

**MINUTES OF THE  
MOULTON NIGUEL WATER DISTRICT  
SPECIAL PERSONNEL & SALARY  
BOARD OF DIRECTORS MEETINGS**

**AUGUST 18, 2011**

A Special Meeting of the Personnel & Salary Board of Directors was held at the District's office, 27500 La Paz Road, Laguna Niguel, California, at 1:00 p.m. on Thursday, August 18, 2011. There were present and participating:

**DIRECTORS**

LARRY MCKENNEY	Chairman
SCOTT COLTON	Director
RICHARD S. FIORE	Director
GARY R. KURTZ	Director
LARRY R. LIZOTTE	Director

Also present and participating were:

**STAFF MEMBERS**

ROBERT C. GUMERMAN	General Manager
DAVID D. CAIN	Director of Finance/Treasurer
MATT COLLINGS	Director of Engineering & Operations
CHARLES J. ROY	Director of Customer Service
BRAD NEUFELD	Gresham, Savage, Nolan & Tilden
LESLIE GRAY	Board Secretary
KELLY WINSOR	MNWD
AMBER CUTLER	MNWD
MARK MOUNTFORD	MNWD
FRANI BAILEY	Recording Secretary

Absent were:

DON FROELICH	Vice President
BRIAN PROBOLSKY	Vice President

Chairman Larry McKenney presided and Frani Bailey recorded the minutes of the meeting.

## ACTION ITEMS

### Orange County Grand Jury Report

- **Chairman McKenney asked Dr. Gumerman to create an example of how the information on the Transparency tab would look on the website so the Board could see it and provide their input.**
- **Chairman McKenney directed Dr. Gumerman to reevaluate why the Directors are paying social security and report back to the Board.**

### Top 10 Highest Wage Earners within the District

- **Chairman McKenney directed Dr. Gumerman to agendize the vehicle policy for the next Personnel & Salary Board meeting.**

### Approve Closed Session Minutes of the February 14, 2011 and May 4, 2011 Special Personnel & Salary Meetings

Chairman McKenney reported that both sets of minutes are Closed Session minutes, and if the Board members wish to discuss either set of minutes, they will be discussed in the Closed Session. He reported that he has a brief issue regarding the February 14, 2011 minutes he would like to discuss with the Board; therefore, those minutes would be discussed in Closed Session.

Chairman McKenney asked if any of the Directors had comments on the Closed Session Minutes of the May 4, 2011 Special Personnel & Salary Meeting. Director Fiore commented that in the second paragraph on Page 3 the fourth word should be "*that*" instead of "*the*." Director Colton commented that Director Buck was not present at the May 4, 2011 meeting; however, he was.

**THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR FIORE AND SECONDED BY DIRECTOR KURTZ, THE CLOSED SESSION MINUTES OF THE MAY 4, 2011 SPECIAL PERSONNEL & SALARY BOARD MEETING WERE UNANIMOUSLY APPROVED AS AMENDED.**

### Public Comments

Chairman McKenney asked if there were any public comments. Hearing none, he closed the Public Comments portion of the meeting.

## Orange County Grand Jury Report

Dr. Bob Gumerman reported that on June 3, 2011 the District received a copy of the 2010/2011 Orange County Grand Jury Report titled "Compensation Survey of Water and Sanitation Districts." He reported that the Grand Jury sent the District a request for information in August or September of 2010 which he complied with. Dr. Gumerman reported that this survey was specifically related to General Managers' compensation, contracts, and benefits and Board members' compensation and benefits.

Dr. Gumerman reported that the survey received quite a bit of coverage in the Orange County Register Watchdog, and it primarily focused on the agencies that paid the least and the agencies that paid the most. He reported that in general the District was in the middle. Dr. Gumerman reported that the survey looked at responsibility, number of customers served, etc. He discussed the findings of the survey and the recommendations the Grand Jury has asked the District to comply with and reported that with the Board's direction and approval he will send a letter to the Grand Jury indicting how the District would do so. Dr. Gumerman reported that the Grand Jury requested the General Manager's contract and salary, and he would like to add this to the District's website as well as Directors' compensation as reported to the Grand Jury, which was not done by name, but by letters designating each Director. A discussion ensued and Dr. Gumerman answered the Board members' questions regarding the information he plans to post on the website.

