

Draft Minutes
Budget and Personnel Committee Meeting
August 29, 2011

1. Call to Order:

The Budget and Personnel Committee was called to order 9:00 a.m. by President Lee. In attendance were:

- Committee members: President William Lee and Vice President Dan Burns.
- Staff: Jim Heitzman, Carl Niizawa, Kelly Cadiente, Jean Premutati, and Paula Riso.

2. Public Comments on Any Item Not on the Agenda:

No comments.

3. Receive a Staff Report on 2012 Health Insurance Premium Renewals:

Ms. Premutati noted that the District received notice that the Health Benefits Authority submitted a proposal to the Association of California Water Agencies (ACWA) who then approved a small 2.23% increase in medical premiums for the Anthem Blue Cross PPO plan and a 4.23% increase to the Delta Dental PPO plan. Ms. Premutati added that there is no increase to the vision and employee assistance programs. She stated that the new premiums will take place beginning January 1, 2012.

Vice President Burns asked if it would be beneficial for the District to self-insure for dentistry. Ms. Premutati commented that ACWA requires dental and vision coverage for employees.

4. Receive a Staff Report on the Correction to the Finance Department Reorganization:

Mr. Heitzman explained that the information that went before the Board when they approved the Finance Department Reorganization, inadvertently gave the Accounting Technician an increase. He stated that in September, staff will bring the correction to the Board for approval and asked if the entire salary pack should be included or just the salary for the individual position. Vice President Burns answered that just the salary for the individual position was sufficient.

5. Receive a Staff Report on Status of Recruitments and New Hires:

Ms. Premutati introduced this item stating that two individuals were recently hired for the Meter Reader positions and one just started with the other starting after Labor Day. She added that the District is in the process of recruiting for the newly approved Accountant I/II position. Ms. Premutati noted that only a few applications have been received so far. Mr. Heitzman commented that the Organization Chart has been revised and updated.

Agenda Item 5 (continued):

Vice President Burns asked if the District fully automates the meter reading, would that eliminate the meter reader positions. Mr. Heitzman commented that it may lead to creating a repair technician position and that the meter readers will be trained for Operations and Maintenance duties.

6. Receive Proposals from Public Outreach Firms for Discussion:

Mr. Niizawa introduced this item explaining that after this item was postponed at the last meeting, staff went back to the firms and asked for a certain scope and a fixed fee. President Lee asked if that meant that every time the District wants the firm to do something, the District would have to send out another Request for Proposal. Mr. Niizawa explained that the scope staff asked them to do was to review the situation and provide recommendations to set up the District for going forward. He said essentially the scope was for an evaluation analysis and setting things up to move forward, but no implementation.

President Lee asked Vice President Burns for his opinion on this item. Vice President Burns commented that this is different than what was provided at the Board meeting, and now the proposal is for a fixed fee. He said that one firm said it would take 3-4 months to evaluate the problem while another one said it would only take 2 weeks. He asked where the discrepancy was in the process of what they are providing. Vice President Burns commented that he didn't know how much analysis the District really needs and voiced his concern over the cost. Mr. Heitzman asked why staff didn't request a proposal for time and materials. Mr. Niizawa commented that it was previously set up for time and materials not to exceed \$100,000. He said that based on the dialogue, the firms were asked for a fixed fee on a certain scope and added that there was no requirement for the District to continue with the firm following the analysis. Mr. Heitzman asked why it wasn't sent out for time and materials so that the District could control how much effort they put out and have a budget to work with. He said that if the District gets an analysis from one firm and hires another firm to implement something, that new firm will want to do their own analysis and the District will have to pay for another analysis. Mr. Heitzman asked how the proposal got away from the time and materials. Mr. Niizawa answered that he asked for a fixed fee based on a specific scope.

Vice President Burns commented that he feels \$100,000 and even \$50,000 is too much to pay for this, especially when the District doesn't even know what they want. He said that he didn't think it would take an analysis to find out what is wrong. Vice President Burns said he thought the public outreach would be more in the line of placing positive ads and writing articles for a cost of approximately \$20,000-\$25,000.

Mr. Heitzman said that he would be more comfortable paying for time and materials. President Lee agreed.

Agenda Item 5 (continued):

Vice President Burns mentioned that CalDesal just hired someone for public outreach who was out of work and that person was happy to get the work. He suggested that maybe there was someone local looking for additional work that the District could hire for several months to help put together a strategy of what the District should do. Mr. Heitzman commented that there was probably a local person at a reasonable price to help formulate a plan.

Mr. Niizawa said that he could send a modified proposal for what the Board is looking for. President Lee said he would like to see a time and materials package. Mr. Heitzman said that he didn't see an analysis was needed, but there would have to be some background information gathered.

Vice President Burns said that he would like to see someone local who already knows what is going on. Mr. Niizawa gave a brief outline of each firm's strengths and said that he can go back and get a time and materials proposal, or, look for someone local who the District can hire on a temporary basis to do such duties.

Vice President Burns commented that maybe this needs to go before the Board and get direction on which way to go. Mr. Niizawa said that he can get a time and materials proposal from each firm and bring it to the Board. Vice President Burns said that staff should bring three different proposals to the Board, 1) time and materials; 2) the current proposals; and 3) hiring someone local.

Vice President Burns stated that someone from the Board, and maybe outside agencies, should sit in on the interviews for something this important. Mr. Heitzman commented that the District did have interviews with outside agency staff as a panel. He added that in the future, the firms will come before this Committee for recommendations. President Lee said that this Committee really never got going, but now with the new members, things should take off.

Vice President Burns said that he would like the President and Vice President to be in on interviews for important hirings, such as top management positions within the District.

Mr. Niizawa commented that he will bring back time and material rates, coming back to the Board for direction with regards to the process, and will begin looking for someone who fits the description of what the Board wants.

7. Discuss Future Meeting Dates and Times:

Mr. Heitzman stated that staff will put together a schedule and send it out for approval.

8. Identify Agenda Items for the Next Committee Meeting:

Vice President Burns commented that the legal bills listed a lot of charges for work on Public Records Requests and suggested having a table showing the Public Records Requests, who made the requests, and the cost for those requests. He also suggested maybe hiring someone to help with the Public Records Requests. Mr. Heitzman commented that on the next agenda was a Request for Proposal for legal help and that person can help with the Public Records Requests.

President Lee commented that he wanted to make sure that the person hired keeps the information they are working on confidential. Mr. Heitzman stated that confidentiality will be part of the Request for Proposal.

9. Committee Member Comments:

Vice President Burns commented that this was a productive meeting. President Lee stated that he enjoys working with everyone, especially when it's towards accomplishing a goal.

10. Adjournment:

The meeting was adjourned at 9:42 am.