

Agenda

Sacramento Suburban Water District Special Board Meeting

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Friday, December 7, 2018
9:00 a.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 24 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Pledge of Allegiance

Roll Call

Items for Discussion and/or Action

1. Resolution No. 18-18 A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending the 2017 and 2018 Salary Band Schedules
Recommendation: Approve subject resolution.
2. 2018 Employee Compensation Study
Receive written staff report and direct staff as appropriate.

Closed Session (Closed Session Items are not opened to the public)

3. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(4); consideration of initiating litigation involving one case.

- 4. Conference with legal counsel – potential litigation; Government Code sections 54954.5(c) and 54956.9(d)(4); potential for litigation involving the State Water Resources Control Board’s proceedings related to the California Water Fix and the Bay Delta Water Quality Control Plan Update.

Adjournment

Upcoming Meetings

Monday, December 10, 2018 at 4:30 p.m., SJWD/SSWD Water Management/Re-Organization Committee Meeting – Located at San Juan Water District, 9935 Auburn Folsom Road, Granite Bay, CA 95746

Monday, December 17, 2018 at 6:00 p.m., Regular Board Meeting

I certify that the foregoing agenda for the December 7, 2018 meeting of the Sacramento Suburban Water District Board of Directors was posted by December 6, 2018 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was freely available to the public.

Dan York
 General Manager/Secretary
 Sacramento Suburban Water District



Agenda Item: 1

Date: November 29, 2018

Subject: Resolution No. 18-18 A Resolution of the Board of Directors of the Sacramento Suburban Water District Amending the 2017 and 2018 Salary Band Schedules

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Adopt Resolution No. 18-18 Amending the District's 2017 and 2018 Salary Band Schedules for the position of Special Advisor to the General Manager effective December 1, 2017.

Discussion:

On December 1, 2017, the Board of Directors entered into a contract with former General Manager Robert Roscoe, changing his annual salary, effective December 1, 2017, as General Manager to \$214,860.00 and in 2018 his title to "Special Advisor to the General Manager" at an annual amount of \$214,860.00. The District's 2017 Salary Band Schedule was approved on October 17, 2016 and the District's 2018 Salary Band Schedule was approved on November 20, 2017, which were prior to the contract date. As the 2017 and 2018 Salary Band Schedules were never updated to reflect the change to the General Manager's salary and the new position and salary range consistent with CalPERS' requirements, staff desires to correct the Salary Band Schedules effective December 1, 2017, consistent with the date that the Board executed the new contract with Mr. Roscoe. See proposed changes highlighted in yellow on Attachments 1 and 2.

Fiscal Impact:

No additional financial impact results from this correction.

Strategic Plan Alignment:

Finance – 4.A. Monitor District operations through internal control procedures, documentation, and such other processes necessary to ensure effective financial performance.

RESOLUTION NO. 18-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SACRAMENTO SUBURBAN WATER DISTRICT AMENDING THE 2017 AND 2018 SALARY BAND SCHEDULES

WHEREAS, on October 17, 2016, the Board approved the Sacramento Suburban Water District 2017 Salary Band Schedule;

WHEREAS, on November 20, 2017, the Board approved the Sacramento Suburban Water District 2018 Salary Band Schedule;

WHEREAS, on December 1, 2018, after adopting the 2017 and 2018 Salary Band Schedules, the Board created a new contract employee position with the title “Special Advisor to the General Manager”; and

WHEREAS, the Board now desires to amend the Sacramento Suburban Water District 2017 and 2018 Salary Band Schedules to ensure compliance with the Public Employees’ Retirement Law (the “PERL”) and CalPERS’ regulations requiring that all existing positions are enumerated in the District’s 2018 Salary Band Schedule as further described in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Suburban Water District as follows:

1. The Sacramento Suburban Water District 2017 and 2018 Salary Band Schedules are hereby amended as shown in Attachments 1 and 2, respectively, which is attached to and made a part of this Resolution.
2. The Board authorizes and directs the General Manager and staff to take all actions necessary to amend the Sacramento Suburban Water District 2017 and 2018 Salary Band Schedules and to enforce such amended changes in accordance with the authority granted by this Resolution and state laws on employee compensation, including the PERL and CalPERS regulations.
3. Except as modified by the terms of this Resolution, the District’s existing employee compensation schedules and practices shall remain in full force and effect. Any provisions in the existing regulations that conflict with the amendments set forth in this Resolution are deemed superseded and of no further effect.
4. Consistent with the date that the position of “Special Advisor to the General Manager” was created and the adoption of the original 2017 and 2018 Salary Band Schedules, the amendment to that schedule as set forth in this Resolution shall be effective as of December 1, 2017.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 7th day of December 2018, by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Craig M. Locke
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a special meeting hereof held on the 7th day of December 2018.

(SEAL)

By: _____
Dan York
General Manager/Secretary
Sacramento Suburban Water District

ATTACHMENT 1

SSWD PAY/SALARY BANDS - CY 2017

Adopted 10/17/16; Revised 12/07/18 — Effective 12/1/17

NON-EXEMPT POSITIONS

Title	Hrly Minimum	Hrly Maximum	Annual Range	
Customer Service Representative I	\$17.22	\$21.05	\$35,817.60	\$43,784.00
Administrative Assistant I				
Distribution Operator I	\$18.98	\$23.19	\$39,478.40	\$48,235.20
Water Conservation Technician I				
Production Operator I	\$19.93	\$24.36	\$41,454.40	\$50,668.80
Customer Service Representative II				
Engineering Drafter	\$20.92	\$25.57	\$43,513.60	\$53,185.60
Administrative Assistant II				
Distribution Operator II	\$23.08	\$28.20	\$48,006.40	\$58,656.00
Water Conservation Technician II				
Facilities & Fleet Specialist				
Production Operator II	\$24.21	\$29.60	\$50,356.80	\$61,568.00
Purchasing Specialist				
Accountant				
Cross Connection Control Specialist				
Environmental Compliance Technician	\$25.41	\$31.06	\$52,852.80	\$64,604.80
Field Operations Coordinator				
Engineering Project Coordinator				
GIS/IT Technician	\$26.69	\$32.62	\$55,515.20	\$67,849.60
Senior Inspector				
Instrumentation & Electrical Technician				
Foreman (Distribution, Production)	\$29.42	\$35.94	\$61,193.60	\$74,755.20
GIS Coordinator	\$30.90	\$37.78	\$64,272.00	\$78,582.40
Assistant Engineer	\$32.46	\$39.67	\$67,516.80	\$82,513.60

EXEMPT POSITIONS

Title	Mthly Minimum	Mthly Maximum	Annual Range	
Environmental Compliance Supervisor				
Executive Assistant to the General Manager				
Financial Analyst	\$5,314.40	\$7,189.87	\$63,772.80	\$86,278.40
Human Resources Coordinator				
Water Conservation Supervisor				
Administrative Services Manager				
Superintendent (Distribution, Field Services, Production)	\$5,579.60	\$7,550.40	\$66,955.20	\$90,604.80
Information Technology Manager				
Project Manager	\$5,860.40	\$7,928.27	\$70,324.80	\$95,139.20
Associate Engineer (Registered)	\$6,156.80	\$8,328.67	\$73,881.60	\$99,944.00
Senior Project Manager	\$6,786.00	\$9,181.47	\$81,432.00	\$110,177.60
Senior Engineer	\$7,122.27	\$9,635.60	\$85,467.20	\$115,627.20
Operations Manager	\$7,481.07	\$10,119.20	\$89,772.80	\$121,430.40
Engineering Manager	\$7,852.00	\$10,627.07	\$94,224.00	\$127,524.80
Engineering Director				
Finance Director	\$8,248.93	\$11,159.20	\$98,987.20	\$133,910.40
Assistant General Manager	\$9,098.27	\$12,308.40	\$109,179.20	\$147,700.80
General Manager		\$17,905.00	Contract	\$214,860.00

SSWD Administrative Office

3701 Marconi Avenue, Suite 100 | Sacramento, CA 95821-5346 | Ph: 916.972.7171 | Fax: 916.972.7639

Business Hours: Monday-Friday 8:00 a.m. to 4:30 p.m. | sswd.org

ATTACHMENT 2

SSWD PAY/SALARY BANDS - CY 2018

Adopted 11/20/17; Revised 12/07/18 — Effective 01/01/2018

NON-EXEMPT POSITIONS

Title	Hourly Minimum	Hourly Maximum	Annual Range	
Customer Service Representative I	\$17.74	\$21.68	\$36,899.20	\$45,094.40
Administrative Assistant I				
Distribution Operator I	\$19.55	\$23.89	\$40,664.00	\$49,691.20
Water Conservation Technician I				
Production Operator I	\$20.53	\$25.09	\$42,702.40	\$52,187.20
Customer Service Representative II	\$21.55	\$26.34	\$44,824.00	\$54,787.20
Engineering Drafter				
Administrative Assistant II				
Distribution Operator II	\$23.77	\$29.05	\$49,441.60	\$60,424.00
Water Conservation Technician II				
Facilities & Fleet Specialist				
Production Operator II	\$24.94	\$30.49	\$51,875.20	\$63,419.20
Purchasing Specialist				
Accountant				
Cross Connection Control Specialist	\$26.17	\$31.99	\$54,433.60	\$66,539.20
Environmental Compliance Technician				
Field Operations Coordinator				
Engineering Project Coordinator				
GIS/IT Technician	\$27.49	\$33.60	\$57,179.20	\$69,888.00
Senior Inspector				
Instrumentation & Electrical Technician	\$30.30	\$37.02	\$63,024.00	\$77,001.60
Foreman (Distribution, Production)				
GIS Coordinator	\$31.83	\$38.91	\$66,206.40	\$80,932.80
Assistant Engineer	\$33.43	\$40.86	\$69,534.40	\$84,988.80

EXEMPT POSITIONS

Title	Monthly Minimum	Monthly Maximum	Annual Range	
Environmental Compliance Supervisor				
Executive Assistant to the General Manager				
Financial Analyst	\$5,473.87	\$7,404.80	\$65,686.44	\$88,857.60
Human Resources Coordinator				
Water Conservation Supervisor				
Administrative Services Manager	\$5,747.73	\$7,777.47	\$68,972.76	\$93,329.64
Superintendent (Distribution, Field Services, Production)				
Information Technology Manager	\$6,035.47	\$8,165.73	\$72,425.64	\$97,988.76
Project Manager				
Associate Engineer (Registered)	\$6,342.27	\$8,578.27	\$76,107.24	\$102,939.24
Senior Project Manager	\$6,988.80	\$9,457.07	\$83,865.60	\$113,484.84
Senior Engineer	\$7,335.47	\$9,925.07	\$88,025.64	\$119,100.84
Operations Manager	\$7,704.67	\$10,422.53	\$92,456.04	\$125,070.36
Engineering Manager	\$8,087.73	\$10,946.00	\$97,052.76	\$131,352.00
Engineering Director	\$8,496.80	\$11,493.73	\$101,961.60	\$137,924.76
Finance Director				
Special Advisor to the General Manager		\$17,905.00	Contract	\$214,860.00
Assistant General Manager	\$9,370.40	\$12,677.60	\$112,444.80	\$152,131.20
General Manager		\$13,750.00	Contract	\$165,000.00

SSWD Administrative Office

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Business Hours: Monday-Friday 8:00 a.m. to 4:30 p.m. | sswd.org



Agenda Item: 2

Date: December 5, 2018

Subject: 2018 Employee Compensation Study

Staff Contact: Daniel R. York, General Manager
Daniel A. Bills, Director of Finance and Administration

Recommended Board Action:

1. Accept the 2018 Compensation Survey Report (Survey) – Attachment 1.
2. Approve Option 1 or Option 2 below, which is to set salary bands to 62.5% of the market and adjust salaries to median (Option 1); or adjust salaries with a 3.0% Merit increase and a 3.8% COLA, making sure that all salaries are equal to or above the respective salary band minimum (Option 2).
3. Receive direction from Board on whether the General Manager should evaluate adjusting employee retirement contributions.

Background:

The 2018 Compensation Study Report was brought to the Board on October 15, 2018 (Attachment 2), and November 19, 2018 (Attachment 3). At the October Board meeting staff was directed to eliminate retirement and bring the Study back to the Board in November. At the November Board meeting staff was directed to:

1. Present a recommendation with a single salary band for each position.
2. Present Salary Survey implementation options for Board consideration.
3. Present a recommendation that includes equitable treatment based on District retirement plans.

In addition, at the November Board meeting, the Board amended Policy No. PL- HR 002 “Employee Compensation Policy” to state the “...General Manager will target a range from median to mid-point of the third quartile of compensation in the appropriate labor market when setting compensation for District positions.”

Discussion:

After evaluations, Staff has prepared the following two Survey Implementation Options for the Board to consider:

Option 1 - Approve Setting Salary Bands to 62.5% and Adjusting Salaries to Median (November 2018 Recommendation) with no COLA or merit for 2019.

Option 2 – Approve Setting Salary Bands to 62.5% and Adjusting 2019 Salaries by a Merit and COLA increase with salary adjustments for certain positions that still are less than the new salary band.

Staff has looked at internal equities between employees in the District's Tier 1 (3% at 60) and Tier 2 (2% at 55) retirement plans and those in its Tier 3 (PEPRA) plan. After discussing with a number of different peer District's across the State, staff has learned there are different approaches to address staff retirement contributions. Staff requests additional time to do a thorough evaluation and consult with our legal team before proposing recommendations to the Board.

Compensation Study Survey Results

Survey results are based on the same "market" as used in the 2016 Survey.

In reviewing the Survey results, for Non-Exempt positions, the District is at the bottom in compensation relative to other water agencies in the market - 15th out of 15. For Exempt positions, the District is at the second from the bottom in compensation relative to other water agencies/cities in the market or 19th out of 20. This puts the District at a disadvantage for recruiting and retaining employees.

The Survey results also show that the District's total compensation is roughly 12.8% below the middle of the third quartile of the market and 9.5% below the median of the market.

Conclusion:

Staff views the District's compensation policy from two perspectives – recruitment and retention. For recruitment purposes, staff is recommending the salary bands be increased to 62.5% of the market as reported in the Survey. For retention purposes, staff proposes that 2019 compensation be increased to the median of the market. Future opportunities for existing staff to increase their pay back to the same position as previously achieved in their respective salary bands will be achieved via Merit increases.

Fiscal Impact:

Study costs - \$38,495: \$8,500 for Bryce Consulting to complete job descriptions and \$29,995 for Ralph Andersen & Associates to complete the Compensation Survey.

Labor cost increases for the staff recommendation is \$510,000 (Option 1) or \$399,000 (Option 2) in 2019.

Strategic Plan Alignment:

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

Finance – 4.H. Produce and monitor an annual budget for system operations, maintenance and replacements.

Attachments:

- 1 – Compensation Study Survey Report
- 2 – Compensation Study Staff Report – 10-15-18
- 3 – Compensation Study Staff Report – 11-19-18
- 4 – 2018 Employee Compensation Study Presentation

**Ralph Andersen &
Associates**

November 19, 2018

Sacramento Suburban Water District

2018 Compensation Survey Report

Why Surveys Are Done

Compensation surveys are a necessary part of assessing and updating an organization's compensation plan.

- Anticipate and understand what labor market is doing
- Data-driven framework for allocating resources to wages and benefits
- Provide defensibility and public accountability employee compensation
- Optimize the District's ability to recruit and retain employees
- Processes such as fact-finding are data-driven

Public and Private employers both use market data to assess compensation; just a difference in accessibility and transparency of data.

Survey Agencies & Selection Criteria

- Historical Practices
- Natures of Services
- Geographic Proximity
- Size
- Economic Similarity

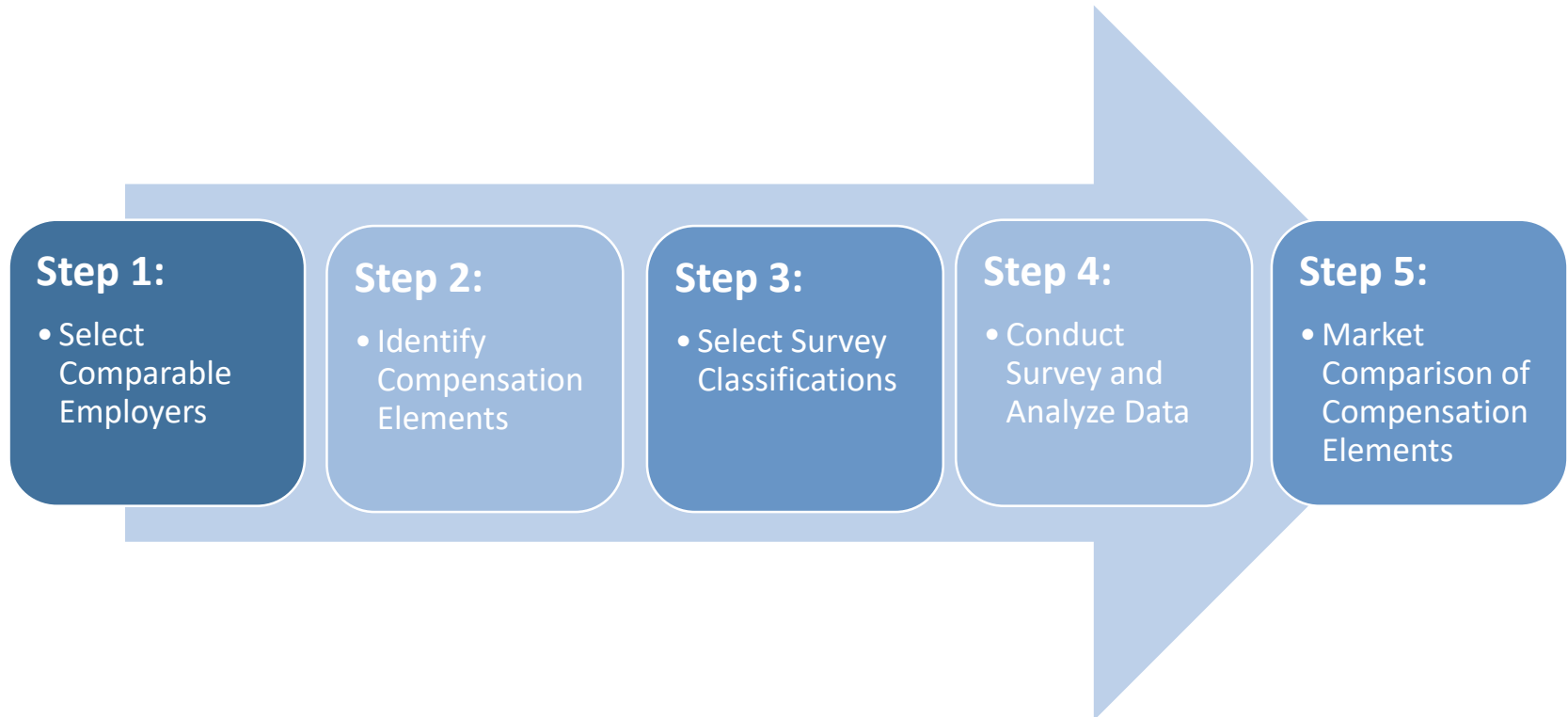
Carmichael Water District
Citrus Heights Water District
City of Davis
City of Folsom
City of Roseville
City of Sacramento
City of West Sacramento
City of Woodland
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Placer County Water Agency
Sacramento County
San Juan Water District

Supplemental Management Agencies

Amador Water Agency
City of Lodi
San Luis and Delta Mondata WA
Stockton East Water District
Stockton Municipal Utility (City)



Survey Process



Compensation survey data was collected by the project consultants and included the collection and analysis of the following:

- Organization charts, budgets, and position control documents
- Job descriptions
- Salary schedules
- Follow-up information provided by each survey agency
- Additional survey research based on District feedback

Survey job matches were determined by the project consultants and went beyond title comparisons.

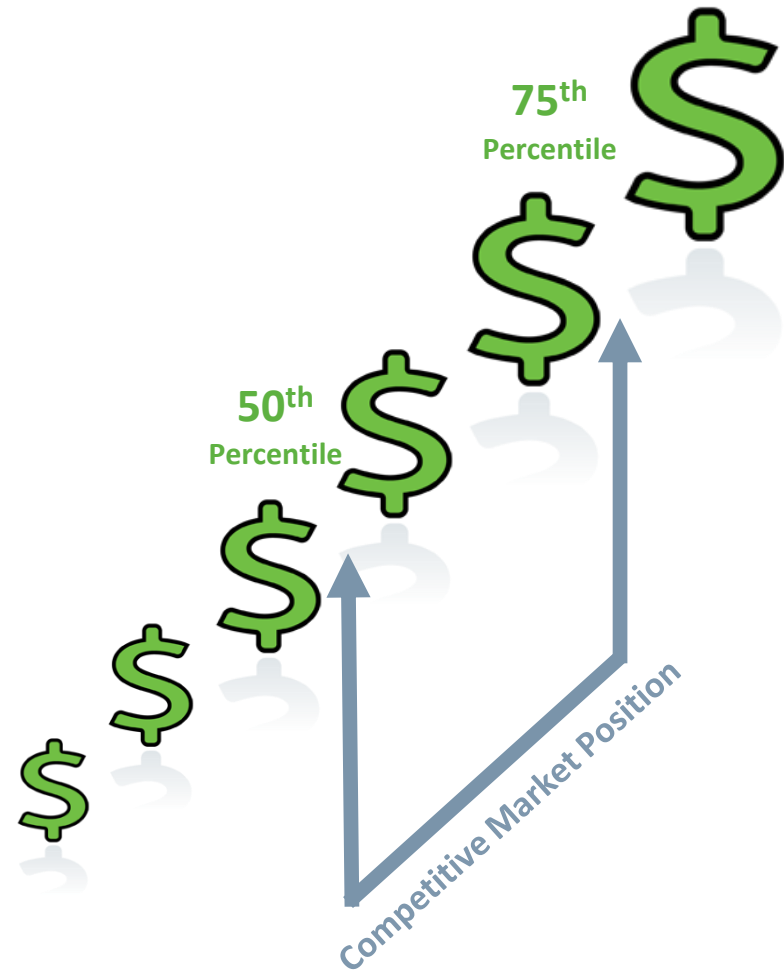
Matching Job Classifications

Matching job classifications relies on a number of source documents beyond comparisons of job descriptions.

