

Board of Directors

James B. Murtland, President
Erin R. Lump, Vice President
David A. Drake, Treasurer
Dr. Gregory M. Quist, Director
Diana L. Towne, Director



*A Public Agency Serving the
Greater Escondido Valley Since 1954*

General Manager

Clint Baze

Board Secretary

Wanda Cassidy

General Counsel

Redwine and Sherrill

A meeting of the Rincon del Diablo Municipal Water District's Finance, Insurance, & Personnel Committee (Directors Murtland and Drake) will be held at the District's Office located at 1920 N. Iris Lane, Escondido, California on Thursday, January 9, 2020 at 8:00 a.m.

AGENDA

Thursday, January 9, 2020

I. CALL TO ORDER

II. ORAL COMMUNICATIONS TO THE BOARD OF DIRECTORS

This portion of the agenda may be used by any person to address the Committee on any matter within the jurisdiction of the Committee. No consideration or discussion shall be undertaken by Committee members at this time on any item not appearing on this agenda except as permitted by the Ralph M. Brown Act. Items for consideration by the Committee may be placed on a future Committee agenda. Committee recommendations and/or items requiring action will be placed on agenda of a future meeting of the Rincon del Diablo Municipal Water District Board of Directors.

III. AGENDA ITEMS

- A.** Minutes from April 9, 2019. *(Information Only)*
- B.** Update on SB 998: Discontinuation of Residential Water Service: Urban and Community Water Systems Requirements. *(Oral Report)*

IV. GENERAL MANAGER'S REPORT

This portion of the agenda may be used by the General Manager to make informational oral reports on items which may be of interest or concern to the Committee. No consideration or discussion shall be undertaken by Committee members except as permitted by the Ralph M. Brown Act.

V. ADJOURNMENT

The next meeting of the Finance, Insurance, and Personnel Committee will be:

- Thursday, April 9, 2020 at 8:00 a.m.

**FINANCE, INSURANCE & PERSONNEL (FIP)
Committee Meeting Minutes**

April 9, 2019

Minutes of the Finance, Insurance & Personnel (FIP) Committee (Directors Murtland and Drake) meeting held at the District office located at 1920 North Iris Lane, Escondido on Tuesday, April 9, 2019 at 9:30 a.m.

I. CALL TO ORDER

Director Murtland called the meeting to order at 9:30 a.m.

Directors Present: Director Murtland

Director Drake

Staff Present:

Greg Thomas, General Manager

Jeff Umbrasas, Director of Administration and Finance

Clint Baze, Director of Engineering and Operations

Andrew Stibal, Management Analyst

Others Present:

Cindy Harary, Koff & Associates

Georg Krammer, Koff & Associates (via Phone)

II. PUBLIC COMMUNICATION

Director Murtland noted that there was no public present.

III. ITEMS FOR DISCUSSION

A. Minutes from January 10, 2019. **(Information Only)**

B. Review and Approval of Revisions to Admin Code Section 503. **(Action)**

General Manager Thomas introduced the item by reminding the Committee that Board Meetings have been moved from the 2nd Tuesday of the month to the 4th Tuesday of the month. Because of this, some timing issues have arisen with regards to ensuring Director per-diems and expenses are paid timely due to the current approval process. Mr. Thomas informed the Committee that the proposed changes to the Admin Code would eliminate the requirement that the full Board approve payments, prior to disbursement. Instead, the new language would require that the Board Treasurer review and approve payments, and that the full Board would then review the payments during the next Board meeting, after they have already been disbursed. If any issues would arise, the Board could recommend any corrective or follow-up action, such as the payment be refunded at that time. Director Drake inquired as to when the pay date usually is, with Management Analyst Stibal responding that it depends on when payroll falls but is usually during the first two weeks of the month. Director Drake expressed that he was comfortable with the change as there was still a review process and the Board could later

review and object to expenses if they so desired. Director Drake also mentioned that during his review he could always come to Mr. Thomas or Mr. Umbrasas if he has any questions about the expenses. With that, Director Drake moved approval, with a second by Director Murtland that the proposed revisions be forwarded to the full Board with Committee approval.

