Assistance with permitting and CEQA feasibility determinations for capital projects;
- Development and management of interagency agreements with stakeholder agencies;
- Policy analysis of WRD's legislative initiatives as they pertain to capital development and grant funding efforts;
- Economic feasibility analysis for use in the Engineering Survey Reports and determination of the Replenishment Assessment(RA); and
- Development and maintaining external partnerships with stakeholder agencies.

In the attached proposed organizational chart, the Water Resources Department will consist of a manager and subordinate position. The job classifications for these positions currently exist.

Assistant General Manager

As WRD continues to promote organizational excellence and develop innovative and complex programs, additional executive management oversight and coordination is necessary in the day to day internal activities and operations of the District. With the development of new internal processes, associated software and staffing, in addition to the arduous financial requirements from grants and outside funding agencies, WRD has a need to implement a second Assistant General Manager / Chief Financial and Administrative Officer (CFAO) will be responsible for the overall supervision and management of fiscal control, financial reporting of the organization and general administration operations.

The existing Assistant General Manager position will be renamed the Assistant General Manager / Chief Operating Officer (COO), and will oversee the engineering and external operational efforts of WRD.

FISCAL IMPACT

Fiscal impact will depend upon whether the position be filled internally or externally and the experience level of the individual filling the open positions. However, the money needed to fund these positions for the remainder of the fiscal year are included in this year's budget due to salary savings of open positions. Subsequently, the positions will be fully budgeted in the future.

STAFF RECOMMENDATION

The Administrative Committee recommends that the Board of Directors adopt the organizational structure depicted in the attached draft organizational chart.



DRAFT Organization Chart (January 2019)

Board of Directors

General Manager

**Assistant General Manager /
Chief Administrative Officer**

**Assistant General Manager /
Chief Operating Officer**

Chief Financial Officer

Chief Hydrogeologist

**Manager of
Water Resources**

**Manager of
Financial Services**

**Data and
Technology
Services
Supervisor**

**Manager of
Internal Services**

**Manager of
Engineering**

**Water
Operations
Superintendent**

**Manager of
External Affairs**

Sr. Analyst

Sr. Accountant
Sr. Accountant
Sr. Accountant
Purchasing Officer

Online Tech. & Data Specialist
GIS Analyst
Technical Specialist
Network Administrator

Sr. Administrative Specialist
Sr. Administrative Specialist
Project Administrator
Project Administrator
Office Assistant

Sr. Engineer
Engineer
Engineer
Associate Engineer

Water Quality & Regulatory Compliance Specialist
Sr. Hydrogeologist
Hydrogeologist
Hydrogeologist
Hydrogeologist
Associate Hydrogeologist
Associate Hydrogeologist
Water Resources Planner
Office Assistant

Comm. & Educ. Services Rep.
Comm. & Educ. Services Rep.
Comm. & Educ. Services Rep.
Comm. & Educ. Services Rep.
Comm. & Educ. Services Rep.

44 Total Full Time Equivalent (FTE) positions
(40 funded by WRD replenishment assessment + 4 funded by Watermaster)

**MEMORANDUM****ITEM NO. 4**

DATE: JANUARY 14, 2019

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: STATUTORY AND REGULATORY REQUIREMENTS FOR PUBLICLY AVAILABLE PAY SCHEDULES

SUMMARY

For the purposes of transparency and also to assure compliance with CalPERS guidelines and requirements, WRD should make all of its job classifications and associated pay range schedules available publicly. Any time these job classifications and/or salary ranges might change, i.e. for cost of living increases, the Board should approve any change to the job classifications and salary range schedule and make that revised schedule publicly available. According to CalPERS and CCR section 570.5, a pay schedule, among other things, must:

- Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws.
- Identify the position title for every employee position.
- Show the payrate as a single amount or multiple amounts within a range for each identified position.
- Indicate the time base such as hourly, daily, bi-weekly, monthly, bi-monthly, or annually.
- Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.
- Indicate an effective date and date of any revisions.
- Be retained by the employer and available for public inspection for not less than five years.
- Not reference another document in lieu of disclosing the payrate.

