



TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: December 11, 2018

SUBJECT: Agenda Item 6 E: Consideration of Comparator Agencies to be Evaluated in the Classification and Compensation Study being Performed by Koff and Associates

RECOMMENDED ACTION

Move to approve the list of comparator agencies to be Evaluated in the Classification and Compensation Study being Performed by Koff and Associates

BACKGROUND

On April 9, 2018, the Board of Directors adopted a slate of management objectives to set the direction of the District over the next two years. The Board unanimously felt that reestablishing the ability to recruit and retain high quality, qualified employees was a top priority for management. The staff related management objectives are listed below:

- 1) **Support Staff**
- 2) Provide a work environment that values, supports and improves employee recruitment, development, retention and cross-training of excellent employees
 - a) Complete an updated compensation and classification study (C&C Study) that considers regional competition **(December 31, 2018)**
 - b) Evaluate part time/volunteer intern program **(December 31, 2018)**
 - c) Prepare an employee orientation/development/cross training program **(December 31, 2018)**
 - d) Clarify and articulate advancement/promotional policies **(December 31, 2018)**
 - e) Evaluate the organizational structure to ensure that we are adequately staffed for our size and services; and responsibilities are appropriately assigned to accomplish the priorities of the District **(December 31, 2018)**

On August 13, 2018, following a request for proposals process, the Board approved an agreement with Koff and Associates, a human resources firm specializing in classification and compensation studies for public agencies. The first step in the process of evaluating the salary, benefits and job classifications of other special districts, is to identify public agencies comparable to GCSB; termed herein as Comparator Agencies. In accordance with their Board approved scope of work, in September 2018, Koff produced a draft list of comparator agencies to be included in the study. During the October 9, 2018 Board meeting, the draft list of comparator agencies was presented to the Board in the General Manager's report.

In review of the attached Koff memo and Comparator Agency tables, the rationale and ranking of the agencies speaks for itself. In order for the GCSD to be able to advertise and recruit employees that are fully qualified for our positions in terms of training, qualifications, experience, certifications and solid work ethic, the District needs to offer an employment package that is comparable with competitor entities in the industry. Considering the budgetary constraints and complexities of small entities such as GCSD, we focus our compensation and benefit evaluation on similar agencies.

For the past decade, the District has experienced a high employee turnover rate and has in the past few years been unable to attract applications from qualified, certified water and wastewater operators. The District has had to hire entry level employees without certification, even though the state requires that they be certified to perform their jobs. This results in employees doubling up on technical tasks and responsibilities while the new employees achieve the training, education and job-time required to take and pass state certification examinations.

The certification process can take 18 months to two years, basically resulting in double the employee costs, and twice the work on existing certified employees. Multiply that by six or more employees working on their certification at the same time, and you can have a stressful work environment. Add to that the fact that the employees we attract are young and mobile, and will leave for significantly more money once trained and certified, and we then fall into a continuous cycle of reduced efficiency and higher employee costs.

Evaluation of the classifications and compensation of employees is only one aspect of determining why GCSD has had difficulty in attracting and retaining employees. The District currently has all vacant positions filled with solid employees who either meet, or are actively in the process of meeting their position requirements. Due to an extremely high level of competition for employees in the public water and wastewater industry, it is important that we consider the retention of these employees as we have invested much time and tens of thousands of dollars in training and certification expenses.

The Board held extensive discussion regarding this memorandum and the draft list of comparator agencies at its November 13, 2018 Board meeting, and raised questions that resulted in a request that a representative from Koff and Associates attend the next Board meeting. Katie Kaneko from Koff will be in attendance at this meeting to address Board questions and concerns.

ATTACHMENTS

- Koff and Associates Draft Comparator Agency Memo
- Koff and Associates Draft Comparator Agency Evaluation

FINANCIAL IMPACTS

None at this time.