- Job matches only occur if a position exists and is allocated in the budget (and staffed). Some agencies may have legacy job descriptions or titles in their salary schedules that are not used.
- Job matches are based on a review of major and essential job duties along with a comparison of qualifications. Significant differences can result in no comparable job being matched. Examples of differences include:
 - Mismatches in qualification requirements such as requiring specific certifications or a four-year degree
 - Different organization structures such as layers of supervisory and management and broader responsibilities
 - Position allocations that demonstrate working versus advanced levels
- Factors not considered in matching jobs:
 - Staffing, equipment, facility, and resource differences that don't impact required skills and abilities
 - Job functions performed within a broad classification that is used in many assignments
 - Job classifications performing the same duties but in a different department
 - Employee performance or unique qualifications that are beyond what is required
- The survey data will include matches that are similar as well as those that will be slightly higher or lower in role and responsibility.

Market Position

- Establishes competitive position
- Historical practices is an important consideration; change in practice requires explanation
- \$ or % differences between percentiles depends on the array of data; can be very small if data is tightly arrayed
- Recruitment and retention goals



Survey Agency Rank (by percentile)

Non-Exempt

Pctile	Agency
96	San Juan Water District
89	Citrus Heights Water District
65	City of Folsom
63	Elk Grove Water District
60	City of Roseville
57	City of Sacramento
56	Fair Oaks Water District
53	El Dorado Irrigation District
51	Placer County Water Agency
50	City of West Sacramento
48	Sacramento County
35	City of Davis
26	City of Woodland
22	Carmichael Water District
19	Sacramento Suburban WD

62.5 P →

50th P →

Exempt

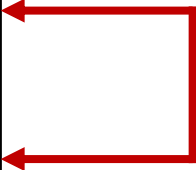
Pctile	Agency
90	San Juan Water District
87	Citrus Heights Water District
67	City of Roseville
67	City of Sacramento
67	El Dorado Irrigation District
61	City of Folsom
57	Placer County Water Agency
55	Elk Grove Water District
54	Fair Oaks Water District
52	Sacramento County
44	City of West Sacramento
41	Stockton Municipal Utility (City)
39	San Luis and Delta Mondata WA
34	Stockton East Water District
25	City of Lodi
25	City of Woodland
25	City of Davis
20	Carmichael Water District
19	Sacramento Suburban WD
16	Amador Water Agency

62.5 P →

50th P →

Sample Data – Base Salary

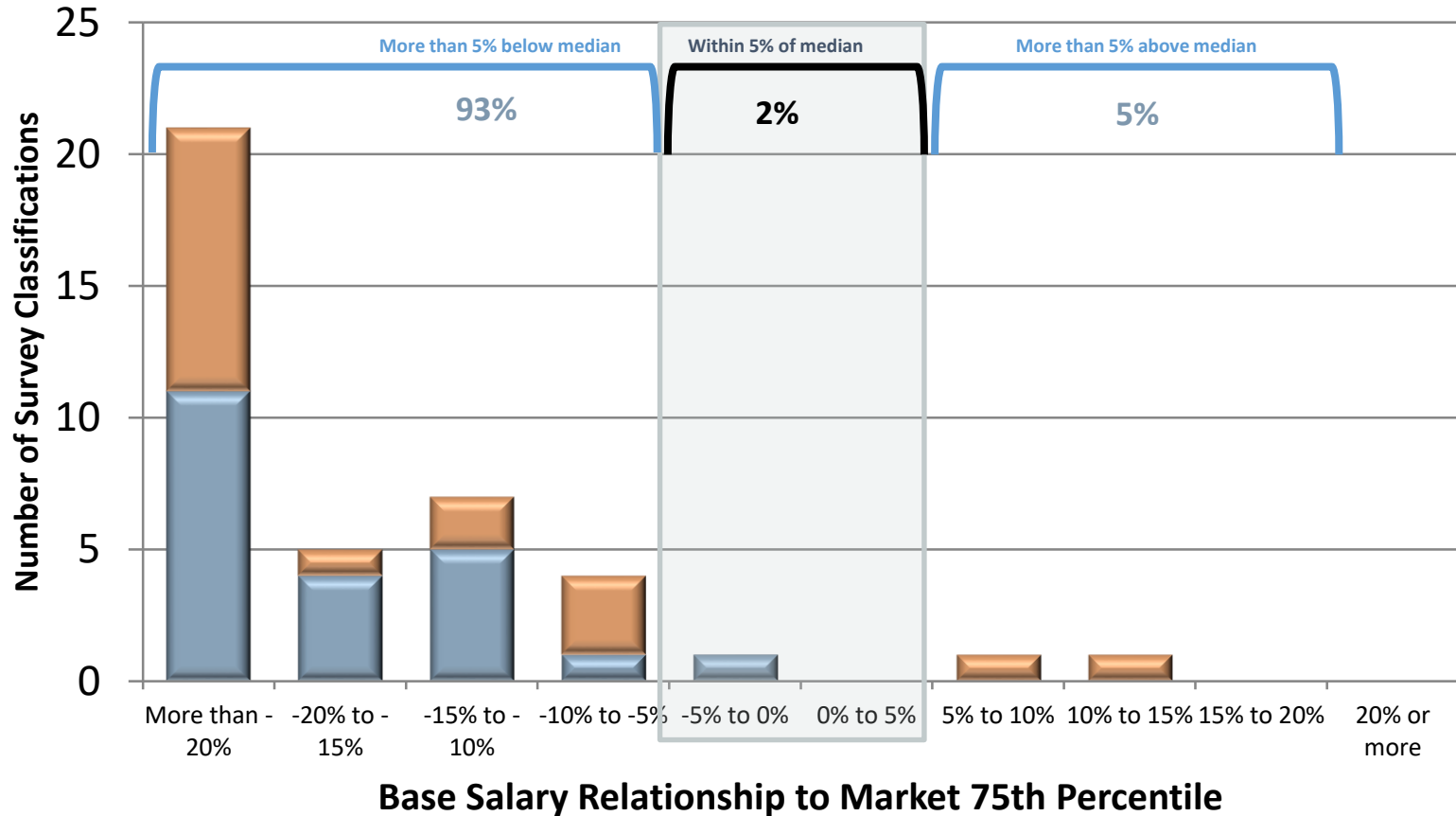
Agency	Comparable Title	Range Max
Citrus Heights Water District	Associate Civil Engineer	\$11,454
San Juan Water District	Associate Civil Engineer	\$11,063
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807
Sacramento County	Associate Civil Engineer	\$9,556
Elk Grove Water District	Associate Civil Engineer	\$9,441
El Dorado Irrigation District	Associate Civil Engineer	\$9,360
Placer County Water Agency	Associate Engineer	\$9,326
City of Sacramento	Associate Civil Engineer	\$9,294
Amador Water Agency	Resident Engineer	\$9,090
City of Folsom	Associate Civil Engineer	\$8,965
City of West Sacramento	Associate Civil Engineer	\$8,707
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578
Stockton East Water District	Associate Engineer II	\$8,491
City of Woodland	Associate Civil Engineer	\$8,178
City of Lodi	Associate Civil Engineer	\$8,178
Stockton Municipal Utility (City)	Associate Engineer	\$7,979
City of Davis	Associate Civil Engineer	\$7,963
	75th Percentile	\$9,470
	% '+/-'	-10.4%
	62.5 Percentile	\$9,339
	% '+/-'	-8.9%
	Median (50th Percentile)	\$9,192
	% '+/-'	-7.2%



3rd Quartile Range

Market Summary – 75th Percentile

20.2% Below 75th Percentile on Average

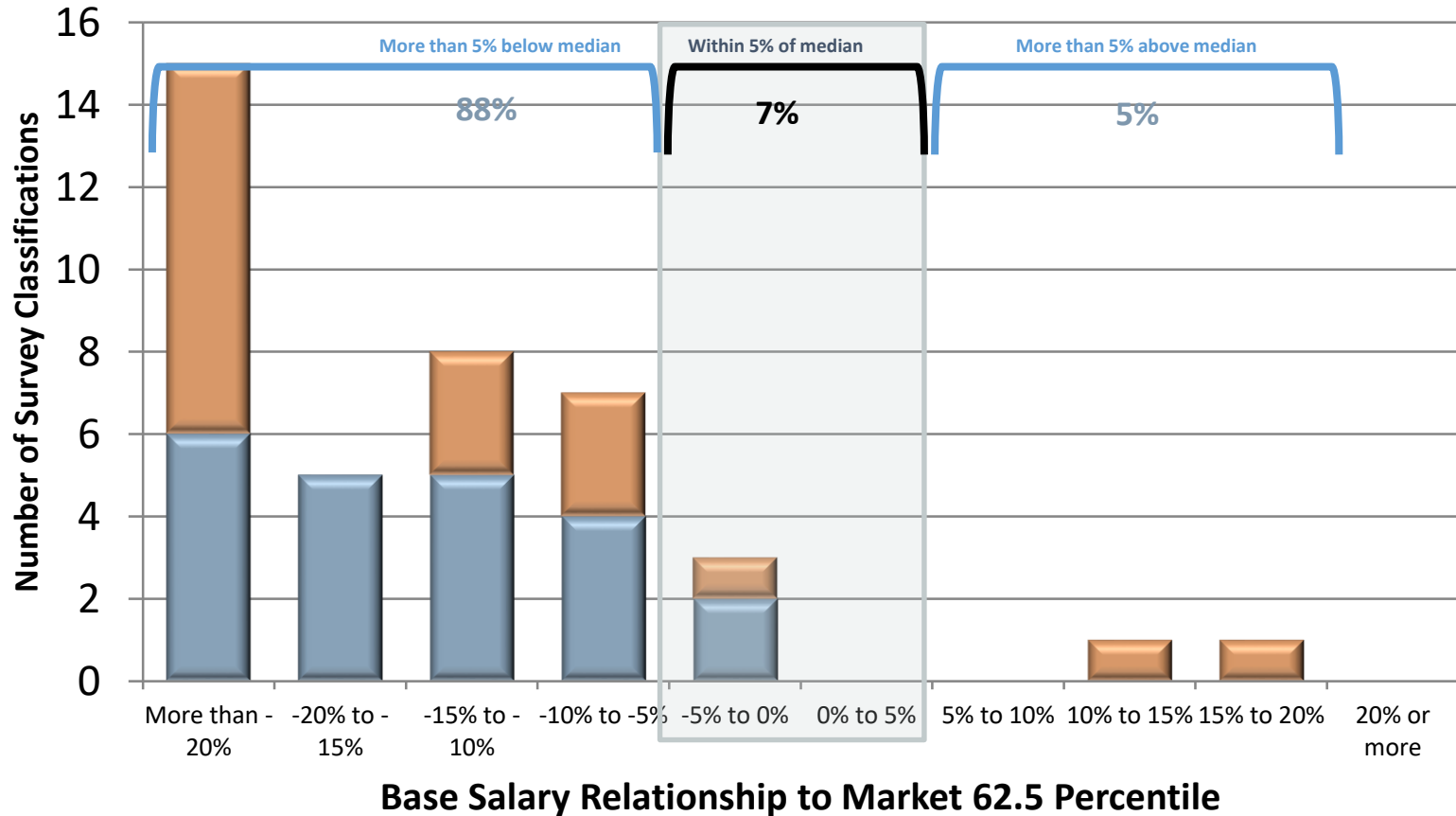


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 62.5 Percentile

16.0% Below 62.5 Percentile on Average

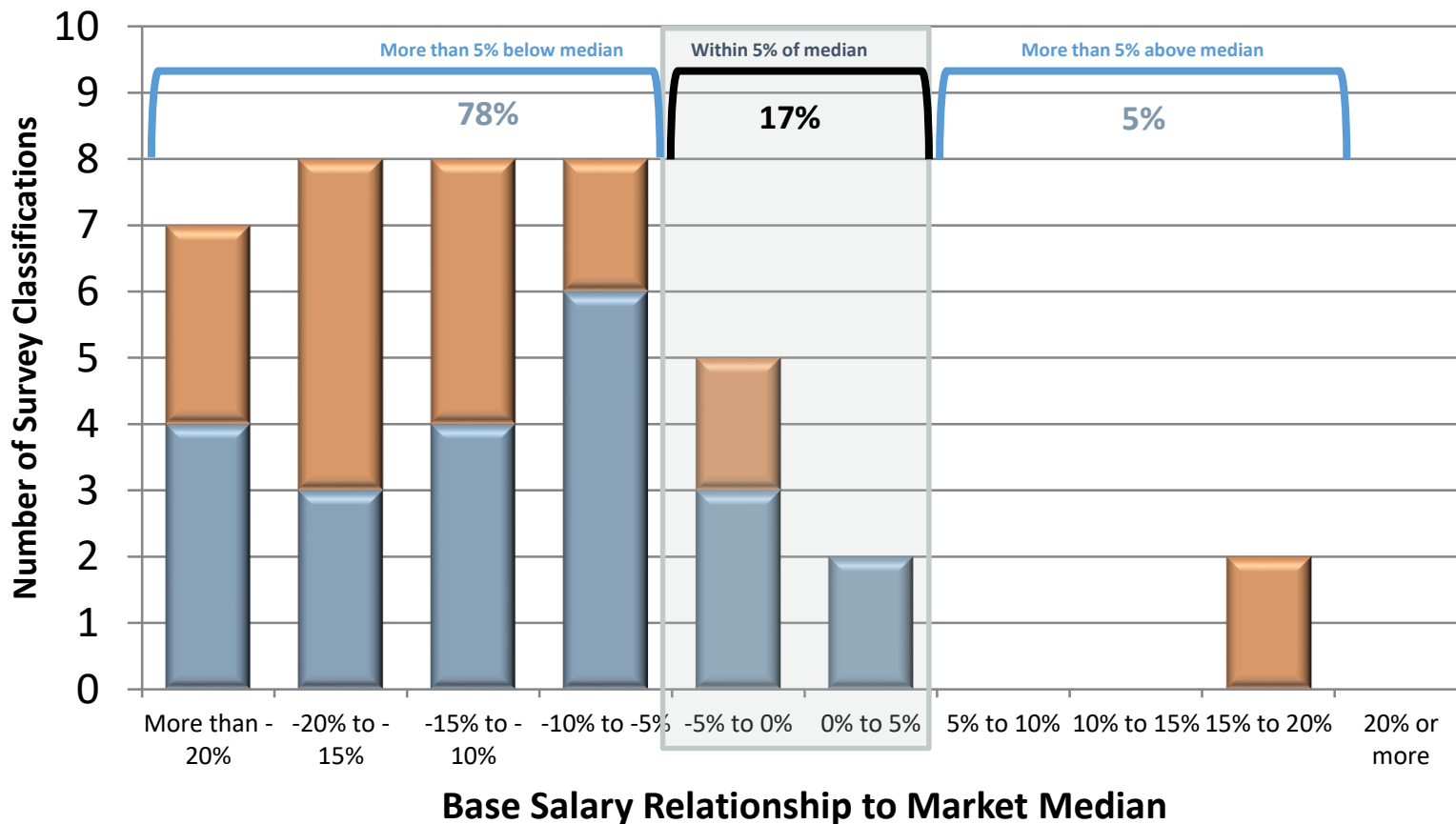


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 50th Percentile

11.5% Below Median on Average



Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

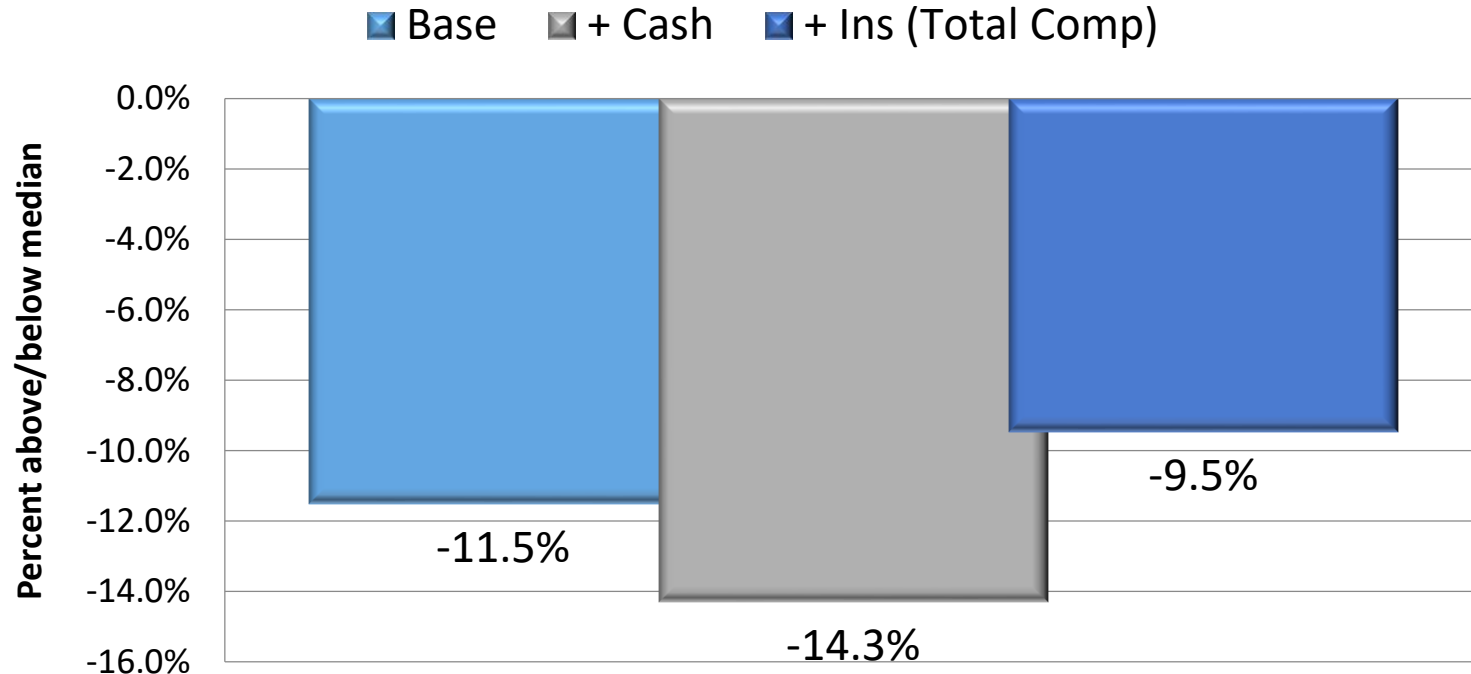
Sample Data – Cash Benefits

Associate Engineer (Registered)			Cash Supplements			
Survey Agency	Comparable Class	Range Max.	Long.	Other Cash	Def. Comp.	Base + Cash
Carmichael Water District	No Comparable Class					
Citrus Heights Water District	Associate Civil Engineer	\$11,454				\$11,454
City of Davis	Associate Civil Engineer	\$7,963	\$398			\$8,362
City of Folsom	Associate Civil Engineer	\$8,965			\$350	\$9,315
City of Roseville	No Comparable Class					
City of Sacramento	Associate Civil Engineer	\$9,294	\$25		\$186	\$9,505
City of West Sacramento	Associate Civil Engineer	\$8,707				\$8,707
City of Woodland	Associate Civil Engineer	\$8,178	\$67		\$164	\$8,408
El Dorado Irrigation District	Associate Civil Engineer	\$9,360				\$9,360
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$472			\$9,913
Fair Oaks Water District	No Comparable Class					
Placer County Water Agency	Associate Engineer	\$9,326	\$466			\$9,793
Sacramento County	Associate Civil Engineer	\$9,556				\$9,556
San Juan Water District	Associate Civil Engineer	\$11,063				\$11,063
Amador Water Agency	Resident Engineer	\$9,090				\$9,090
City of Lodi	Associate Civil Engineer	\$8,178			\$245	\$8,423
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807			\$1,275	\$11,082
Stockton East Water District	Associate Engineer II	\$8,491				\$8,491
Stockton Municipal Utility (City)	Associate Engineer	\$7,979				\$7,979
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578				\$8,578
	Median	\$9,192				\$9,337
	% +/-	-7.2%				-8.9%

Sample Data – Insurance Benefits

Associate Engineer (Registered)				Insurance Benefits					
Survey Agency	Comparable Class	Range Max.	Base + Cash	Health	Dental	Vision	Life	LTD	Base + Cash + Ins.
Carmichael Water District	No Comparable Class								
Citrus Heights Water District	Associate Civil Engineer	\$11,454	\$11,454	\$1,800	\$143	\$31	\$17	\$59	\$13,504
City of Davis	Associate Civil Engineer	\$7,963	\$8,362	\$1,744	\$214		\$8	\$40	\$10,368
City of Folsom	Associate Civil Engineer	\$8,965	\$9,315	\$1,526	\$150	\$22	\$11	\$53	\$11,076
City of Roseville	No Comparable Class								
City of Sacramento	Associate Civil Engineer	\$9,294	\$9,505	\$1,587	incl.	incl.	\$3		\$11,095
City of West Sacramento	Associate Civil Engineer	\$8,707	\$8,707	\$950	incl.	incl.		\$1	\$9,658
City of Woodland	Associate Civil Engineer	\$8,178	\$8,408	\$1,877	\$154	\$19	\$14	\$35	\$10,507
El Dorado Irrigation District	Associate Civil Engineer	\$9,360	\$9,360	\$1,630	\$142	\$19	\$3		\$11,154
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$9,913	\$2,264	\$128	\$23	\$41		\$12,369
Fair Oaks Water District	No Comparable Class								
Placer County Water Agency	Associate Engineer	\$9,326	\$9,793	\$1,859	\$58	\$18	\$36	\$42	\$11,806
Sacramento County	Associate Civil Engineer	\$9,556	\$9,556	\$1,453	\$125		\$1		\$11,136
San Juan Water District	Associate Civil Engineer	\$11,063	\$11,063	\$2,097	\$149	\$19	\$37	\$77	\$13,442
Amador Water Agency	Resident Engineer	\$9,090	\$9,090	\$1,808	\$123	\$24	\$1	\$44	\$11,089
City of Lodi	Associate Civil Engineer	\$8,178	\$8,423	\$1,795	\$83	\$17	\$69		\$10,387
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807	\$11,082	\$2,220	\$164	\$24			\$13,490
Stockton East Water District	Associate Engineer II	\$8,491	\$8,491	\$2,488	\$123	\$23	\$28		\$11,152
Stockton Municipal Utility (City)	Associate Engineer	\$7,979	\$7,979	\$1,557	incl.	incl.	\$7	\$50	\$9,594
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578	\$8,578	\$1,830	\$175	\$20	\$3	\$35	\$10,641
	Median	\$9,192	\$9,337						\$11,115
	% +/-	-7.2%	-8.9%						-4.5%

