MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 7, 2013:

*A meeting of the Personnel Committee of the Palmdale Water District was held Wednesday, August 7, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.*

1) **Roll Call.**

| **Attendance:** | **Others Present:** |
|---|---|
| Personnel Committee: | Dennis LaMoreaux, General Manager |
| Kathy Mac Laren, Chair | Robert Alvarado, PWD Director |
| Gloria Dizmang, Committee Member | Matt Knudson, Engineering Manager |
| | Dennis Hoffmeyer, Senior Accountant |
| | Dawn Deans, Executive Assistant |
| | 6 members of the public |

2) **Adoption of Agenda.**

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Presentations:**

**4.1) Herbalife Wellness Program. (Chair Mac Laren/Rae Permann of Herbalife)**

Chair Mac Laren reviewed her success with the Herbalife programs and products after which Ms. Rae Permann, Herbalife Health Coach, provided a brief overview of the Herbalife nutrition club and services, their free wellness program, and how they would offer the wellness program to District employees.

The Committee then thanked Ms. Permann for the information.

5) **Action Items:**

**5.1) Consideration and Possible Action on Approval of Minutes of Meeting Held July 11, 2013.**

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held July 11, 2013, as written.

**5.2) Discussion and Possible Action on Proposal Received From The Mathis Group to Recruit for the Position of Human Resources Manager and to Provide Guidance for an RFQ for Board/District's Attorney. (General Manager LaMoreaux)**

After a brief discussion of the need for the Human Resources Manager position, the previous cost of recruitment for this position, and the Ad Hoc Legal Committee's discussion of developing a Request for Qualifications for legal services, it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to recommend the proposal received from The Mathis Group for recruiting for the position of Human Resources Manager and for providing guidance for a Request for Qualifications for the Board/District's attorney be presented to the full Board for consideration at the next regular Board meeting.

**5.3) Discussion and Possible Action on Removing Freeze on Annual Cost of Living Adjustment. (Acting Human Resources Manager Burns)**

General Manager LaMoreaux provided an overview of cuts to the 2013 Budget, the 2.2% annual cost of living adjustment frozen in the budget, the District's current financial status as of June 2013, and increased water sales.

Chair Mac Laren then recommended that a cost of living annual adjustment of 2.2% be added to employees' salaries and that employees begin contributing 1% towards the cost of CalPERS followed by discussion of options for providing a cost of living adjustment and potential savings by having employees' contribute towards CalPERS, and it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to recommend that a 2013 annual lump sum cost of living adjustment for District employees be presented to the full Board for consideration at the next regular Board meeting.

**5.4) Discussion and Possible Action on Removing Freeze on Merit and Bonus Incentives. (Acting Human Resources Manager Burns)**

General Manager LaMoreaux provided an overview of the District's policy governing merit and bonus incentives, how this policy is applied to new and existing employees, and the potential amount of annual merit and bonus incentives, and after a brief discussion of the merit and bonus incentive process, potential performance-based increases under this process, and increasing reserves, it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to table this item to allow the Committee to gain a better understanding of the District's policy governing merit and bonus incentives, the appraisal form, and the salary steps for each of the District's positions.

**5.5) Discussion and Review of the District's Grievance Policy. (Committee Member Dizmang/General Manager LaMoreaux)**

General Manager LaMoreaux reviewed suggested revisions to the District's Grievance Policy, and after a brief discussion of the current grievance process and of proposed revisions to the Grievance Policy, staff was directed to develop a draft revised Grievance Policy for consideration at the next Committee meeting.

**5.6) Discussion and Possible Action on Developing a Wellness Program. (Acting Human Resources Manager Burns)**

After a brief discussion of sample Wellness Programs, it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to table this item until the District hires a Human Resources Manager with the Herbalife Wellness Program considered at that time.

**6) Project Updates.**

**6.1) Status on Organizational Assessment. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that The Mathis Group is scheduled to present his Organizational Assessment recommendations at the August 28, 2013 regular Board meeting, which will start at 6:00 p.m.

**7) Information Items.**

Committee Member Dizmang requested a list of employee titles requiring certifications.

There were no further information items.

**8) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

Electrician Trujillo then suggested that the Committee view the cost of living adjustment as a cost of living adjustment and not as a raise as the cost of living adjustment is designed to keep employees even and that most employees would rather pay 1% towards CalPERS and receive the cost of living adjustment on their checks rather than as a lump sum payment for 2013 after which Chair Mac Laren stated that Agenda Item No. 5.3 would again be considered.

**5.3) Discussion and Possible Action on Removing Freeze on Annual Cost of Living Adjustment. (Acting Human Resources Manager Burns)**

After a further discussion of cost of living adjustment options for the District's employees, it was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried that the Committee's recommendation of employees receiving a 2.2% annual cost of living adjustment for 2013 added to their salaries and employees paying 1% towards the cost of CalPERS effective January 1, 2014 be presented to the full Board for consideration at the next regular Board meeting.

General Manager LaMoreaux then recommended the 2014 cost of living adjustment be considered during 2014 budget discussions.

It was then determined that the next Personnel Committee meeting will be held September 9, 2013 at 6:30 p.m.

**8) Adjournment.**

There being no further business to come before the Personnel Committee, the meeting was adjourned.

Chair