To: Groveland CSD (GCSD)
From: Katie Kaneko
Subject: Comparator Agency Analysis for the Total Compensation Study
Date: 09/19/18

In developing the list of potential agencies for the compensation study, Koff & Associates (K&A) evaluated a number of comparative indicators related to the GCSD's demographics, financials, and scope of services provided. The following details the methodology and the specific criteria included in the analysis:

1. Organizational type and structure: K&A generally recommends that agencies of a similar size and structure providing similar services to that of the GCSD be used as comparators. (As a side note, it's important to point out that when it comes to technical job classifications, the size of an organization is not as critical as these classes perform fairly similar work. The difference in size of an organization becomes more important when comparing classes at the management level. The scope of work and responsibility for management classifications becomes much larger as an organization grows. Factors such as management of a large staff, consequence of error, the political nature of the job, and its visibility all grow with larger organizations. When it is difficult to find agencies that are similar in size, it is important to get a good balance of smaller and larger agencies.)
2. Similarity of population, staff, and operational budgets: These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
3. Scope of services provided and geographic location: Organizations providing the same services are ideal for comparators, and most comparator agencies included in the analysis provide similar services to the GCSD. Specifically, K&A focused on whether agencies provided the following:
 - Water and Wastewater Treatment, Water Distribution and Wastewater Collections
4. Labor market: In the reality that is today's labor market, many agencies are in competition for the same pool of qualified employees, and individuals often don't live in the communities they serve. The geographic labor market area, where the GCSD may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

The comparator agency analysis includes specific data for each proposed agency:

1. Geographic Proximity
2. Population Served
3. Full-Time Equivalent (FTE)
4. Agency Financials (Expenditures)
5. Cost of Living
6. Services provided

The overall ranking is based on the absolute value difference between the agency on each factor and the GCSD regardless of whether the agency is higher or lower for that factor.



The Recommended List of Comparators represents a summary of the rankings for each of the following data factors:

1. Geographic Proximity
2. Population
3. FTE
4. Expenditure
5. Cost of Living
6. Services Provided

These criteria are not part of the overall comparison score, as these two factors are components of the % Above/Below U.S. Cost of Living Average. The analysis utilizes the Cost of Living in the overall rank, as an indicator of the local economy for each agency.

The recommended agencies are those agencies that were identified as being the most similar to the GCSD based on the six factors analyzed above.

Once these comparator agencies are approved, K&A can begin the data collection for the compensation study, which is an essential process to ensure that the GCSD understands its position in the marketplace and its competitive landscape.

Groveland Community Services District
Proposed List of Comparators
Total Compensation Study

Ranking	Comparator Agency	Overall Criteria Comparison Score
	Client Name	Rank
	Groveland Community Services District	1
1	Twain Harte CSD	2
2	Hidden Valley Lake CSD	3
3	Rancho Murietta CSD	4
4	Tuolumne Utilities District	5
5	Calaveras County Water District	6
6	San Francisco PUC (Hetch Hetchy)	7
7	Clear Creek CSD	8
8	Amador Water Agency	9
9	Northstar CSD	10
10	Turlock Irrigation District	11
11	South Tahoe PUD	12
12	Humboldt CSD	13
	South San Joaquin Irrigation District	14
	Modesto Irrigation District	15
	Dublin San Ramon Services District	15
	El Dorado Irrigation District	17
	Placer County Water	18

Closely Ranked Comparator Agencies

Legend: A lower Overall Comparison Score indicates that the comparator agency is more similar to Groveland CSD

Column A: Ranking based upon comparison score.

Column B: Agency Name

Column C: The Overall Criteria Comparison Score is equal to the sum of ranking for each criteria.

The Overall Comparison Score is comprised of the following criteria:

- 1- Geographic Proximity Comparison
- 2- Population Comparison
- 3- Full Time Equivalents Comparison
- 4- Expenditure Comparison
- 5- Cost of Living Average Comparison
- 6- Comparable Services Comparison

Groveland Community Services District
Proposed List of Comparators
Total Compensation Study