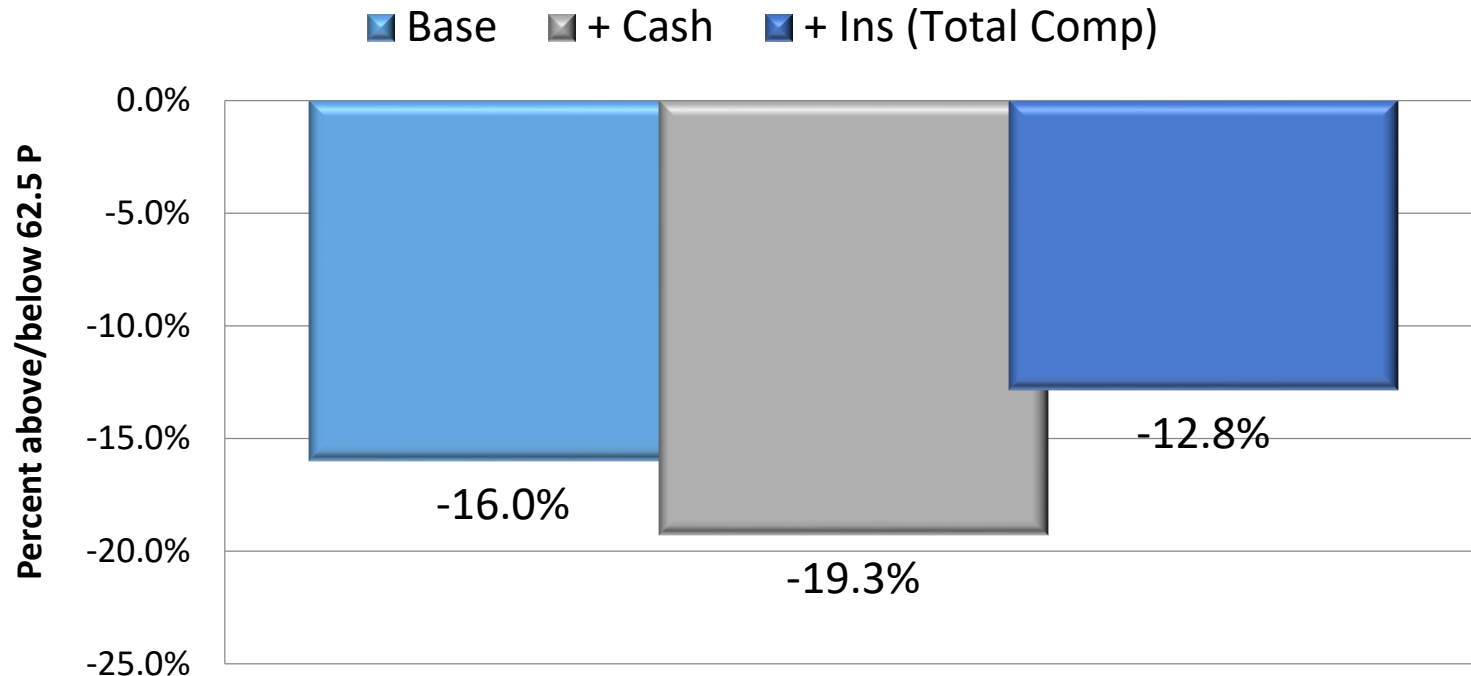
Benefits Survey Summary - Median



Benefits analysis based on snap-shot trends of major benefit categories

- **Analysis does NOT consider retirement costs**
- When base salary ranges are compared, the District is 11.5% below median overall
- When cash benefits are added to base salary and the cumulative totals analyzed, the District is 14.3% below market median. This means the District's cash benefits are slightly lower than market, but not significantly so (differences of 3% are not significant)
- When insurance benefits are cumulatively added to base and cash benefits, the District is 9.5% below the market median which indicates a slight gain due to higher insurance benefits (employer cost)
- **Overall, the District gains 2.0% in market position when benefits are added, a statistically insignificant change.**

Benefits Survey Summary – 62.5 P

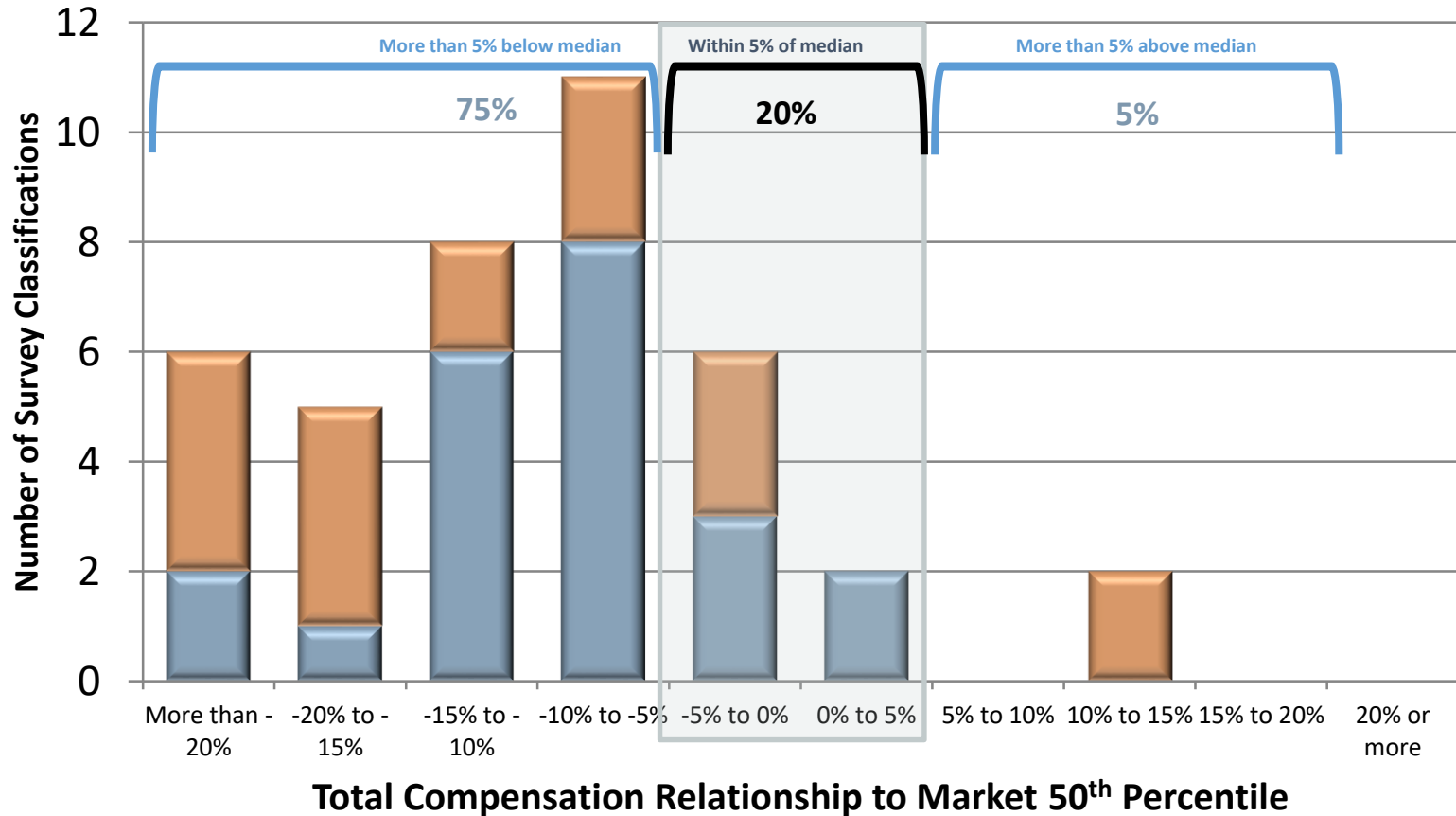


Benefits analysis based on snap-shot trends of major benefit categories

- **Analysis does NOT consider retirement costs**
- When base salary ranges are compared, the District is 16.0% below median overall
- When cash benefits are added to base salary and the cumulative totals analyzed, the District is 19.3% below market median. This means the District's cash benefits are slightly lower than market, but not significantly so (differences of 3% are not significant)
- When insurance benefits are cumulatively added to base and cash benefits, the District is 12.8% below the market median which indicates a slight gain due to higher insurance benefits (employer cost)
- **Overall, the District gains 3.1% in market position when benefits are added, a statistically insignificant change.**

Market Summary TC – 50th Percentile

9.5% Below 50th Percentile on Average

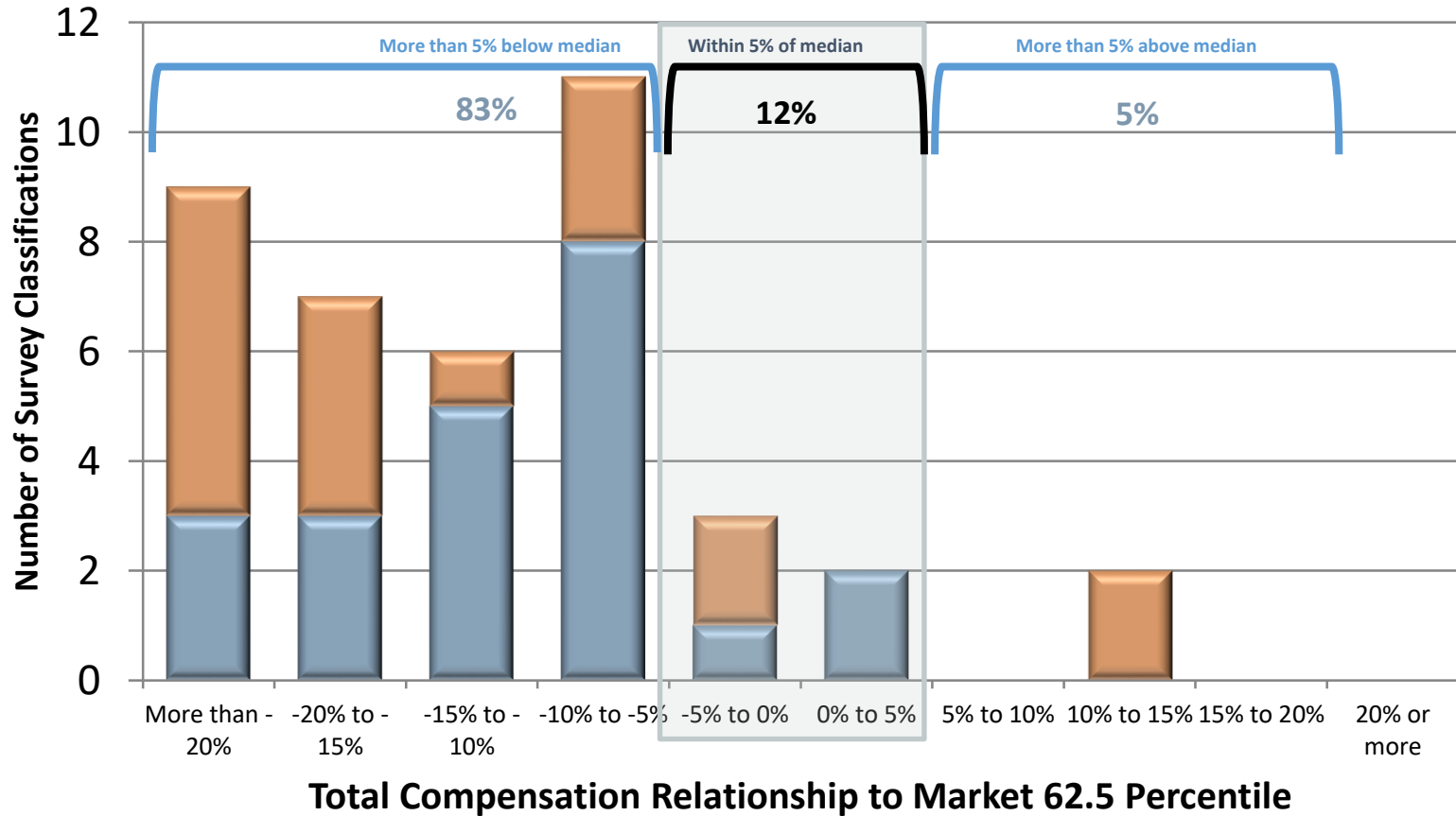


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary TC – 62.5 Percentile

12.8% Below 62.5 Percentile on Average



Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

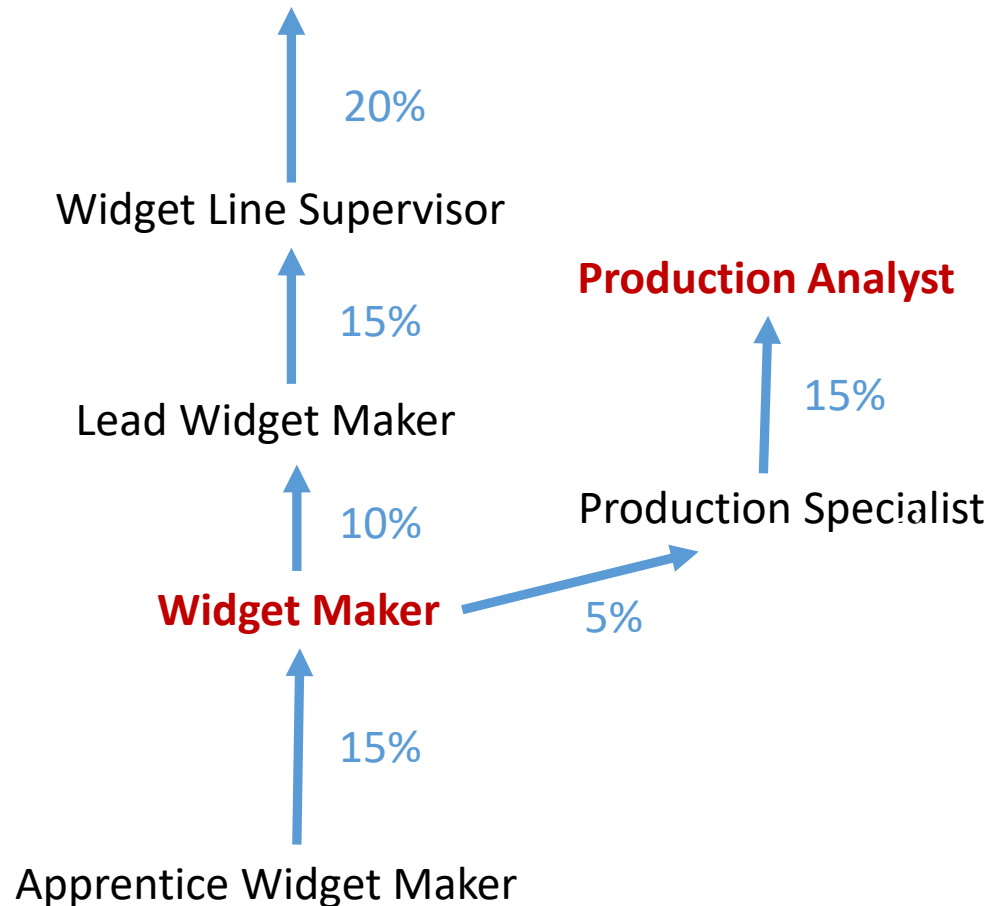
Summary of Benefit Differences

- Cash Benefits
 - One-quarter of the survey agencies have longevity and employer paid deferred compensation benefits.
- Insurance Benefits
 - On average, the District's combined Health, Dental, and Vision insurance costs are \$130 more than the market (per month).
- Retirement Benefits - PEPRA
 - There is no significant difference in retirement benefits or costs when PEPRA tiers are compared.
 - Just over half of the market agencies have Social Security benefits (FICA).
- Overall, the District's benefits don't significantly impact its competitive market position.

Benchmarking - Example

- Establish market benchmarks
 - Best job matches
 - High number of comparables
 - Best data statistically
- Analyze internal relationship
- Establish % differentials
- Result: salary range adjustments

Widget Production Manager



Salary Range Recommendations

- Benchmark positions tied to market median
 - Not all jobs need market ties
 - Tied to range maximum
- Internal relationships
 - Assessment of differences and similarities in duties, role, responsibilities, qualifications, and resources
 - 5% difference between jobs when minor differences exist
 - 10% between classes in a series where moderate differences exist
 - 15% - 20% minimum over subordinates and between job classes with significant differences
- Internal salary alignments for internal equity where important
 - Some internal ties and better market benchmarks may be a better measure than some market relationships
- Adjusted to fit the District's salary table, as needed



Agenda Item: 5

Date: October 11, 2018

Subject: 2018 Employee Compensation Study

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

Approve the following:

1. Updated Employee Compensation Policy - Exhibit 1.
2. 2018 Employee Compensation Study (Study) – Exhibit 2.
3. Remedial actions proposed by staff (see Section “How Did We get Here?”)
 - a. Establish a policy target in Section 200. a) of the District’s Employee Compensation Policy, PL – HR 002. See Exhibit 1.
 - b. Evaluate each position individually to the market when performing compensation studies.
 - c. Consistently approve annual COLA increases in line with the Bureau of Labor Statistics West Region - West – Size Class A Index at annual budget time. See Exhibit 3.
 - d. Perform compensation studies every two years, especially in rising labor markets.
4. Direct staff regarding effect on Fiscal Year 2019 Budget.

Background:

The District last conducted an employee compensation study in 2016. After consideration of the information in the study, the Board approved changing the pay ranges for four positions. Per section 300.00 of the District’s Employee Compensation Policy (PL – HR 002), the General Manager is to periodically “provide pay/salary and benefit benchmarking information and surveys for Board review,” and “may change or alter the labor budget during the year by...submitting an amended labor budget, explaining reasons for the change, and receiving Board approval for the change.”

Upon approval of the 2018 Operations and Maintenance Budget in November 2017, the Board approved performing and funding an employee compensation study in 2018. With a new General Manager and actual and announced retirements of certain managerial staff and seasoned employees, it was decided to review the District’s Organization Chart in its entirety. After reviewing the Organization Chart and as part of standard District practices of reviewing job descriptions and assignments for positions upon employee severance, it quickly became apparent that a full-review of District staffing was necessary. Accordingly, as the Board has been updated on all year, the Study was defined and split between two consultants.

The first consultant was Bryce Consulting who was asked to provide input on the District’s Organization Chart and to review employee job descriptions. Bryce Consulting has been providing

2018 Employee Compensation Study

October 11, 2018

Page 2 of 4

such services to the District for many years. In fact, Bryce Consulting conducted the 2016 Compensation Study. The results of Bryce Consulting's work was a new set of revised and updated job descriptions for nearly every position in the District. Comments were also received on the Organization Chart.

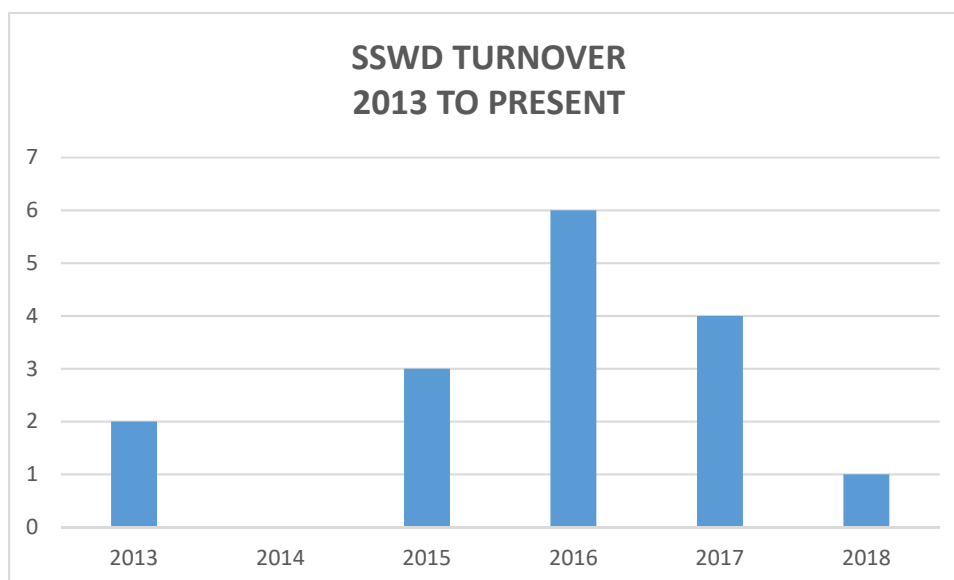
The second consultant was hired to perform the Market Compensation Survey (Survey) portion of the Study. This Consultant was selected through the Request-for-Proposal (RFP) process out of four firms that proposed (five were invited). The winning firm was Ralph Andersen & Associates located in Rocklin, CA. The results of their Survey are presented in Exhibit 1.

Ralph Andersen & Associates has over 44 years of local government consulting experience with cities, counties, utilities, special districts, community colleges, schools, non-profit organizations and state governments. Mr. Doug Johnson, Vice President of the Human Resources Consulting and Executive Search division is the Project Manager for the District's Survey and has over 31 years of experience performing such studies.

Both the Finance and Audit Committee and Board approved the Study, Scope and Schedule of the Study on April 4 and April 23, 2018, respectively. On May 16, 2018 the Finance and Audit Committee approved the Request for Proposals and the firms invited to participate. The contract was executed with Ralph Andersen & Associates on August 15, 2018.

Discussion/Analysis:

Noticeably out-of-character for the District has been the number of employees who have left SSWD for other entities in our labor market. See graph below. Note that the graph does not include retirees or terminated employees. This information along with job announcements posted by other water agencies and their respective compensation programs relative to that offered by SSWD, coupled with the inability for SSWD to attract qualified candidates in sufficient numbers for posted positions, led staff to conclude, anecdotally, there is a compensation anomaly between SSWD and its peers.



Referring to the graph above, of the 16 positions that were vacated, the District was unable to attract any staff from the comparable labor market to fill those positions.

