

Board of Directors

James Wall, Chair

Raymond Tjulander, Vice Chair

Jane Nye, Director

Janna Orkney, Director

Leon Shapiro, Director

Providing Outstanding Service Since 1963

April 27, 2020

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

APPROVAL OF THE COMPARATOR AGENCIES LIST FOR THE DISTRICT'S CLASSIFICATION AND COMPENSATION STUDY

Summary

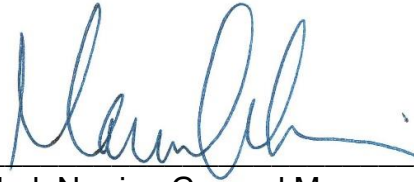
At the February 24, 2020, Board Meeting, the Triunfo Water & Sanitation District (District) Board approved a contract with Koff & Associates, Inc. (Koff) to conduct a classification and compensation study for the eight classifications requested. As part of that effort, Koff worked with staff to assemble a potential list of 32 public agencies in the Southern California region to utilize as comparable organizations. Following a detailed analysis to rank the agencies based on organizational type, staff size, service population, operating budget, scope of services, location, and labor markets, the following list of the 12 recommended agencies has been provided for consideration:

1	Camrosa Water District
2	City of Westlake Village
3	Rowland Water District
4	El Toro Water District
5	Goleta Sanitary District
6	City of Agoura Hills
7	Ventura Regional Sanitation District
8	Yorba Linda Water District
9	Goleta Water District
10	Casitas Municipal Water District
11	Las Virgenes Municipal Water District
12	City of Thousand Oaks

Although Las Virgenes and Thousand Oaks were originally ranked outside the top 12 positions, following further discussion with staff, Koff agreed to exchange these two agencies with Midway City Sanitary and Leucadia Wastewater. The rationale for this substitution is reflected in the memorandum attached. These proposed results were presented to the TWSD Personnel Committee on April 17, 2020, and the Committee agreed with the rankings and justification of the methodology.

Staff recommends your Board review and discuss the 12 agencies listed and approve their organizational information be used as the basis for the District's classification and compensation study.

REVIEWED AND APPROVED:

A handwritten signature in blue ink, appearing to read "Mark Norris", is written over a horizontal line.

Mark Norris - General Manager

Attachments: 1. Triunfo WSD Comparator Analysis Memo 4-17-20
2. Summary of Comparable Agencies

To: Triunfo Water & Sanitation District
From: Georg Krammer, Chief Executive Officer
Subject: Comparator Agency Analysis for the Total Compensation Study
Date: 4/17/2020

Koff & Associates (K&A) evaluated several comparative indicators related to the Triunfo Water & Sanitation District's ("District") demographics, financials, and scope of services to develop a list of potential comparator agencies for the compensation study. The methodology and specific criteria used in the analysis follows.

1. **Organizational type and structure:** K&A generally recommends that agencies of a similar size and structure providing similar services to that of the District be used as comparators.

Note: Because technical job classifications perform similar work across agencies, organizational size is not as critical. The difference in size of an organization becomes more important when comparing management classes. Factors such as management of a large staff, consequence of error, the political nature of the job and its visibility all increase with organizational size. When it is difficult to find agencies that are similar in size, a good balance of smaller and larger agencies is used instead.

2. **Staff, operational budgets, scope of services and population:** Staff and operational budget size determine the amount of resources available for the agencies to provide services, and population size accounts for the ratio of resources to constituents served. Organizations providing the same services are ideal for comparison; therefore, most comparator agencies included provide similar services to the District. Specifically, K&A focused on whether agencies provide the following:

- Water
- Wastewater
- Recycled Water

3. **Geographic location and Labor market:** Today's labor market reality is that many agencies are in competition for the same pool of qualified employees because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area where the District may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

Based on the above parameters, K&A, in collaboration with District staff, developed an initial list of 32 potential survey agencies, mostly other special districts in the Southern California region, as well as some local districts and cities in the Ventura County region to ensure representation of the District's local labor market. The goal of the analysis is to narrow the list to 12 survey, or comparator, agencies.

Each of the agencies was analyzed based on the following detailed factors:

1. Geographic Proximity
2. Population Served

3. Full-Time Equivalent (FTE)
4. Agency Financials (Expenditures)
5. Cost of Living
6. Services provided

The attached Excel workbook contains the results of the analysis.

The Alpha Sort-All Criteria tab in the spreadsheet shows all of the data points for all factors that were analyzed.

