


TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: DECEMBER 8, 2006

**AGENDA ITEM
E-5
DECEMBER 13, 2006**

ACCEPT TOTAL COMPENSATION STUDY, CONSIDER PHASE IN OF
SALARY ADJUSTMENTS, AND APPROVE MONTHLY SALARY SCHEDULE
AND POSITION PLACEMENT

ITEM

Accept Total Compensation Study, consider phase in of salary adjustments and approve monthly salary schedule and position placement.

BACKGROUND

On July 26, 2006, the Board of Directors approved a contract with Koff & Associates to perform a Salary and Benefits Survey. On November 14, 2006, the employees and the Ad Hoc Personnel Committee met and on November 15, 2006, Koff & Associates presented the draft report to the Board of Directors.

Included in Koff & Associates final report is a recommended Monthly Salary Schedule and a Salary Range Placement for each District position. By placing each District position in the proposed Monthly Salary Schedule based on their current step, salary increases are recommended in most cases.

Staff is recommending that the proposed salary increases be phased in ($\frac{1}{2}$ on January 6, 2007 and $\frac{1}{2}$ on July 1, 2007, in addition to the normal COLA on July 1). For the District positions with no proposed salary increase, Staff recommends preserving the existing salary and provide for COLA on July 1 each year until such time that the salary schedule is adjusted accordingly.

Staff recommends that the District approve the use of the Consumer Price Index-Urban Wage Earners and Clerical workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).

No budget adjustments for FY 2006-2007 are required for these recommendations. Staff budgeted for a full-time Projects Manager for the entire FY 2006-2007 and since the Project Manager's position has not been filled since August, this budget item may be used to cover the salary adjustments.

RECOMMENDATION

Staff recommends the following actions:

- Accept Total Compensation Study prepared by Koff & Associates
- Approve the phase in of salary adjustments on January 6, 2007 and July 1, 2007
- Adopt Resolution 2006-XXX (approval of salary schedule, position placement)
- Approve Staff recommendation of preserving the existing salary of Secretary/Clerk and Billing Clerk and provide for COLA adjustments on July 1 of each year until such time that the salary schedule is adjusted accordingly.
- Authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly approved monthly salary schedule

ATTACHMENT

Total Compensation Study prepared by Koff & Associates
Financial Analysis (4 pages)
Resolution with Exhibit "A" and "B"



FINAL REPORT

**TOTAL COMPENSATION STUDY
FOR THE**

NIPOMO COMMUNITY SERVICES DISTRICT

November 2006

KOFF & ASSOCIATES, INC.
6400 Hollis Street, Suite 5
Emeryville, CA 94608

510.658.KOFF (5633) - Voice
1.800.514.5195 – Toll Free
510.652.KOFF (5633) - Fax



KOFF & ASSOCIATES, INC.
Human Resource Consulting Since 1984

November 17, 2006

Bruce Buel
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Dear Mr. Buel:

Koff & Associates, Inc. is pleased to present the final total compensation report for the study of all classifications for the Nipomo Community Services District. This report documents the total compensation study process and provides findings and recommendations.

We would like to thank you and Lisa Bognuda for all the assistance and cooperation, without which this study could not have been brought to its successful completion. We have created a compensation plan that, when finally implemented, will bring the District's compensation program into an externally competitive and internally equitable status.

We will be glad to answer any questions or clarify any points as you are implementing the findings and recommendations. It was a pleasure working with your District and we look forward to future opportunities to provide you with professional assistance.

Very truly yours,

A handwritten signature in cursive script that reads "Georg S. Krammer".

Georg S. Krammer
Chief Executive Officer



FINAL REPORT
TOTAL COMPENSATION STUDY
FOR THE
NIPOMO COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

	Page
Background.....	1
Study Process.....	2
Market Total Compensation Findings	7
Internal Salary Relationships	9
Recommendations.....	9
Additional Benefits Information.....	11

Appendix I – Side-by-Side Comparison

Appendix II – Market Base Salary, Benefit and Total Compensation Findings

Appendix III – Proposed Monthly Salary Plan

Appendix IV – Proposed Salary Range Placement

Appendix V – Additional Benefits Information

Appendix VI – Legal Counsel Pay Structures



FINAL REPORT
TOTAL COMPENSATION STUDY
FOR THE
NIPOMO COMMUNITY SERVICES DISTRICT

BACKGROUND

In July of 2006, the Nipomo Community Services District (NCSD) contracted with Koff & Associates, Inc. to conduct a total compensation study for all of the District's classifications. All compensation findings and implementation recommendations are documented in this report.