Survey Results

Survey results are based on the exact same “market” as utilized in the 2016 Survey (see Exhibit 2, page 3 for a list of comparative agencies used in the Survey.)

The results of the Survey are dramatic and striking. In reviewing Exhibit 2, slide 7, for Non-Exempt positions, the District currently falls at the very bottom in compensation relative to other water agencies in the market, or 15th out of 15. Meaning all other surrounding agencies/cities will out recruit SSWD when competing for new hires and attract District employees we need to retain. For Exempt positions, referring to the same slide, the District currently falls at the second from the bottom in compensation relative to other water agencies/cities in the market or 19th out of 20.

From Slide 11 it can be seen that District total compensation is roughly 11.5% below the median, the target level provided to the Consultant by the General Manager. Comparatively, as shown on Slide 9, District total compensation is 20.2% below the top of the 3rd quartile.

Other interesting items to note from the Survey are:

1. Referring to slides 15 and 16, cash based benefits (Deferred Comp., Retirement Pickup) and Insurance benefits (Health, Dental, Vision, Life, LTD) are better than many of our peers offer. However, our retirement benefits (FICA, health, dental and vision) are less than SSWD’s peers offer.
2. As discussed on slides 17 and 18, the internal relationship ratios between hierarchal positions are recommended to be different than the District has historically utilized.

How did we get here?

Staff has not been able to identify a single causal factor that has led to the market decline. Instead, what is evident is that the District got to the bottom of the market based on the culmination of various past practices and decisions. Some of these practices and their respective remedies are:

1. For many years the District’s Employee Compensation Policy specified a target market range for the General Manager to maintain employee salaries within. This was changed in 2011 to no target at all. Absence of a target is a factor in the current results of the District.
2. Years ago, the District’s 42 individual positions were grouped into one of 22 position classes – 11 exempt and 11 non-exempt. This practice continued up to the current Study. Staff is unaware of the basis or logic for such groupings. The current Study voided such groupings. Based on the current Study, such prior groupings have led to greater increases for some positions and less for others. Staff recommends each position be evaluated individually to the market.
3. Cost-of-living-adjustments (COLAs) have infrequently been approved by the Board based on Staff recommendations. COLAs are intended to keep District salary bands “current” with the market in between compensation studies. Staff recommends approving annual COLA increases in line with the Bureau of Labor Statistics West Region - West – Size Class A Index at annual budget time. See Exhibit 3.
4. As the general economy has continued to improve, the labor market has grown with it reducing unemployment to a level not seen since 1969. Since the last compensation study was performed in 2016, many other agencies/cities in the market increased their pay bands

2018 Employee Compensation Study

October 11, 2018

Page 4 of 4

and individual salaries within those bands. The District, being late to respond or not having a set schedule to review pay that is more closely aligned with other Districts is another contributing factor in the results. Staff recommends performing compensation studies every two years, especially in rising labor markets.

Past District practices:

In prior years the District's practices regarding Compensation Studies was as follows:

1. **Timing** - By definition, Survey results are indicative of the market today. Therefore, historically upon Board acceptance of the Survey, salary bands and employee salaries within the salary bands moved commensurate with the new results and were effective upon Survey acceptance.
2. **Study Frequency** – Compensation Studies occurred typically every three years.

Conclusion:

Per the Board's adopted Strategic Plan (PL – BOD 001), one of the "Values" of the District is to "Achieve high levels of staff professionalism through career development, including training opportunities, and retention of skilled staff with competitive compensation." For awhile now, compensation has not been competitive. Anecdotally, staff has been aware of this problem through the lack of qualified respondents to job announcements and the number of District staff who leave District service for another competing agency within the District's market. Staff's recommended Board Action above, is the first phase in addressing this issue.

As far as timing and consideration of implementing the results of the Study, Staff notes the following upcoming activities:

1. October 30, 2018 – Water Rate Study discussion with Rate Consultant.
2. November 19, 2018 – Board deadline for adoption of Fiscal Year 2019 Budget.
3. Job Announcement distribution for possibly four announced retirements tentatively set to occur by January 31, 2019 – Senior Inspector, Production Operator II, Administrative Services Manager and Distribution Superintendent.

Fiscal Impact:

Study costs - \$38,495 - \$8,500 for Bryce Consulting; \$29,995 for Ralph Andersen & Associates.

Labor cost increases, if any, are dependent on future Board actions.

Strategic Plan Alignment:

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

Finance – 4.H. Produce and monitor an annual budget for system operations, maintenance and replacements. By maintaining competitive compensation in the labor market benefits District customers to ensure they are provided the highest level of service and safe reliable water supply.

Sacramento Suburban Water District

Employee Compensation Policy

Adopted: July 19, 2004; ~~Approved with changes on October XX, 2018~~
~~Revised: September 15, 2008; April 18, 2011; May 20, 2013; April 17, 2017~~

100.00 Purpose of the Policy

The purpose of this policy is to state the intention of the District in regards to employee compensation, delineate the process, and clarify the role and responsibility of the General Manager in the process. A compensation program is necessary to provide each employee with fair and equitable compensation for the value of the skills the employee brings to the District and the position. In order to provide each employee with fair and equitable compensation, it is desirable to develop a systematic method of establishing and maintaining a compensation program. Pursuant to California Water Code Section 30580(d), the General Manager has the responsibility to “fix and alter the compensation of employees and assistants subject to approval by the board” as given during the annual budget process.

200.00 Policy

It is the District’s policy to provide all of its employees fair and equitable compensation defined in terms of comparison to other positions within the District and the local labor market for the value of the skills the employee brings to the position and the District.

- a) It is the District’s policy to remain competitive within the local labor market. To accomplish this, the General Manager will target a level of compensation in the appropriate labor market when setting compensation for District positions. This includes retirement, health and dental insurance, life insurance, holidays and other benefits, including vacation and sick leave.
- b) The compensation program will include, in addition to direct wages (regular, overtime and stand-by pay), all District holidays and other paid time off benefits, and contributions toward medical/dental/vision insurance, life insurance, short and long term disability, retirement, incentive program and training/educational programs. The total compensation program will be used when comparing the District’s pay level to the current labor market.
- c) It is the District’s policy to provide a program for advancement of its employees within the pay/salary range of their position using a merit-based system based on objective, regular goal setting and performance evaluations.

300.00 Authority and Responsibility

The Board of Directors has the responsibility and authority to establish annual budgetary guidelines for the District that include the annual labor budget.

- a) As part of the proposed annual Operations and Maintenance Budget, the General Manager will prepare and present to the Board of Directors a proposed annual labor budget that will consist of: 1) a detailed annual compensation budget; 2) a proposed merit pool percentage increase; 3) an annual cost-of-living adjustment (COLA); and 4) revised pay/salary bands.
- b) The Board of Directors will consider, amend as needed, and approve the annual labor budget.
- c) The General Manager will have the authority to fix and alter employee compensation within the approved annual labor budget.

The General Manager may change or alter the labor budget during the year by either: 1) requesting the Board of Directors to authorize the General Manager to make such changes at budget adoption; or 2) submitting an amended labor budget, explaining reasons for the change, and receiving Board approval for the change.

The General Manager will have full authority to implement this policy up to the limits of the approved labor budget, which includes:

- Determining staffing requirements, titles, positions, responsibilities and organization structure.
- Setting goals and conducting performance reviews.
- Proposing and, as approved, implementing annual pay/salary adjustments that include annual merit and COLA increases.
- Creating incentive pay programs.
- Creating programs for position upgrades and special assignments.
- Providing pay/salary and benefit benchmarking information and surveys for Board review.
- Creating dual or multiple grade positions as needed.

The General Manager will insure the equitable and uniform implementation of this policy, which includes reporting to the Board on at least an annual basis, typically during the budget process.

400.00 Policy Review

This Policy will be reviewed at least biennially.

**Ralph Andersen &
Associates**

October 11, 2018

Sacramento Suburban Water District

2018 Compensation Survey Report

Why Surveys Are Done

Compensation surveys are a necessary part of assessing and updating an organization's compensation plan.

- Anticipate and understand what labor market is doing
- Data-driven framework for allocating resources to wages and benefits
- Provide defensibility and public accountability employee compensation
- Optimize the District's ability to recruit and retain employees
- Processes such as fact-finding are data-driven

Public and Private employers both use market data to assess compensation; just a difference in accessibility and transparency of data.

Survey Agencies & Selection Criteria

- Historical Practices
- Natures of Services
- Geographic Proximity
- Size
- Economic Similarity

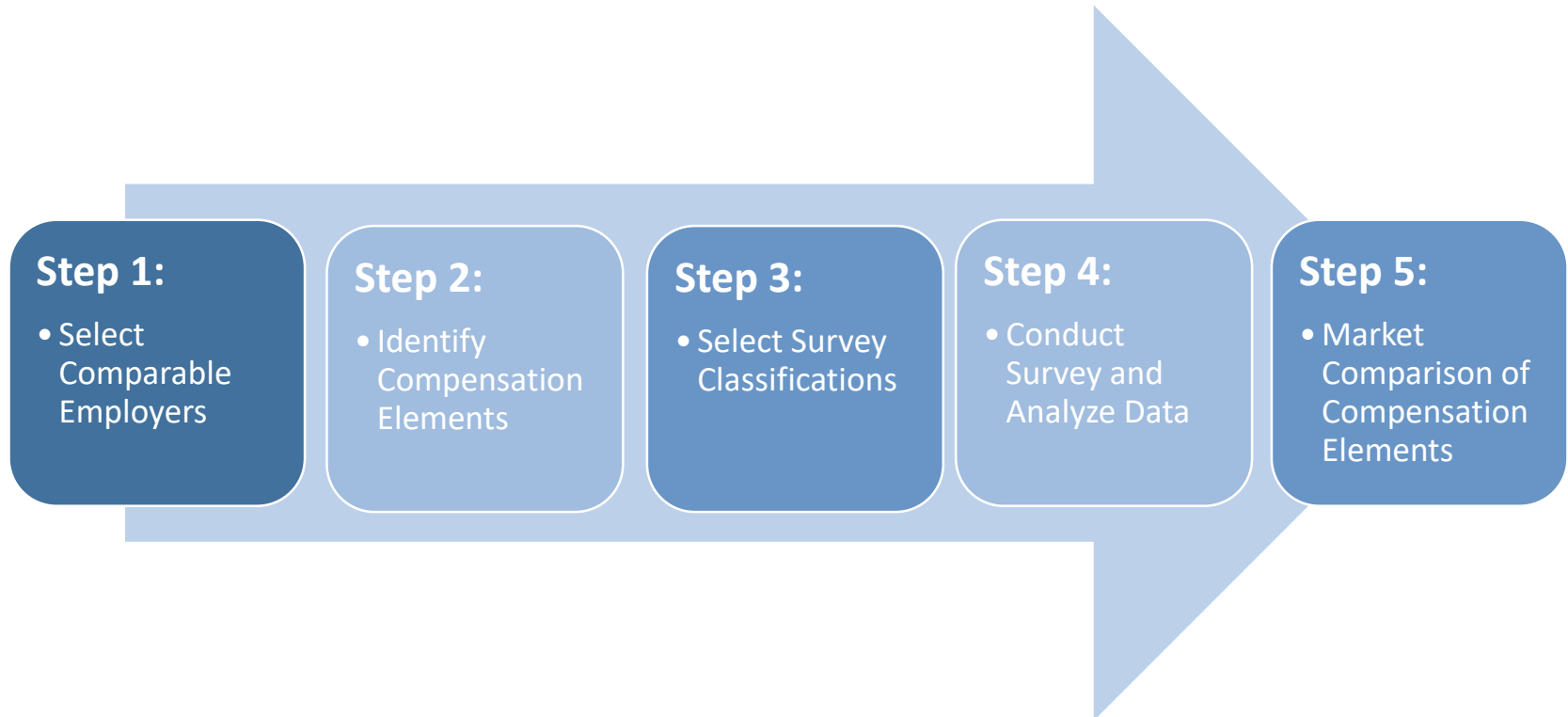
Carmichael Water District
 Citrus Heights Water District
 City of Davis
 City of Folsom
 City of Roseville
 City of Sacramento
 City of West Sacramento
 City of Woodland
 El Dorado Irrigation District
 Elk Grove Water District
 Fair Oaks Water District
 Placer County Water Agency
 Sacramento County
 San Juan Water District

Supplemental Management Agencies

Amador Water Agency
 City of Lodi
 San Luis and Delta Mondata WA
 Stockton East Water District
 Stockton Municipal Utility (City)



Survey Process



Compensation survey data was collected by the project consultants and included the collection and analysis of the following:

- Organization charts, budgets, and position control documents
- Job descriptions
- Salary schedules
- Follow-up information provided by each survey agency
- Additional survey research based on District feedback

Survey job matches were determined by the project consultants and went beyond title comparisons.

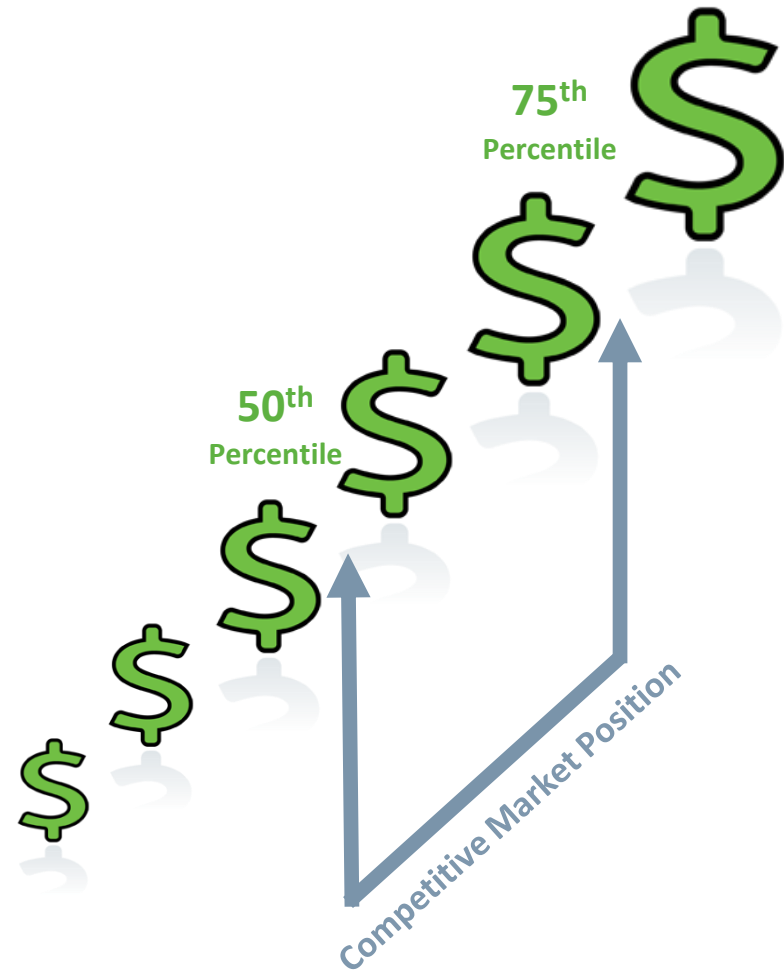
Matching Job Classifications

Matching job classifications relies on a number of source documents beyond comparisons of job descriptions.

- Job matches only occur if a position exists and is allocated in the budget (and staffed). Some agencies may have legacy job descriptions or titles in their salary schedules that are not used.
- Job matches are based on a review of major and essential job duties along with a comparison of qualifications. Significant differences can result in no comparable job being matched. Examples of differences include:
 - Mismatches in qualification requirements such as requiring specific certifications or a four-year degree
 - Different organization structures such as layers of supervisory and management and broader responsibilities
 - Position allocations that demonstrate working versus advanced levels
- Factors not considered in matching jobs:
 - Staffing, equipment, facility, and resource differences that don't impact required skills and abilities
 - Job functions performed within a broad classification that is used in many assignments
 - Job classifications performing the same duties but in a different department
 - Employee performance or unique qualifications that are beyond what is required
- The survey data will include matches that are similar as well as those that will be slightly higher or lower in role and responsibility.

Market Position

- Establishes competitive position
- Historical practices is an important consideration; change in practice requires explanation
- \$ or % differences between percentiles depends on the array of data; can be very small if data is tightly arrayed
- Recruitment and retention goals



Survey Agency Rank (by percentile)

Non-Exempt

Pctile	Agency
96	San Juan Water District
89	Citrus Heights Water District
65	City of Folsom
63	Elk Grove Water District
60	City of Roseville
57	City of Sacramento
56	Fair Oaks Water District
53	El Dorado Irrigation District
51	Placer County Water Agency
50	City of West Sacramento
48	Sacramento County
35	City of Davis
26	City of Woodland
22	Carmichael Water District
19	Sacramento Suburban WD

62.5 P

Exempt

Pctile	Agency
90	San Juan Water District
87	Citrus Heights Water District
67	City of Roseville
67	City of Sacramento
67	El Dorado Irrigation District
61	City of Folsom
57	Placer County Water Agency
55	Elk Grove Water District
54	Fair Oaks Water District
52	Sacramento County
44	City of West Sacramento
41	Stockton Municipal Utility (City)
39	San Luis and Delta Mondata WA
34	Stockton East Water District
25	City of Lodi
25	City of Woodland
25	City of Davis
20	Carmichael Water District
19	Sacramento Suburban WD
16	Amador Water Agency

62.5 P

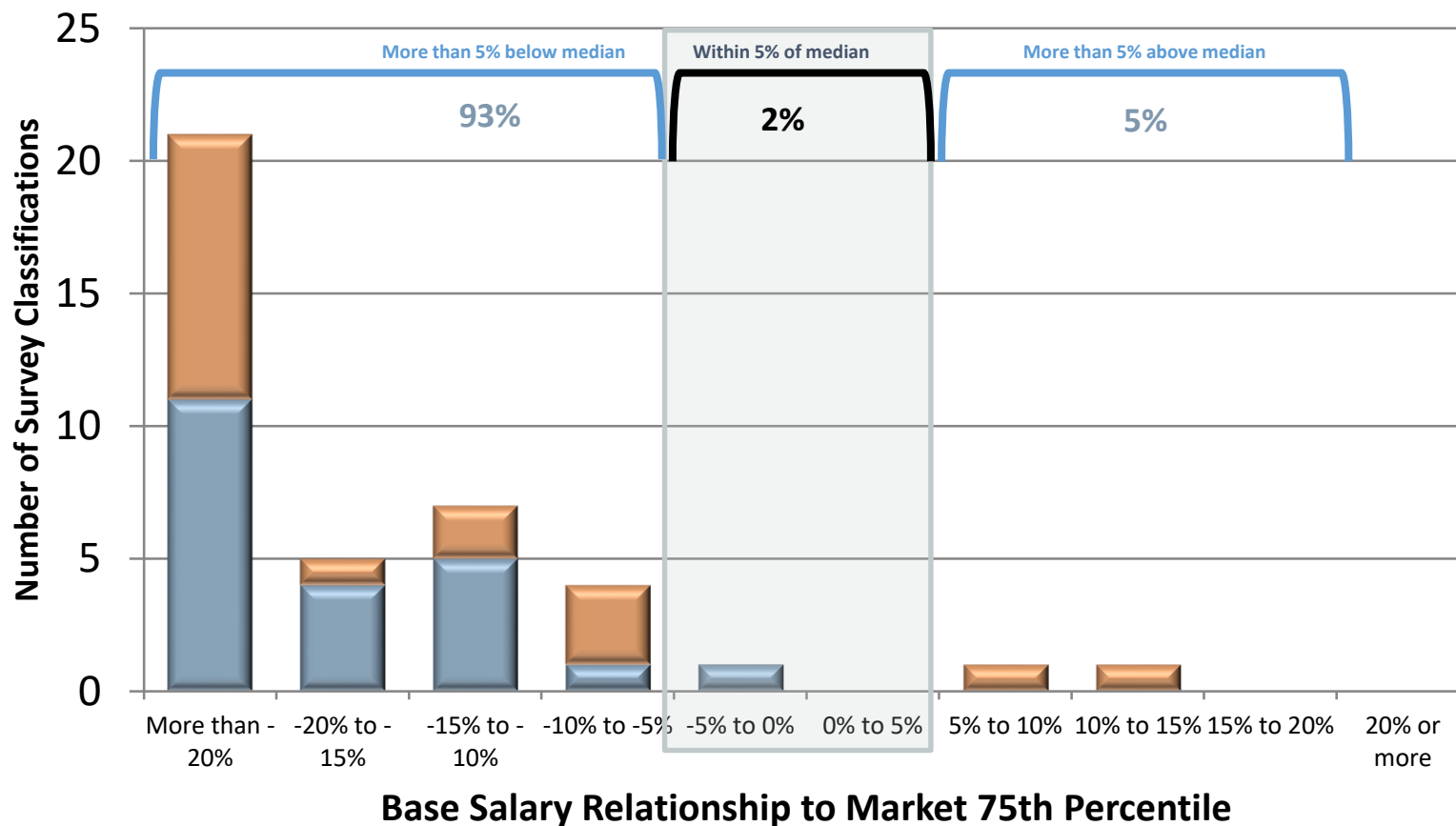
Sample Data – Base Salary

Agency	Comparable Title	Range Max
Citrus Heights Water District	Associate Civil Engineer	\$11,454
San Juan Water District	Associate Civil Engineer	\$11,063
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807
Sacramento County	Associate Civil Engineer	\$9,556
Elk Grove Water District	Associate Civil Engineer	\$9,441
El Dorado Irrigation District	Associate Civil Engineer	\$9,360
Placer County Water Agency	Associate Engineer	\$9,326
City of Sacramento	Associate Civil Engineer	\$9,294
Amador Water Agency	Resident Engineer	\$9,090
City of Folsom	Associate Civil Engineer	\$8,965
City of West Sacramento	Associate Civil Engineer	\$8,707
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578
Stockton East Water District	Associate Engineer II	\$8,491
City of Woodland	Associate Civil Engineer	\$8,178
City of Lodi	Associate Civil Engineer	\$8,178
Stockton Municipal Utility (City)	Associate Engineer	\$7,979
City of Davis	Associate Civil Engineer	\$7,963
	75th Percentile	\$9,470
	% '+/-'	-10.4%
	62.5 Percentile	\$9,339
	% '+/-'	-8.9%
	Median (50th Percentile)	\$9,192
	% '+/-'	-7.2%

