

HUMAN RESOURCES/RISK MANAGEMENT COMMITTEE NOTES

March 3, 2022

Attendees:

Committee members: James V. Curatalo (Chair) and Mark Gibboney

Staff members: John Bosler, Eduardo Espinoza, Roberta M. Perez, Rob Hills, Chad Brantley, Bobby Kalarsarinis, Cindy Cisneros and Taya Victorino.

Members of the Public: None.

Call to Order: 11:00 a.m.

Public Comment: None

Additions/Deletions to Agenda: None

Introductory Remarks by Chair Curatalo

Chair Curatalo announced for the record that this meeting was conducted by teleconference pursuant to Resolution No. 2022-2-1 as permitted under AB 361, in an effort to protect public health, prevent the spread of COVID-19 and because the state and/or local officials are recommending or imposing measure to promote social distancing. Further, the agenda states that there is no public location for attending this meeting in person. The agenda also states that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Curatalo took a roll call of Committee members and staff present on the call, as listed above.

Amend Employee Policy No. 2.6, Shift Differential

- Staff proposed amendments to Employee Policy No. 2.6, Shift Differential. The water treatment division oversees the operations and maintenance of three water treatment plants and operators work 24 hours per day-365 days a year to ensure our customers have the water they need. Operators are required to work rotating shifts - including day shift, swing shift, and graveyard shift - to provide the necessary coverage for District operations.
- Shift differential is most common in 24-hour operations and is customary in the water treatment industry. Offering shift differential is not compulsory as it is not required by law; however District policy does provide shift differential to fairly compensate employees obligated to work such schedules. The current shift differential pay is 3% for swing shift and 5% for graveyard shift; the District's current policy was adopted prior to 2007.
- Staff evaluated shift differential pay offered in the industry. The results of this evaluation found for swing shifts (typically 3 PM to midnight), the differential is on average 7.5% more than the base hourly rate. For graveyard shifts (6 PM to 6 AM), the differential is on average 10% more than the base hourly rate.
- In consideration of the results of this analysis, staff recommended the shift differential policy be amended to adjust shift differential pay, swing shift to 5% and 10% for graveyard.

HUMAN RESOURCES/RISK MANAGEMENT COMMITTEE NOTES

March 3, 2022

- The Committee concurred and recommended forwarding the item to the Board of Directors for review and approval.

Amend Employee Policy No. 2.7, Standby

- Staff proposed amendments to Employee Policy No. 2.7, Standby. The policy outlines the District's goals of providing standby service for emergency response, including the compensation, qualifications, use of vehicles/equipment, and employee safety. The assignment of employees on standby duty ensures staff availability outside regular hours of coverage to address operational demands.
- Standby compensation is common and is customary in the water industry, providing a weekday and weekend/holiday daily rate to employees assigned using a rotation schedule for 7-day blocks. Each six-month standby rotation is limited to a maximum of thirteen (13) participants and a maximum of four (4) alternates. The standby rates were last reviewed in 2007.
- Staff recommended an adjustment to the standby rates to accommodate inflationary increases. The fiscal impact to amend Employee Policy No. 2.7 is \$47,600.
- The Committee concurred and recommended forwarding the item to the Board of Directors for review and approval.

Wages and Benefits

- Staff presented an analysis of economic conditions and measurements that are used to create a recommendation for a Cost of Living Adjustment (COLA) to employee wages.
- The two primary indicators used are the Consumer Price Index (CPI) and the Employment Cost Index (ECI). Both indicators have been increasing recently, with CPI (7.5%) being a leading indicator and ECI (2.6%) being a trailing indicator.
- The objectives of granting a COLA include helping employees who are facing sharp increases in their cost of living, attracting/retaining the highest quality employees, and remaining within projections in the water rate study.
- Staff recommended a 4% COLA effective on April 1, 2022 which would have a financial impact of \$143,513 during the remaining months of fiscal year 2022. The financial impact in fiscal year 2023 would be \$0 as compared to the projected wage cost inflation factor included in the recent rate study, meaning that there would be no impact on water rates.

HUMAN RESOURCES/RISK MANAGEMENT COMMITTEE NOTES

March 3, 2022

- The Committee recommended forwarding this item to the Board of Directors for review and consideration. The Finance Committee will review this item on March 9, 2022.

Meeting Adjourned at 11:38 a.m.