This compensation review process was precipitated by:

- The concern of management and the Board of Directors that employees should be recognized for the level and scope of work performed and that they are paid on a fair and competitive basis that allows the District to recruit and retain a high-quality staff;
- The desire to have a compensation plan that can meet the needs of this District; and
- The desire to ensure that internal relationships of salaries are based upon objective, non-quantitative evaluation factors, resulting in equity across all District departments.

Classification, in itself, is a non-quantitative method of job evaluation. In determining the classification plan structure and the proper allocation of each position, factors are considered such as:

- Education and experience requirements;
- Knowledge and skill required to perform the work;
- The scope and complexity of the work;
- The authority delegated to make decisions and take action;
- The responsibility for the work of others, program administration and for budget dollars;
- Problem solving/ingenuity;

- Contacts with others (both inside and outside of the organization);
- Consequences of action and decisions; and
- Working conditions.

These factors were used in determining both appropriate external market comparisons and internal compensation relationships as well as providing the basis for the findings and recommendations outlined in this report.

In addition, when considering an appropriate salary range level, there are certain standard human resources practices that are normally applied, as follows:

- A salary within 5% of the average or median is considered to be competitive in the labor market for salary survey purposes because of the differences in compensation policy and actual scope of work and position requirements. However, a closer standard can be adopted by the District.
- Certain internal percentages are often applied. Those that are the most common are:
 - ❖ The differential between a entry-level and journey-level class in a series (I/II or Trainee/Experienced) is generally 5% to 15%;
 - ❖ A lead or advanced journey-level (III or Senior-level) position is generally placed 5% to 15% above the lower experienced level; and
 - ❖ A full supervisory position is normally placed at least 10% to 20% above the highest level supervised, depending upon the breadth and scope of supervision.
- When a market or internal equity adjustment is granted to one class in a series, the other classes in the series are also adjusted accordingly to maintain internal equity.
- Internal relationships were considered utilizing these factors and practices. Consequently, although all currently existing District classes were market surveyed, not enough data was available for two (2) of them in order to draw sound statistical analyses, and for those two classes, certain internal inferences have been considered.

STUDY PROCESS

Benchmarking Classifications

The study included eleven (11) classifications, and all of the 11 classifications were selected to be externally reviewed. They are:

- Assistant Administrator

- Billing Clerk
- District Engineer/Project Manager
- General Manager
- Maintenance Worker
- Secretary/Clerk
- Utility Foreman
- Utility Operator
- Utility Supervisor
- Utility Worker
- Water Conservation/Compliance Specialist

When we contact the comparator agencies to identify possible matches for each of the benchmarked classifications, there is an assumption that we will not be able to find comparators that are 100% equivalent to the classifications at NCSD. Therefore, we do not just go by job titles, which can often be misleading, but we analyze each class description before we consider it as a comparator. Our methodology is to analyze each class description according to the factors listed on pages 1 and 2 and we require that a position's "likeness" be at approximately 70% of the matched position to be included.

It should be noted that there are two (2) classes that are unique to the District and could not be found at most comparator agencies. The District Engineer and the Water Conservation/ Compliance Specialist classifications are unique to the District, which made it difficult to find appropriate matches in other agencies. We assigned matches using the 70% likeness criteria referred to above as best we could.

When we do not find an appropriate match with one class, we often use "brackets" which can be functional or represent a span in scope of responsibility. A functional bracket means that the job of one classification at NCSD is performed by two classifications at a comparator agency. A "bracket" representing a span in scope means that the comparator agency has one class that is "bigger" in scope and responsibility and one position that is "smaller," where NCSD's class falls in the middle.