3rd Quartile Range

Market Summary – 75th Percentile

20.2% Below 75th Percentile on Average

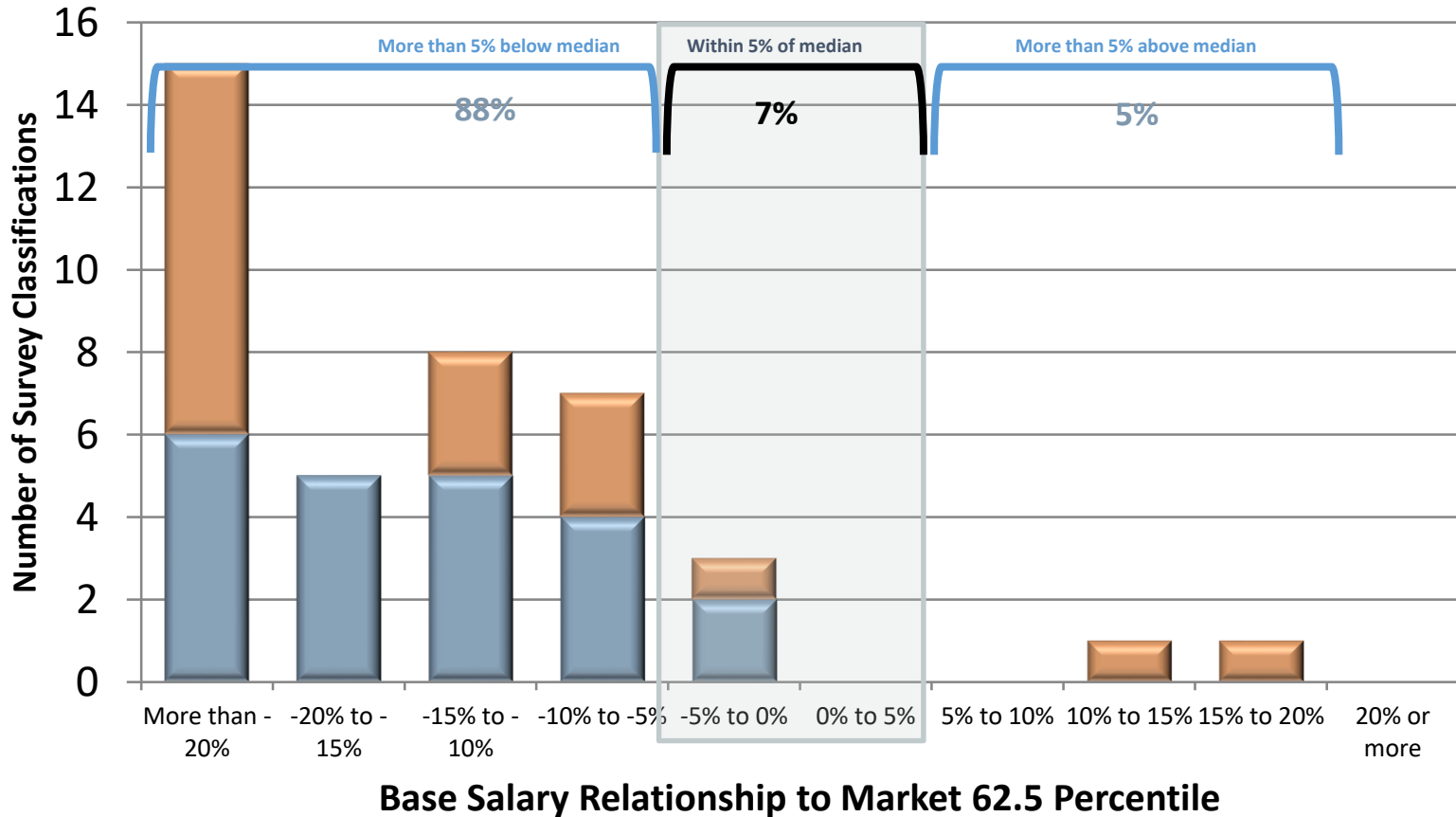


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 62.5 Percentile

16.0% Below 62.5 Percentile on Average

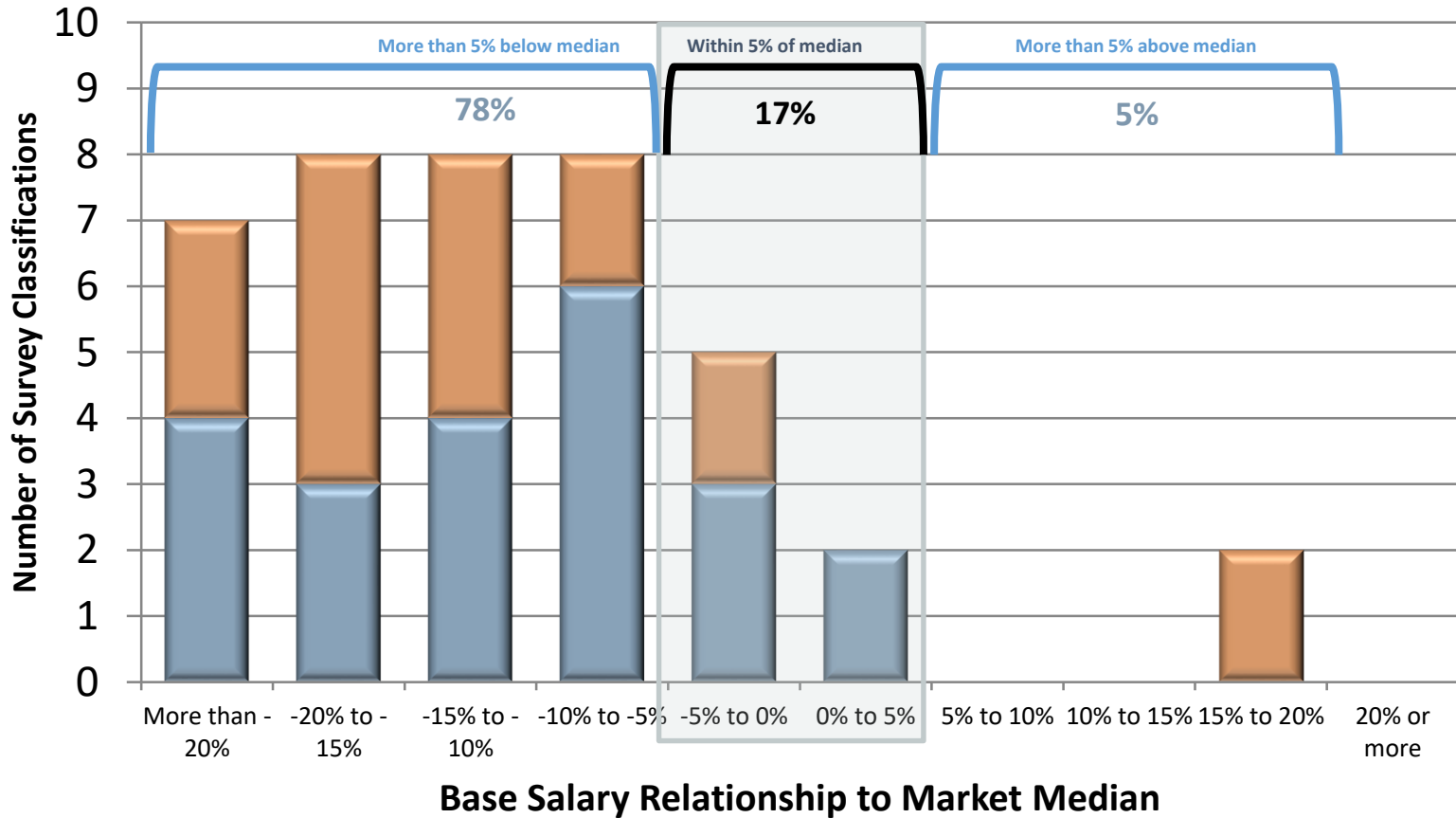


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 50th Percentile

11.5% Below Median on Average



Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Sample Data – Cash Benefits

Survey Agency	Comparable Class	Range Max.	Long.	Other Cash	Def. Comp.	Ret. Pickup	Base + Cash
Carmichael Water District	No Comparable Class						
Citrus Heights Water District	Associate Civil Engineer	\$11,454					\$11,454
City of Davis	Associate Civil Engineer	\$7,963	\$398				\$8,362
City of Folsom	Associate Civil Engineer	\$8,965			\$350		\$9,315
City of Roseville	No Comparable Class						
City of Sacramento	Associate Civil Engineer	\$9,294	\$25		\$186		\$9,505
City of West Sacramento	Associate Civil Engineer	\$8,707					\$8,707
City of Woodland	Associate Civil Engineer	\$8,178	\$67		\$164		\$8,408
El Dorado Irrigation District	Associate Civil Engineer	\$9,360					\$9,360
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$472				\$9,913
Fair Oaks Water District	No Comparable Class						
Placer County Water Agency	Associate Engineer	\$9,326	\$466			\$326	\$10,119
Sacramento County	Associate Civil Engineer	\$9,556					\$9,556
San Juan Water District	Associate Civil Engineer	\$11,063					\$11,063
Amador Water Agency	Resident Engineer	\$9,090					\$9,090
City of Lodi	Associate Civil Engineer	\$8,178			\$245		\$8,423
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807		\$785	\$490		\$11,082
Stockton East Water District	Associate Engineer II	\$8,491					\$8,491
Stockton Municipal Utility (City)	Associate Engineer	\$7,979					\$7,979
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578				\$600	\$9,178
	Median	\$9,192					\$9,337
	% +/-	-7.2%					-1.7%

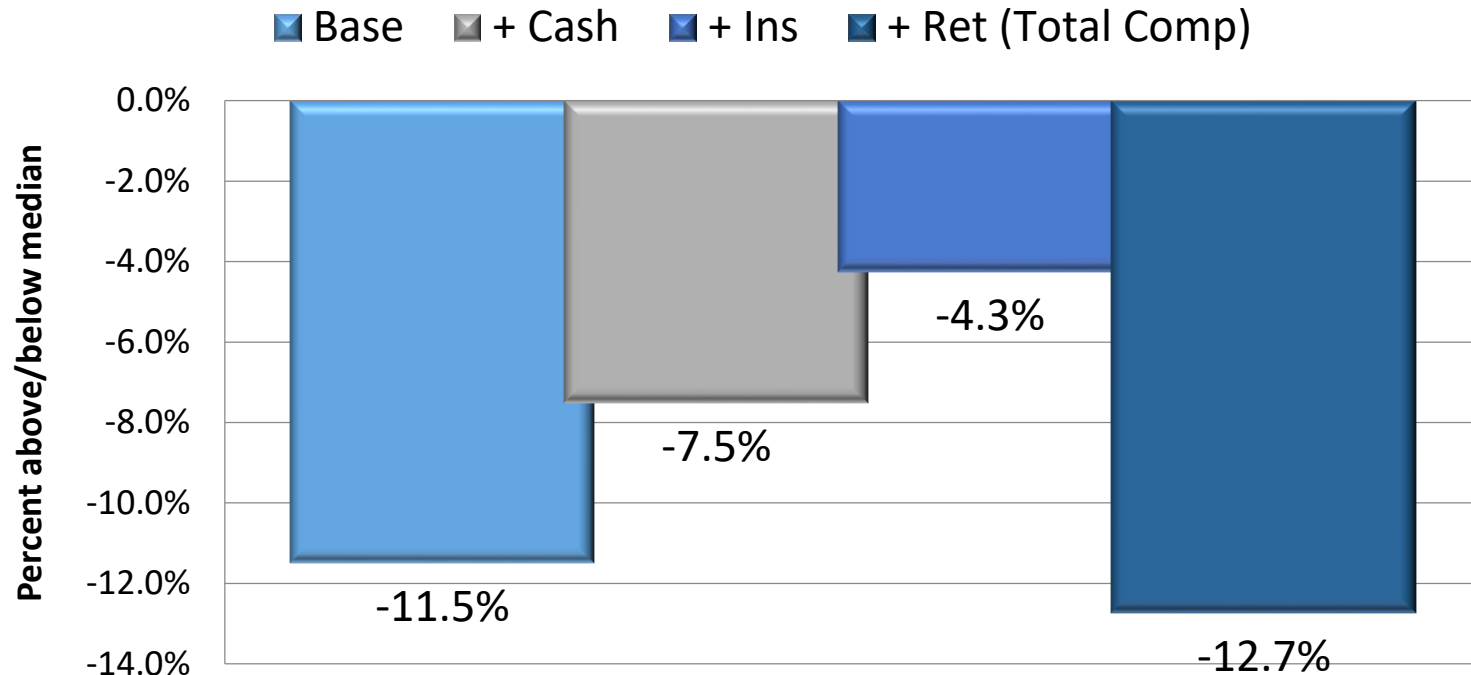
Sample Data – Insurance Benefits

Survey Agency	Comparable Class	Range Max.	Base + Cash	Health	Dental	Vision	Life	LTD	Base + Cash + Ins.
Carmichael Water District	No Comparable Class								
Citrus Heights Water District	Associate Civil Engineer	\$11,454	\$11,454	\$1,800	\$143	\$31	\$17	\$59	\$13,504
City of Davis	Associate Civil Engineer	\$7,963	\$8,362	\$1,744	\$214		\$8	\$40	\$10,368
City of Folsom	Associate Civil Engineer	\$8,965	\$9,315	\$1,526	\$150	\$22	\$11	\$53	\$11,076
City of Roseville	No Comparable Class								
City of Sacramento	Associate Civil Engineer	\$9,294	\$9,505	\$1,587	incl.	incl.	\$3		\$11,095
City of West Sacramento	Associate Civil Engineer	\$8,707	\$8,707	\$950	incl.	incl.		\$1	\$9,658
City of Woodland	Associate Civil Engineer	\$8,178	\$8,408	\$1,877	\$154	\$19	\$14	\$35	\$10,507
El Dorado Irrigation District	Associate Civil Engineer	\$9,360	\$9,360	\$1,630	\$142	\$19	\$3		\$11,154
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$9,913	\$2,264	\$128	\$23	\$41		\$12,369
Fair Oaks Water District	No Comparable Class								
Placer County Water Agency	Associate Engineer	\$9,326	\$10,119	\$1,859	\$58	\$18	\$36	\$42	\$12,133
Sacramento County	Associate Civil Engineer	\$9,556	\$9,556	\$1,453	\$125		\$1		\$11,136
San Juan Water District	Associate Civil Engineer	\$11,063	\$11,063	\$2,097	\$149	\$19	\$37	\$77	\$13,442
Amador Water Agency	Resident Engineer	\$9,090	\$9,090	\$1,808	\$123	\$24	\$1	\$44	\$11,089
City of Lodi	Associate Civil Engineer	\$8,178	\$8,423	\$1,709	\$83	\$17	\$35		\$10,267
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807	\$11,082	\$2,220	\$164	\$24			\$13,490
Stockton East Water District	Associate Engineer II	\$8,491	\$8,491	\$2,488	\$123	\$23	\$28		\$11,152
Stockton Municipal Utility (City)	Associate Engineer	\$7,979	\$7,979	\$1,557	incl.	incl.	\$7	\$50	\$9,594
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578	\$9,178	\$1,830	\$175	\$20	\$3	\$35	\$11,241
	Median	\$9,192	\$9,337						\$11,115
	% +/-	-7.2%	-1.7%						1.1%

Sample Data – Retirement Benefits

Survey Agency	Comparable Class	Range Max.	Base + Cash	Base + Cash + Ins.	Emp. Ret.	EE Cont to ER	Ret. Form.	FICA	Base + Cash + Ins. + Ret.
Carmichael Water District	No Comparable Class								
Citrus Heights Water District	Associate Civil Engineer	\$11,454	\$11,454	\$13,504	\$1,030		2@55	\$663	\$15,198
City of Davis	Associate Civil Engineer	\$7,963	\$8,362	\$10,368	\$2,875		2.5@55		\$13,242
City of Folsom	Associate Civil Engineer	\$8,965	\$9,315	\$11,076	\$3,008		2@55	\$556	\$14,640
City of Roseville	No Comparable Class								
City of Sacramento	Associate Civil Engineer	\$9,294	\$9,505	\$11,095	\$1,755		2@55	\$576	\$13,426
City of West Sacramento	Associate Civil Engineer	\$8,707	\$8,707	\$9,658	\$1,840		2 @ 60		\$11,498
City of Woodland	Associate Civil Engineer	\$8,178	\$8,408	\$10,507	\$2,769	(\$491)	2 @ 60		\$12,785
El Dorado Irrigation District	Associate Civil Engineer	\$9,360	\$9,360	\$11,154	\$2,926		2 @ 55	\$580	\$14,660
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$9,913	\$12,369	\$1,581		2 @ 55		\$13,950
Fair Oaks Water District	No Comparable Class								
Placer County Water Agency	Associate Engineer	\$9,326	\$10,119	\$12,133	\$2,537		2.7 @ 55	\$578	\$15,248
Sacramento County	Associate Civil Engineer	\$9,556	\$9,556	\$11,136	\$1,716	(\$182)	2.43@65	\$592	\$13,263
San Juan Water District	Associate Civil Engineer	\$11,063	\$11,063	\$13,442	\$1,438		3 @ 60	\$663	\$15,544
Amador Water Agency	Resident Engineer	\$9,090	\$9,090	\$11,089	\$2,030		2@55	\$564	\$13,682
City of Lodi	Associate Civil Engineer	\$8,178	\$8,423	\$10,267	\$2,171		2 @ 55		\$12,438
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807	\$11,082	\$13,490	\$1,808		2.5 @ 55	\$608	\$15,906
Stockton East Water District	Associate Engineer II	\$8,491	\$8,491	\$11,152	\$947	(\$1,129)	2@55		\$10,970
Stockton Municipal Utility (City)	Associate Engineer	\$7,979	\$7,979	\$9,594	\$2,127		2 @ 55		\$11,720
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578	\$9,178	\$11,241	\$922		2 @ 55	\$532	\$12,695
	Median	\$9,192	\$9,337	\$11,115					\$13,554
	% +/-	-7.2%	-1.7%	1.1%					-6.8%

Benefits Survey Summary – All Jobs



Benefits analysis based on snap-shot trends of major benefit categories

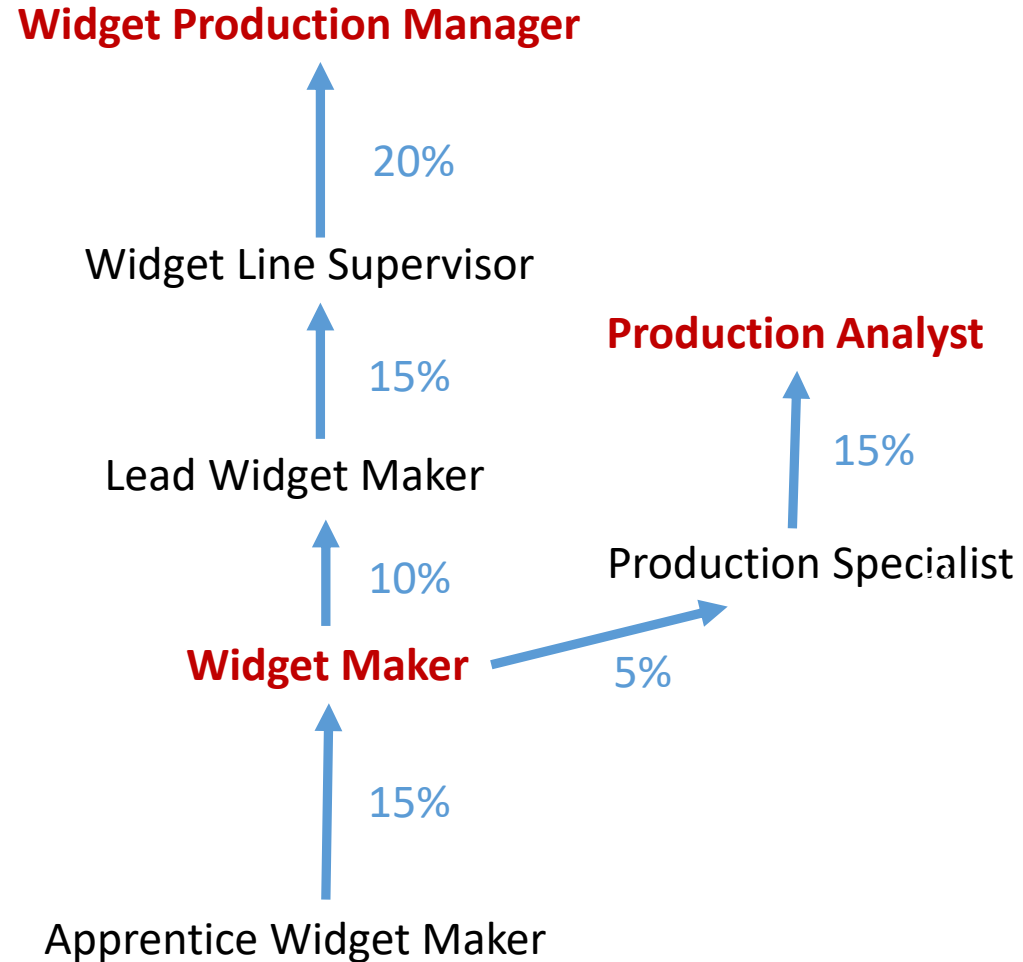
- When base salary ranges are compared, the District is 11.5% below median overall
- When cash benefits are added to base salary and the cumulative totals analyzed, the District is 7.5% below market median. This means the District's cash benefits are slightly higher than market, but not significantly so (differences of 3% are not significant)
- When insurance benefits are cumulatively added to base and cash benefits, the District is 4.3% below the market median which indicates a slight gain due to higher insurance benefits (employer cost)
- When retirement benefits are added, the District is 12.7% below market median, a loss of 8.5% due to weaker retirement benefits
- **Overall, the District loses 1.2% in market position when benefits are added.**

Summary of Benefit Differences

- Cash Benefits
 - District pays 7% of the employee retirement contribution (EPMC). Only two other agencies pay a portion of the employee contribution.
- Insurance Benefits
 - On average, the District's combined Health, Dental, and Vision insurance costs are \$130 more than the market.
- Retirement Benefits
 - The District's employer retirement contribution costs are significantly lower than the market average.
 - Just over half of the market agencies have Social Security benefits (FICA).
- Overall, the District's benefits don't significantly impact it's competitive market position.

