

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

SEPTEMBER 16, 2011

A Special Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 9:00 a.m. on Friday, September 16, 2011. There were present and participating:

DIRECTORS

LARRY MCKENNEY	Chairman
SCOTT COLTON	Director
RICHARD S. FIORE	Director
DON FROELICH	Vice President
GARY R. KURTZ	Director
LARRY R. LIZOTTE	Director
BRIAN PROBOLSKY	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL

ROBERT C. GUMERMAN	General Manager
DAVID D. CAIN	Director of Finance/Treasurer
CHARLES J. ROY	Director of Customer Service
MATT COLLINGS	Director of Engineering & Operations
BRAD NEUFELD	Gresham, Savage, Nolan & Tilden
KELLY WINSOR	MNWD

Absent was:

NONE

Chairman Larry McKenney presided and Kelly Winsor recorded the minutes of the meeting.

ACTION ITEMS

- **Director Lizotte asked the what the impact would be if the District withdrew from CalPERS and began participating in a 401(k) Plan**
- **Director McKenney stated that he is interested to know how the District is affected by being in the Pool if other agencies decide to withdraw from CalPERS.**

MINUTE APPROVAL

Approve the Open and Closed Session Minutes of the August 18, 2011 Special Personnel & Salary Meeting.

Chairman McKenney reported that if the Board members wish to discuss the Closed Session minutes, they will be discussed in the Closed Session. Chairman McKenney reported that he would entertain a motion to approve the minutes of the September 16, 2011, Special Personnel & Salary Board meeting.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR FIORE AND SECONDED BY DIRECTOR FROELICH, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE MINUTES OF THE AUGUST 18, 2011 SPECIAL PERSONNEL & SALARY BOARD MEETING AS PRESENTED.

PUBLIC COMMENTS

Chairman McKenney asked if there were any public comments with regard to Personnel & Salary matters. Hearing none, he closed the Public Comments portion of the meeting.

Closed Session in Accordance with Government Code Section 54957

Chairman McKenney reported that in accordance with Government Code Section 54957 a Closed Session would be held to confer about public employee discipline/dismissal/release.

The Board paused briefly and adjourned to Closed Session at 9:05 a.m.

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 would be held to confer with labor negotiators regarding the MNWD Employees' Association (MNWDEA).

The Closed Session was adjourned at 10:53 a.m. and the open session of the Personnel & Salary Board was reconvened.

Chairman McKenney reported the reportable action from the Closed Session that the Board of Directors unanimously approved two Side Letter Agreements with MNWDEA regarding Senior GIS Analyst, District Accountant and Inventory Control Worker positions.

Vehicle and Equipment Policy

Dr. Robert Gumerman reported that at the August 18, 2011 Personnel & Salary Meeting, staff was directed to agendaize the Vehicle Policy for discussion. Dr. Gumerman presented the Vehicle & Equipment Policy. Chairman McKenney stated that the Vehicle and Equipment Policy should include the date (January 1, 2013) that all employees receiving a District transportation benefit will have an automobile allowance in lieu of District provided vehicles. Dr. Gumerman stated that he would include the statement by Chairman McKenney in the Policy. Director Fiore asked if the leases would expire by January 1, 2013. Dr. Gumerman believed that they would.

Director Lizotte directed the Board's attention to page two of the Policy. He asked why the Policy states "the General Manager will determine the amount of the automobile allowance..." Director Fiore suggested that the sentence be changed to "The District will set the automobile allowance". Director Lizotte asked if all eligible employees would receive the same automobile allowance. Director Lizotte stated that usually the General Manager would receive a higher allowance. Director McKenney stated that the allowance is the same for all eligible employees. Director Lizotte asked if the automobile allowance would be reported on the employee's W-2 as reportable income. Mr. David Cain stated that an automobile allowance is taxable income and would be reported on the W-2. Mr.

Cain also stated that executive use of a District vehicle is taxed and reported on the employee's W-2

Chairman McKenney suggested removing of the last sentence on page two, item 1 and add the date of January 1, 2013.

Director Lizotte referenced page three of the Policy and asked how many pool vehicles the District currently has. Mr. Matt Collings stated that the District currently has three pool vehicles; two for 2A and one for the Main Office. Further discussion ensued.

Mr. Brad Neufeld indicated some additions that he feels should be included in the Policy. On page four, Section 7, Item C, the Cell Phone Use Policy should be changed to "...on use of electronic devices". Page four, Section 8, number 2 should read "There shall be no smoking, open flame or cell phone use within twenty-five feet of fueling operations." Page 5, Section 8, number 9 should include "removing the keys and lock the doors when leaving the vehicle".

Chairman McKenney agreed with the amendments to the Vehicle and Equipment Policy.

THEREAFTER, UPON A MOTION DULY MADE BY DIRECTOR FIORE AND SECONDED BY DIRECTOR COLTON, THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT UNANIMOUSLY APPROVED THE CHANGES TO THE VEHICLE AND EQUIPMENT POLICY.

Clarification of the Approved Geographic Information Systems (GIS) Analyst Position

Mr. Neufeld explained that this position was previously approved by the Board of Directors; however, the intent of the position was to be a senior-level position.

THEREAFTER, THE BOARD OF DIRECTORS UNANIMOUSLY APPROVED THE CORRECTED TITLE OF SENIOR GEOGRAPHIC INFORMATION SYSTEMS (GIS) ANALYST.

Status Update of District Reorganization Study

Chairman McKenney explained that the Board of Directors authorized the General Manager to conduct a District Reorganization Study. Dr. Gumerman entered into

an agreement with Dr. Bill Mathis to conduct the District Reorganization Study. The major goals were to explore ways to streamline and provide ideas to modernize the District. Chairman McKenney stated that he was hoping the District would be presented with a report from Dr. Mathis. Chairman McKenney explained that he received a voicemail from Dr. Mathis informing him that he would be unable to present his Reorganization Study due to a family emergency in Seattle.

Chairman McKenney stated that Dr. Mathis gave him a progress report. Dr. Mathis told Chairman McKenney that he has met internally with the executive staff and has several suggestions for reorganizing. It was his intention to meet with all of the Directors; however, he did not because of concerns about the Brown Act. Chairman McKenney explained that Dr. Mathis did meet with the Ad Hoc Steering Committee to discuss the process and how to agendize this topic for a future Board Meeting. He explained that Dr. Mathis is great at interviewing and presenting, but not at writing reports. Nevertheless, the Steering Committee meeting requested that a report be presented to the Board of Directors in October. Director Fiore asked if the report would be general or more specific. Chairman McKenney stated that he would like the report to discuss rationale and should include specific recommendations.


Committee Comments

Director Lizotte stated that some agencies are trying to extract themselves from CalPERS. He explained that some agencies have not been paying their CalPERS contributions. Director Lizotte asked if the District elects to withdraw from CalPERS and participate in a 401(k), what would the impact be to the District. Chairman McKenney asked Director Lizotte if he would like staff to investigate and for the item to be agendized. Director Froelich stated that if MWDOC and OCWD merged, it would cost \$6 million to buy out the unfunded liability to CalPERS. Chairman McKenney stated that he would be interested to know how the District would be affected by being in the Pool if other agencies decide to withdraw from CalPERS.

ADJOURNMENT

THEREAFTER, PERSONNEL & SALARY BOARD MEETING WAS
ADJOURNED AT 12:00 P.M.

Respectfully submitted,


Kelly Winsor