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**ADDENDUM NO. 1**

Date: June 10, 2025

Project: **TOTAL COMPENSATION STUDY – RFP DATED MAY 30, 2025**

To: All Prospective Proposers

The changes are hereby made to the Request for Proposal (RFP) and shall become a part of the RFP. The proposal due date has not changed.

1. Project Calendar Schedule: To provide additional time to complete the Total Compensation Study, the schedule under RFP section II.C. has been adjusted as follows.

<u>Date</u>	<u>Activity</u>
<i>May 30, 2025</i>	<i>Request for Proposal issued</i>
<b>July 7, 2025</b>	<b>Due date for receipts of proposals (due by 2:00 p.m.)</b>
July 10, 2025	District completes initial review of proposals
July 14, 2025	Interview of top proposers – 7/14 to 7/16 ( <i>if needed</i> )
July 17, 2025	Selected firm notified and recommendation to Board
July 25, 2025	Contract Date
October 4, 2025	Consultant presents draft report to management
November 18, 2025	Consultant presents draft report to Ad Hoc HR Committee
<b>December 30, 2025</b>	<b>Final report provided to the District</b>
January 15, 2026	Final report presented to the Board of Directors

2. Questions and Clarifications on RFP: The following questions and answers are being provided to provide clarity on the Total Compensation Study requested.

- a. **Question:** Will the consulting firm be required to participate in any meet and confer meetings?

**Answer:** No. The final survey will be used for successor negotiations for information and data purposes only. Any request for follow-up after the final report will be at the discretion of the consulting firm and at their regular time and material rate.

- b. **Question:** How many distinct benchmark classifications does the District anticipate including in the study?

**Answer:** The District is a small agency with 32 employees and many unique individual positions. It anticipates the need for 19 benchmarks, excluding the General Manager position, to be part of the study.

- c. **Question:** How many comparable agencies does the District wish to utilize in this study?

**Answer:** The District believes 5-9 comparable regional agencies providing similar services to LGVSD would be sufficient but, on the recommendation of the consulting firm, would consider additional comparable agencies for select classifications that may be difficult to obtain acceptable results.

- d. **Question:** How many pay grades are in the District's salary structure?

**Answer:** The majority of our classifications are single-grade, with the operations classifications having multiple pay grades. Each position is on a published pay schedule with 5-Steps. Visit the District's website page at <https://www.lgvsd.org/pay-scale-summaries-mou-and-employment-agreements> for the latest Pay Schedule. A new Pay Schedule will be posted after July 1 reflecting a 3% COLA for all employees.

- e. **Question:** Is an internal equity analysis (at the individual employee level) part of the scope of this study?

- f. **Answer:** No, not at the individual employee level.

- g. **Question:** Are maintenance training sessions, materials, or consulting hours needed at the conclusion of this study?

**Answer:** None anticipated. Any requests would be outside of this scope of work and regular time and material rates of the consulting firm would apply.

- h. **Question:** Would the District share any documentation on its compensation philosophy? Will the District share a copy of the pay plan and the organizational chart for the jobs included in the study?

**Answer:** Chapter 18 of the District's Personnel Policy and Procedures addresses classification (*Chapter 18*) and compensation (*Chapter 19*) which are included at the end of this Addendum, referenced as Attachment A. The organizational chart is included in the RFP and the latest pay schedule can be accessed on our District website along management contracts and Memorandum of Understanding with our employee bargaining group Operating Engineers Local No. 3.

- i. **Question:** When was the last time the District conducted a compensation study?

**Answer:** February 2021

- j. **Question:** Is a compensation policy review or development part of this study?

**Answer:** No

- k. **Question:** Are the class specifications (AKA job descriptions) covered by this study in poor, fair, or excellent shape? When was the last time the job descriptions were updated?

**Answer:** Job descriptions are in excellent shape. They were last substantially updated in February 2021 and reviewed again in January 2025, with updates as needed, for compliance with SB 1100.

- l. **Question:** Is the development of a wage progression tool part of this study?

**Answer:** No. The District is using a 5-Step Salary Structure table with five steps (Steps 1-5) at a 5% increase per step over 53 salary ranges (1-53) calculated on 2.5% range increases. The District is satisfied with this tool.