In all, of the eleven (11) benchmarked classifications identified, we were able to collect sufficient data from the comparator agencies on nine (9) classifications. The two classifications mentioned above, for which not enough matches were found, were internally aligned with other classifications.

Benchmarking Comparator Agencies

The second, most important step in conducting a market salary study is the determination of appropriate agencies for comparison.

In considering the selection of valid agencies for salary comparator purposes, a number of factors were taken into consideration:

- 1. Organizational type and structure** – We generally recommend that agencies of a similar size that provide similar services to that of NCSD be used as comparators. However, one cannot ignore that some of the larger districts surrounding the District are competing with the District over the labor pool within the geographic vicinity. Therefore, we recommended using some larger agencies as comparators.

Due to NCSD's unique geographic location and high cost of living, we expanded the scope of the compensation survey to include several agencies from different but similar geographic regions to get a better mix of comparator agencies that may be facing a similar challenge of compensating their workforce in a high cost of living area. Therefore, we included a couple of cities in the study even though cities are much larger, have a different organizational set-up and structure, and provide many more services than a community services district.

When it comes to the more technical types of classes, such as maintenance workers and plant operators, or administrative and accounting classes, the size of an organization is not as critical, as these classes perform fairly similar work due to its technical nature regardless of the size of the organization.

The difference in size of organization becomes more important when comparing classes at the management level. The scope of work and responsibility for management becomes much larger as an organization grows. Factors such as management of a large staff, consequence of error, the political nature of the job, and its visibility within the community all grow with larger organizations. For example, it may not be appropriate to compare a District Engineer with a staff of just a few employees at a small district with a City Engineer at a large agency in charge of a large department with a large staff and with several supervisors reporting to that position. In this case, we often look to the next lower classification as a compromise.

- 2. Similarity of population, District staff and operational and capital improvement budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of District services. Again, some larger agencies and cities from different geographic regions were recommended as comparators, even though they serve larger populations and have larger budgets.
- 3. Scope of services provided** – Agencies providing the same services are ideal for comparators and most comparator agencies surveyed provide similar services to the District, i.e., water and wastewater related services.

When it comes to management and executive classifications, the types of services provided by a District become less important, as each agency still needs administrative, financial, and in most cases engineering, operations and maintenance and program-related leadership classifications. At the management level, differences in size and scope of services are more critical when considering comparators, as explained above.

4. **Labor market** – In the reality that is today’s labor market, many agencies are in competition for the same pool of qualified employees. No longer do individuals necessarily live in the communities they serve. As mentioned above, the geographic labor market area, therefore, where NCS D may be recruiting from or losing employees to, was taken into consideration when selecting potential comparator organizations.
5. **Compensation Philosophy** – Does the District regularly conduct a market survey, and, once completed, how is this information applied? Many agencies pay to the average or median, others may pay to a higher percentile. In addition, salary ranges may be set strictly upon market base salary values or may include the total value of salary and benefits when developing a compensation policy.

All of the above elements were considered in selecting the group of comparator agencies. The District agreed on a list of comparator agencies and the following twelve (12) agencies were used as comparators for the purposes of this market study:

- Cambria Community Services District
- City of Morro Bay
- City of Pismo Beach
- Goleta Sanitary District
- Goleta Water District
- Heritage Range Community Services District
- Mission Hills Community Services District
- Oceano Community Services District
- Ojai Valley Sanitary District
- San Miguel Community Services District
- Templeton Community Services District
- Vandenberg Village Community Services District

Benchmarking Benefit Data Collection

The last element requiring discussion prior to beginning a market survey is the specific benefit data that will be collected and analyzed. The following information was collected for each of the benchmarked classifications:

1. **Monthly Base Salary** – The top of the salary range. This was also factored into the total compensation costs. All figures are presented on a monthly basis.
2. **Employee Retirement** – This includes several figures, 1) the amount of the employee’s State retirement (PERS) contribution that is contributed by the District, 2) the amount of the District’s Social Security contribution and 3) any alternative retirement plan, either private or public where the employee’s contribution is made by the District on behalf of the employee.

