

**MEETING OF THE
ADMINISTRATIVE COMMITTEE
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CA 90712
9:30 AM, WEDNESDAY, JANUARY 22, 2020**

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For information" or "For discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

- 1. DETERMINATION OF QUORUM**
- 2. PUBLIC COMMENT**
Pursuant to Government Code Section 54954.3
- 3. APPROVE OF MINUTES OF DECEMBER 17, 2019**
Staff Recommendation: The Administrative Committee approve the minutes as submitted.
- 4. ADMINISTRATIVE CODE UPDATE**
Staff Recommendation: For discussion and possible action.
- 5. STATUTORY AND REGULATORY REQUIREMENTS FOR PUBLICLY AVAILABLE PAY SCHEDULES**
Staff Recommendation: The Administrative Committee recommends that the Board of Directors adopt the attached salary schedule as the WRD Salary Schedule and make it publicly available on the District's website.
- 6. LEASE FOR DISTRICT'S POSTAGE MACHINE FOLLOW UP**
Staff Recommendation: For discussion and possible action.
- 7. UPDATE ON THE MANAGERS' CLASSIFICATION AND COMPENSATION STUDY**
Staff Recommendation: For discussion and possible action.
- 8. DEPARTMENT REPORT**
Staff Recommendation: For discussion and possible action.
- 9. DIRECTORS' REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**

10. ADJOURNMENT

The Committee will adjourn to the next meeting currently scheduled on February 27, 2020, at 9:30 AM.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Deputy Secretary at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas are available at the District's website, www.wrd.org.

EXHAUSTION OF ADMINISTRATIVE REMEDIES – If you challenge a District action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Deputy Secretary at, or prior to, the public hearing. Any written correspondence delivered to the District office before the District's final action on a matter will become a part of the administrative record.



MEMORANDUM
ITEM NO. 3

DATE: JANUARY 22, 2020
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: APPROVE THE MINUTES OF DECEMBER 17, 2019

SUMMARY

A meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was held on December 17, 2019 at 9:35 AM at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Sergio Calderon called the meeting to order and presided thereafter.

FISCAL IMPACT

None

STAFF RECOMMENDATION

The Administrative Committee approve the minutes as submitted.

**MINUTES OF DECEMBER 17, 2019
MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Administrative Committee of the Board of Directors of the Water Replenishment District of Southern California was held on December 17, 2019 at 9:35 AM at the District Office, 4040 Paramount Boulevard, Lakewood, California 90712. Committee Chair Sergio Calderon called the meeting to order and presided thereafter.

1. DETERMINATION OF A QUORUM

A quorum was present, which included:

Committee: Committee Chair Sergio Calderon; President John D.S. Allen
Staff: Ted Johnson; Sherri Brown; Dina Hidalgo; Tenisha Simeon
Public: Director Vera Robles-Dewitt

2. PUBLIC COMMENT

Pursuant to Government Code Section 54954.3
None

3. APPROVE THE MINUTES OF NOVEMBER 27, 2019

Staff Recommendation: The Administrative Committee approve the minutes as submitted.

First:	Allen
Second:	Calderon
Discussion:	None
Vote:	Calderon, Yes; Allen, Yes
Result:	The Administrative Committee approved the minutes as submitted.

4. ADMINISTRATIVE CODE

Staff Recommendation: For discussion and possible action.

Assistant General Manager/Chief Administrative Officer Ted Johnson presented an update on the Administrative Code, stating that the procurement manual is still in development. Discussion followed.

No action was taken.

5. UPDATE ON THE MANAGERS' CLASSIFICATION AND COMPENSATION STUDY

Staff Recommendation: For discussion and possible action.

Mr. Johnson stated that Koff Associates was in the process of carrying out a formal study.

No action was taken.

6. 60-MONTH LEASE AGREEMENT WITH NEOPOST FOR DISTRICT'S POSTAGE MAILING EQUIPMENT

Staff Recommendation: The Administrative Committee recommends that the Board of Directors enter into a Lease Agreement, subject to approval as to form by District Counsel, with Neopost to lease postage machine equipment for a 60-month period for an amount not to exceed \$21,000 (\$4,200 per year for 5 years).

