

**MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE
WATER DISTRICT, FEBRUARY 27, 2012:**

A meeting of the Personnel Committee of the Palmdale Water District was held Monday, February 27, 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
Jeannie Burns, Human Resources Manager
Matt Knudson, Engineering Manager
Peter Thompson, Operations Manager
Joe Kerschner, Water Quality Supervisor
Ed Boka, Treatment Plant Supervisor
Dan Henry, Field Service Supervisor
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) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held August 3, 2011.

After a brief discussion of the August 3, 2011 minutes, it was determined that the Committee take no action on this item and the August 3, 2011 minutes be presented to the full Board for approval at the next regular Board meeting.

4.2) Discussion and Possible Action on Employee Benefit Cost Savings Measures. (Human Resources Manager Burns)

4.2.1) CalPERS Medical Plan Presentation. (Pamela Goldberg, CalPERS Marketing Analyst)

Human Resources Manager Burns informed the Committee that several cost savings measures are presented for the Committee's consideration with the first being consideration of changing the District's medical coverage from the Association of California Water Agencies/Health Benefits Authority (ACWA/HBA) plans to the CalPERS medical plan and then introduced Pamela Goldberg, Marketing Representative for the CalPERS Customer Account Services Division, Health Accounts Services Section for Public Agency and School Districts, who gave an overview of the CalPERS health benefits program including the guidelines for their program, their plans and rate premiums compared to the District's current plans, the stability of their programs, requirements for the District, and contracting procedures.

After a brief discussion of the CalPERS rates and plans and potential savings to the District by switching to the CalPERS medical plan, the Committee concurred with staff's recommendation to obtain specific facts and figures and develop a side-by-side comparison of the CalPERS plan to the ACWA/HBA plan and present this information for the Committee's consideration at the next Personnel Committee meeting.

The next cost saving measure is to offer a cash-in-lieu benefit to employees with dual medical coverage who are willing to opt out of the District's plans, and after a brief discussion, the Committee concurred with staff's recommendation to survey employee interest in this option to determine actual savings.

The next cost saving measure is to have employees share in the cost of dependent coverage for health plan premiums, and after a brief discussion, the Committee requested actual savings through both CalPERS and ACWA/HBA be developed and presented for discussion at the next Personnel Committee meeting.

The next cost saving measure is to have all employees enroll in an ACWA/HBA sponsored plan including the Kaiser plan, and after a brief discussion, the Committee concurred with staff's recommendation to compare the District's current Kaiser plan to the ACWA/HBA Kaiser plan and presented for discussion at the next Personnel Committee meeting.

The next cost saving measure is regarding post-employment benefits with staff's recommendation to grandfather in the District's existing post-employment benefits policy

for eligible staff, to offer other eligible employees post-employment medical benefits through CalPERS at a more affordable rate, or to change the post-employment medical benefit formula, and after a brief discussion of the existing policy and the flexibility provided by CalPERS, the Committee recommended this option be considered after a determination is made to change the District's medical provider to CalPERS.

The next cost saving measure is to change the structure of the current Kaiser medical plan to more closely match ACWA/HBA's HMO medical plan, and after a brief discussion, the Committee requested actual cost savings from restructuring the current Kaiser medical plan be developed and presented for discussion at the next Personnel Committee meeting.

The next cost saving measure is offering employees the option to purchase personal days, which will generate revenue for the District, and after a brief discussion of the details of such a program, the Committee concurred with staff's recommendation to survey employee interest in this option.

The Committee then thanked staff for the cost saving options presented.

4.3) Discussion and Possible Action on Two-Year Service Credit Retirement Incentive Program. (Human Resources Manager Burns)

Human Resources Manager Burns informed the Committee of the presentation of this option to District staff and the potential savings to the District, and after a brief discussion of filling positions vacated by this option, the Committee recommended staff move forward with the Two-Year Service Credit Retirement Incentive Program and secure the necessary documents from CalPERS.

Human Resources Manager Burns then informed the Committee that a Succession Plan to keep the District moving forward is currently under development to fully evaluate filling any positions vacated by this option.

4.4) Discussion and Possible Action on Employee Contributions to Employee Portion of CalPERS Retirement System. (Human Resources Manager Burns)

Human Resources Manager Burns stated that, if approved, staff recommends employee contributions towards their portion of CalPERS start with 1% or 2% the first year with future contributions based on the District's financial condition, and after a brief

discussion of the savings from this option, the Committee recommended this option be placed on hold and employees be surveyed on this option and stated that cost saving provisions need to be developed for implementation, as needed, and all other options considered before asking employees to contribute towards the District's benefits programs followed by discussion of maintaining the District's benefits programs, the District's low turnover rate, and the greatest savings options being switching to the CalPERS medical plan and offering the two-year retirement incentive program.

4.5) Review of Current Organizational Structure. (General Manager LaMoreaux)

The District's current Organizational Structure including open positions, a barebones structure, previous consolidation of duties to current positions, streamlining the Chart through the potential consolidation and reclassification of middle management positions, and pay scales were discussed.

Chair Mac Laren then clarified the Committee's position to reduce costs in the development of a bare bones Organizational Structure and requested staff present options to the Committee for cuts in the Organizational Structure followed by discussion of performing an organizational review through the Succession Plan and a needs analysis of positions after which the Committee requested this process be performed.

The process for filling vacated or vacant positions and the need for filling the vacant Assistant General Manager position were then discussed, and it was determined that there is not a need to fill the Assistant General Manager position at this time.

4.6) Review of 2011 PWD Employee Handbook. (Human Resource Manager Burns)

Human Resources Manager Burns provided an overview of the 2006 Employee Handbook update including input from each functional area of the District, compliance with JPIA's checklist and OSHA recommendations, format changes, the synopsis of changes and updates made to the 2006 Employee Handbook, and training provided to all employees on the 2011 Employee Handbook followed by discussion of developing a plan to reduce overtime, how the alternative work schedule helps reduce overtime, developing other options to further reduce overtime, completion of timecards, and the process for completing timecards after which Treatment Plant Supervisor Boka informed the Committee of his research on overtime and schedules for plant operators, and General

Manager LaMoreaux stated that last year's overtime will be evaluated by causes and presented to the Committee at a future meeting.

Exempt and non-exempt employee positions were then clarified, and General Manager LaMoreaux stated that these positions will be clarified on the Organizational Structure and presented to the Committee at a future meeting followed by discussion of the District's step pay scale and bonus structure and the requirements for award of steps or bonuses.

5) Information Items.

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 changing the District's medical coverage from the Association of California Water Agencies/Health Benefits Authority (ACWA/HBA) plans to the CalPERS medical plan" and "Discussion and possible action on employee benefit cost savings measures " and "Discussion and possible Action on Two-Year Service Credit Retirement Incentive Program" and "Review of Current Organizational Structure" will be placed on the next agenda for consideration.

There were no further requests for future agenda items.

The next Personnel Committee meeting was then scheduled for March 26, 2012 at 6:30 p.m.

7) Adjournment.

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


Chair