In addition to the amount of the employer paid member contribution of PERS, we collected information on the employer paid PERS contribution, which includes any enhanced benefits values.

3. **Insurance** – This is the maximum amount paid by the District for employees and dependents for a cafeteria or flexible benefit plan and/or health, dental, vision, life, long-term and short-term disability and employee assistance insurance.
4. **Leave** – Other than sick leave, which is usage-based, the number of days off for which the District is obligated. All days have been translated into direct salary costs.
 - **Vacation** – The number of vacation days available to all employees after five years of employment.
 - **Holidays** – The number of holidays (including floating) available to employees on an annual basis.
 - **Administrative/Personal Leave** – Administrative leave is normally the number of days available to management to reward for extraordinary effort (in lieu of overtime). Personal leave may be available to other groups of employees to augment vacation or other time off.
5. **Automobile** – This category includes either the provision of an auto allowance or the provision of an auto for personal use. If a car is provided to any classification for commuting and other personal use, the average monthly rate is estimated at \$450.
6. **Deferred Compensation** – We captured deferred compensation provided to all members of a classification with or without the requirement for an employee to provide a matching or minimum contribution.
7. **Longevity** – This includes any programs that provide all classifications with salary increases or lump-sum bonuses after a certain amount of years of services (usually 10, 15, 20 and/or 25 years). Any such programs were footnoted on the benefits detail data spreadsheets but not included in the dollar amount for total compensation.
8. **Other** – This category includes any additional benefits available to all in the class.

Please note that all of the above benefit elements are entitlements, i.e., they are provided to all members of each comparator class. As such, they represent an on-going cost for which the District must budget. Other benefit costs, such as sick leave, tuition reimbursement and reimbursable mileage are usage-based and cannot be quantified on an individual employee basis.

In addition to the above list of benefits, the District was also interested in gathering information on the following:

- Retiree Medical Benefits: what type(s) of medical benefits are offered to retirees.
- Variable Pay: what type(s) of variable pay plans, if any, are offered (i.e., performance bonus programs).
- Certification Incentive Pay: pay provided to employees upon completion/receipt of a certification, degree, or other professional enhancements above those that are specified in the job specification.
- Stand-by Pay: policy and benefits for stand-by duty (i.e., number of minimum hours, compensation, etc.)
- Call-back Pay: policy and benefits for call-back duty (i.e., number of minimum hours, compensation, etc.)

Appendix V contains the data we collected regarding the additional benefits listed above.

Data Collection

Data was mostly collected in September and October of 2006 through websites, planned telephone conversations with human resources, accounting and/or finance personnel at each comparator agency, and careful review of agency documentation of classification descriptions, memoranda of understanding, organization charts and other documents.

We believe that the salary data collection step is the most critical for maintaining the overall credibility of any study. We rely very heavily on NCSD's classification descriptions, as they are the foundation for our comparison. Human Resources staff of the comparator agencies were interviewed by telephone, whenever possible, to understand their organizational structure and possible classification matches.

All salary survey and benefit information can be found in Appendix II. For each surveyed class, there are three information pages:

- Market Base (Top Step) Salary Summary Data
- Benefit Detail (Monthly Equivalent Values)
- Monthly Total Compensation Cost Summary Data

Our analysis includes the average (arithmetic mean) and median (mid-point) comparator data for each benchmarked classification (assuming we were able to identify at least four matches).

MARKET TOTAL COMPENSATION FINDINGS

As mentioned above, all of the salary, benefits and total compensation data can be found in Appendix II of this report. The market base and total compensation salary findings for each class surveyed are listed below, using average and median base and average and median total compensation, arranged by average base salary in descending order from the most positive percentile (above market) to the most negative (below market). The

percentile represents the difference between the District's current base salary/total comp for each classification and the median base salary/total comp of the comparator agencies.

