

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

February 13, 2012

Chair Murray, Jr. called the meeting to order at 1:37 p.m. in Committee Room 2-456 at Metropolitan's Headquarters.

Members present: Chair Murray, Jr., Vice Chair Edwards, Directors Evans, Gray, Little, and Wilson

Members absent: Directors Ballin, Bowersox, Camacho, Dick, Friedman, Montalvo, Quiñonez, Sanchez, and Wunderlich

Other Board Members present: Directors Ackerman, Blake, Brown, De Jesus, Foley, Griset, Heidel, Lewinger, Peterson, Record, Santiago, Steiner, and Wright

Staff present: Beatty, B. Becker, Bennion, Breaux-Burns, G. Breaux, Burton, Coffey, DeBacker, Giron, Green, Ivey, Jankovic, G. Johnson, Kightlinger, Lem, Man, Mares, S. Martin, T.D. Miller, Monfort, Pimentel, Pitman, Radhakrishnan, Riss, O. Sanchez, Scully, H. Torres Jr., Upadhyay, Waade, Wolfe, and Zinke

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

AFSCME Local 1902 Executive President Steven Williams addressed the committee. Mr. Williams spoke of the impact the classification study has had on employee morale. Mr. Williams reported that employees are unsatisfied with the length of time the study has taken. Mr. Williams also reported that another issue that is impacting employee morale is Metropolitan's position that all regular hours in the workweek be treated as straight time hours regardless of the day of the week the work begins on. General Manager Jeff Kightlinger responded that these issues will be looked into.

Human Resources Group Manager Fidencio Mares reported that on January 30, 2012, AFSCME Local 1902 filed an Unfair Practice Charge with the Public Employment Relations Board. The charge is being defended by the Metropolitan's Legal Department. A copy of the Unfair Practice Charge and Metropolitan's Position Statement are available if a Director is interested in receiving additional background information.

2. APPROVAL OF THE MINUTES OF THE ORGANIZATION AND PERSONNEL COMMITTEE MEETING HELD ON JANUARY 9, 2012

Not approved due to lack of quorum

3. COMMITTEE CHAIR'S REPORT

Chair Murray and General Manager Jeff Kightlinger invited members of the Board to visit the Black History Month Art display in Metropolitan's Headquarters lobby area.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

None

6. COMMITTEE ITEMS

a. Subject: **Oral report on Information Technology Strategic Plan for period ending September 2011**

Presented by: Interim Section Manager Tom Miller

Group Manager Roy Wolfe provided an introduction to the quarterly update on the Information Technology Strategic Plan for the period ending September 2011. Mr. Miller presented an update on key activities. The four business objectives are: enhanced reliability, improved water quality, enhanced security, and productivity cost. In one of his first assignments as interim section manager, Mr. Miller reviewed the various information and communication tools that are supported by Information Technology (IT). Key highlights presented for the period of September 2011 are: (1) conducted final acceptance for the Water Quality Monitoring and Rapid Event Detection System; (2) completed upgrades of Windows Vista to strengthen security; (3) completed requirements and system definition for the new Lease Management System; (4) completed requirements, system definition, and vendor selection for the Environmental and Safety Management Information System; and (5) conducted IT disaster recovery exercises for recovery of critical water quality

application, and testing of “fail-over” capabilities.

IT recently received a PMI Distinguished Project Award for the tracking and utilization of Metropolitan’s fleet asset. Mr. Miller also reported that IT is seeing more information coming to Metropolitan in digital form as well as a more technically savvy customer base. As a result, there has been a rapid increase in digitally stored data. Metropolitan is currently storing one Terabyte of digital information. IT is investigating solutions for increased data storage such as movement of data to the Cloud. One consequence of moving to the Cloud is that information can be accessed via the internet 24/7 and this enables use of mobile technology.

Mr. Miller identified upcoming milestones in the ITSP including migrating emails to a central storage area as part of e-Discovery project, completing final design of the IT infrastructure wide-area-network microwave update, selecting a specialized SCADA Cyber Security consultant, beginning design for the Environmental and Safety Management Information System, and initiate planning for PC replacement project.

- b. Subject: **Oral report on Business Technology Group workforce skill assessment**
- Presented by: Interim Program Manager Kate Monfort
- Group Manager Roy Wolfe introduced this item, providing perspective on the broad range of administrative and technical support by the Business Technology Group (BTG) and why it is critical to maintain sufficient skill sets to continuously meet customer needs. Ms. Monfort presented highlights of the workforce skills assessment that was recently conducted to ensure the BTG can continue to meet current and future needs. The BTG currently has three major challenges: (1) changing workforce; (2) preparing for an evolving future; and (3) mitigating skill-gaps and vulnerabilities. For example, a chart of the age distribution of BTG staff showed that a significant number of employees are eligible for retirement. To address these challenges, BTG created a systematic, consistent approach to identify skills needed to continue to provide services. The five major steps of this process are: (1) review team mission; (2) define essential functions and skills; (3) identify skill-gaps and vulnerabilities; (4) develop strategies to close gaps; and (5) monitor progress. Examples were illustrated. This process helps managers determine when additional skill proficiency and backup for each skill is needed.