This addendum consists of 7 pages including this page and attachments. The addendum shall be considered part of the RFP dated May 30, 2025.



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\_\_\_\_\_  
6/10/2025  
Date

**Attachment A:**

LGVSD Personnel Policy and Procedures Manual, Section 4, Chapters 18 and 19, pages 49-52.

## SECTION 4

### EMPLOYMENT PRACTICES

#### No. 18 Position Classification System

##### APPLICABILITY & PURPOSE

This Personnel Policy and Procedure defines rules for job classifications.

##### 18.1 Position Classification

All positions will be allocated to a classification in accordance with duties, responsibilities, and standards of the job. A written description will be prepared for each classification, listing such elements as essential duties; knowledge, skill, and ability requirements to successfully perform the job; minimum amount of education and/or experience required; working conditions; and physical and mental ability requirements. The original classification specification, the establishment of new classifications of employment, or the major alteration or abolishment of existing classifications, will be recommended by the General Manager or designee and approved by the Board of Directors.

##### 18.2 Interpretation of Class Specifications/Descriptions

Class specifications are not restrictive but will indicate the basis on which a position is allocated to its proper classification as determined by its functions, duties, and responsibilities.

Descriptions will not be construed as a declaration that the duties and responsibilities will not be changed nor that the appointing authority may not temporarily assign other duties and responsibilities.

##### 18.3 Establishment of New Classifications

The General Manager or designee may recommend adding classifications whenever they deem it necessary. The recommendation will be submitted in writing to the Board of Directors for approval.

Final decision and ratification of classification changes, position funding, and reorganizations rests with the Board of Directors.

#### No. 19 Compensation

##### APPLICABILITY & PURPOSE

This Personnel Policy and Procedure describes compensation policies for District employees.

##### 19.1 Salary on Initial Hire

A probationary, regular, temporary, or casual employee will be placed on the first step of the salary range of the classification into which the employee is hired. An employee may be appointed

above the first step with the approval of the General Manager or designee based on background and experience.

### 19.2 Salary on Promotion

When an employee is moved from one class to a class with a higher maximum salary (promotion), the employee shall be appointed at the minimum step of the salary range in the new class or receive a minimum of five percent (5%) increase above the salary rate the employee was receiving, whichever is higher; provided, however, that the salary rate received does not exceed the maximum rate for such higher class.

### 19.3 Salary on Temporary Out of Classification Assignment

If any position within the District classification ranges is vacant, excluding vacation leaves, for a period of more than two-weeks due to reasons, including but, not limited to, employee sickness or resignation, the General Manager may assign a District employee to assume the responsibilities of the position on a temporary basis. A District employee given a temporary assignment within a higher District classification will be granted a salary increase effective on the date of assignment by the General Manager. The employee's new salary will be an amount equivalent to the employee's current salary range step in the higher classification subject to a maximum of a two-step or 10% increase. This salary increase remains in effect until the temporary assignment is completed as determined by the General Manager.

### 19.4 Salary on Voluntary Demotion

When an employee is moved from one class to a class with a lower maximum salary (demotion), the employee shall be placed at the rate of the salary range prescribed for such lower class that most nearly approximates the salary the employee was receiving; provided, however, that such salary does not exceed the maximum rate for such lower class.

### 19.5 Merit Increase Steps

The pay range for each position consists of five steps. Advancement from one step to the next is based on performance, recommendation of an employee's immediate supervisor, and the approval of the General Manager or designee. A merit increase is earned and not automatic. See Section 21.4 of these PPPs.

- A. First Step – The minimum pay rate and normally the rate at which a new employee is hired.
- B. Second Step – An employee is eligible for an increase to the second step after one year of continuous satisfactory performance.
- C. Third Step – An employee is eligible for a third step increase after one year of satisfactory performance at the second wage step.
- D. Fourth Step – An employee is eligible for a fourth step increase after one year of satisfactory performance at the third wage step.