Class Title	% Above/Below Average Base Salary	% Above/Below Average Total Compensation	% Above/Below Median Base Salary	% Above/Below Median Total Compensation
Utility Operator	-6.2	0.3	-12.1	-5.4
Billing Clerk	-11.4	-3.0	-10.2	1.3
Secretary / Clerk	-12.0	-2.9	-13.2	1.5
Assistant Administrator	-13.9	-9.7	-3.4	-9.9
General Manager	-13.9	-8.9	-12.0	-16.3
Utility Supervisor	-15.4	-7.8	-10.8	-4.5
Utility Foreman	-15.5	-11.6	-5.9	-6.8
Maintenance Worker	-23.3	-15.4	-24.3	-9.0
Utility Worker	-23.7	-12.1	-19.5	-11.5
District Engineer / Project Manager	Insufficient Data for Analysis			
Water Conservation / Compliance Specialist	Insufficient Data for Analysis			

Although both sets of results are shown (average and median), our firm usually recommends reviewing the median, rather than the average, when evaluating the data. The main reason for this is that the median is the exact midpoint of all the market data we collected, with 50% of market data below and 50% of market data above. We recommend using the median methodology because it is not skewed by extremely high or low salary values (as is the average).

Market *base salary* results show that out of eleven (11) benchmarked classifications, eight (8) are paid below the market median by 5% or more, while one (1) is paid within 5% of the market median. As mentioned earlier in this report, we consider a classification falling within 5% of the median to be competitive in the labor market for salary survey purposes because of the differences in compensation policy and actual scope of work and position requirements. However, a closer standard can be adopted by the District if desired. There was an insufficient amount of matches to conduct statistical analyses for two (2) of the classifications.

Market *total compensation* results show that six (6) of the benchmarked classifications are 5% or more below the market, while three (3) of the classifications fall within 5% of the market median, with two (2) falling above market and one (1) classification below market.

Overall, these differences between market base salaries and total compensation indicate that NCSD's benefit package, in terms of cost, is richer than that of the market. For example, further analysis indicates that, on average, classifications are 12.4% below the market median for base salaries, while that number changes to 6.7% below market when

we look at total compensation. Part of the difference between base salaries and total compensation is due to NCSD's higher employer's rate for PERS (20.791%), whereas the average of the comparators' employer's rates is 15.5% (ranging from 7.312% to 23.368%). NCSD's cost for the employer's PERS rate is, in part, balanced out by six (6) of the comparator agencies contributing to social security, with Templeton CSD even covering the employee's portion. In addition, on average, NCSD offers a greater insurance package than do most of the comparator agencies.

Therefore, we propose making salary recommendations based on total compensation because the District's benefits package seems to be greater than that of the market.

INTERNAL SALARY RELATIONSHIPS

For all classifications where we didn't find sufficient data in the outside market, internal alignments with other classifications will need to be considered, either within the same class series or those classifications that have similar scope of work, level of responsibility and "worth" to the District. These internal relationships need to be analyzed carefully, using the factors described on pages one and two of this report. Where it is difficult to ascertain internal relationships due to unique qualifications and responsibilities, reliance can be placed on past internal relationships. It is important for District management to carefully review internal relationships and determine if they are still appropriate given the current market data.

The District may want to make other internal equity adjustments as it implements a compensation strategy. This market survey is only a tool to be used by the District to determine market indexing and salary determination. Detailed information regarding each class' current salary and the percentage difference to the market median is found in Appendix I of this report.

RECOMMENDATIONS

While the District may be interested in bringing all salaries to the market total compensation median, in some cases this goal may not be reached with a single adjustment. Normally, if funds are limited and the compensation implementation program must be carried over months or years, the classes that are farthest from the market median should receive the greatest equity increase (separate from any cost of living increase). If a class falls within five percent of the market median, it would be logical to make no equity adjustment in the first round of changes, whereas if a class is more than five percent below the market median, a higher percentage change may be initially warranted to begin minimizing the disparity.

The following are tools we recommend for the District's compensation policies, based upon our experience and the findings outlined in the Appendices.

- **Establish internal relationships and one consistent salary schedule.** From the information that we have currently, the District currently has a salary schedule consisting of specific five-step ranges for each classification, with 5% within each range. This format is one that is normally used in many special districts, and constitutes best HR practices. In addition to the five steps, NCS D also has two additional longevity steps, at 2.5% each for 15 and 20 years of services to the District.

