



BIGHORN-DESERT VIEW WATER AGENCY

"To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

Finance/Public Relations/Education and Personnel Standing Committee Meeting Minutes

Committee Members: Director McBride & Director McKenzie

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92284

March 17, 2021
Time – 4:00 P.M.

PUBLIC AND BOARD WISHING TO PARTICIPATE REMOTELY
TELECONFERENCE LINE THRU ZOOM 669-900-6833
OR

Join Zoom Meeting

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84689979760?pwd=Q0hQdXVwbGZBd1JBTjhZalp2K05ldz09>

Passcode: 575039

Or Dial:

1-669-900-6833

Webinar ID: 846 8997 9760

Passcode: 575039

Please note that all requirements of the Brown Act requiring the physical presence of the board or staff have been waived per Executive Order N-29-20

CALL TO ORDER

Vice President McBride called the meeting to order at 4:01 pm

PLEDGE OF ALLEGIANCE

Led by John Burkhart.

ROLL CALL

Directors Present: Chairman McBride
Director McKenzie

Staff Present: Marina West

Public Present: 0 member(s) of the public indicated they were participating via teleconference.
3 members of the public were present in the meeting room.
Paul Fuller, JPRIMA, participated by teleconference.

APPROVAL OF AGENDA

Vice President McBride and Director McKenzie approved the Agenda as presented.

Discussion and Action Items -

1. **Presentation on Property and Casualty Insurance by CalMutuals JPRIMA Representative Paul R. Fuller, CEO, Allied Public Risk, LLC**

GM West introduced the timeline and reasoning for seeking an additional quote for Property Liability Insurance. She then introduced Paul Fuller, Allied Public Risk and JPRIMA, representative.

Mr. Fuller provided a background overview of JPRIMA and particulars about liability and litigation in recent times.

He indicated that our account was priced at a level that is sustainable, roughly at \$63,000 and in good conscience adjusted our total liability of \$5M due to our size and background. He further discussed the excess liability. This is a contrast from SDRMA which cannot offer unlimited defense costs it is aggregate.

Mr. Fuller included a \$50,000 deductible for employment practices claims. After further interrogation of staff, he said this deductible can be reduced overtime to a much lower amount. In order to pursue that then JPRIMA would need to be a part of the professional support team as is with CPA and Legal. This would include talking through strategy in hiring and termination activities. In addition, agreeing that Liebert Cassidy Whitmore would be the "human resources" professional partner on the team as well. If we agree to a \$50K deductible (reduce to \$25K next year) and he can lower the quote by approximately \$10K. Basically decide together how issues will be handled. If no claims this year, deductible drops to \$25K then \$10K in year three. This relationship is different than SDRMA in that Mr. Fuller wants to be involved as it relates to insurance (contractor insurance) and human resources.

Mr. Fuller was asked questions by the Committee including whether or not Errors and Omissions for individual directors, deductibles for other claims such as fire (\$2,500) or vehicle (\$1,000). Director McKenzie asked about inverse condemnation as outlined in Mr. Fuller's article from the Agenda Packet.

All claims handed within Allied. Mr. Fuller is also the arbiter.

Public Comment: Mrs. Terry Burkhart stated that she has 35 years of experience in the insurance industry and having reviewed this policy she thinks it is very good.

Directors asked Cindy Byerrum, CPA, additional questions about her experience with JPRIMA and her other clients. Mrs. Byerrum informed the Committee that her husband, Jim Byerrum is the CEO of JPRIMA but he does so for \$0 income. It is as an unpaid volunteer.

There was a short discussion about Worker's Compensation issues as well.

2. 2021 Staff Salary Survey and Recommendations for Fiscal Year 2021/22 Budget

GM West gave the staff report noting that the Committee agreed a salary survey for staff was warranted in April 2020. GM West decided to do this study in-house with the help of our financial consultant, Cindy Byerrum, and not pursue an outside consultant. GM West informed the Committee that the tables were shared with the employees prior to this presentation.

Staff and Committee members discussed the tables and the recommendations noting that the entry level positions are the most underpaid according to the benchmark. The entry level positions are also the most common and similar in job duties across the entities surveyed. That results in eight (8) positions to document a sound benchmark. The proposal provides good earnings potential which is a benefit to the Agency in attracting and retaining employees.

Director McKenzie noted that her understanding is that successful businesses run payroll (pay + benefits) somewhere between 10% and 30%. By her calculations the Agency is at 34%. She asked what the ratio would be under this proposal. Director McKenzie asked additional questions concerning the merit increase potential vs. the Cost-of-Living Adjustment (COLA), employee vs employer contributions to the pension, CalPERS.

Staff conducted some “over-the-shoulder” calculations based on the draft budget, but was not comfortable “standing by” these numbers as the budget includes standby and overtime as well as benefits.