The District has not made its pay schedule publicly available on a regular basis. The District can improve public transparency and ensure that all employees' payrates reported to CalPERS are included on pay schedules that are duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws.

FISCAL IMPACT

None

STAFF RECOMMENDATION

The Administrative Committee recommend the Board of Directors adopt the attached salary schedule as the 2019 WRD Salary Schedule and make it publicly available on the District's website.

Meeting Date: 1/14/2019 Item No. 4
Water Replenishment District of Southern California
Job Classification and Salary Schedule

Job Classification	FLSA	Range	Annual Salary Low	Annual Salary High	Monthly Low	Monthly High	Bi-Weekly Low	Bi-Weekly High
Accountant	Exempt	15	\$ 63,053.05	\$ 84,336.23	\$ 5,254.42	\$ 7,028.02	\$ 2,425.12	\$ 3,243.70
Accounting Technician	Exempt	13	\$ 57,190.39	\$ 76,495.40	\$ 4,765.87	\$ 6,374.62	\$ 2,199.63	\$ 2,942.13
Administrative Specialist	Exempt	13	\$ 57,190.39	\$ 76,495.40	\$ 4,765.87	\$ 6,374.62	\$ 2,199.63	\$ 2,942.13
Assistant Engineer	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Assistant General Manager	Exempt	29	\$ 179,655.87	\$ 235,058.73	\$ 14,971.32	\$ 19,588.23	\$ 6,909.84	\$ 9,040.72
Assistant Hydrogeologist	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Associate Engineer	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Associate General Manager	Exempt	28	\$ 161,628.12	\$ 216,174.43	\$ 13,469.01	\$ 18,014.54	\$ 6,216.47	\$ 8,314.40
Associate Government Affairs Representative	Exempt	16	\$ 66,212.89	\$ 88,553.70	\$ 5,517.74	\$ 7,379.47	\$ 2,546.65	\$ 3,405.91
Associate Hydrogeologist	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Associate Public Affairs Representative	Exempt	14	\$ 60,049.90	\$ 80,321.15	\$ 5,004.16	\$ 6,693.43	\$ 2,309.61	\$ 3,089.28
Chief Engineer	Exempt	26	\$ 139,857.91	\$ 193,314.80	\$ 11,654.83	\$ 16,109.57	\$ 5,379.15	\$ 7,435.18
Chief Engineer/Watermaster	Exempt	27	\$ 151,147.61	\$ 206,550.47	\$ 12,595.63	\$ 17,212.54	\$ 5,813.37	\$ 7,944.25
Chief Financial Officer	Exempt	26	\$ 139,857.91	\$ 193,314.80	\$ 11,654.83	\$ 16,109.57	\$ 5,379.15	\$ 7,435.18
Chief Hydrogeologist	Exempt	26	\$ 139,857.91	\$ 193,314.80	\$ 11,654.83	\$ 16,109.57	\$ 5,379.15	\$ 7,435.18
Chief Hydrogeologist/Watermaster	Exempt	27	\$ 151,147.61	\$ 206,550.47	\$ 12,595.63	\$ 17,212.54	\$ 5,813.37	\$ 7,944.25
Communications & Education Representative	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Controller	Exempt	22	\$ 102,224.55	\$ 136,721.58	\$ 8,518.71	\$ 11,393.47	\$ 3,931.71	\$ 5,258.52
Data and Technology Services Supervisor	Exempt	20	\$ 88,423.12	\$ 118,265.28	\$ 7,368.59	\$ 9,855.44	\$ 3,400.89	\$ 4,548.66
Deputy Secretary	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Engineer	Exempt	21	\$ 95,056.17	\$ 127,101.93	\$ 7,921.35	\$ 10,591.83	\$ 3,656.01	\$ 4,888.54
General Manager	Exempt	Contract		\$ 346,296.00	\$ -	\$ 28,858.00	\$ -	\$ 13,319.08
GIS/DBMS Analyst	Exempt	18	\$ 76,514.99	\$ 102,342.06	\$ 6,376.25	\$ 8,528.51	\$ 2,942.88	\$ 3,936.23
Government Affairs Representative	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Hydrogeologist	Exempt	21	\$ 95,056.17	\$ 127,101.93	\$ 7,921.35	\$ 10,591.83	\$ 3,656.01	\$ 4,888.54
Instrumentation and Electrical Supervisor	Exempt	20	\$ 88,423.12	\$ 118,265.28	\$ 7,368.59	\$ 9,855.44	\$ 3,400.89	\$ 4,548.66
Maintenance Supervisor	Exempt	20	\$ 88,423.12	\$ 118,265.28	\$ 7,368.59	\$ 9,855.44	\$ 3,400.89	\$ 4,548.66
Manager of Communication and Education Services	Exempt	24	\$ 118,108.59	\$ 157,975.89	\$ 9,842.38	\$ 13,164.66	\$ 4,542.64	\$ 6,076.00
Manager of Engineering	Exempt	25	\$ 126,967.88	\$ 169,821.49	\$ 10,580.66	\$ 14,151.79	\$ 4,883.38	\$ 6,531.60
Manager of Financial Services	Exempt	24	\$ 118,108.59	\$ 157,975.89	\$ 9,842.38	\$ 13,164.66	\$ 4,542.64	\$ 6,076.00
Manager of Internal Services	Exempt	24	\$ 118,108.59	\$ 157,975.89	\$ 9,842.38	\$ 13,164.66	\$ 4,542.64	\$ 6,076.00
Manager of Public Affairs	Exempt	24	\$ 118,108.59	\$ 157,975.89	\$ 9,842.38	\$ 13,164.66	\$ 4,542.64	\$ 6,076.00