Mr. Johnson opened discussion for the item. Purchasing Officer Sherri Brown then provided an overview. Discussion followed.

No action was taken. This will be a regular item for review and approval on the Board of Directors meeting agenda.

Board President John Allen requested an update on the new equipment from Pitney Bowes.

7. DEPARTMENT REPORT

Staff Recommendation: For discussion and possible action.

Manager of Administration and Human Resources presented the department report. Ms. Hidalgo stated that all District Manager will attend sexual harassment prevention training on December 18, 2019. Discussion followed.

Mr. Johnson reminded the Committee of upcoming meetings.

No action was taken.

8. DIRECTORS' REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

Committee Chair Sergio Calderon and President Allen wished a happy holiday season to staff and management.

9. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:00 AM.

Chair

ATTEST:

Member

Approved in minutes of:



MEMORANDUM
ITEM NO. 4

DATE: JANUARY 22, 2020
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: ADMINISTRATIVE CODE UPDATE

SUMMARY

District Counsel and staff have been working on updating the District's procurement policies which used to be part of the Administrative Code but will be a separate document once approved by the Committee and Board. Any updates to this draft procurement policy document, or Administrative Code in general, will be discussed at the Committee meeting.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For discussion and possible action.



MEMORANDUM
ITEM NO. 5

DATE: JANUARY 22, 2020

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

**SUBJECT: STATUTORY AND REGULATORY REQUIREMENTS FOR
PUBLICLY AVAILABLE PAY SCHEDULES**

SUMMARY

For the purposes of transparency and also to assure compliance with CalPERS guidelines and requirements, WRD makes all of its job classifications and associated pay range schedules available publicly. Any time these job classifications and/or salary ranges may change, i.e. for cost of living increases, the Board should approve any change to the job classifications and salary range schedule and make that revised schedule publicly available. In accordance with CalPERS and the California Code of Regulations (CCR) Section 570.5, a pay schedule, among other things, must:

- Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws.
- Identify the position title for every employee position.
- Show the payrate as a single amount or multiple amounts within a range for each identified position.
- Indicate the time base such as hourly, daily, bi-weekly, monthly, bi-monthly, or annually.
- Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.
- Indicate an effective date and date of any revisions.
- Be retained by the employer and available for public inspection for not less than five years.
- Not reference another document in lieu of disclosing the payrate.

Approval of the pay schedule will make certain the District continues to make its pay schedule publicly available on a regular basis and ensure that all employees' payrates reported to CalPERS are included on pay schedules that are duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws.

FISCAL IMPACT

None

STAFF RECOMMENDATION

The Administrative Committee recommends that the Board of Directors adopt the attached salary schedule as the WRD Salary Schedule and make it publicly available on the District's website.