Chairman McKenney commented that the action before the Board is to authorize the General Manager to respond to the Grand Jury that the District will implement its recommendations. Dr. Gumerman commented that one of the things he would like to add to the website is a tab called "Transparency," which would have a link to all of the items the Grand Jury wanted to see on the website, including the General Manager's contract and salary and the Directors' salary and compensation. He asked the Board members how they would prefer that the Directors' salary and compensation be shown on the website and Chairman McKenney suggested that Dr. Gumerman create an example of how the information on the Transparency tab would look so the Board could see it and provide its input. Director Lizotte suggested that the Directors' salaries and benefit information be

August 18, 2011

shown by name, and not as Director "A", "B", "C", etc., as Dr. Gumerman proposed, and also that the MOU with the MNWDEA also be put on the website. Further discussion ensued regarding the Grand Jury survey and how the District compares to the other agencies surveyed.

**THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR MCKENNEY, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY AUTHORIZED THE GENERAL MANAGER TO RESPOND AND STATE THAT THE DISTRICT WILL IMPLEMENT THE GRAND JURY'S RECOMMENDATIONS.**

Director Kurtz asked why the Board members are paying social security when none of the other agency Board members do. A discussion ensued and Chairman McKenney directed Dr. Gumerman to reevaluate why the Directors are paying social security and report back to the Board.

#### Top 10 Highest Wage Earners within the District

Chairman McKenney commented that Director Probolsky had asked for a report of the top 10 highest wage earners within the District so the Board could compare their salaries and verify that they are being paid what the Board thinks they are being paid. He commented that the salaries of the top 10 highest wage earners are all within their ranges.

Director Lizotte commented that he thought the District established a policy that when new employees join the District they would not be provided with a District vehicle and would receive a monthly car allowance instead. Dr. Gumerman clarified that the policy states that the District would not lease any additional vehicles, and if a vehicle were stolen or at the end of its useful life, it would not be replaced with another leased vehicle. Further discussion ensued regarding the vehicle policy and Dr. Gumerman answered the Board members' questions. Director Lizotte commented that he would like to review the vehicle policy again and Chairman McKenney directed Dr. Gumerman to agendize the vehicle policy for the next Personnel & Salary Board meeting.

### Overtime Report

Dr. Gumerman reported that during the Finance & IT Board meeting on April 20, 2011 Director Colton requested additional information on overtime. He reported that for Fiscal Year 2010-2011 the overtime budget was approximately \$500,000, and approximately \$425,000 was paid. Director Colton asked which departments were using the overtime and Dr. Gumerman showed a slide indicating the amount of overtime by division. A discussion ensued and Dr. Gumerman and Mr. Matt Collings answered the Board members' questions.

### Employee Exit Information

Dr. Gumerman reported that one employee was terminated in May 2011 and the Board has a copy of the employee exit information for that employee.

### Request for a New Senior Financial Analyst Position

Dr. Gumerman reported that the request for a new Senior Financial Analyst position was discussed in detail by Mr. Cain at the Finance & IT Board meeting yesterday. He reported that it is proposed that this position will be classified as exempt and excluded from the bargaining unit. The annual salary range for this position would begin at \$73,000 and the top of the salary range would be \$96,000. The assumed compensation cost proposed is \$108,040 to \$142,080, assuming a burdened salary rate of 48%.

Dr. Gumerman reported that if the Board approves creating the position today staff will subsequently have to bring a request for a budget adjustment before the Board to fund the position. Chairman McKenney commented that the Board would authorize the position in terms of recruiting, and prior to hiring the candidate staff would have an idea of what the compensation would be for the person staff wanted to hire, and would come back to the Board for a budget adjustment. Dr. Gumerman reported that the requested action will be for the Board's approval and authorization to proceed with recruitment and filling the position, and then to return to the Board after the position is filled and to request the appropriate budget amendment at that time.

Director Kurtz asked if the new position would replace some of the outside services the District is currently using and Dr. Gumerman reported that it would. Director  
August 18, 2011

Kurtz asked how much money the District is spending on outside services this year and Mr. Cain reported that the District would spend approximately \$50,000 for outside services. Further discussion ensued and Dr. Gumerman and Mr. Cain answered the Board members' questions.

**THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR FIORE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE NEW SENIOR FINANCIAL ANALYST POSITION, JOB DESCRIPTION, AND SALARY RANGE AND DIRECTED STAFF TO RETURN AT THE FINANCE MEETING AFTER THE POSITION IS FILLED WITH THE APPROPRIATE BUDGET AMENDMENT.**

Request for a Title Change – Finance Division

Dr. Gumerman reported that there is an individual who works in the warehouse who was previously in the Operations Division and has been transferred to the Finance & IT Division. He reported that the employee currently has a job description of Maintenance Worker III and staff would like to change it to Inventory Control Worker. Dr. Gumerman reported that the Board members received a revised Job Classification Statement, and the pay range and compensation for the employee will remain the same.

**THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR LIZOTTE AND SECONDED BY DIRECTOR KURTZ, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE TITLE CHANGE AND THE MODIFIED JOB DESCRIPTION FOR THE INVENTORY CONTROL WORKER.**

Request for a New Geographic Information Systems (GIS) Analyst

Dr. Gumerman reported that Mr. Matt Collings addressed this item in detail at the Engineering & Operations Board meeting on Monday. The request is for a new position of Geographic Information Systems Analyst (GIS) Analyst, and Mr. Collings described in detail the role this individual would have, the cost, etc. He reported that a detailed description of the proposed position and its functions are also included with the Agenda.

Chairman McKenney commented that he supports this recommendation and feels it is part and parcel of the Board's desire for the District, particularly Engineering &

Operations, to become more proactive. A discussion ensued regarding the position and Dr. Gumerman and Mr. Collings answered the Board members' questions.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR FIORE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE NEW GEOGRAPHIC INFORMATION SYSTEMS POSITION AND THE SALARY RANGE OF \$73,000 - \$92,000 AND AUTHORIZED STAFF TO RECRUIT FOR AND FILL THE POSITION AND TO RETURN AT THE FINANCE MEETING AFTER THE POSITION IS FILLED WITH THE APPROPRIATE BUDGET AMENDMENT.

#### Request for Two Additional Street Crew Positions

Dr. Gumerman reported that Mr. Collings is requesting two additional Street Crew positions. These positions would be responsible for exercising the District's 20,000 potable and recycled water system valves and 2,800 miscellaneous blow-off and air-vac relief valves. He explained that due to the current staffing levels of the Operations Division there is not enough staff to allow for an effective valve-exercising program, which creates problems in isolating lines when valves do not work when line breaks occur. Dr. Gumerman reported that these positions would be limited to exercising valves and appurtenances within the District's residential tracts unless additional support is available for traffic control for work on arterial streets.

Dr. Gumerman reported that Mr. Collings analyzed whether it is less expensive to contract out the valve exercising and found that it would cost less to do it in-house, and that there are intrinsic factors such as pride of ownership. Director Kurtz asked if there would be any overtime for these positions and Dr. Gumerman reported that there might be some, but in general these employees would do work that is not being done now due to lack of staff. Director Fiore asked what the qualifications are for these positions and Mr. Collings reported that the employees would be hired as entry level Maintenance Worker I's, and would be taught how to use the valve turner and exercise valves. He reported that the employees hired would have to have a D1 certification or obtain the certification within a year after employment in order to exercise the valves. Further discussion ensued and Dr. Gumerman and Mr. Collings answered the Board members' questions.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR FIORE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE ADDITION OF TWO MAINTENANCE WORKER I – STREET CREW POSITIONS AND AUTHORIZED STAFF TO RECRUIT FOR AND FILL THE POSITIONS AND RETURN AT THE FINANCE MEETING AFTER THE POSITIONS ARE FILLED WITH THE APPROPRIATE BUDGET AMENDMENT.

#### Anti-Violence/Weapons Policy

Dr. Gumerman reported that to a degree, many of these issues are addressed in the Personnel & Salary Policy; however, based on some things he uncovered that occurred with regard to weapons, which he addressed in a memo to all employees, he thought it would be prudent to have a separate policy to address the District's and the Board's position on anti-violence and the absolute prohibition of explosives or weapons of any kind on District property at any time. He reported that staff wanted to emphasize the importance of this to the Board and management by having a separate policy, which was included in the Agenda package.

Director Fiore asked what the definition of a weapon is and commented that the policy states that a weapon includes all knives, which would include Swiss Army knives with nail files, scissors, etc. Mr. Brad Neufeld explained that the policy prohibits all knives except those issued by the District that are used as tools for the job. Dr. Gumerman reported that the Anti-Violence/Weapons Policy was discussed with the MNWDEA Board of Directors (Board) on May 19, 2011 and the Board was totally happy with the policy. The only question the Board asked related to District-issued knives used for work purposes and he clarified that District-issued knives were acceptable; however, any other knives are prohibited. Further discussion ensued regarding the Anti-Violence/Weapons Policy and Director Fiore asked if the policy applies to Directors. Mr. Neufeld commented that he would interpret the policy to apply to all persons who are on District property, including contractors. Further discussion ensued.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR MCKENNEY, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE ANTI-VIOLENCE/WEAPONS POLICY.