Meeting Date: 1/14/2019 Item No. 4
Water Replenishment District of Southern California
Job Classification and Salary Schedule

Manager of Water Resources	Exempt	25	\$ 126,967.88	\$ 169,821.49	\$ 10,580.66	\$ 14,151.79	\$ 4,883.38	\$ 6,531.60
Network Administrator	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Office Aide	Non-Exempt	2	\$ 28,056.70	\$ 32,373.12	\$ 2,338.06	\$ 2,697.76	\$ 1,079.10	\$ 1,245.12
Office Assistant	Non-Exempt	6	\$ 40,646.96	\$ 54,370.04	\$ 3,387.25	\$ 4,530.84	\$ 1,563.34	\$ 2,091.16
Online Technology and Data Specialist	Exempt	18	\$ 76,514.99	\$ 102,342.06	\$ 6,376.25	\$ 8,528.51	\$ 2,942.88	\$ 3,936.23
Project Administrator	Exempt	18	\$ 76,514.99	\$ 102,342.06	\$ 6,376.25	\$ 8,528.51	\$ 2,942.88	\$ 3,936.23
Public Affairs Representative	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Purchasing Officer	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Senior Accountant	Exempt	17	\$ 71,174.61	\$ 95,199.79	\$ 5,931.22	\$ 7,933.32	\$ 2,737.48	\$ 3,661.53
Senior Administrative Specialist	Exempt	15	\$ 63,053.05	\$ 84,336.23	\$ 5,254.42	\$ 7,028.02	\$ 2,425.12	\$ 3,243.70
Senior Analyst	Exempt	18	\$ 76,514.99	\$ 102,342.06	\$ 6,376.25	\$ 8,528.51	\$ 2,942.88	\$ 3,936.23
Senior Engineer	Exempt	24	\$ 118,108.59	\$ 157,975.89	\$ 9,842.38	\$ 13,164.66	\$ 4,542.64	\$ 6,076.00
Senior Government Affairs Representative	Exempt	22	\$ 102,224.55	\$ 136,721.58	\$ 8,518.71	\$ 11,393.47	\$ 3,931.71	\$ 5,258.52
Senior Hydrogeologist	Exempt	23	\$ 109,889.11	\$ 146,978.13	\$ 9,157.43	\$ 12,248.18	\$ 4,226.50	\$ 5,653.00
Senior Office Aide	Non-Exempt	3	\$ 33,452.22	\$ 39,926.85	\$ 2,787.69	\$ 3,327.24	\$ 1,286.62	\$ 1,535.65
Senior Office Assistant	Non-Exempt	10	\$ 49,408.31	\$ 66,082.31	\$ 4,117.36	\$ 5,506.86	\$ 1,900.32	\$ 2,541.63
Senior Public Affairs Representative	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Technical Specialist	Exempt	14	\$ 60,049.90	\$ 80,321.15	\$ 5,004.16	\$ 6,693.43	\$ 2,309.61	\$ 3,089.28
Water Operations Superintendent	Exempt	25	\$ 126,967.88	\$ 169,821.49	\$ 10,580.66	\$ 14,151.79	\$ 4,883.38	\$ 6,531.60
Water Quality/Regulatory Compliance Specialist	Exempt	19	\$ 82,247.09	\$ 110,006.62	\$ 6,853.92	\$ 9,167.22	\$ 3,163.35	\$ 4,231.02
Water Resources Planner	Exempt	20	\$ 88,423.12	\$ 118,265.28	\$ 7,368.59	\$ 9,855.44	\$ 3,400.89	\$ 4,548.66