Job Classification and Salary Schedule

Draft - January 2020

Job Classification	Pay Grade	Annual Salary Low	Annual Salary High	Monthly Low	Monthly High	Bi-Weekly Low	Bi-Weekly High
Accountant	15	\$ 68,503.04	\$ 100,352.10	\$ 5,708.59	\$ 8,362.68	\$ 2,634.73	\$ 3,859.70
Accounting Technician	13	\$ 62,133.64	\$ 91,022.26	\$ 5,177.80	\$ 7,585.19	\$ 2,389.76	\$ 3,500.86
Administrative Specialist	13	\$ 62,133.64	\$ 91,022.26	\$ 5,177.80	\$ 7,585.19	\$ 2,389.76	\$ 3,500.86
Assistant Engineer	17	\$ 77,326.59	\$ 113,278.71	\$ 6,443.88	\$ 9,439.89	\$ 2,974.10	\$ 4,356.87
Assistant General Manager	29	\$ 185,889.93	\$ 270,025.66	\$ 15,490.83	\$ 22,502.14	\$ 7,149.61	\$ 10,385.60
Assistant Hydrogeologist	17	\$ 77,326.59	\$ 113,278.71	\$ 6,443.88	\$ 9,439.89	\$ 2,974.10	\$ 4,356.87
Associate Engineer	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
Associate Government Affairs Representative	16	\$ 71,936.00	\$ 105,370.49	\$ 5,994.67	\$ 8,780.87	\$ 2,766.77	\$ 4,052.71
Associate Hydrogeologist	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
Associate Public Affairs Representative	14	\$ 65,240.32	\$ 95,574.54	\$ 5,436.69	\$ 7,964.55	\$ 2,509.24	\$ 3,675.94
Chief Financial Officer	26	\$ 144,710.98	\$ 200,022.82	\$ 12,059.25	\$ 16,668.57	\$ 5,565.81	\$ 7,693.19
Data and Technology Services Supervisor	20	\$ 96,065.98	\$ 140,724.44	\$ 8,005.50	\$ 11,727.04	\$ 3,694.85	\$ 5,412.48
Engineer	21	\$ 103,272.34	\$ 151,239.23	\$ 8,606.03	\$ 12,603.27	\$ 3,972.01	\$ 5,816.89
Financial Analyst	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
General Manager	Contract	\$ 376,423.86	\$ 376,423.86	\$ 31,368.66	\$ 31,368.66	\$ 14,477.84	\$ 14,477.84
GIS/DBMS Analyst	18	\$ 83,128.56	\$ 121,777.33	\$ 6,927.38	\$ 10,148.11	\$ 3,197.25	\$ 4,683.74
Government Affairs Representative	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
Hydrogeologist	21	\$ 103,272.34	\$ 151,239.23	\$ 8,606.03	\$ 12,603.27	\$ 3,972.01	\$ 5,816.89
Manager of Administration and Human Resources	24	\$ 122,206.96	\$ 163,457.65	\$ 10,183.91	\$ 13,621.47	\$ 4,700.27	\$ 6,286.83
Manager of Data and Technology Services	24	\$ 122,206.96	\$ 163,457.65	\$ 10,183.91	\$ 13,621.47	\$ 4,700.27	\$ 6,286.83
Manager of Engineering	25	\$ 131,373.66	\$ 175,714.30	\$ 10,947.81	\$ 14,642.86	\$ 5,052.83	\$ 6,758.24
Manager of External Affairs	24	\$ 122,206.96	\$ 163,457.65	\$ 10,183.91	\$ 13,621.47	\$ 4,700.27	\$ 6,286.83
Manager of Hydrogeology	25	\$ 131,373.66	\$ 175,714.30	\$ 10,947.81	\$ 14,642.86	\$ 5,052.83	\$ 6,758.24
Manager of Water Resources	25	\$ 131,373.66	\$ 175,714.30	\$ 10,947.81	\$ 14,642.86	\$ 5,052.83	\$ 6,758.24
Network Administrator	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
Office Assistant	6	\$ 44,160.28	\$ 64,695.18	\$ 3,680.02	\$ 5,391.26	\$ 1,698.47	\$ 2,488.28
Online Technology and Data Specialist	18	\$ 83,128.56	\$ 121,777.33	\$ 6,927.38	\$ 10,148.11	\$ 3,197.25	\$ 4,683.74
Project Administrator	18	\$ 83,128.56	\$ 121,777.33	\$ 6,927.38	\$ 10,148.11	\$ 3,197.25	\$ 4,683.74
Public Affairs Representative	17	\$ 77,326.59	\$ 113,278.71	\$ 6,443.88	\$ 9,439.89	\$ 2,974.10	\$ 4,356.87
Purchasing Officer	17	\$ 77,326.59	\$ 113,278.71	\$ 6,443.88	\$ 9,439.89	\$ 2,974.10	\$ 4,356.87
Senior Accountant	17	\$ 77,326.59	\$ 113,278.71	\$ 6,443.88	\$ 9,439.89	\$ 2,974.10	\$ 4,356.87
Senior Administrative Specialist	15	\$ 68,503.04	\$ 100,352.10	\$ 5,708.59	\$ 8,362.68	\$ 2,634.73	\$ 3,859.70
Senior Analyst	18	\$ 83,128.56	\$ 121,777.33	\$ 6,927.38	\$ 10,148.11	\$ 3,197.25	\$ 4,683.74
Senior Engineer	23	\$ 119,387.37	\$ 174,890.01	\$ 9,948.95	\$ 14,574.17	\$ 4,591.82	\$ 6,726.54
Senior Government Affairs Representative	22	\$ 111,060.33	\$ 162,685.69	\$ 9,255.03	\$ 13,557.14	\$ 4,271.55	\$ 6,257.14
Senior Hydrogeologist	23	\$ 119,387.37	\$ 174,890.01	\$ 9,948.95	\$ 14,574.17	\$ 4,591.82	\$ 6,726.54
Senior Office Assistant	10	\$ 53,678.92	\$ 78,631.68	\$ 4,473.24	\$ 6,552.64	\$ 2,064.57	\$ 3,024.30
Senior Public Affairs Representative	19	\$ 89,356.11	\$ 130,897.43	\$ 7,446.34	\$ 10,908.12	\$ 3,436.77	\$ 5,034.52
Senior Water Resources Planner	22	\$ 111,060.33	\$ 162,685.69	\$ 9,255.03	\$ 13,557.14	\$ 4,271.55	\$ 6,257.14
Technical Specialist	14	\$ 65,240.32	\$ 95,574.54	\$ 5,436.69	\$ 7,964.55	\$ 2,509.24	\$ 3,675.94
Water Operations Superintendent	25	\$ 131,373.66	\$ 175,714.30	\$ 10,947.81	\$ 14,642.86	\$ 5,052.83	\$ 6,758.24
Water Resources Planner	20	\$ 96,065.98	\$ 140,724.44	\$ 8,005.50	\$ 11,727.04	\$ 3,694.85	\$ 5,412.48