We are recommending that the District continue to use this format, however, move to a more detailed salary schedule that has 68 salary ranges, each 2.5% apart from the next higher step, and each range having five (5) steps which are each 5% apart from the next (i.e., a 21.5% difference between step 1 and step 5). We have also included the two additional longevity steps in the updated salary schedule.

In addition, we recommend that the District review the current internal relationships between organizational levels and move to a more standard structure as outlined on Page 2 of this document. A detailed salary schedule allows for ease of administration and an enhanced capability to analyze internal relationships. Appendix III contains the recommended salary schedule.

- **Develop recommendations for salary ranges that are financially sound, place classes closest to the market median, and are internally consistent among class levels.** Appendix IV lists comparisons between each class' current salary and a recommendation of where the salary should be according to the market median. We made the following calculation: we used the percentage differences between the market total compensation median findings and the District's current total compensation figures; multiplied the District's current salaries with those percentages for each surveyed classification; and placed the resulting dollar values into the proposed monthly salary schedule, at the salary range closest to the resulting numbers.
- **Options of how to address classifications that are currently paid above the market median.** Depending upon the District's compensation philosophy and how that affects each classification's salary, the District has the option of Y-rating those employees who are at a salary above their corresponding market value until the market numbers "catch up" with their current salary. This will result in no immediate loss of income, but will delay any future increases until the incumbent's salary is within the salary range.

Another option the District has is to "grandfather" in current salary ranges for those classifications that have current incumbents who are paid above market at this time. In other words, incumbents who are in a classification currently paid above market would not receive a salary decrease nor would their salaries be "frozen." They would continue receiving annual COLA increases with everyone

else. If a class has only one incumbent, the salary range would be adjusted once the incumbent leaves the District or retires. For those classifications that have multiple incumbents, the District may not be able to wait until all incumbents discontinue employment. Therefore, a new salary range would be created for any new-hires into the particular classification. The new salary range would be adjusted according to the market and any new-hires would be paid at the appropriate market rate. Eventually, once all “grandfathered-in” incumbents leave the District, the old salary range would be eliminated completely.

ADDITIONAL BENEFITS INFORMATION

The District also asked us to collect additional information from comparator agencies regarding retiree medical benefits, variable pay, certification incentive pay, stand-by pay, and call-back pay benefits.

Results of our finding can be found in Appendix V of this report.

Retiree Medical Benefits

NCSD asked Koff & Associates to research the types of retiree medical benefits offered at the comparator agencies. Here is a brief summary of our findings:

- Three (3) of the comparators did not offer retiree medical benefits.
- Four (4) of the comparators offer employees the choice to continue agency-paid medical coverage for the employee only.
- Two (2) of the comparators offer 100% coverage for the retiree plus the spouse, and one of those agencies pays for the retiree’s Medicare supplement.
- One (1) of the comparators offers retiree medical benefits for the retiree and his/her family.
- One (1) of the comparators contributes \$16.26 per month for the PERS retirement medical benefits and employees may chose to receive these benefits upon retirement at current cost.
- One (1) of the comparators pays 30% of premiums for retiree medical benefits.

From the information provided, NCSD currently pays 100% of health insurance premiums for employee and family (if eligible).

Variable Pay

NCSD asked Koff & Associates to research the variable pay policies of the comparator agencies. Here is a brief summary of our findings:

- Three (3) of the twelve (12) comparator agencies offer variable pay plans. One of them has a five-step performance policy whereby the employee must

meet or exceed standards to move up to the next step. Another of these three agencies has a policy where an employee can receive up to a 7.5% increase in salary upon exceeding performance expectations and approval, for one year only. The third agency has a merit system that varies with each employee's performance.

NCSD does not currently have a variable pay plan in effect.

Certification Incentive Pay

NCSD asked Koff & Associates to research the certification incentive pay policies of the comparator agencies. Here is a brief summary of our findings:

- Eight (8) of the twelve (12) comparator agencies offer certification incentives for approved certifications above those that are specified in the job specification.
- One (1) of the comparator agencies moves employees who obtain a certification above that which is required into the next higher classification.