California Public Employees' Retirement System
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Reference No.:
 Circular Letter No.: 200-050-12
 Distribution: IV, V, VI, X, XII, XVI
 Special:

Circular Letter

October 25, 2012

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **STATUTORY AND REGULATORY REQUIREMENTS FOR PUBLICLY AVAILABLE PAY SCHEDULES**

The purpose of this Circular Letter is to remind CalPERS employers that only those pay amounts that meet the definition of compensation earnable can be used when calculating retirement benefits.

Compensation earnable is defined in statute and further clarified by California Code of Regulations (CCR) Section 570.5. Specifically, this Circular Letter seeks to address the requirements related to publicly available pay schedules.

Compensation Earnable & The Requirement For Publicly Available Pay Schedules

The Public Employees' Retirement Law (PERL) Government Code Sections 20636 and 20636.1 define compensation earnable for State, School, and Public Agency members. In order to meet the definition of compensation earnable, an amount of pay must either constitute payrate or special compensation as defined in the statutes. Section 20636(d) further requires that payrate and special compensation schedules, ordinances, or similar documents be public records available for public scrutiny.

Section 20636(b)(1) (applicable to Public Agency members) and 20636.1(b)(1) (applicable to School members) require pay amounts to be paid pursuant to publicly available pay schedules. For example, section 20636 (b)(1) states:

“Payrate means the normal monthly rate or pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the members, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).” (Emphasis added.)

CCR 570.5 was adopted April 13, 2011, with an effective date of August 10, 2011. CCR 570.5 sought to clarify the requirement of publicly available pay schedules.

Circular Letter No.: 200-050-12
October 25, 2012
Page 2

After CCR 570.5 was adopted, CalPERS sent [Circular Letter #200-056-11](#) dated August 19, 2011, notifying all employers of the requirements of CCR 570.5.

Importance of Correct Reporting

Due to the importance of correct payroll reporting in administering the PERL and member benefits, CalPERS is sending this additional Circular Letter to remind all employers of the criteria for reporting compensation earnable.

CCR 570.5 outlines the required elements necessary to meet the definition for a publicly available pay schedule as follows:

- (a) For purposes of determining the amount of “compensation earnable” pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:
 - (1) Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meeting laws;
 - (2) Identifies the position title for every employee position;
 - (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
 - (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
 - (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website;
 - (6) Indicates an effective date and date of any revisions;
 - (7) Is retained by the employer and available for public inspection for not less than five years; and
 - (8) Does not reference another document in lieu of disclosing the payrate.