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Reference No.:
 Circular Letter No.: 200-050-12
 Distribution: IV, V, VI, X, XII, XVI
 Special:

Circular Letter

October 25, 2012

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **STATUTORY AND REGULATORY REQUIREMENTS FOR PUBLICLY AVAILABLE PAY SCHEDULES**

The purpose of this Circular Letter is to remind CalPERS employers that only those pay amounts that meet the definition of compensation earnable can be used when calculating retirement benefits.

Compensation earnable is defined in statute and further clarified by California Code of Regulations (CCR) Section 570.5. Specifically, this Circular Letter seeks to address the requirements related to publicly available pay schedules.

Compensation Earnable & The Requirement For Publicly Available Pay Schedules

The Public Employees' Retirement Law (PERL) Government Code Sections 20636 and 20636.1 define compensation earnable for State, School, and Public Agency members. In order to meet the definition of compensation earnable, an amount of pay must either constitute payrate or special compensation as defined in the statutes. Section 20636(d) further requires that payrate and special compensation schedules, ordinances, or similar documents be public records available for public scrutiny.

Section 20636(b)(1) (applicable to Public Agency members) and 20636.1(b)(1) (applicable to School members) require pay amounts to be paid pursuant to publicly available pay schedules. For example, section 20636 (b)(1) states:

“Payrate means the normal monthly rate or pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the members, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).” (Emphasis added.)

CCR 570.5 was adopted April 13, 2011, with an effective date of August 10, 2011. CCR 570.5 sought to clarify the requirement of publicly available pay schedules.

Circular Letter No.: 200-050-12
October 25, 2012
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After CCR 570.5 was adopted, CalPERS sent [Circular Letter #200-056-11](#) dated August 19, 2011, notifying all employers of the requirements of CCR 570.5.

Importance of Correct Reporting

Due to the importance of correct payroll reporting in administering the PERL and member benefits, CalPERS is sending this additional Circular Letter to remind all employers of the criteria for reporting compensation earnable.