Ms. Byerrum noted her other agencies where it is closer to 30-40% and sometimes higher. For instance, 29 Palms Water District is 50% and Cabazon Water District is closer to 35% but being her “worst paid” district, they have constant turnover which is a problem. Director McBride expressed understanding about turnover and becoming a training ground for folks to move-on after being adequately trained for our needs. He further discussed the importance of certifications and their value which justifies being concerned about the pay scale because the certifications are good statewide. GM West noted the breadth of responsibilities that even our entry level employees have to perform. She further noted that there will be one retirement at April 30th and a second pending in 2 to 3 years. GM West asked for clarification from Director McKenzie on what exactly she is asking staff to calculate as part of this review. The request is for staff to calculate the ratio of salary + benefits vs total expenses.

There was additional discussion regarding the number of “hang tags” and “lock-offs” noted on the Service Order report.

It was noted that the bottom of range from the salary survey would be about \$20/hr. and that minimum wage is currently \$14/hr. and in the city of LA it is \$15/hr. Ms. Byerrum noted that Cabazon Water District is currently working on a benchmark survey because of the excessive turnover in operators over time. Their recommendations are being requested in

the next budget cycle. There were additional questions regarding the relationship between these benchmark adjustments plus COLA vs. merit increases. Director McKenzie reiterated her concern over public perception and her ability to defend any decision to adjust salaries as recommended by the benchmark salary proposal. GM West noted that our benchmark is inclusive of local agencies only and that staff has worked hard resulting in numerous achievements, including annexation of Goat Mountain, and increasing reserves from nearly zero to \$4.5 million so it seems the time is right to reward that by adjusting the range and step scales to conform to the local pay standards. There was additional conversation regarding the proposed Organizational Chart discussed in April 2020.

GM West stated that the item can either be pushed to the full Board for comment or we can form an Ad Hoc Committee to further analyze alternatives if desired or return to Committee to answer some specific questions before making that determination.

Director McBride noted the survey shows the “industry standard” and that is how you explain it to the public. Director McKenzie is requesting that we provide a calculation of ratio of employee costs to total revenue. It was later realized that the better analysis is salary vs. expenses, not revenue.

A special meeting was scheduled for April 20, 2021 at 4pm to continue this discussion.

Public Comment:

Mrs. Terry Burkhart noted that the whole country is pushing \$15/hr. for “flipping burgers” which can then be compared to this \$20/hr. entry level operator which doesn’t seem like a lot of money compared to the duties. Mrs. Burkhart further noted the condition of the Agency when she joined the Board and how far the Agency has come from the time that she joined the Board following a recall effort of three directors as a result of mismanagement and how much the Agency had to “over-come” to get back on track.

Committee adjourned to break at 6:16 pm – Returned from break at 6:32 pm

3. Fiscal Year 2020/21 Mid-Year Budget Review

GM West gave a brief presentation on revenue and expenses to date. Director McKenzie asked about Education budget for current year as well as Other Admin expenses (where will it go).

No Public Comment

4. Review and Provide Feedback on Topics for a Spring 2021 Newsletter Provided to all BDVWA Customers

GM West introduced the draft newsletter focused on “emergency preparedness” that was prepared at Director McKenzie’s request. GM West asked if this is “in-line” with her request.

Director McKenzie's original vision was more "in the moment". For instance, during an outage,

- What do I do to get water? Where am I going to get some? How am I going to get it (for toilet, dishes, etc.) referring to the Texas power outage where people reported they didn't know what to do. For instance, if they know where a water tank is; they will know where to get water. Give information so our folks don't feel abandoned.
- Water treatment methods for home use?
- What you can expect from BDVWA during an emergency? Basic human needs first, how emergency water would be distributed.
- What can we tell people so they are informed?
- What do I do, what can I do, the day the emergency happens?

Public Comment:

Mrs. Terry Burkhart said it's about the need to be prepared and it never hurts to remind the public to be prepared. She mentioned that for example for those that use bleach, they can use the container instead of throwing it away. Fill it with water and label it and it is good for a long time.

5. IRS 115 Pension Stabilization Fund – PARS 115 Trust Financial Report

GM West reviewed the investment statement for the period ending January 2021.

No Public Comment.

6. Consent Items –

- a. FPREP Special Committee Meeting Minutes January 20, 2021

Recommended Action:

Approve as presented (Items a):

No Public Comment.

Committee members approved the minutes as presented.

7. Public Comment Period

None.

8. Verbal Reports - Including Reports on Courses/Conferences/Meetings.

1. Committee Members' Comments/Reports – none.
2. General Manager's Report – GM West reported that the notice of the San Bernardino Tax Sale has been published and if she sees

9. **Adjournment** – Vice President McBride adjourned the meeting at 7:01 pm.

Approved by:

Michael McBride

Michael McBride, Committee Chair



Official Seal