Benchmarking - Example

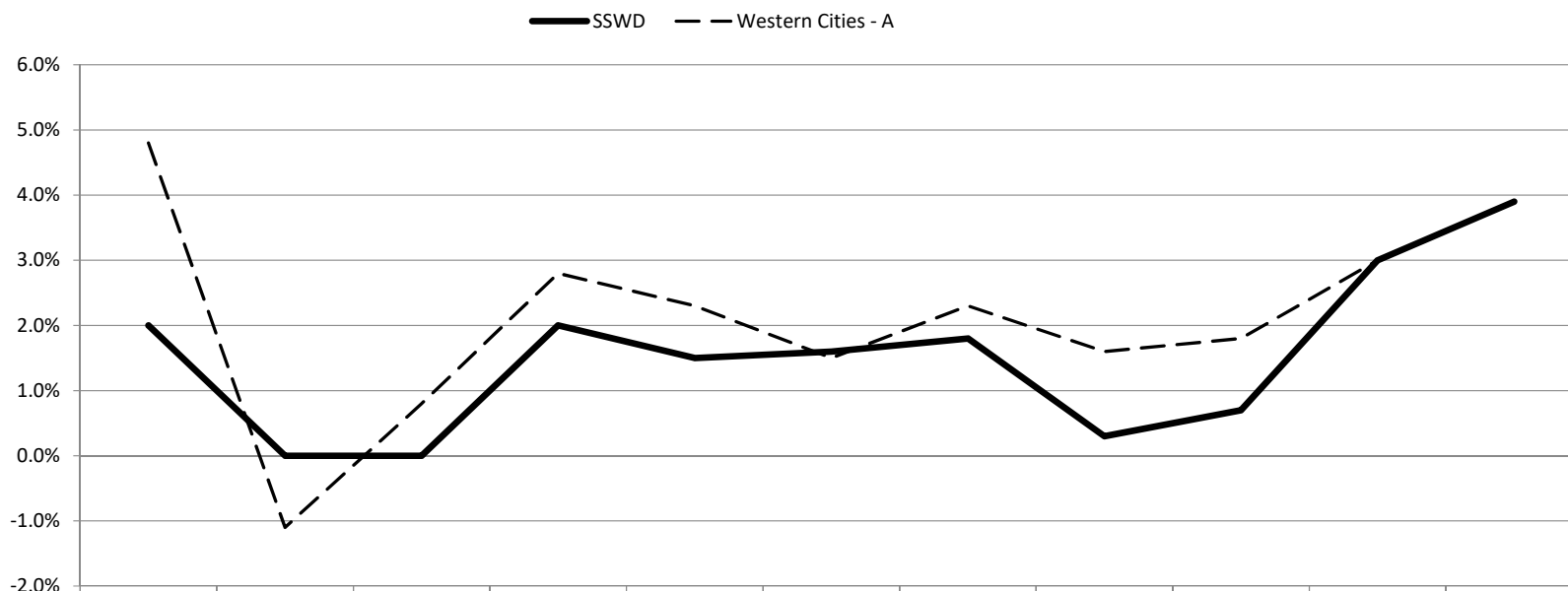
- Establish market benchmarks
 - Best job matches
 - High number of comparables
 - Best data statistically
- Analyze internal relationship
- Establish % differentials
- Result: salary range adjustments



Salary Range Recommendations

- Benchmark positions tied to market median
 - Not all jobs need market ties
 - Tied to range maximum
- Internal relationships
 - Assessment of differences and similarities in duties, role, responsibilities, qualifications, and resources
 - 5% difference between jobs when minor differences exist
 - 10% between classes in a series where moderate differences exist
 - 15% - 20% minimum over subordinates and between job classes with significant differences
- Internal salary alignments for internal equity where important
 - Some market relationships may be ignored due to internal ties and better market benchmarks
- Adjusted to fit the District's salary table, as needed

EXHIBIT 3



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Proposed
— SSWD	2.0%	0.0%	0.0%	2.0%	1.5%	1.6%	1.8%	0.3%	0.7%	3.0%	3.9%
- - - Western Cities - A	4.8%	-1.1%	0.8%	2.8%	2.3%	1.5%	2.3%	1.6%	1.8%	3.0%	3.9%



Agenda Item: X

Date: November 14, 2018

Subject: 2018 Compensation Study

Staff Contact: Daniel A. Bills, Finance Director

Recommended Board Action:

1. Approve the 2018 Compensation Survey Report (Survey) as attached.
2. Direct the General Manager to increase individual salary bands per the District's Policy for each position as recommended by the Survey (average is 12.8%).
3. Direct the General Manager to add to the 2019 budget a salary increase equal to the Survey's market median for each position (total increase is 9.5% or \$510,000/annum).
4. Direct staff to set COLA and Merit at zero in the 2019 budget. Previous amounts were 3.8% and 3.0%, respectively.

Current Background:

At the October Board meeting, after much discussion, staff was directed to remove retirement as a consideration in the Survey consistent with the 2016 Compensation Survey and to re-review other items used in the Survey. This has been done and a revised Survey is attached.

Current Discussion:

Based on the results of the updated Survey, staff is recommending the District maintain its long standing practice of benchmarking salary bands against the middle of the third quartile of the market. Based on the Survey, on average this would increase salary bands by 12.8% (range is -12.1% to +30.8%). As an equity adjustment for employees, staff is recommending the District forego a COLA and Merit increase in 2019 of 6.8% and instead implement salary changes equal to the Survey's results for the market median for an average increase of 9.5% (range is 0.0% to 25.0%) effective January 1, 2019. As explained more thoroughly in the 2019 Budget, the cost increase for implementing a 9.5% salary increase is \$510,000/annum. But by setting the COLA and Merit increase to zero, the additional 2019 cost of staff's proposal is \$145,000 above the COLA and Merit increase.

Prior Background:

Prior to last month, the District last conducted an employee compensation study in 2016. After consideration of the information in the study, the Board approved changing the pay ranges for four positions. Per section 300.00 of the District's Employee Compensation Policy (PL – HR 002), the General Manager is to periodically "provide pay/salary and benefit benchmarking information and surveys for Board review," and "may change or alter the labor budget during the year by...submitting an amended labor budget, explaining reasons for the change, and receiving Board approval for the change."

2018 Employee Compensation Study

November 14, 2018

Page 2 of 4

Prior Discussion:

Upon approval of the 2018 Operations and Maintenance Budget in November 2017, the Board approved performing and funding an employee compensation study in 2018. With a new General Manager and actual and announced retirements of certain managerial staff and seasoned employees, it was decided to review the District's Organization Chart in its entirety. After reviewing the Organization Chart and as part of standard District practices of reviewing job descriptions and assignments for positions upon employee severance, it quickly became apparent that a full-review of District staffing was necessary. Accordingly, as the Board has been updated on all year, the Study was defined and split between two consultants.

The first consultant was Bryce Consulting who was asked to provide input on the District's Organization Chart and to review employee job descriptions. Bryce Consulting has been providing such services to the District for many years. The results of Bryce Consulting's work was a new set of revised and updated job descriptions for nearly every position in the District. Comments were also received on the Organization Chart.

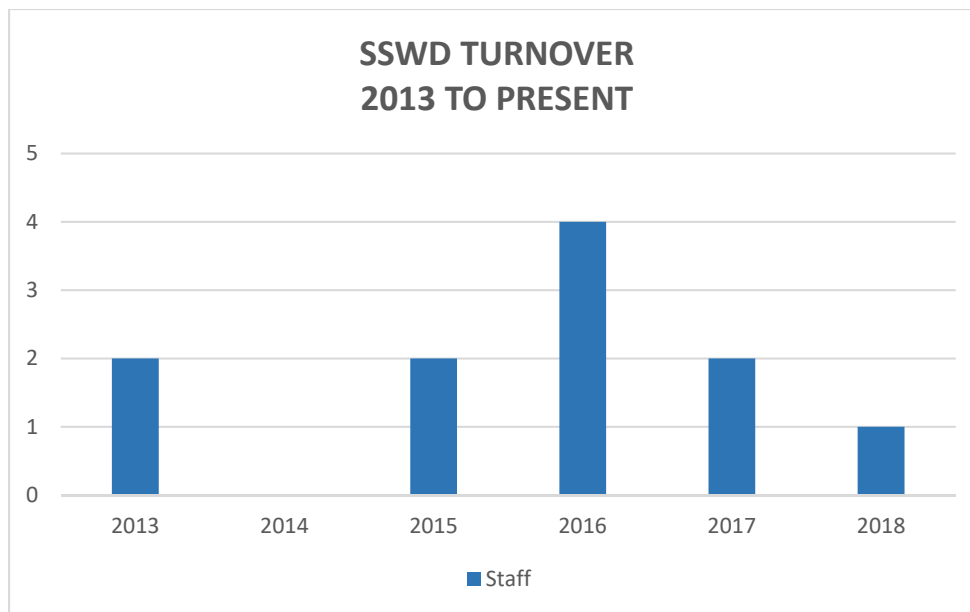
The second consultant was hired to perform the Market Compensation Survey (Survey) portion of the Study. This Consultant was selected through the Request-for-Proposal (RFP) process out of four firms that proposed (five were invited). The winning firm was Ralph Andersen & Associates located in Rocklin, CA. The results of their Survey are presented in Exhibit 1.

Ralph Andersen & Associates has over 44 years of local government consulting experience with cities, counties, utilities, special districts, community colleges, schools, non-profit organizations and state governments. Mr. Doug Johnson, Vice President of the Human Resources Consulting and Executive Search division is the Project Manager for the District's Survey and has over 31 years of experience performing such studies.

Both the Finance and Audit Committee and Board approved the Study, Scope and Schedule of the Study on April 4 and April 23, 2018, respectively. On May 16, 2018 the Finance and Audit Committee approved the Request for Proposals and the firms invited to participate. The contract was executed with Ralph Andersen & Associates on August 15, 2018.

Current Analysis:

Noticeably out-of-character for the District has been the number of employees who have left SSWD for other entities in our labor market. See graph below. Note that the graph does not include retirees or terminated employees. This information along with job announcements posted by other water agencies and their respective compensation programs relative to that offered by SSWD, coupled with the inability for SSWD to attract qualified candidates in sufficient numbers for posted positions, led staff to conclude, anecdotally, there is a compensation anomaly between SSWD and its peers.



Referring to the graph above, of the 11 positions that were vacated, the District was only able to attract one staff from the comparable labor market to fill those positions.

Survey Results

Survey results are based on the exact same “market” as utilized in the 2016 Survey (see Slide 2 on the attached presentation for a list of comparative agencies used in the Survey.)

The results of the Survey are dramatic and striking. In reviewing Slide 6, for Non-Exempt positions, the District currently falls at the very bottom in compensation relative to other water agencies in the market, or 15th out of 15. Meaning all other surrounding agencies/cities will out recruit SSWD when competing for new hires and attract District employees we need to retain. For Exempt positions, referring to the same slide, the District currently falls at the second from the bottom in compensation relative to other water agencies/cities in the market or 19th out of 20.

From Slide 13 it can be seen that District total compensation is roughly 12.8% below the middle of the third quartile of the market and 9.5% below the median.

Conclusion:

Staff views the District’s compensation policy from two perspectives – recruitment and retention. For recruitment purposes, staff is recommending the salary bands be increased to the middle of the third quartile of the market as reported in the Survey. For retention purposes, staff proposes that 2019 compensation be increased to the median of the market. Future opportunities for existing staff to increase their pay back to the same position as previously achieved in their respective salary bands will be achieved via adequate COLA and Merit increases.

Fiscal Impact:

Study costs - \$38,495: \$8,500 for Bryce Consulting; \$29,995 for Ralph Andersen & Associates.

Labor cost increases, if staff recommendation is adopted, of \$510,000 in 2019.

2018 Employee Compensation Study

November 14, 2018

Page 4 of 4

Strategic Plan Alignment:

Customer Service – 3.B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.

Finance – 4.H. Produce and monitor an annual budget for system operations, maintenance and replacements.

**Ralph Andersen &
Associates**

November 19, 2018

Sacramento Suburban Water District

2018 Compensation Survey Report

Why Surveys Are Done

Compensation surveys are a necessary part of assessing and updating an organization's compensation plan.

- Anticipate and understand what labor market is doing
- Data-driven framework for allocating resources to wages and benefits
- Provide defensibility and public accountability employee compensation
- Optimize the District's ability to recruit and retain employees
- Processes such as fact-finding are data-driven

Public and Private employers both use market data to assess compensation; just a difference in accessibility and transparency of data.

Survey Agencies & Selection Criteria

- Historical Practices
- Natures of Services
- Geographic Proximity
- Size
- Economic Similarity

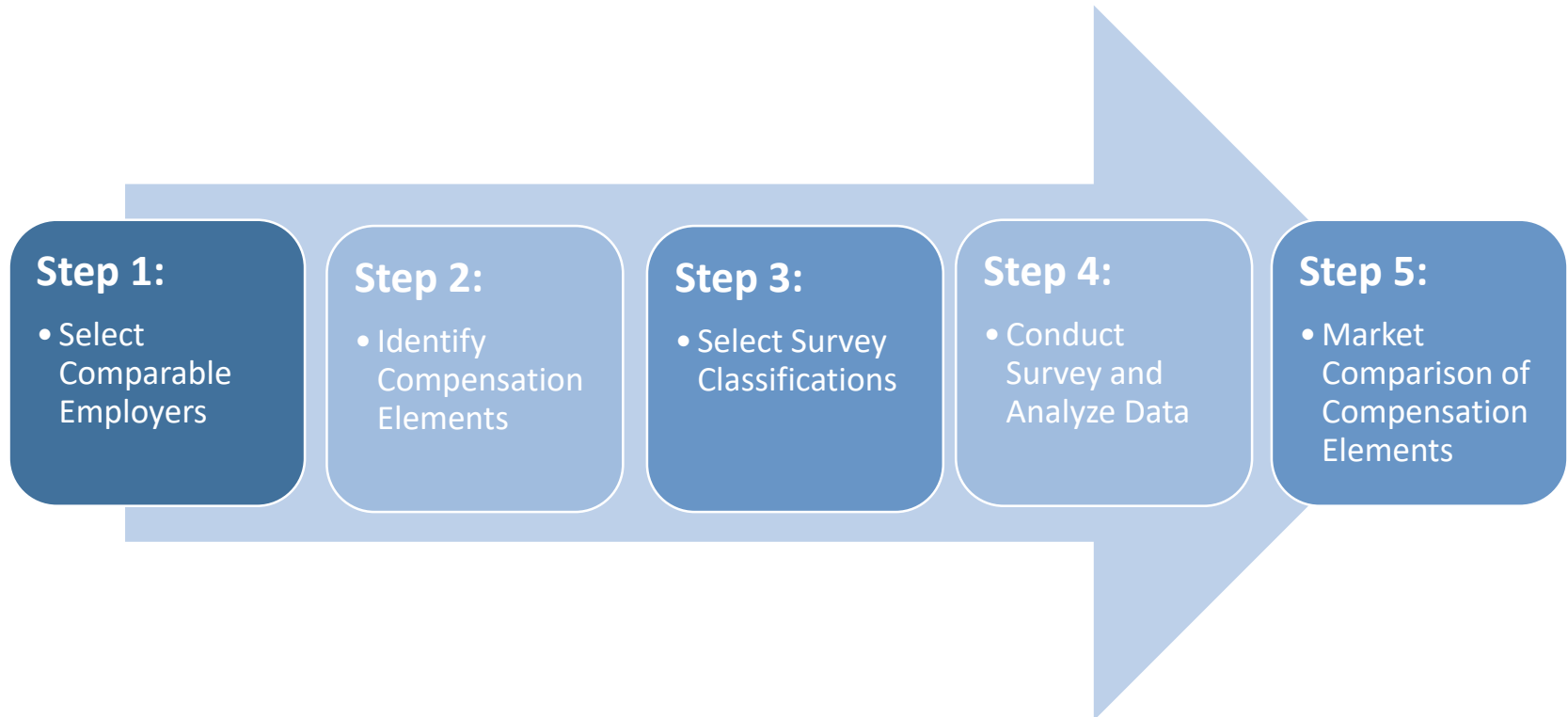
Carmichael Water District
 Citrus Heights Water District
 City of Davis
 City of Folsom
 City of Roseville
 City of Sacramento
 City of West Sacramento
 City of Woodland
 El Dorado Irrigation District
 Elk Grove Water District
 Fair Oaks Water District
 Placer County Water Agency
 Sacramento County
 San Juan Water District

Supplemental Management Agencies

Amador Water Agency
 City of Lodi
 San Luis and Delta Mondata WA
 Stockton East Water District
 Stockton Municipal Utility (City)



Survey Process



Compensation survey data was collected by the project consultants and included the collection and analysis of the following:

- Organization charts, budgets, and position control documents
- Job descriptions
- Salary schedules
- Follow-up information provided by each survey agency
- Additional survey research based on District feedback

Survey job matches were determined by the project consultants and went beyond title comparisons.

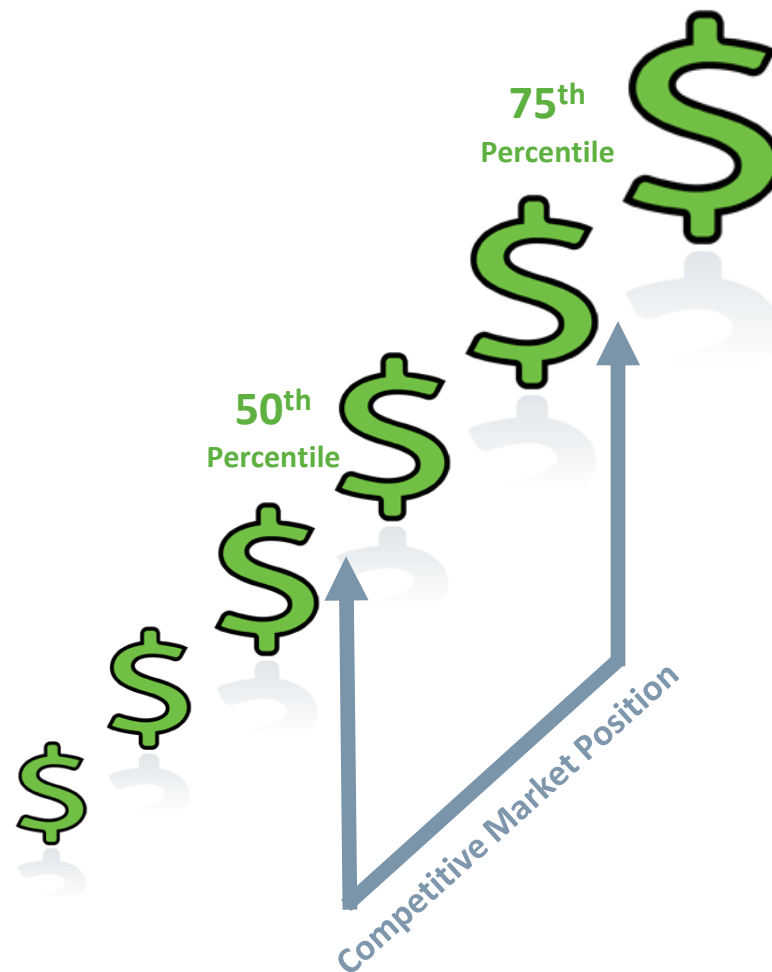
Matching Job Classifications

Matching job classifications relies on a number of source documents beyond comparisons of job descriptions.

- Job matches only occur if a position exists and is allocated in the budget (and staffed). Some agencies may have legacy job descriptions or titles in their salary schedules that are not used.
- Job matches are based on a review of major and essential job duties along with a comparison of qualifications. Significant differences can result in no comparable job being matched. Examples of differences include:
 - Mismatches in qualification requirements such as requiring specific certifications or a four-year degree
 - Different organization structures such as layers of supervisory and management and broader responsibilities
 - Position allocations that demonstrate working versus advanced levels
- Factors not considered in matching jobs:
 - Staffing, equipment, facility, and resource differences that don't impact required skills and abilities
 - Job functions performed within a broad classification that is used in many assignments
 - Job classifications performing the same duties but in a different department
 - Employee performance or unique qualifications that are beyond what is required
- The survey data will include matches that are similar as well as those that will be slightly higher or lower in role and responsibility.