NCSD currently offers a \$500 one-time payment for each certification obtained above those specified in the job specification.

Stand-by Pay

NCSD asked Koff & Associates to research the stand-by pay policies of the comparator agencies. Here is a brief summary of our findings:

- All of the comparator agencies that participated in the study have a stand-by pay policy in effect.

NCSD has a stand-by pay policy in effect where employees on stand-by receive \$27 per day (Monday thru Friday), and during weekends or holidays, employees have a minimum of four hours per day and are compensated at time and a half.

Call-back Pay

NCSD asked Koff & Associates to research the call-back pay policies of the comparator agencies. Here is a brief summary of our findings:

- Eleven (11) of the twelve (12) participating agencies have a call-back pay policy in effect.

NCSD currently offers employees who are called back compensation of time and a half and a minimum of two hours.

We wish to reiterate our recommendation that this report and our findings are meant to be a tool for the District to create and implement an equitable compensation plan. Compensation strategies are designed to attract and retain excellent staff. However, financial realities and District expectations may also come into play when determining appropriate compensation philosophies and strategies. The collected data represents a market survey that will give the District an instrument to make future compensation decisions.

It has been a pleasure working with NCSD on this critical project. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this report.

Respectfully Submitted,

Koff & Associates, Inc.

A handwritten signature in black ink that reads "Georg S. Krammer". The signature is written in a cursive, flowing style.

Georg S. Krammer
Chief Executive Office

Appendix I
Side-by-Side Comparison

Appendix I
Nipomo Community Services District
Side-By-Side Comparison
November 2006

Classification	Top Monthly Salary Data					Total Monthly Compensation Data				
	Nipomo CSD Top Monthly Salary	Average	% above or below	Median	% above or below	Nipomo CSD Total Monthly Compensation	Average	% above or below	Median	% above or below
Assistant Administrator	\$5,112	\$5,824	-13.9%	\$5,285	-3.4%	\$8,297	\$9,098	-9.7%	\$9,117	-9.9%
Billing Clerk	\$3,164	\$3,524	-11.4%	\$3,486	-10.2%	\$5,488	\$5,653	-3.0%	\$5,414	1.3%
District Engineer / Project Manager	\$7,000	Insufficient Data for Analysis				\$10,961	Insufficient Data for Analysis			
General Manager	\$8,333	\$9,493	-13.9%	\$9,333	-12.0%	\$13,143	\$14,316	-8.9%	\$15,288	-16.3%
Maintenance Worker	\$2,702	\$3,330	-23.3%	\$3,359	-24.3%	\$4,845	\$5,592	-15.4%	\$5,280	-9.0%
Secretary / Clerk	\$3,425	\$3,837	-12.0%	\$3,876	-13.2%	\$5,851	\$6,023	-2.9%	\$5,766	1.5%
Utility Foreman	\$4,316	\$4,983	-15.5%	\$4,569	-5.9%	\$7,091	\$7,914	-11.6%	\$7,573	-6.8%
Utility Operator	\$3,733	\$3,964	-6.2%	\$4,183	-12.1%	\$6,280	\$6,260	0.3%	\$6,621	-5.4%
Utility Supervisor	\$5,082	\$5,863	-15.4%	\$5,630	-10.8%	\$8,157	\$8,797	-7.8%	\$8,525	-4.5%
Utility Worker	\$2,844	\$3,519	-23.7%	\$3,399	-19.5%	\$5,043	\$5,654	-12.1%	\$5,623	-11.5%
Water Conservation / Compliance Specialist	\$3,424	Insufficient Data for Analysis				\$5,850	Insufficient Data for Analysis			
		AVG:	-15.0%	AVG:	-12.4%		AVG:	-7.9%	AVG:	-6.7%

Appendix I
Nipomo Community Services District
Side-By-Side Comparison
November 2006