C. Classification and Compensation Study. (**Action**)

Director of Administration & Finance Umbrasas introduced the item by explaining that the District performs Class & Comp Study's on a routine basis to ensure salaries and benefits are competitive to the current market for recruitment and retention purposes, and to align with the District's Strategic Plan. Mr. Umbrasas reminded the Committee that a new consultant was hired for this Study to provide a fresh look at the information and introduced Mr. Krammer (on the phone) and Ms. Harary from Koff & Associates for a short presentation on the results of the Study. Mr. Krammer began by discussing the classification portion of the study, explaining the purpose and methodology that was followed, and then revealed the recommendation of 7 title changes and 1 reclassification. Mr. Krammer then discussed the compensation portion of the study, educating the Committee on structure and strategy, as well as the methodologies used. The comparator agencies and data collection process were also shared with the Committee. Mr. Krammer revealed a table of market findings, showing how each benchmarked District position compared to the salaries of like positions at the comparator agencies. The results revealed that most District positions fell below the median salary of comparator agencies and it was discussed how this has had a negative impact on recruiting and retention. Next, Mr. Krammer discussed a recommendation to provide more structure to the District's salary ranges, by internally relating individual ranges to each other and reducing the spread between the minimum and maximum salary for each position to align with industry standards. Mr. Krammer finished by sharing the proposed salary ranges for each District positions, based upon the market findings and new salary structure. Mr. Umbrasas closed the presentation by summarizing the recommendations and expressing to the Committee the difficulties that the District has had with retention and recruiting, and how the recommendations would help address those issues. Mr. Umbrasas also expressed that the recommendations would have no direct and immediate budget impact, in that salary ranges are separate from budgeted merit increases.

Throughout the presentation Committee members had several inquiries which were discussed. Director Drake inquired as to how the accuracy of titles impact recruitment, with Mr. Krammer responding about the importance of accurate titles and the proper level of work being recognized. Director Murtland inquired about certifications and licenses (CPA) and how they are considered with Mr. Krammer discussing how they are included when required, however the District does not specifically require a CPA for its Accountant position, however it is desirable. General Manager Thomas informed the Committee about how the current job market favors employees

and applicants and with many older employees retiring, it is important to be competitive with salaries. Director Murtland inquired if the Board approves the recommendations, will that get us to where we will be competitive, with Mr. Krammer stating that the recommendations will get the District to the median salary in the region, which is generally comparative and consistent with past Board policy. Director Drake mentioned that he felt staff and the consultant should be less shy about sharing the challenges the District has had with retention and recruitment and that we should amplify the issue as it is primarily why these recommendations are being made. Both Directors thanked staff and consultant for the work that was done on the study. Director Murtland motioned to forward the recommendations to the full Board with Committee support, with Director Drake seconding the motion.

D. Budget Overview. (*Oral Report*)

Director of Administration & Finance Umbrasas introduced the item by distributing a document of budget assumptions for the upcoming two-year budget, as well as some tables reflecting draft budget projections at the time. Mr. Umbrasas discussed some of the changes and assumptions for the upcoming budget, including a chart of accounts clean-up, updates to the District's budgeting process, as well as water purchase and sales projections, and changes to benefits budgeting. Mr. Umbrasas went through information on the District's potable, recycled, and fire funds, as well as the new proposed sewer fund. The District's long-term CIP plan was also presented in draft form for review. Mr. Umbrasas expressed that the District is anticipating a balanced budget and revenues will exceed expenses. Directors Drake and Murtland both inquired about the new sewer fund and the process for budgeting for revenues and expenditures with Mr. Umbrasas explaining how the District will receive property tax revenue with expenses being based off estimated contract costs to run the plant and collection system. General Manager Thomas thanked the Committee for their review and comments, understanding there was not a lot of time for directors to review information prior and the Committee mentioned they appreciated the information and the budget seems to be coming along well, especially as it stays the same for next year. Mr. Umbrasas informed the Committee that a formal Budget Workshop for the full Board is scheduled for Monday, April 29, 2019 at 5:00 pm, where more detailed information and a more thorough look at the draft budget will be available for discussion.

IV. **GENERAL MANAGER'S REPORT**

General Manager Thomas updated the Committee regarding the City of Escondido's proposed actions at their upcoming Council Meeting regarding the Valiano development and sewer service. Director Drake mentioned he would be attending the Council meeting with Mr. Thomas to speak on the item and how it impacts the residents in the area, as well as the District.

Mr. Thomas also updated the Committee on the latest developments regarding sewer service for Harmony Grove Village. Mr. Thomas informed that it looks like

LAFCO final approval/transfer or responsibility from County will come in June 2019 and that the District is still working to get the permit transferred and to have existing collection system issues corrected. Director Drake inquired if there were any big things outstanding that could potentially trip the District up related to sewer, with Mr. Thomas responding that the District has been addressing potential issues well ahead of time and try to anticipate any issues with due diligence, such as bringing the JPIA reps on site for a plant tour.

Director Drake took the opportunity to inform staff about an issue at the Solano Irrigation District where two fatalities occurred due to kids coming into contact with an improperly electrified fence bordering a canal. Director Drake mentioned that JPIA was evaluating the issue and that several parties could have liability and inquired to ensure the District was being diligent regarding electrical connection and potential risk. Director of Engineering & Operations Baze informed the Committee that we do not necessarily have facilities such as the one Solano had, however we regularly check our facilities and will continue to be diligent.

V. ADJOURNMENT

There being no further business for the FIP Committee, the meeting was adjourned at 11:30 a.m. by Director Murtland.