Market Position

- Establishes competitive position
- Historical practices is an important consideration; change in practice requires explanation
- \$ or % differences between percentiles depends on the array of data; can be very small if data is tightly arrayed
- Recruitment and retention goals



Survey Agency Rank (by percentile)

Non-Exempt	
Pctile	Agency
96	San Juan Water District
89	Citrus Heights Water District
65	City of Folsom
63	Elk Grove Water District
60	City of Roseville
57	City of Sacramento
56	Fair Oaks Water District
53	El Dorado Irrigation District
51	Placer County Water Agency
50 th P	50 City of West Sacramento
48	Sacramento County
35	City of Davis
26	City of Woodland
22	Carmichael Water District
19	Sacramento Suburban WD

Exempt	
Pctile	Agency
90	San Juan Water District
87	Citrus Heights Water District
67	City of Roseville
67	City of Sacramento
62.5 P	67 El Dorado Irrigation District
61	City of Folsom
57	Placer County Water Agency
55	Elk Grove Water District
54	Fair Oaks Water District
50 th P	52 Sacramento County
44	City of West Sacramento
41	Stockton Municipal Utility (City)
39	San Luis and Delta Mondata WA
34	Stockton East Water District
25	City of Lodi
25	City of Woodland
25	City of Davis
20	Carmichael Water District
19	Sacramento Suburban WD
16	Amador Water Agency

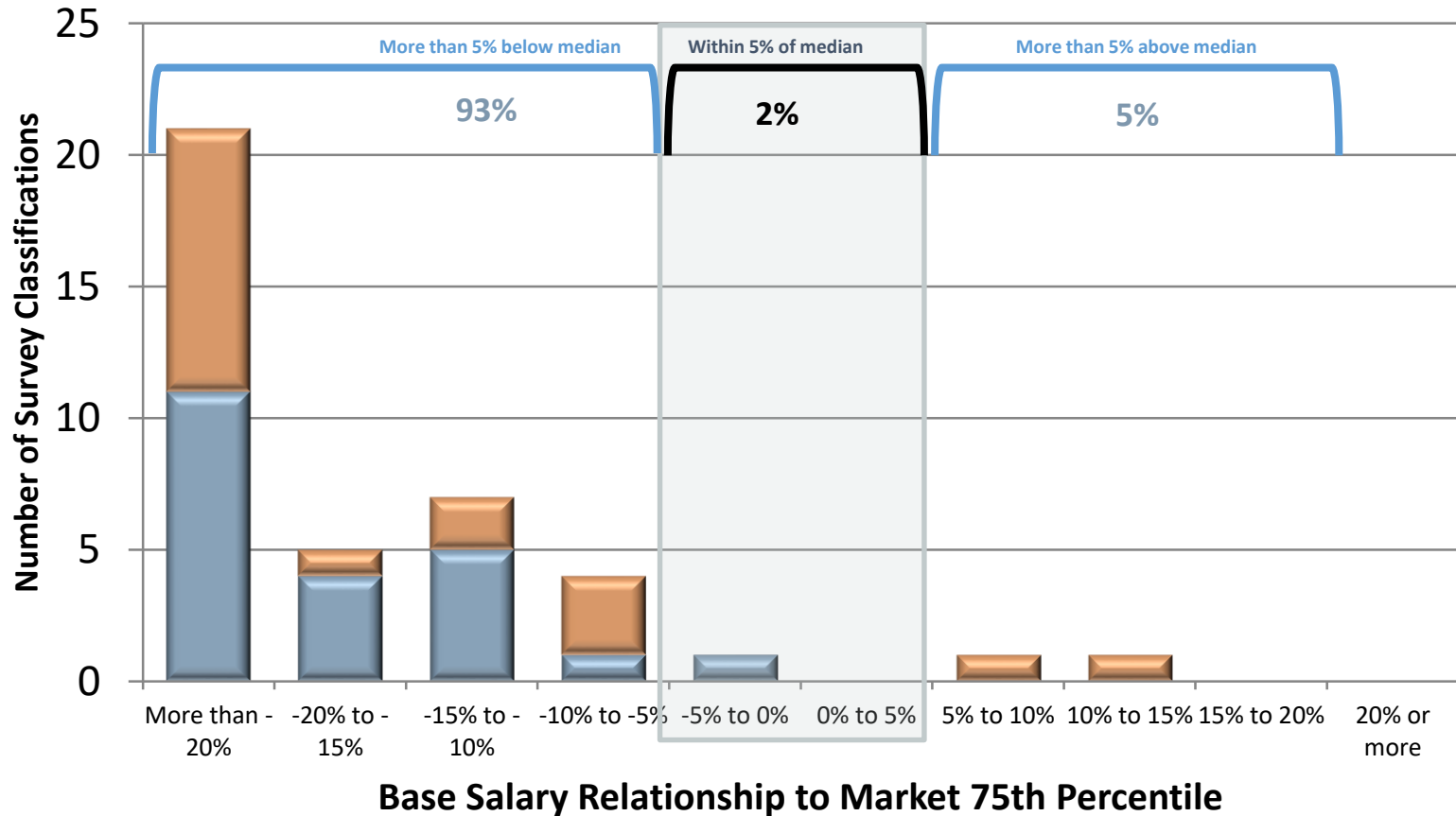
Sample Data – Base Salary

Agency	Comparable Title	Range Max
Citrus Heights Water District	Associate Civil Engineer	\$11,454
San Juan Water District	Associate Civil Engineer	\$11,063
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807
Sacramento County	Associate Civil Engineer	\$9,556
Elk Grove Water District	Associate Civil Engineer	\$9,441
El Dorado Irrigation District	Associate Civil Engineer	\$9,360
Placer County Water Agency	Associate Engineer	\$9,326
City of Sacramento	Associate Civil Engineer	\$9,294
Amador Water Agency	Resident Engineer	\$9,090
City of Folsom	Associate Civil Engineer	\$8,965
City of West Sacramento	Associate Civil Engineer	\$8,707
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578
Stockton East Water District	Associate Engineer II	\$8,491
City of Woodland	Associate Civil Engineer	\$8,178
City of Lodi	Associate Civil Engineer	\$8,178
Stockton Municipal Utility (City)	Associate Engineer	\$7,979
City of Davis	Associate Civil Engineer	\$7,963
	75th Percentile	\$9,470
	% '+/-'	-10.4%
	62.5 Percentile	\$9,339
	% '+/-'	-8.9%
	Median (50th Percentile)	\$9,192
	% '+/-'	-7.2%

3rd Quartile Range

Market Summary – 75th Percentile

20.2% Below 75th Percentile on Average

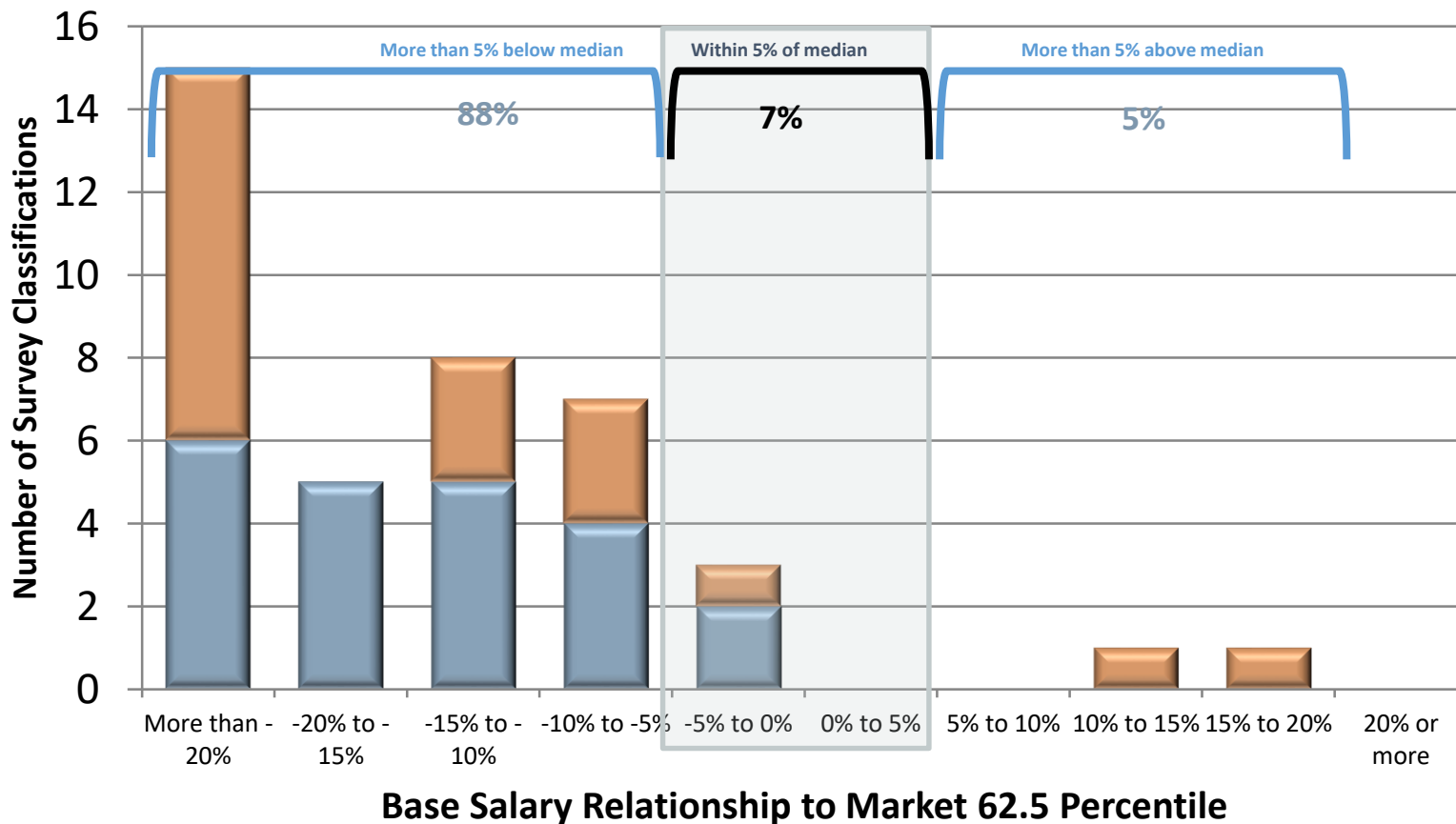


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 62.5 Percentile

16.0% Below 62.5 Percentile on Average

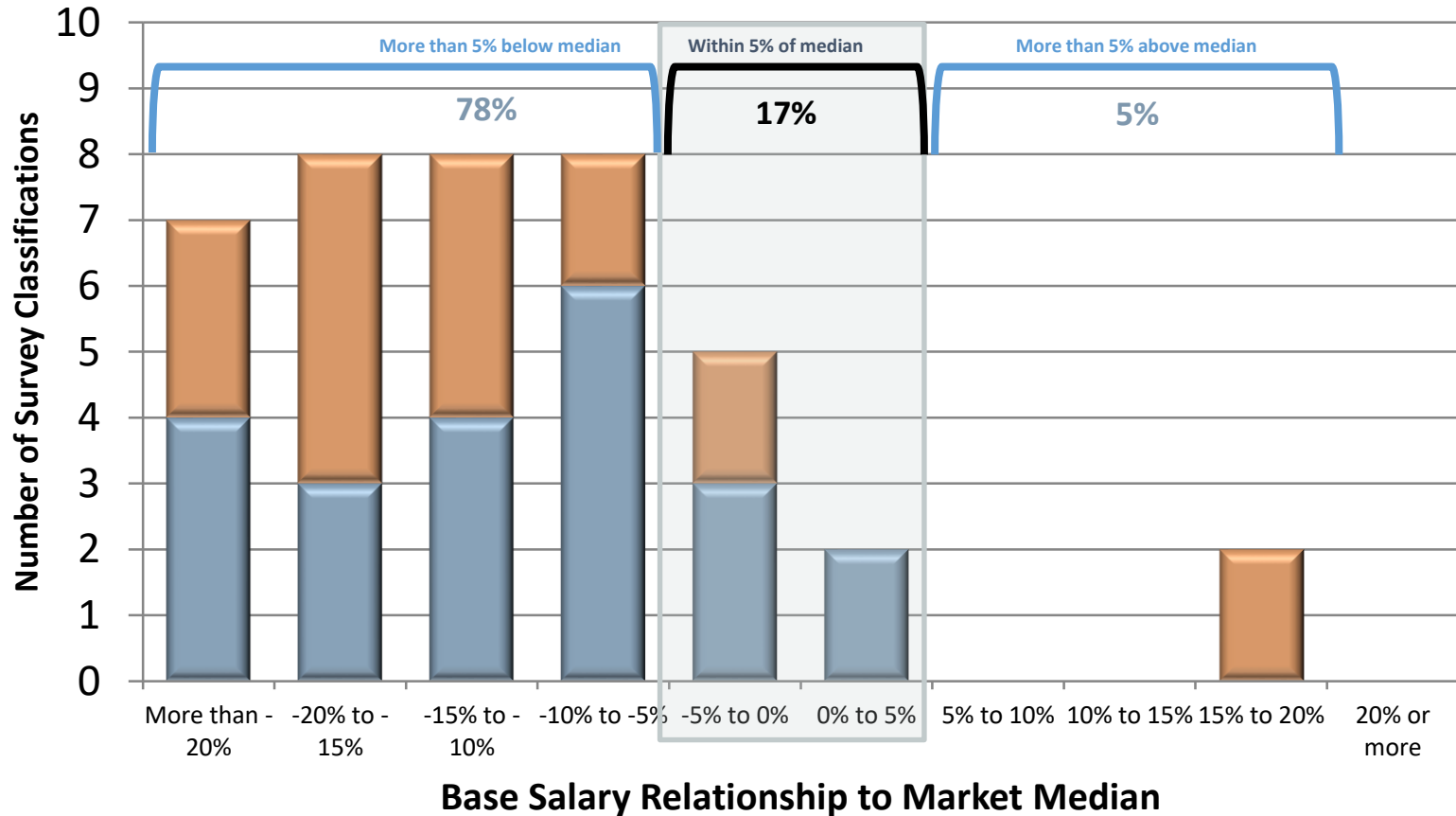


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary – 50th Percentile

11.5% Below Median on Average



Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

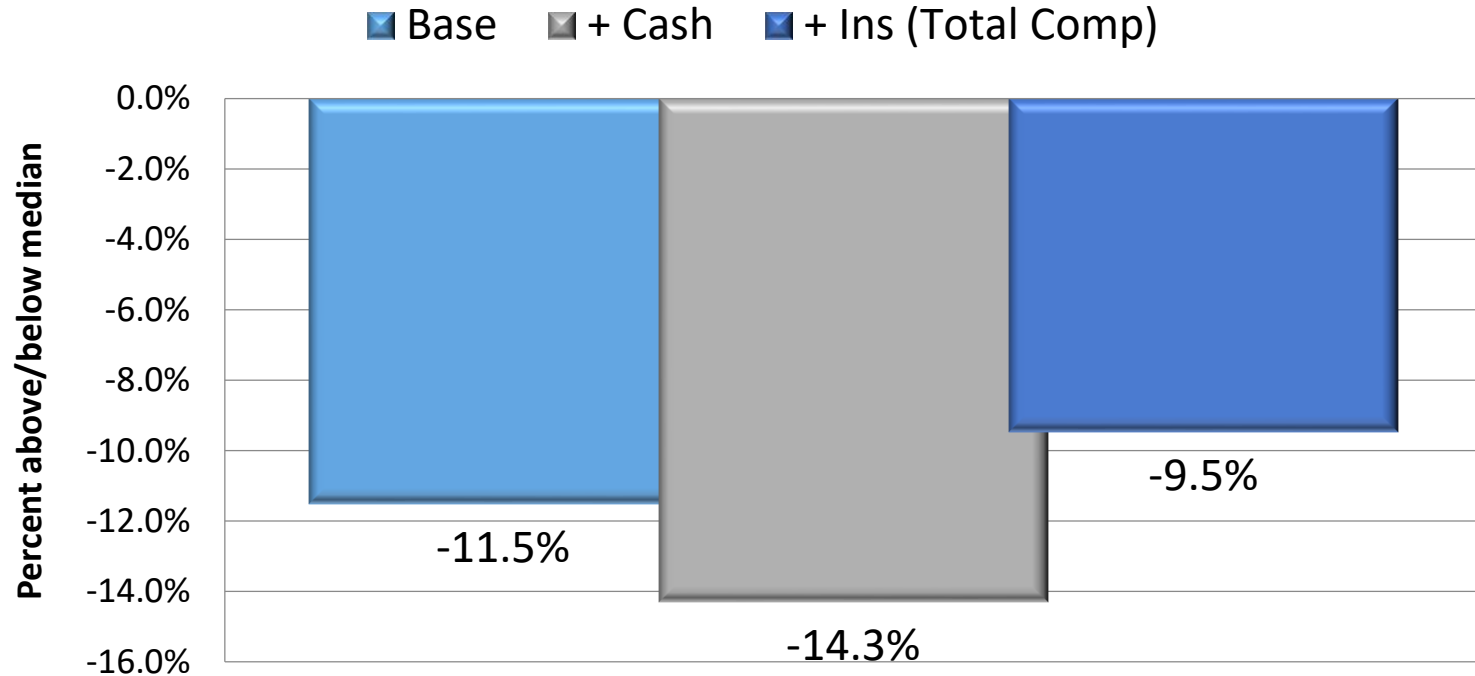
Sample Data – Cash Benefits

Associate Engineer (Registered)			Cash Supplements			
Survey Agency	Comparable Class	Range Max.	Long.	Other Cash	Def. Comp.	Base + Cash
Carmichael Water District	No Comparable Class					
Citrus Heights Water District	Associate Civil Engineer	\$11,454				\$11,454
City of Davis	Associate Civil Engineer	\$7,963	\$398			\$8,362
City of Folsom	Associate Civil Engineer	\$8,965			\$350	\$9,315
City of Roseville	No Comparable Class					
City of Sacramento	Associate Civil Engineer	\$9,294	\$25		\$186	\$9,505
City of West Sacramento	Associate Civil Engineer	\$8,707				\$8,707
City of Woodland	Associate Civil Engineer	\$8,178	\$67		\$164	\$8,408
El Dorado Irrigation District	Associate Civil Engineer	\$9,360				\$9,360
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$472			\$9,913
Fair Oaks Water District	No Comparable Class					
Placer County Water Agency	Associate Engineer	\$9,326	\$466			\$9,793
Sacramento County	Associate Civil Engineer	\$9,556				\$9,556
San Juan Water District	Associate Civil Engineer	\$11,063				\$11,063
Amador Water Agency	Resident Engineer	\$9,090				\$9,090
City of Lodi	Associate Civil Engineer	\$8,178			\$245	\$8,423
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807			\$1,275	\$11,082
Stockton East Water District	Associate Engineer II	\$8,491				\$8,491
Stockton Municipal Utility (City)	Associate Engineer	\$7,979				\$7,979
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578				\$8,578
	Median	\$9,192				\$9,337
	% +/-	-7.2%				-8.9%

Sample Data – Insurance Benefits

Associate Engineer (Registered)				Insurance Benefits					
Survey Agency	Comparable Class	Range Max.	Base + Cash	Health	Dental	Vision	Life	LTD	Base + Cash + Ins.
Carmichael Water District	No Comparable Class								
Citrus Heights Water District	Associate Civil Engineer	\$11,454	\$11,454	\$1,800	\$143	\$31	\$17	\$59	\$13,504
City of Davis	Associate Civil Engineer	\$7,963	\$8,362	\$1,744	\$214		\$8	\$40	\$10,368
City of Folsom	Associate Civil Engineer	\$8,965	\$9,315	\$1,526	\$150	\$22	\$11	\$53	\$11,076
City of Roseville	No Comparable Class								
City of Sacramento	Associate Civil Engineer	\$9,294	\$9,505	\$1,587	incl.	incl.	\$3		\$11,095
City of West Sacramento	Associate Civil Engineer	\$8,707	\$8,707	\$950	incl.	incl.		\$1	\$9,658
City of Woodland	Associate Civil Engineer	\$8,178	\$8,408	\$1,877	\$154	\$19	\$14	\$35	\$10,507
El Dorado Irrigation District	Associate Civil Engineer	\$9,360	\$9,360	\$1,630	\$142	\$19	\$3		\$11,154
Elk Grove Water District	Associate Civil Engineer	\$9,441	\$9,913	\$2,264	\$128	\$23	\$41		\$12,369
Fair Oaks Water District	No Comparable Class								
Placer County Water Agency	Associate Engineer	\$9,326	\$9,793	\$1,859	\$58	\$18	\$36	\$42	\$11,806
Sacramento County	Associate Civil Engineer	\$9,556	\$9,556	\$1,453	\$125		\$1		\$11,136
San Juan Water District	Associate Civil Engineer	\$11,063	\$11,063	\$2,097	\$149	\$19	\$37	\$77	\$13,442
Amador Water Agency	Resident Engineer	\$9,090	\$9,090	\$1,808	\$123	\$24	\$1	\$44	\$11,089
City of Lodi	Associate Civil Engineer	\$8,178	\$8,423	\$1,795	\$83	\$17	\$69		\$10,387
San Luis and Delta Mondata WA	Associate Civil Engineer	\$9,807	\$11,082	\$2,220	\$164	\$24			\$13,490
Stockton East Water District	Associate Engineer II	\$8,491	\$8,491	\$2,488	\$123	\$23	\$28		\$11,152
Stockton Municipal Utility (City)	Associate Engineer	\$7,979	\$7,979	\$1,557	incl.	incl.	\$7	\$50	\$9,594
Sacramento Suburban WD	Associate Engineer (Registered)	\$8,578	\$8,578	\$1,830	\$175	\$20	\$3	\$35	\$10,641
	Median	\$9,192	\$9,337						\$11,115
	% +/-	-7.2%	-8.9%						-4.5%

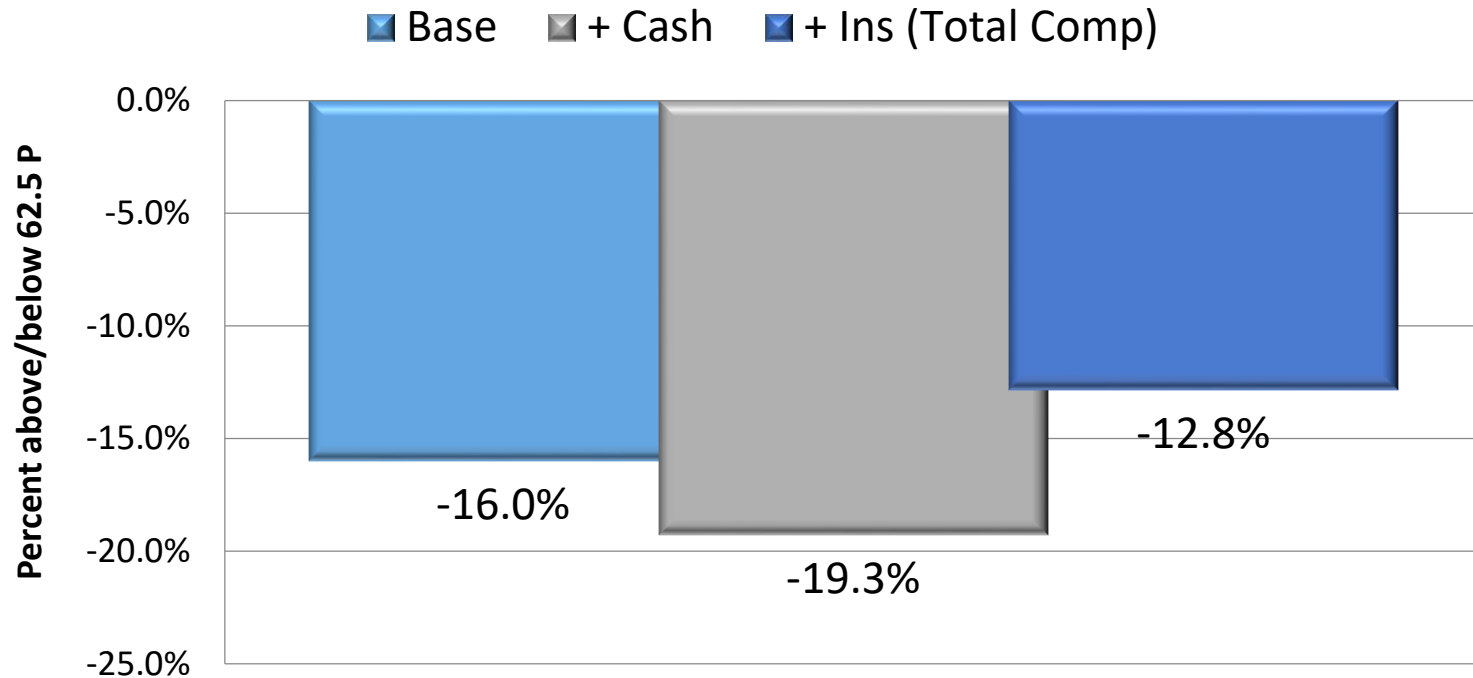
Benefits Survey Summary - Median



Benefits analysis based on snap-shot trends of major benefit categories

- **Analysis does NOT consider retirement costs**
- When base salary ranges are compared, the District is 11.5% below median overall
- When cash benefits are added to base salary and the cumulative totals analyzed, the District is 14.3% below market median. This means the District's cash benefits are slightly lower than market, but not significantly so (differences of 3% are not significant)
- When insurance benefits are cumulatively added to base and cash benefits, the District is 9.5% below the market median which indicates a slight gain due to higher insurance benefits (employer cost)
- **Overall, the District gains 2.0% in market position when benefits are added, a statistically insignificant change.**

