

Draft Minutes  
Budget and Personnel Committee Meeting  
October 26, 2011

1. Call to Order:

The Budget and Personnel Committee was called to order 10:17 a.m. by President Lee. In attendance were:

- Committee members: President Lee and Vice President 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. Approve the Draft Minutes of August 29, 2011:

Vice President Burns made a motion to approve the draft minutes of August 29, 2011. President Lee seconded the motion. The motion was passed unanimously.

4. Review Public Records Request Information:

Vice President Burns inquired on the status of the RFP to hire someone to perform document review and help cut down on the cost of staff and legal review of public records. Ms. Cadiente answered that the submittal period ends on November 1<sup>st</sup> then they will review the RFP's that were received. Vice President Burns asked that this packet be placed in the Board packet so all Board members could see it.

5. Annual Review and Update of the District Investment Policy:

Ms. Cadiente reviewed the policy and noted that the policy will be reviewed and updated on an annual basis. She noted that the District's funds need to be located in a safe account and need to be liquid which is why the District has the majority of their funds in the Local Agency Investment Fund. Ms. Cadiente said that by being liquid, the District looks good on Bond rating. The Committee members agreed to forward this item to the Board for consideration.

6. Discussion of District Reorganization:

Ms. Premutati commented that the District has lost a lot of staff over the last year mainly due to retirement, a majority of those being management. She explained that other staff are currently serving in interim positions and discussed the possibility of moving them into those positions permanently. Ms. Premutati explained that in the reorganization, there would probably be some title changes. She said that the Engineering Department was looking at splitting the positions into technical and non-technical groups.

Agenda Item 6 (continued):

Vice President Burns asked if it was premature to begin discussing the Regional Project Operations and Maintenance and if the District would handle it or an outside agency. Mr. Heitzman stated that the Regional Project Operations and Maintenance Committee he was looking at forming would be making those decisions. He said among those decisions was if they wanted to look into hiring someone for the Design/Build and have them operate it for five or ten years. Mr. Heitzman said that the Laboratory Department may be looking at changes as well and it is unknown right now if the District's lab would conduct water testing for the Regional Project.

Ms. Premutati stated that any title or responsibility changes would correspond with other agencies so that when salary surveys are performed, it is easier to match positions.

This item will be forwarded to the Board for direction in November.

7. Identify Agenda Items for the Next Committee Meeting:

Ms. Cadiente said that the Information Technology Plan would be reviewed at the next meeting.

8. Committee Member Comments:

No comments were made.

9. Adjournment:

The meeting was adjourned at 10:58 am.



# MARINA COAST WATER DISTRICT

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DAN BURNS  
*Vice President*

HOWARD GUSTAFSON  
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JAN SHRINER

**Board of Directors**  
**Budget and Personnel Committee Meeting**  
Marina Coast Water District  
11 Reservation Road, Marina, California

Date: October 26, 2011  
Time: 10:00 a.m.  
Location: MCWD Board Room, 11 Reservation Road

Committee Members

William Lee

Dan Burns

**Agenda**

*This meeting has been noticed according to the Brown Act rules. The Committee will receive information on, discuss and consider making recommendations to the MCWD Board on the items contained in this agenda.*

1. Call to Order
2. Public Comments on any item Not on the Agenda *Anyone wishing to address the Committee on matters not appearing on the Agenda may do so at this time. Please limit your comment to three minutes. The public may comment on any other item(s) listed on the Agenda at the time the item(s) is considered by the Committee.*
3. Approve the Draft Minutes of August 29, 2011
4. Review Public Records Request Information
5. Annual Review and Update of the District Investment Policy
6. Discussion of District Reorganization
7. Identify Agenda Items for the Next Committee Meeting
8. Committee Member Comments
9. Adjournment

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 hiring, 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 document review services 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.

Marina Coast Water District  
Budget and Personnel Committee  
Staff Report

Agenda Item: 4

Meeting Date: October 26, 2011

Prepared By: Kelly Cadiente

Reviewed By: Carl Niizawa

Subject: Review Public Records Requests Information

Summary: On August 29, 2011 the Committee requested staff provide information regarding the numerous Public Records Requests (PRR's) that the District has received this year. The request included a listing of who made the PRR's, how many hours it took staff to provide the information, and what were the costs to the District in responding to the PRR's. The following is a summary of staff hours and costs in responding to PRR's for the period May 12, 2011 through September 22, 2011:

- Total Staff hours spent in responding to PRR's = 163.75 hours
- Total Staff Costs (staff hours x billable rates) = \$10,659
- Total Costs for legal review = \$19,322
- Grand Total Costs for the period = \$29,981

Detailed listings of PRR information for the period are attached to this report for review.



Marina Coast Water District  
Budget and Personnel Committee  
Staff Report

Agenda Item: 5

Meeting Date: October 26, 2011

Prepared By: Kelly Cadiente

Reviewed By: Carl Niizawa

Subject: Annual Review and Update of the District's Investment Policy

Summary: According to the District's Investment Policy ("Policy") adopted August 28, 2002 by Resolution No. 2002-37, the Budget & Personnel Committee shall make an annual report and recommendation to the Board concerning implementation or changes to the Policy. The purpose of this annual review is to ensure ongoing compliance with Government Code restrictions and to update the Policy as the committee sees as necessary.

Staff has reviewed the Policy and has provided a red-lined draft version with recommended updates and changes for the committee's discussion and review. Committee changes will be incorporated into the draft Policy for presentation to the Board at the November 8, 2011 Board meeting.

Marina Coast Water District  
Staff Report

Agenda Item: 6

Meeting Date: October 26, 2011

Submitted By: Jean Premutati

Presented By: Jean Premutati

Reviewed By: Carl Niizawa

Subject: Discussion of District Reorganization

Summary: During the past year, staff has reviewed its labor and organization structure with regards to future needs and requirements of the District. It has become apparent that over time, the District needs have evolved due to technologies, projects, and District changes; to the extent that current job descriptions and assignments are in need of revision. Some of the new needs have been filled with contract labor to meet urgent capital and development projects and to minimize consultant costs.

Also over the past year, the District experienced an unusually high turnover rate due to retirements, resignations, and outside advancement options. This has provided the opportunity to explore alternatives to filling each position by hiring temporary, contract employees, assigning existing staff with interim duties and titles, and evaluating cost-saving measures. While these temporary assignments are beneficial to the District and employees, as a long-term measure, they are not sustainable. As such, it is an opportune time for discussion of reorganization of various District departments and job classifications in order to optimally and efficiently meet the District needs and fill the needed positions.