- E. Fifth Step - An employee is eligible for a fifth step increase after one year of satisfactory performance at the fourth wage step.
- F. Sixth Step –A fully qualified and competent employee is eligible for an increase to this step after one year of satisfactory performance at the fifth step. The sixth step is maximum pay rate for a position. .

#### 19.6 Payday

Employees are paid biweekly. Pay checks are issued by the district office on Friday for the two-week payroll period which ends the preceding Sunday at 24:00 hours.

#### 19.7 Payroll Errors

Any payroll error resulting in insufficient payment to an employee will be corrected and a supplemental check issued, not later than five (5) working days from the issuance of the first check or notice, whichever is later. If a payroll error is made resulting in overpayment to an employee, the District will collect the overpayment through payroll deduction on a schedule in compliance with individual agreements made with employees. Upon realization of underpayment or overpayment, the employee must immediately notify their supervisor and report the discrepancy to payroll.

#### 19.8 Overtime Compensation

- A. Prior Approval Required. Overtime-eligible employees are not permitted to work overtime without their manager’s prior authorization or direction except when an employee is on standby or is responding to an emergency. Overtime-eligible employees directed to work overtime must do so. Working overtime without advance approval is grounds for discipline.
- B. “Overtime” Defined. Unless otherwise stated in a memorandum of understanding, “overtime” is all hours worked and paid to an overtime-eligible employee over 8 hours in a workday or 40 in the employee’s work week. Overtime is compensated at 1.5 times the Fair Labor Standards Act regular rate of pay. The District includes all hours worked and paid time off in computing the 40-hour threshold for purposes of calculating FLSA overtime pay.
- C. Rounding. Employees are to round their time worked on their timesheets as follows:
  - 1. Time is to be reported in quarters of an hour (15-minute increments.)
  - 2. For employees who work 1 to 7 minutes of each quarter of an hour, time should be rounded down to the nearest quarter of an hour.
  - 3. For employees who work 8 to 14 minutes of each quarter of an hour, time should be rounded up to the nearest quarter of an hour.

### 19.9 Compensatory Time Off

- A. Supervisor Approval Required Before Work. A non-exempt employee may opt to accrue compensatory time-off (“CTO”) in lieu of cash payment for overtime worked if the employee’s supervisor agrees prior to overtime work being performed.
- B. Accrual Rate. Please see Memorandum of Understanding between the District and Operating Engineers Local 3.
- C. Employee Requests to Use CTO. The District will grant an employee’s request to use accumulated CTO provided that: (1) the District can accommodate the use of CTO on the day requested without undue disruption; and (2) the employee makes the request in writing to the supervisor no later than five days prior to the date requested. If the employee does not provide five days’ notice, or if the District cannot accommodate the time off, the District will provide the employee the opportunity to cash out the CTO requested at the end of the current pay period.
- D. District Cash Out. The District reserves the right to cash out accumulated CTO at any time.
- E. Employee Cash Out. During employment, CTO is cashed out at the employee’s current FLSA regular rate of pay (including all FLSA-applicable salary differentials).
- F. Employees separating from District service shall be compensated for all accrued, unused compensatory hours at either (1) the employee’s average regular rate of pay during the past three years of employment or (2) the employee’s regular rate of pay in effect at the time of separation, whichever is higher.

### 19.10 Standby Policy

The District requires certain classifications of employees who are assigned Standby Duty premium pay as outlined in Section 3.6 of the Memorandum of Understanding with Operating Engineers Local 3.

### 19.11 Payment Upon Separation

An employee leaving District employment will receive all earned salary; all vacation accrued, and all earned and accrued overtime and compensatory time.

### 19.12 Emergency Response Stipend

The District is committed to protecting the environment and maintaining its record of meeting treatment plant NPDES permit requirements and low sewer rate and low sewer spill volume of releases. Having trained Operations and Collections staff who can respond quickly is imperative to meeting these goals.

In addition to the 2-hours of standby pay for being assigned stand-by duty and any overtime pay for responding to callouts, eligible employees shall receive a monthly stipend for having served on stand-by or for responding to a call-out within the prior four ( 4) bi-weekly pay periods. Eligibility for the stipend is on a month-to-month basis and not automatically continuous.