

## **MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 16, 2012:**

*A meeting of the Personnel Committee of the Palmdale Water District was held Thursday, August 16, 2012, 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:**

Personnel Committee:  
Kathy Mac Laren, Chair  
Gloria Dizmang, Committee  
Member

#### **Others Present:**

Dennis LaMoreaux, General Manager  
Gordon Dexter, PWD Director  
Jim Stanton, Information Technology Manager  
Matt Knudson, Engineering Manager  
Tim Moore, Facilities Manager  
Dawn Deans, Executive Assistant  
47 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) Action Items:**

#### **4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held July 18, 2012.**

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 18, 2012, as written.

#### **4.3) Presentation on Information Technology Department Operations and Staffing. (Information Technology Manager Stanton)**

Information Technology Manager Stanton informed the Committee of the primary responsibilities of the Information Technology Department including providing IT support for the District's computer network, a safe and secure networking environment, and day-to-day operation of the network datacenter, servers, phone system, office machines, and software applications and then reviewed individual staff key roles and responsibilities and the challenges and accomplishments of the Department.

**4.3) Discussion and Possible Action on Human Resources Manager Position. (Chair Mac Laren)**

After a brief discussion of the Financial Information Workshop and the Two-Year Service Credit Retirement Program, it was determined to table this item until the final outcome of the Two-Year Service Credit Retirement Program has been determined.

General Manager LaMoreaux then informed the Committee that a human resources consultant agreement will be presented for consideration at the next Committee meeting.

**4.4) Discussion and Possible Action on Conducting a Manpower or Workforce Planning Study. (Chair Mac Laren)**

After a brief discussion of staff's contact with business schools for conducting a Manpower or Workforce Planning Study, of the need to have the Study conducted by someone familiar with the water industry, and of preparing a Request for Proposals for conducting the Study, staff was directed to prepare a Request for Proposals for conducting a Manpower or Workforce Planning Study for review at the next Committee meeting.

**4.5) Discussion and Possible Action on Cost of Living Allowance in Accordance With the U.S. Department of Labor. (Budgeted – General Manager LaMoreaux)**

General Manager LaMoreaux informed the Committee of the 1.9% current cost of living index, the budgeted amount for 2012, staff's recommendation that no cost of living adjustment be granted based on recent Committee discussions, and other local agencies cost of living adjustments and one-time cost of living adjustment granted, and after a brief discussion, Chair Mac Laren stated that Agenda Item No. 5.3 would now be considered.

**5) Information Items.**

**5.3) Update on Employee Benefit Cost Savings Measures. (Human Resources Manager Burns)**

**5.3.1) Dual Medical Coverage.**

**5.3.2) Vacation/Personal Day Purchase Program.**

General Manager LaMoreaux stated that these items have been approved by the Committee and once approved by the Board will be included in the Employee Handbook; that the Vacation/Personal Day Purchase Program will be presented to the Board for consideration at the next regular Board meeting; and that the Dual Medical Coverage option is under review by legal counsel and will be presented to the Board for consideration at a future meeting.

He then reviewed the \$80,000 potential savings to the District from the Dual Medical Coverage option and the potential savings from the Vacation/Personal Day Purchase Program.

Chair Mac Laren then stated that Agenda Item No.'s 4.6 and 4.7 would now be considered.

**4.6) Discussion and Possible Action on Employee Contribution Towards CalPERS Retirement. (Chair Mac Laren)**

**4.7) Discussion and Possible Action on Minimal Employee Premium Contribution Towards Health Insurance Benefits. (Chair Mac Laren)**

General Manager LaMoreaux informed the Committee that these items were placed on hold by the Committee at the February 27, 2012 Committee meeting until the outcome of other cost saving measures was known followed by discussion of employee input on these options through a defined employee survey, proposed costs for dependent coverage, other more cost effective saving options with less impact on employees, the District's coverage of CalPERS costs, and a dollar amount goal for cost saving options.

The Committee then requested estimated savings by employees contributing 10% towards dependent coverage and requested all cost saving options be developed,

presented to the Committee, and then presented to the Board as a referral to employees for employee input.

Several employees and members of the public then provided the Committee with input on staff contributions towards CalPERS and healthcare costs, increased utility and general living expenses, raising water rates consistently, the increasing costs to produce water, higher private sector pay and benefits, certifications required for District positions, another agency's need to outsource employment at a high rate due to pay cuts, viewing employees as assets rather than expenses, staff's continuing efforts to cut costs, the drop in the District's cash reserves, and stabilization of cash reserves over the past several years followed by discussion of cutting costs with the least impact on employees, the desire to keep water rates stable, the need to explore all District operations and options for cuts for bare bones operations, better communication of the cost of water and education for the public, and rumor control after which the Committee thanked the employees and the public for their comments and input and requested future employee input.

Chair Mac Laren then stated that Agenda Item No. 4.5 would now be considered.

**4.5) Discussion and Possible Action on Cost of Living Allowance in Accordance With the U.S. Department of Labor. (Budgeted – General Manager LaMoreaux)**

After a brief discussion of staff's recommendation regarding a cost of living allowance, staff was directed to develop costs for a one time cost of living allowance and this matter be discussed by the full Board at the next regular Board meeting with no specific Committee recommendation.

**5) Information Items.**

**5.1) Update on Changing the District's Medical Coverage From the Association of California Water Agencies/Health Benefits Authority (ACWA/HBA) Plans to the CalPERS Medical Plan. (Human Resources Manager Burns)**

General Manager LaMoreaux stated that this is no longer a cost saving measure.

**5.2) Update on CalPERS Two-Year Service Credit Retirement Program. (General Manager LaMoreaux)**

General Manager LaMoreaux informed the Committee that four employees have submitted their intent to take advantage of the CalPERS Two-Year Service Credit Retirement Program.

**5.3) Update on Employee Benefit Cost Savings Measures. (Human Resources Manager Burns)**

**5.3.1) Dual Medical Coverage.**

**5.3.2) Vacation/Personal Day Purchase Program.**

General Manager LaMoreaux restated that the Dual Medical Coverage option is being drafted by legal counsel and reviewed the limits of this option, and the Vacation/Personal Day Purchase Program will be presented to the full Board for consideration at the next regular Board meeting.

There were no additional information items to discuss.

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

It was determined that "Discussion and possible action on Human Resources consultant contract" and "Discussion and possible action on conducting a Manpower or Workforce Planning Study" and "Discussion and possible action on development of all cost saving options" will be placed on the next agenda for consideration.

It was then determined that the next Personnel Committee meeting will be held September 19, 2012 at 6:30 p.m.

**7) Adjournment.**

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

  
Chair