Each potential comparator is ranked based on the overall similarity to the District. The Criteria Comparison Summary tab in the Excel file shows the rankings of each agency in each factor and a summary score based on all of those rankings.

The Recommended List of Comparators on tab #1 represents a summary of the rankings for each of the six data factors listed above. The recommended agencies are those agencies that were identified as being the most similar to the District based on the six factors. The list includes the following 12 top-ranked agencies (in the ranking order):

1. Camrosa Water District
2. City of Westlake Village
3. Rowland Water District
4. El Toro Water District
5. Goleta Sanitary District
6. City of Agoura Hills
7. Ventura Regional Sanitation District
8. Yorba Linda Water District
9. Goleta Water District
10. Midway City Sanitary District
11. Leucadia Wastewater District
12. Casitas Municipal Water District

This analysis is intended to assist the District in choosing the comparator group and includes a quantitative analysis based on the six factors above. In addition, the District should reflect on other, more qualitative factors that apply to its labor market that could potentially override these quantitative considerations. Other factors that are often considered are recruitment, retention, and/or alignment of operations. For example, are there districts or cities that don't rank as well but present actual competition for talent due to their proximity to the District?

Based on these considerations, K&A recommends replacing two of the top-ranked agencies with agencies that did not rank as highly, as follow:

1. Midway City Sanitary District: the consideration here is that this district is small in size and only provides wastewater services, and not water or recycled water.
2. Leucadia Wastewater District: this district is also smaller and located in San Diego County, arguably too far outside of Triunfo W&SD's labor market.

We recommend replacing these two agencies with:

1. Las Virgenes Municipal Water District: this agency is not only located in Triunfo W&SD's local labor market, it is also one of Triunfo W&SD's partner agencies, and provides all three services our analysis focused on.
2. City of Thousand Oaks: again, this agency is located in Triunfo W&SD's local labor market and represents its service area. While cities often don't rank highly in a quantitative analysis due to their structure, size, population, budgets, etc., they can demonstrate an important representation of an employer's competitive landscape within the immediate geography.

One additional factor that was discussed during the review of the recommended list of 12 (including the two replacements) was cost of labor, which is a factor that demonstrates the overall cost wages that employers pay their workforce in any given geographic area or community. K&A reviews this factor to determine whether any of the comparators are located in communities that have a significantly higher or lower cost of labor and, if so, we typically apply a geographic cost-of-labor adjustment factor to the data collected from those agencies. We found that, for all 12 recommended comparators, the cost of labor was within less than 2.5% of Triunfo WSD (i.e., Westlake Village). We typically recommend not applying a geographic adjustor unless the difference is greater than 5%, therefore we would not adjust the data from any of the 12 recommended agencies.

We look forward to further discussing this analysis with the District's Board of Directors.

Once the comparator agencies are approved, K&A can begin the data collection for the compensation study.

Proposed List of Comparators
Total Compensation Study

Ranking	Comparator Agency	Overall Criteria Comparison Score
	Triunfo Water and Sanitation District	6
1	Camrosa Water District	37
2	City of Westlake Village	48
3	Rowland Water District	59
4	El Toro Water District	64
5	Goleta Sanitary District	75
6	City of Agoura Hills	84
7	Ventura Regional Sanitation District	89
8	Yorba Linda Water District	94
9	Goleta Water District	95
	Midway City Sanitary District	96
	Leucadia Wastewater District	97
10	Casitas Municipal Water District	100
	San Gabriel Valley Municipal Water District	101
	Costa Mesa Sanitation District	102
11	Las Virgenes Municipal Water District	104
	Central Basin Municipal Water District	105
	Walnut Valley Water District	105
	City of Ventura	109
	South Coast Water District	110
	Santa Fe Irrigation District	112
	City of Oxnard	112
	Valley Center Municipal Water District	113
	Upper San Gabriel Valley Municipal Water District	115
	Three Valleys Municipal Water District	118
	Mesa Water District	122
	Moulton Niguel Water District	122
12	City of Thousand Oaks	124
	Vallecitos Water District	124
	Calleguas Municipal Water District	125
	Santa Margarita Water District	129
	Olivenhain Municipal Water District	133
	Vista Irrigation District	157

Recommended Comparator Agencies

Legend: A lower Overall Comparison Score indicates that the comparator agency is more similar to the Triunfo Water and Sanitation District.

Column A: Ranking based upon comparison score.

Column B: Agency Name

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

The Overall Comparison Score is comprised of the following criteria:

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