All eight (8) requirements must be met in one salary schedule for each member’s pay, in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable.

No Applicable Pay Schedule

If an agency cannot provide a document meeting the requirements for a publicly available pay schedule, then CalPERS must determine that the pay amount fails to meet the definition of payrate. CCR 570.5 (b)(1)-(4) outlines the process by which

Circular Letter No.: 200-050-12
October 25, 2012
Page 3

CalPERS may determine a member's payrate when there is no publicly available pay schedule provided.

CCR 570.5 (b) states:

- (b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:
- (1) Documents approved by the employer's governing body in accordance with requirements of public meeting laws and maintained by the employer;
 - (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
 - (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
 - (4) Last payrate for the member in a position that was held by the member that is listed on a pay schedule that conforms to the requirements of subdivision (a) of a former CalPERS employer.

It is important that all employers comply with the compensation earnable provisions and corresponding regulations of the PERL. Where employers fail to comply, pay amounts will be determined to not constitute payrate and accordingly CalPERS will be unable to use such pay amounts when calculating members' retirement benefits.

It is therefore critical that employers review their pay schedules to verify that all members' pay amounts are included within a publicly available pay schedule. For assistance or questions related to the development of a publicly available pay schedule, please direct your inquiries to the CalPERS Compensation and Employer Review Unit.

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

KAREN DeFRANK, Chief
Customer Account Services Division



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Reference No.:
Circular Letter No.: 200-056-11
Distribution: IV, V, VI, X, XII, XVI
Special:

Circular Letter

August 19, 2011

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **ADOPTION OF CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5 AND AMENDED CCR 571, SUBDIVISION (b)**

The purpose of this Circular Letter is to inform you of the newly enacted California Code of Regulations, (CCR) Title 2, Section 570.5 and amendments to CCR Section 571, subdivision (b). On April 13, 2011 the CalPERS Board of Administration adopted the proposed regulation and regulatory amendments to clarify existing law and make specific the requirements for publicly available pay schedule as that phrase is used in the definition of "payrate," and written labor policy or agreements as used in the definition of special compensation. The regulations became effective August 10, 2011.

The addition of Section 570.5 and amendments to Section 571, subdivision (b) will ensure consistency between CalPERS employers and enhance the disclosure and transparency of public employee compensation by requiring that the payrate or item of special compensation be listed on a pay schedule or in a document meeting criteria set forth in the regulations.

CCR 570.5 – Requirement for a Publicly Available Pay Schedule

This regulation requires that each pay schedule include:

- position title for every employee position
- payrate for each position
- time base for each payrate

This regulation also contains criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document in lieu of disclosing the payrate. Further, the regulation clarifies that "compensation earnable" will be limited to the amount listed on a pay schedule that meets all of the established criteria, and identifies how payrate may be determined where employers fail to meet the requirements.

This regulation applies to all employers reporting compensation to CalPERS.

Circular Letter # 200-056-11
August 19, 2011
Page 2

CCR Section 571. Subdivision (b) Amendment – Special Compensation

This amendment clarifies existing law by ensuring greater transparency and disclosure of special compensation items in written labor policies or agreements. The labor policy or agreement must include:

- the conditions for payment of the item of special compensation
- eligibility requirements and amount for each special compensation item

The written labor policy or agreement cannot reference another document in lieu of disclosing the details of the special compensation. In addition, the written labor policy or agreement must be duly approved, posted or immediately accessible and available for public review, retained for not less than five years, and include an effective date.

CCR Section 571, subdivision (b) applies to all schools and public agencies reporting compensation to CalPERS.

Conclusion

These regulations benefit the public, employers, members, and CalPERS staff by clarifying existing law, ensuring consistency in the reporting of compensation and enhancing disclosure and transparency of public employee compensation.

We have attached CCR sections 570.5 and 571 for your convenience.

If you have any questions, please call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

DARRYL WATSON, Chief
Customer Account Services Division

Enclosure
[California Code of Regulations 570.5 and 571](#) (PDF, 12 KB)