Benefits Survey Summary – 62.5 P

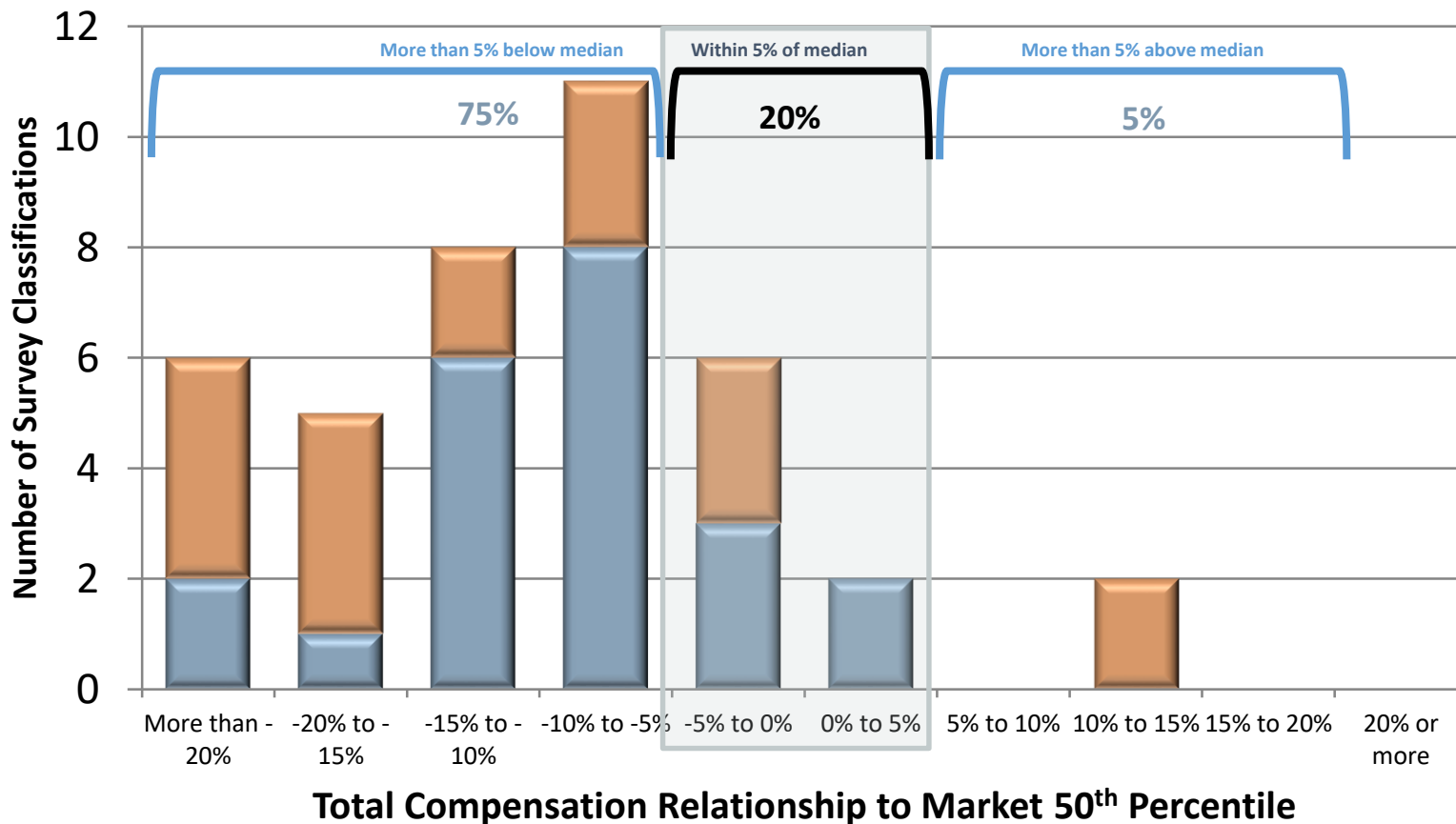


Benefits analysis based on snap-shot trends of major benefit categories

- **Analysis does NOT consider retirement costs**
- When base salary ranges are compared, the District is 16.0% below median overall
- When cash benefits are added to base salary and the cumulative totals analyzed, the District is 19.3% below market median. This means the District's cash benefits are slightly lower than market, but not significantly so (differences of 3% are not significant)
- When insurance benefits are cumulatively added to base and cash benefits, the District is 12.8% below the market median which indicates a slight gain due to higher insurance benefits (employer cost)
- **Overall, the District gains 3.1% in market position when benefits are added, a statistically insignificant change.**

Market Summary TC – 50th Percentile

9.5% Below 50th Percentile on Average

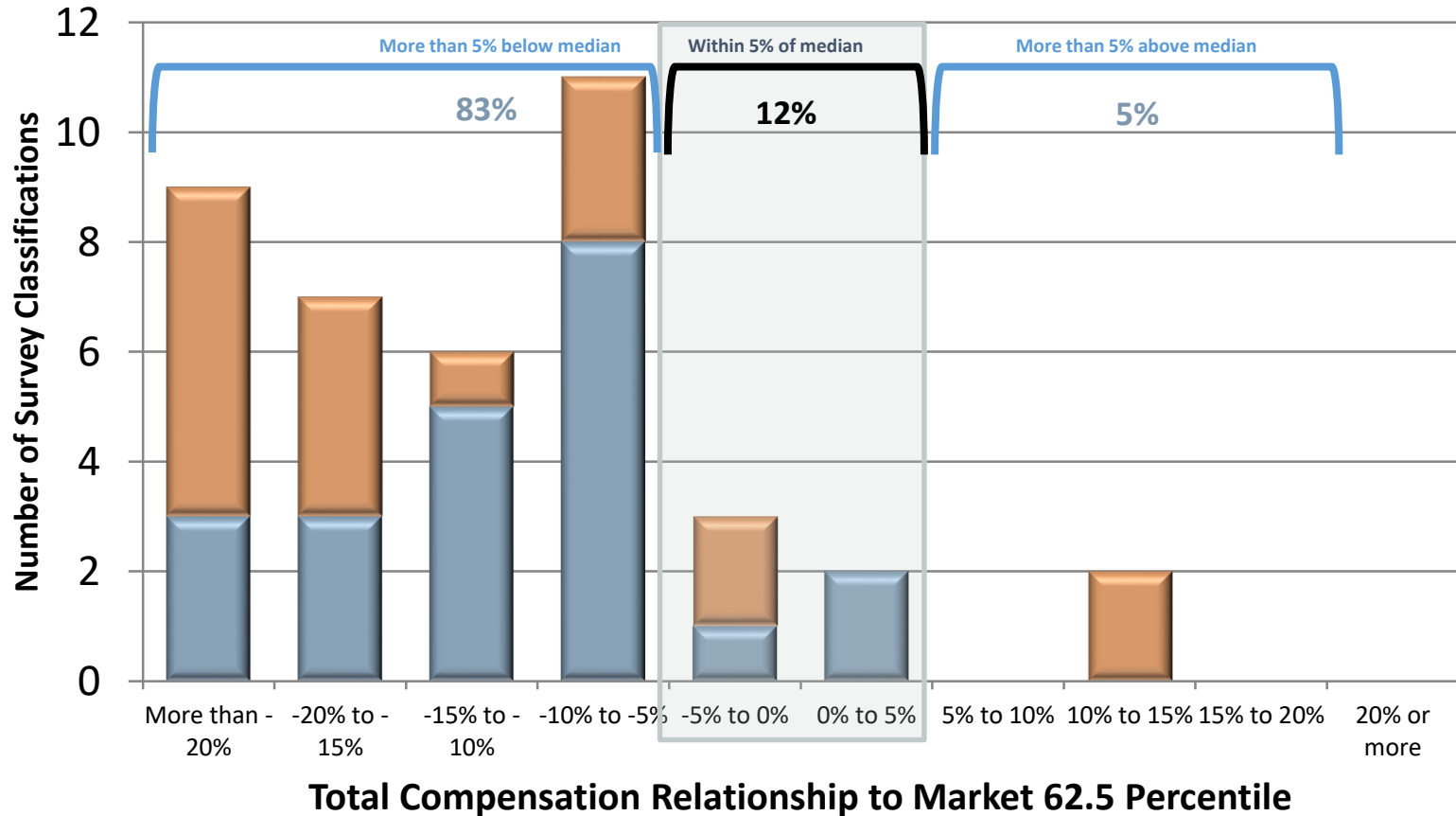


Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

Market Summary TC – 62.5 Percentile

12.8% Below 62.5 Percentile on Average



Strongest trend of the survey jobs should be in shaded region

■ Non-Exempt ■ Exempt

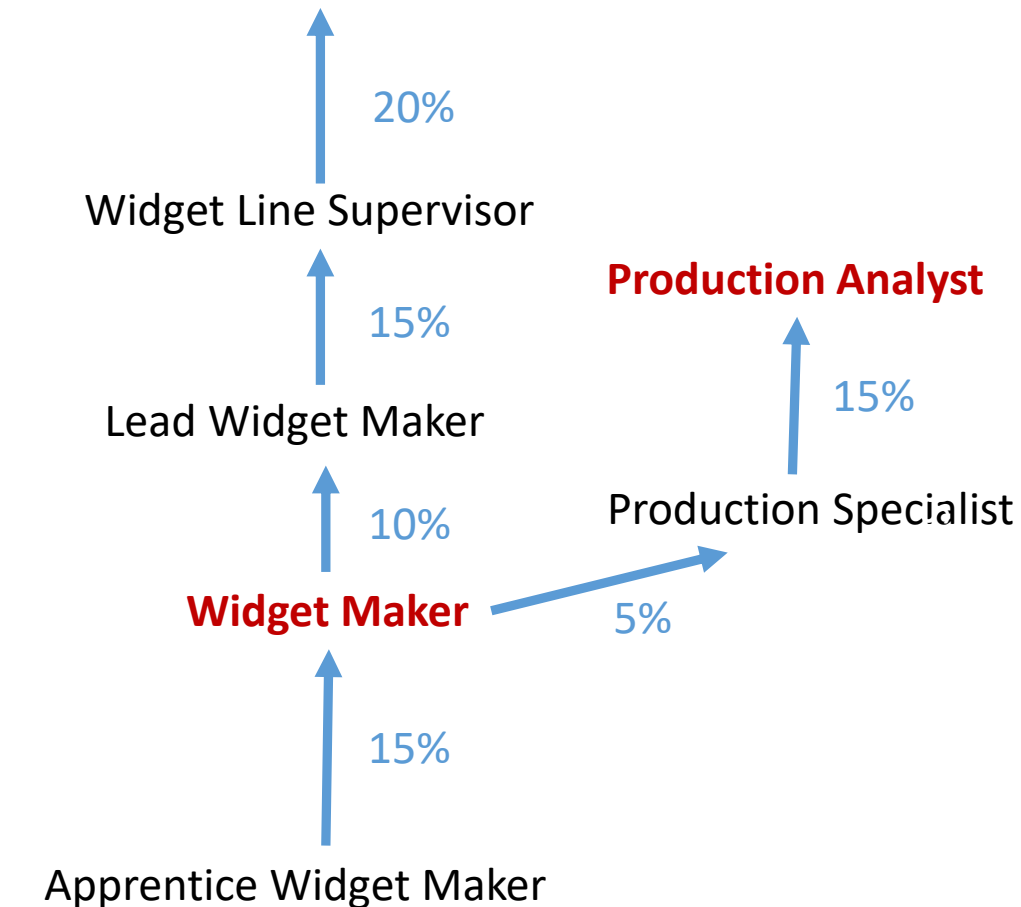
Summary of Benefit Differences

- **Cash Benefits**
 - One-quarter of the survey agencies have longevity and employer paid deferred compensation benefits.
- **Insurance Benefits**
 - On average, the District's combined Health, Dental, and Vision insurance costs are \$130 more than the market (per month).
- **Retirement Benefits - PEPRA**
 - There is no significant difference in retirement benefits or costs when PEPRA tiers are compared.
 - Just over half of the market agencies have Social Security benefits (FICA).
- Overall, the District's benefits don't significantly impact its competitive market position.

Benchmarking - Example

- Establish market benchmarks
 - Best job matches
 - High number of comparables
 - Best data statistically
- Analyze internal relationship
- Establish % differentials
- Result: salary range adjustments

Widget Production Manager



Salary Range Recommendations

- Benchmark positions tied to market median
 - Not all jobs need market ties
 - Tied to range maximum
- Internal relationships
 - Assessment of differences and similarities in duties, role, responsibilities, qualifications, and resources
 - 5% difference between jobs when minor differences exist
 - 10% between classes in a series where moderate differences exist
 - 15% - 20% minimum over subordinates and between job classes with significant differences
- Internal salary alignments for internal equity where important
 - Some internal ties and better market benchmarks may be a better measure than some market relationships
- Adjusted to fit the District's salary table, as needed

Sacramento Suburban Water District
Salary Recommendations; Market Benchmarking
Benchmark Classes set to Market Median (50th Percentile)

Line	Classification Job Title	Current Range Max	Market Deviation	Recomm. Range Max	Percent Change	Internal Alignment/Salary Setting Rationale
1	General Manager	\$ 13,750	-17.5%	\$ 16,161	17.5%	Benchmark; set to market
2	Assistant General Manager	\$ 12,678		\$ 14,450	14.0%	Approx. 5% above Director of Finance & Administration
3						
4	Executive Assistant to the General Manager	\$ 7,405		\$ 6,305	-14.9%	Approx. 20% above Administrative Assistant II
5	Administrative Assistant II	\$ 5,035	-4.3%	\$ 5,254	4.3%	Benchmark; set to market
6	Administrative Assistant I	\$ 4,141		\$ 4,141	0.0%	Approx. 10% below Administrative Assistant II
7						
8	Director of Finance & Administration	\$ 11,494	-19.7%	\$ 13,762	19.7%	Benchmark; set to market
9	Controller	New		\$ 9,788	--	Benchmark; set to market
10	Financial Analyst	\$ 7,405	-3.3%	\$ 7,651	3.3%	Benchmark; set to market
11	Senior Accountant	New		\$ 6,100	--	Approx. 10% above Accountant
12	Accountant	\$ 5,545	+1.5%	\$ 5,545	0.0%	Benchmark; set to market; SCS*
13	Purchasing Specialist	\$ 5,285	-7.5%	\$ 5,682	7.5%	Benchmark; set to market
14						
15	Customer Services Manager	\$ 7,777	-21.0%	\$ 9,414	21.0%	Benchmark; set to market
16	Customer Service Representative II	\$ 4,566	-0.4%	\$ 4,584	0.4%	Benchmark; set to market
17	Customer Service Representative I	\$ 3,758		\$ 3,986	6.1%	Approx. 15% below Customer Service Representative II
18						
19	Human Resources Coordinator	\$ 7,405	-11.8%	\$ 8,277	11.8%	Benchmark; set to market
20						
21	Information Technology Manager	\$ 8,166	-22.7%	\$ 10,020	22.7%	Benchmark; set to market
22	GIS Coordinator	\$ 6,744	-15.6%	\$ 7,793	15.6%	Benchmark; set to market
23	GIS/IT Technician	\$ 5,824	-1.2%	\$ 5,897	1.2%	Benchmark; set to market
24						
25	Engineering Manager	\$ 10,946	-6.8%	\$ 11,695	6.8%	Benchmark; set to market
26	Senior Engineer	\$ 9,925		\$ 10,571	6.5%	Approx. 15% above Associate Engineer (Registered)
27	Associate Engineer (Registered)	\$ 8,578	-7.2%	\$ 9,192	7.2%	Benchmark; set to market
28	Assistant Engineer	\$ 7,082		\$ 7,993	12.9%	Approx. 15% below Associate Engineer (Registered)
29						

SCS* - Same as Current Salary

Sacramento Suburban Water District
Salary Recommendations; Market Benchmarking
Benchmark Classes set to Market Median (50th Percentile)

Line	Classification Job Title	Current Range Max	Market Deviation	Recomm. Range Max	Percent Change	Internal Alignment/Salary Setting Rationale
30	Engineering Project Coordinator	\$ 5,824		\$ 6,847	17.6%	Same as Senior Inspector
31	Senior Inspector	\$ 5,824	-17.6%	\$ 6,847	17.6%	Benchmark; set to market
32	Engineering Drafter	\$ 4,566		\$ 5,706	25.0%	Approx. 20% below Senior Inspector
33						
34	Senior Project Manager	\$ 9,457		\$ 10,068	6.5%	Approx. 15% above Project Manager
35	Project Manager	\$ 8,166		\$ 8,754	7.2%	Approx. 5% below Associate Engineer (Registered)
36						
37	Operations Manager	\$ 10,423	-18.2%	\$ 12,319	18.2%	Benchmark; set to market
38	Safety/Risk Officer	New		\$ 9,144	--	Benchmark; set to market
39						
40	Facilities & Fleet Specialist	\$ 5,285		\$ 5,975	13.1%	Approx. 5% above Water Conservation Technician II
41						
42	Superintendent - Production	\$ 7,777	-27.2%	\$ 9,890	27.2%	Benchmark; set to market
43	Foreman - Production	\$ 6,417	-22.3%	\$ 7,845	22.3%	Benchmark; set to market
44	Production Operator II	\$ 5,285	-7.4%	\$ 5,675	7.4%	Benchmark; set to market
45	Production Operator I	\$ 4,349		\$ 4,729	8.7%	Approx. 20% below Production Operator II
46						
47	Environmental Compliance Supervisor	\$ 7,405	-14.0%	\$ 8,440	14.0%	Benchmark; set to market
48	Environmental Compliance Technician	\$ 5,545	-8.2%	\$ 6,000	8.2%	Benchmark; set to market
49	Cross Connection Control Specialist	\$ 5,545	-19.9%	\$ 6,651	19.9%	Benchmark; set to market
50						
51	Instrumentation & Electrical Technician	\$ 6,417	-11.1%	\$ 7,129	11.1%	Benchmark; set to market
52						
53	Superintendent - Field Services	\$ 7,777	-20.0%	\$ 9,331	20.0%	Benchmark; set to market
54	Field Operations Coordinator	\$ 5,545		\$ 6,651	19.9%	Same as Cross Connection Control Specialist
55						
56	Superintendent - Distribution	\$ 7,777	-20.0%	\$ 9,331	20.0%	Benchmark; set to market
57	Foreman - Distribution	\$ 6,417	-20.2%	\$ 7,713	20.2%	Benchmark; set to market
58	Distribution Operator II	\$ 5,035	-12.7%	\$ 5,675	12.7%	Benchmark; set to market

SCS* - Same as Current Salary

Sacramento Suburban Water District
Salary Recommendations; Market Benchmarking
Benchmark Classes set to Market Median (50th Percentile)

Line	Classification Job Title	Current Range Max	Market Deviation	Recomm. Range Max	Percent Change	Internal Alignment/Salary Setting Rationale
59	Distribution Operator I	\$ 4,141		\$ 4,729	14.2%	Approx. 20% below Distribution Operator II
60						
61	Water Conservation Supervisor	\$ 7,405	-11.2%	\$ 8,233	11.2%	Benchmark; set to market
62	Water Conservation Technician II	\$ 5,035	-13.0%	\$ 5,691	13.0%	Benchmark; set to market
63	Water Conservation Technician I	\$ 4,141		\$ 4,742	14.5%	Approx. 20% below Water Conservation Technician II



2018 Employee Compensation Study

**Board
Presentation**

December 7, 2018

Presentation Agenda

- Prior Board Direction
- Salary Survey Implementation Options:
 1. Approve Setting Salary Bands to 62.5% and Salaries to Median (November 2018 Recommendation)
 2. Increase Salary Bands to 62.5% and Salaries adjustments to minimum salary band and approve Merit and COLA for 2019
- Retirement – Employee Retirement Contributions

Prior Board Direction

- **October Board Meeting Minutes:**
 - Direct the study to be revised to eliminate retirement
- **November Board Meeting Draft Minutes:**
 - Design a Single Salary Band Solution
 - Design a Solution that provides Equitable Treatment of Employees Based on their Respective Retirement Plans
 - Bring back Options for Review and Discussion

OPTIONS TO REVIEW

- Salary Bands and Salary Adjustment Options

Salaries	Current	OPTIONS	
		1	2
Base Pay	\$ 4,961,000	\$ 4,961,000	\$ 4,961,000
Merit (3.0%)	143,000		143,000
COLA (3.8%)	181,000		181,000
Adjust Salaries to Minimum Salary Bands			75,000
Adjust Salaries to Median		510,000	
Total Salary Adjustment	324,000	510,000	399,000
Total Salaries	\$ 5,285,000	\$ 5,471,000	\$ 5,360,000

- Retirement

- Receive Direction from the Board on whether Staff should evaluate adjusting employee retirement contributions