CCR 570.5 outlines the required elements necessary to meet the definition for a publicly available pay schedule as follows:

- (a) For purposes of determining the amount of “compensation earnable” pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:
 - (1) Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meeting laws;
 - (2) Identifies the position title for every employee position;
 - (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
 - (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
 - (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website;
 - (6) Indicates an effective date and date of any revisions;
 - (7) Is retained by the employer and available for public inspection for not less than five years; and
 - (8) Does not reference another document in lieu of disclosing the payrate.

All eight (8) requirements must be met in one salary schedule for each member’s pay, in order for CalPERS to approve the pay amount as payrate and reportable compensation earnable.

No Applicable Pay Schedule

If an agency cannot provide a document meeting the requirements for a publicly available pay schedule, then CalPERS must determine that the pay amount fails to meet the definition of payrate. CCR 570.5 (b)(1)-(4) outlines the process by which

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October 25, 2012
Page 3

CalPERS may determine a member's payrate when there is no publicly available pay schedule provided.

CCR 570.5 (b) states:

- (b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:
- (1) Documents approved by the employer's governing body in accordance with requirements of public meeting laws and maintained by the employer;
 - (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
 - (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
 - (4) Last payrate for the member in a position that was held by the member that is listed on a pay schedule that conforms to the requirements of subdivision (a) of a former CalPERS employer.

It is important that all employers comply with the compensation earnable provisions and corresponding regulations of the PERL. Where employers fail to comply, pay amounts will be determined to not constitute payrate and accordingly CalPERS will be unable to use such pay amounts when calculating members' retirement benefits.

It is therefore critical that employers review their pay schedules to verify that all members' pay amounts are included within a publicly available pay schedule. For assistance or questions related to the development of a publicly available pay schedule, please direct your inquiries to the CalPERS Compensation and Employer Review Unit.

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

KAREN DeFRANK, Chief
Customer Account Services Division



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Reference No.:
Circular Letter No.: 200-056-11
Distribution: IV, V, VI, X, XII, XVI
Special:

Circular Letter

August 19, 2011

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **ADOPTION OF CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5 AND AMENDED CCR 571, SUBDIVISION (b)**

The purpose of this Circular Letter is to inform you of the newly enacted California Code of Regulations, (CCR) Title 2, Section 570.5 and amendments to CCR Section 571, subdivision (b). On April 13, 2011 the CalPERS Board of Administration adopted the proposed regulation and regulatory amendments to clarify existing law and make specific the requirements for publicly available pay schedule as that phrase is used in the definition of "payrate," and written labor policy or agreements as used in the definition of special compensation. The regulations became effective August 10, 2011.

The addition of Section 570.5 and amendments to Section 571, subdivision (b) will ensure consistency between CalPERS employers and enhance the disclosure and transparency of public employee compensation by requiring that the payrate or item of special compensation be listed on a pay schedule or in a document meeting criteria set forth in the regulations.

CCR 570.5 – Requirement for a Publicly Available Pay Schedule

This regulation requires that each pay schedule include:

- position title for every employee position
- payrate for each position
- time base for each payrate

This regulation also contains criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document in lieu of disclosing the payrate. Further, the regulation clarifies that "compensation earnable" will be limited to the amount listed on a pay schedule that meets all of the established criteria, and identifies how payrate may be determined where employers fail to meet the requirements.

This regulation applies to all employers reporting compensation to CalPERS.

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August 19, 2011
Page 2

CCR Section 571. Subdivision (b) Amendment – Special Compensation

This amendment clarifies existing law by ensuring greater transparency and disclosure of special compensation items in written labor policies or agreements. The labor policy or agreement must include:

- the conditions for payment of the item of special compensation
- eligibility requirements and amount for each special compensation item

The written labor policy or agreement cannot reference another document in lieu of disclosing the details of the special compensation. In addition, the written labor policy or agreement must be duly approved, posted or immediately accessible and available for public review, retained for not less than five years, and include an effective date.