Classification	Top Monthly Salary Data					Total Monthly Compensation Data				
	Nipomo CSD Top Monthly Salary	Average	% above or below	Median	% above or below	Nipomo CSD Total Monthly Compensation	Average	% above or below	Median	% above or below
General Manager	\$8,333	\$9,493	-13.9%	\$9,333	-12.0%	\$13,143	\$14,316	-8.9%	\$15,288	-16.3%
District Engineer / Project Manager	\$7,000	Insufficient Data for Analysis				\$10,961	Insufficient Data for Analysis			
Assistant Administrator	\$5,112	\$5,824	-13.9%	\$5,285	-3.4%	\$8,297	\$9,098	-9.7%	\$9,117	-9.9%
Utility Supervisor	\$5,082	\$5,863	-15.4%	\$5,630	-10.8%	\$8,157	\$8,797	-7.8%	\$8,525	-4.5%
Utility Foreman	\$4,316	\$4,983	-15.5%	\$4,569	-5.9%	\$7,091	\$7,914	-11.6%	\$7,573	-6.8%
Utility Operator	\$3,733	\$3,964	-6.2%	\$4,183	-12.1%	\$6,280	\$6,260	0.3%	\$6,621	-5.4%
Secretary / Clerk	\$3,425	\$3,837	-12.0%	\$3,876	-13.2%	\$5,851	\$6,023	-2.9%	\$5,766	1.5%
Water Conservation / Compliance Specialist	\$3,424	Insufficient Data for Analysis				\$5,850	Insufficient Data for Analysis			
Billing Clerk	\$3,164	\$3,524	-11.4%	\$3,486	-10.2%	\$5,488	\$5,653	-3.0%	\$5,414	1.3%
Utility Worker	\$2,844	\$3,519	-23.7%	\$3,399	-19.5%	\$5,043	\$5,654	-12.1%	\$5,623	-11.5%
Maintenance Worker	\$2,702	\$3,330	-23.3%	\$3,359	-24.3%	\$4,845	\$5,592	-15.4%	\$5,280	-9.0%
		AVG:	-15.0%	AVG:	-12.4%		AVG:	-7.9%	AVG:	-6.7%

Appendix I
Nipomo Community Services District
Side-By-Side Comparison
November 2006

Classification	Top Monthly Salary Data					Total Monthly Compensation Data				
	Nipomo CSD Top Monthly Salary	Average	% above or below	Median	% above or below	Nipomo CSD Total Monthly Compensation	Average	% above or below	Median	% above or below
General Manager	\$8,333	\$9,493	-13.9%	\$9,333	-12.0%	\$13,143	\$14,316	-8.9%	\$15,288	-16.3%
Utility Supervisor	\$5,082	\$5,863	-15.4%	\$5,630	-10.8%	\$8,157	\$8,797	-7.8%	\$8,525	-4.5%
Assistant Administrator	\$5,112	\$5,824	-13.9%	\$5,285	-3.4%	\$8,297	\$9,098	-9.7%	\$9,117	-9.9%
Utility Foreman	\$4,316	\$4,983	-15.5%	\$4,569	-5.9%	\$7,091	\$7,914	-11.6%	\$7,573	-6.8%
Utility Operator	\$3,733	\$3,964	-6.2%	\$4,183	-12.1%	\$6,280	\$6,260	0.3%	\$6,621	-5.4%
Secretary / Clerk	\$3,425	\$3,837	-12.0%	\$3,876	-13.2%	\$5,851	\$6,023	-2.9%	\$5,766	1.5%
Billing Clerk	\$3,164	\$3,524	-11.4%	\$3,486	-10.2%	\$5,488	\$5,653	-3.0%	\$5,414	1.3%
Utility Worker	\$2,844	\$3,519	-23.7%	\$3,399	-19.5%	\$5,043	\$5,654	-12.1%	\$5,623	-11.5%
Maintenance Worker	\$2,702	\$3,330	-23.3%	\$3,359	-24.3%	\$4,845	\$5,592	-15.4%	\$5,280	-9.0%
District Engineer / Project Manager	\$7,000	Insufficient Data for Analysis				\$10,961	Insufficient Data for Analysis			
Water Conservation / Compliance Specialist	\$3,424	Insufficient Data for Analysis				\$5,850	Insufficient Data for Analysis			
		AVG:	-15.0%	AVG:	-12.4%		AVG:	-7.9%	AVG:	-6.7%