### Y-Rating Policy

Dr. Gumerman reported that staff is recommending a policy statement about Y-Rating employees. He explained that if an employee's salary is above the top of the salary range the employee is considered Y-Rated. This means that the employee will not be eligible for cost-of-living adjustments or on-schedule merit increases until such time as his/her salary is within the established salary range, and any future increases would only be to the top of the salary range. Dr. Gumerman reported that if the Board approves the Y-Rating Policy it will be incorporated in the Personnel & Salary Policy. A discussion ensued regarding the Y-Rating Policy and Dr. Gumerman and Mr. Neufeld answered the Board members' questions.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR COLTON, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE Y-RATING POLICY.

### Resolution No. 08-47 of the Moulton Niguel Water District Regarding Compensation to Board of Directors

Dr. Gumerman reported that staff is asking the Board to approve modifying Resolution No. 08-47, which was written to clarify and memorialize the events, including Board meetings, for which the Directors would be compensated. He distributed a revised red-lined version of the Resolution that incorporates additional changes suggested by Ms. Pat Giannone. Dr. Gumerman reported that the basic shortcoming of the Resolution was that it did not address meetings of individual Board members with District staff outside of the Board meetings. He noted that the language in Section 1(b) was modified to include meetings with water, wastewater or recycled water agencies including the District if not otherwise covered under (a) above. Director Lizotte commented that this is subject to the maximum 10 meetings per month and Dr. Gumerman reported that he was correct.

Director Fiore asked if the Resolution addresses meetings under circumstances where there is not a formal Board meeting, but the Board members might be meeting with Legal Counsel on a certain matter, or meeting with a consultant for the District. He commented that he would assume that these types of meetings would be covered;

however, it is not clear in the Resolution. Director Fiore suggested that the language be modified to state "...including the District *staff or consultants*, if not otherwise covered under (a) above..." Dr. Gumerman commented that he believes this was the intent of the Board when the Resolution was initially adopted and that it was an inadvertent omission. The Board concurred with Director Fiore's suggested revision.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR LIZOTTE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE MODIFICATION TO RESOLUTION NO. 08-47 OF THE MOULTON NIGUEL WATER DISTRICT AS AMENDED.

#### Status Update on the District Reorganizational Study

Dr. Gumerman reported that Dr. Mathis has been meeting with him and District staff to work on the District Reorganizational Study (Study) that he indicated to the Board he had initiated. He reported that the Study is half-way through and Mr. Mathis and he will be meeting with the Division Heads before it is brought back to the Board for discussion at a Special Personnel & Salary Board, possibly in the latter part of September.

#### Closed Session in Accordance with Government Code Section 54957.6

Chairman McKenney reported that in accordance with Government Code Section 54957.6 a Closed Session will be conducted to confer with labor negotiators regarding the MNWD Employees' Association.

The Board paused briefly and adjourned to Closed Session at 2:40 p.m.

The Closed Session was adjourned at 4:05 p.m. and the open session was reconvened.

Chairman McKenney reported that there was no reportable action from the Closed Session.

#### Approve Closed Session Minutes of the February 14, 2011 Special Personnel & Salary Board Meeting

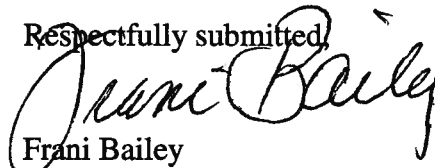
Chairman McKenney reported that he would entertain a motion to approve the Closed Session Minutes of the February 14, 2011 Special Personnel & Salary Board meeting.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR KURTZ AND SECONDED BY DIRECTOR FIORE, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE CLOSED SESSION MINUTES OF THE FEBRUARY 14, 2011 SPECIAL PERSONNEL & SALARY BOARD MEETING AS AMENDED.

Adjournment

There was no further business to come before the Investment Board and the meeting was adjourned at 4:07 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Frani Bailey". The signature is written in a cursive style with a large, looping initial "F".

Frani Bailey  
Recording Secretary