CCR Section 571, subdivision (b) applies to all schools and public agencies reporting compensation to CalPERS.

Conclusion

These regulations benefit the public, employers, members, and CalPERS staff by clarifying existing law, ensuring consistency in the reporting of compensation and enhancing disclosure and transparency of public employee compensation.

We have attached CCR sections 570.5 and 571 for your convenience.

If you have any questions, please call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

DARRYL WATSON, Chief
Customer Account Services Division

Enclosure

[California Code of Regulations 570.5 and 571](#) (PDF, 12 KB)



MEMORANDUM
ITEM NO. 6

DATE: JANUARY 22, 2020

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: LEASE FOR DISTRICT'S POSTAGE MACHINE FOLLOW UP

SUMMARY

The District is in need of a new postage machine to handle individual and bulk mailing. A detailed discussion of the procurement process and the selection of a company to provide a new lease was presented to the Administrative Committee on December 17, 2019 and went before the Board of Directors on December 19, 2019. The Board requested further information from staff, including to ask the two top candidates, Pitney Bowes and NeoPost for client references so that the District could confirm customer satisfaction.

The Pitney Bowes' representative stated that they could not provide WRD with any references "because of the confidentiality breach." Therefore, references could not be checked. NeoPost's representative provided several client references, including Crosby Overton, Department of State Hospitals, Ford Walker Haggerty & Behar LLP, Mitsubishi Electric and Inglewood Unified School District. Staff contacted these entities and the responses received were favorable regarding NeoPost's service, technical support and customer service.

Staff also received notice from Pitney Bowes on December 16, 2019 that the model the District has been using since 2006, the DM475 Series, will no longer be available for sale or lease after January 31, 2020 although support and service for the system would continue through the date required by the District's contract in July 2020. As the currently leased equipment has begun to experience increasingly more malfunctions, newer equipment from either vendor is important.

Based on discussions at the previous Administrative Committee and Board, the two postage machine service providers that are being considered are as follows:

1. Pitney Bowes has been the District's vendor since 2006 and their service office is on the east coast. Because of this, there has been some difficulty in getting timely responses or representative visits from sales and service support. They are offering the Model SendPro 2000 with 36, 48 or 60 month leasing options for

\$354.52, \$306.25 and \$281.99 per month respectively, billed quarterly. It should also be noted that WRD has an “upgrade clause” available in the current agreement with Pitney Bowes, which would allow it to enter into a new lease agreement at any time for newer equipment which would terminate the current agreement and start a new term.

2. NeoPost, Inc. is a local firm (Torrance) that has been in business since 1976 and had positive references. They are offering their Model IN-710 with 36, 48 or 60 month leasing options for \$396.91, \$350.37 and \$299.00 per month respectively, billed quarterly. Also, NeoPost will write a check to WRD for the total remaining balance of WRD’s contract with Pitney Bowes through July 2020, effectively buying out the remaining contract WRD has with Pitney Bowes.

FISCAL IMPACT

The total cost for a 60-month (5-year) lease from one of the chosen vendors could range from approximately \$282 per month for the Pitney Bowes SendPro 2000 postage machine model to \$299 per month for the NeoPost IN710 postage machine model, or a difference of \$17 per month. Considering tax and contingency, total cost for the 5-year lease could range from approximately \$20,500 to \$26,000.

STAFF RECOMMENDATION

For discussion and possible action.



MEMORANDUM
ITEM NO. 7

DATE: JANUARY 22, 2020
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: UPDATE ON THE MANAGERS' CLASSIFICATION AND COMPENSATION STUDY

SUMMARY

On October 3, 2019, the Board of Directors approved entering into a contract with Koff Associates to perform a Classification and Compensation study for District managers. A similar study was recently completed for District staff and this new study will be similar in nature. Updates will be provided to the Committee as the study progresses.

FISCAL IMPACT

None

STAFF RECOMMENDATION

For discussion and possible action.