For the IT area the top five gaps were identified: (1) integrating Cloud technology with operational process; (2) providing security in a Cloud environment; (3) utilizing mobile technologies; (4) transitioning to web-based applications; and (5) supporting multiple operating systems.

For Business Services, the results were similar in that cloud-based skills will become increasingly important. Strategies that will be utilized to close skill-gaps include developing employees, acquiring special expertise, and outsourcing selected functions. Progress will be assessed annually. Going forward, over the next few months' the BTG will build training plans for each employee, reassess skill-gaps, and share lessons learned with other groups.

d. Subject: **Update on health care alternatives**

Presented by: Section Manager Diane Pitman

Ms. Pitman provided the update on Health Plan Alternatives. Metropolitan is currently contracted with CalPERS. CalPERS provides 2 PPO and 2 HMO health insurance options. CalPERS requires retiree medical contribution to equal active employee medical contribution and Metropolitan recently reduced contribution, during labor negotiations, from 90 percent PERSCare to 100 percent Blue Shield HMO. Research showed quotes from various providers. The results showed that five vendors refused to provide quotes for various reasons and three vendors provided quotes. The quotes showed an increased cost based on Metropolitan's workforce and retiree enrollment and uncertain claims experience. The next steps are to examine options available to lower costs through CalPERS, seek Board input on alternatives and options, and return to the OP&T Committee with information on cost reduction options and alternatives.

Ms. Pitman and Assistant General Manager Ivey responded to questions of Directors on: CalPERS not acknowledging Metropolitan as a customer and the cost for the region Metropolitan is in, the reason for Blue Shield of California, Cigna, Health Net, Kaiser, and United Health Care not submitting a quote to Metropolitan, and if other similar agencies have been contacted. Director Peterson expressed his preference for Metropolitan to be self-insured.

e. **Subject:** **Biennial 2012/13 and 2013/24 Human Resources Budget**

Presented by: Group Manager Fidencio Mares

Mr. Mares presented the Human Resources (HR) proposed biennial budget for fiscal years 2012/13 and 2013/14.

The mission and core priorities of HR is to foster a high performance workplace with excellent leadership practices and cost-effective processes and services while hiring, supporting and retaining talented and engaged employees. The group has 40 employees in the various areas of HR which include Total Comp, Benefits, Classification and Compensation, Employee Relations, Talent Management, Staffing, EEO, and Office of the HR Manager and 6 employees in Risk Management and in Workers' Compensation and Medical Screening.

Mr. Mares reported on HR's strategies and objectives and the challenges HR faces. The budget trend has been consistent across the board at \$11.5 million for 2011/12, 2012/13 and 2013/14. For 2012/13 there is a proposed \$200,000 increase for labor due to cost of benefits and merit increases, but the overall budget remains the same. The staffing trend shows a reduction in staff moving from 44 positions in 2012/13 to 42 positions in 2013/14 and the use of one intern in both budget years.

Staff responded to questions concerning self-insured retention payments, merit increases, and the average span of control.

f. **Subject:** **Biennial 2012/13 and 2013/24 Business Technology Budget**

Presented by: Group Manager Roy Wolfe

Mr. Wolfe introduced the Business Technology Group (BTG) proposed biennial budget for fiscal years 2012/13 and 2013/14. The mission and core priorities of BTG is to provide a wide range of administrative and technical services some of which include contracting, procurement, managing facilities, business outreach, all the hardware and software, documents and records management, sustainability, customer support, and reprographics. BTG has three sections: (1) Business Services; (2) Information Technology; and (3) Business Outreach.

In the spirit of workforce skills assessment, Mr. Wolfe turned the presentation over to Program Manager Steve Martin who has been working on budgets for nearly 20 years who presented the BTG biennial budget. Mr. Martin covered the high level strategic

objectives and the challenges the group faces. He briefly covered the strategies available to help manage costs while continuing to meet service levels.

BTG has involvement in both O&M and Capital. Approximately 90 percent of the workload is in the O&M area. The 2012/13 O&M costs are down by more than \$1 million compared to 2011/12. This was primarily achieved through the elimination or defunding of 13 authorized positions. The Capital budget is also down by \$1.2 million which is due to rescheduling or deferring some projects out into the future.

Staff responded to questions concerning staffing trends and labor budget.

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

7c. Subject: **Potential OP&T items for 2012 agenda**

Presented by: Chief Administrative Officer Gilbert Ivey

Chairman Murray announced that the OP&T will not meet monthly unless there is a critical mass of agenda items. The OP&T Committee has a broad range of responsibility for ensuring that the organization is functioning efficiently with respect to employees, business matters, and technology solutions.

Chairman Murray proposed the committee focus on several themes relating to a high performance workforce, deployment of technology to improve the efficiency of the business, protecting Metropolitan's assets, and other directly related committee topics. Various topics around these themes will be presented on a timely basis for board input and direction. Staff will prepare a schedule of suggested topics for the Committee's consideration.

9. BOARD INFORMATION ITEMS

None

Next meeting will be held on April 9, 2012

Meeting adjourned at 2:44 p.m.

John W. Murray Jr.
Chair