Agency	County	Geographic Proximity	FTE	Agency Expenditures	% above or below U.S Cost of Living Average Index of 100%
Groveland Community Services District	Tuolumne	0	16.0	\$1,245,884	109.10%
Calaveras County Water District	Calaveras	50	65.0	\$14,436,404	103.60%
Clear Creek CSD	Placer	275	11.5	\$2,618,783	110.70%
Dublin San Ramon Services District	Alameda	110	121.0	\$71,000,000	151.40%
Humboldt CSD	Humboldt	401	21.0	\$5,867,573	121.50%
El Dorado Irrigation District	El Dorado	107	208.0	\$87,800,000	134.40%
Amador Water Agency	Amador	70	42.0	\$10,184,557	134.40%
Placer County Water	Placer	125	224.0	\$85,274,000	107.00%
Northstar CSD	Placer	194	38.0	\$5,290,416	123.80%
Turlock Irrigation District	Stanislaus	66	451.0	\$284,314,000	108.00%
Modesto Irrigation District	Stanislaus	62	450.0	\$340,443,000	107.50%
Tuolumne Utilities District	Tuolumne	24	79.0	\$11,712,992	109.10%
South Tahoe PUD	El Dorado	154	119.0	\$31,884,000	120.40%
Rancho Murietta CSD	Sacramento	88	38.5	\$2,864,506	105.30%
Twain Harte CSD	Tuolumne	35	17.0	\$3,179,388	109.10%
San Francisco PUC (Hetch Hetchy)	San Francisco	13	203.0	\$50,167,000	111.60%
South San Joaquin Irrigation District	San Joaquin	65	98.0	\$30,957,882	111.70%
Hidden Valley Lake CSD	Lake	193	12.0	\$3,417,903	107.00%

Groveland Community Services District
Proposed List of Comparators
Total Compensation Study

Agency	Department/Divisions and Services Provided
Groveland Community Services District	water, wastewater, parks, fire
Calaveras County Water District	water, wastewater
Clear Creek CSD	water
Dublin San Ramon Services District	water, wastewater collection and treatment, irrigation
Humboldt CSD	water, sewage collection, street lighting services
El Dorado Irrigation District	water, wastewater, power, recycled water
Amador Water Agency	water, wastewater
Placer County Water	water, irrigation, power
Northstar CSD	water, sewer collection, wastewater treatment, solid waste mangement, recycling services, fire protection, fuels management, snow removal, road surface maintenance, and trail construction and maintenance.
Turlock Irrigation District	Irrigation, water, wastewater power
Modesto Irrigation Disrict	Irrigation, water, power
Tuolumne Utilities District	water, wastewater treatment
South Tahoe PUD	water, sewer, maintenance, admin, finance, it
Rancho Murietta CSD	water treatment, wastewater collection & treatment, storm drainage collection, disposal and flood control, security, solid waste collection and disposal.
Twain Harte CSD	Fire, Water, Sewer, Parks
San Francisco PUC (Hetch Hetchy)	Water, Wastewater treatment, Power
South San Joaquin Irrigation District	Water, irrigation, power
Hidden Valley Lake CSD	water, wastewater

Groveland Community Services District
Proposed List of Comparators
Total Compensation Study

Agency	Water Treatment	Wastewater Treatment	Collections	Distribution	Comparable Services Score	Difference from Agency	Ranking
Groveland Community Services District	1	1	1	1	4	0	1
Calaveras County Water District	1	1	1	1	4	0	1
Clear Creek CSD	1	0	1	1	3	1	12
Dublin San Ramon Services District	1	1	1	1	4	0	1
Humboldt CSD	1	0	1	1	3	1	12
El Dorado Irrigation District	1	1	1	1	4	0	1
Amador Water Agency	1	1	1	1	4	0	1
Placer County Water	1	0	1	1	3	1	12
Northstar CSD	1	1	1	1	4	0	1
Turlock Irrigation District	1	1	1	1	4	0	1
Modesto Irrigation District	1	0	1	1	3	1	12
Tuolumne Utilities District	1	1	0	1	3	1	12
South Tahoe PUD	1	1	1	1	4	0	1
Rancho Murietta CSD	1	1	1	1	4	0	1
Twain Harte CSD	1	0	1	1	3	1	12
San Francisco PUC (Hetch Hetchy)	1	1	1	1	4	0	1
South San Joaquin Irrigation District	1	0	0	1	2	2	18
Hidden Valley Lake CSD	1	1	1	1	4	0	1

Footnotes