

**Minutes of Meeting**  
**Administration, Personnel & Communications (APC) Committee**  
**June 28, 2011**

Present: APC Members Jan Neese, Judy Wallace, Lois Willis and Chair Linda Wishard, and General Manager Earl Foster.

Chair Linda Wishard called the meeting to order at 5:10 p.m.

**AGENDA ITEMS:**

ETHICS POLICY

Chair Linda Wishard reviewed the comments made in the June board meeting by various District Board members relative to the Board Ethics Policy. In response to the comments, revisions to the Policy are recommended by the APC as shown below:

Jerry Hietpas indicated that he does not understand the intent of Section 2.04B. The APC is recommending the following revisions to help clarify the statement:

“No Director, Officer, Committee Member or Employee may represent, directly or indirectly himself or any private person, Business Entity, group or interest before the Board, except in matters of purely public concern relative to the District and when doing so without compensation or remuneration.”

Jerry also expressed that use of insider information for personal gain should be addressed along with consequences. The APC is recommending the addition of the following language suggested by Board Member Kay Andrews as Section 2.06 to the Ethics Policy:

“A Director, Committee Member or Employee abuses his/her office if he/she misuses information that he/she has received ahead of the public because of his/her official capacity. Misuse includes reliance on that information to speculate or acquire an economic advantage whether for himself or another.”

Jerry said he had visited with Dick Drury, who said he did not feel the “procedures” belong in the Ethics Policy.

The APC is recommending that Article III – “Complaints and Procedures for Violations” be left in the Board Ethics Policy, as there is no other logical place to insert language specific to the District Board. The APC is also recommending that reference to “employees” be removed from the entire policy.

The APC is further recommending that the Board Ethics Policy be modified to include a version that pertains specifically to District employees only. The words “District Director, Officers, and Committee Members” would be removed. The APC is also recommending that

the “Complaints and Procedures for Violations” in the Board Ethics policy be edited to apply specifically to employees. Suggested draft language follows:

“All complaints or allegations of violations of the Code of Ethics against District Employees will reviewed by the District’s General Manager with guidance by the District’s attorney, if appropriate. If the employee implicated is the District’s General Manager, the review will be conducted by the Board of Directors with guidance by the District’s attorney. If wrongdoing is found, the employee(s) will be subject to disciplinary action, up to and including termination of employment.”

The APC is recommending that this second version be included in the District Personnel Policy Manual. The APC is also recommending that all District employees be required to annually sign a form that they have read and agreed to comply with the terms of the Employee Ethics Policy.

Board Member Kay Andrews raised a question about the language in Section 3.04 of the Board Ethics Policy. She apparently indicated that her own attorney had “advised her against it.” The APC is recommending the following revision to the wording:

“3.04. Consideration by the Board. To consider a complaint, the Board may convene in executive session as permitted by the Texas Open Meetings Act. The Board member implicated by the complaint will have the right to a full and complete hearing, with the right to present evidence in the executive session or in the public Board meeting, if preferred, by the person charged with the violation. Any final action, decision or vote will be made in open meeting.”

A question was apparently also raised about the wording in 3.05 regarding the “removal” of a District director for violation of the Board Ethics Policy. The APC is recommending the following revision to the language in 3.05:

“Reprimand. The failure of a Director to comply with the provisions of the Code will constitute grounds for disciplinary action, which may include but not necessarily be limited to reprimand, and if allowed by Texas Water Code 49.052, removal, as deemed appropriate by the other members of the Board.”

## PAY POLICY

The APC is recommending the following revisions to Section 2.6 of the “Compensation Adjustments” policy:

**“2.6 COMPENSATION ADJUSTMENTS (7/14/04)** - The compensation of employees may be adjusted annually by Salary/Hourly Wage Adjustments and/or Merit Increases. Compensation and salary structure adjustments may be reviewed annually and recommendations made by the APC to the District Board based on competitive market compensation data.

After considering the financial condition of the District, as well as the operating budget, the APC will make a recommendation for the merit budget and possible salary structure adjustment. This recommendation will be in the form of a percentage of the then current salary budget of the District. The recommendation will be presented to the Board for approval at the regularly scheduled meeting in May of each year.

During the APC meeting, Earl Foster noted that three current District employees are above the maximum of their current pay grades, and one other employee is close to the maximum. The APC is recommending that the employee who is close to the maximum be allowed to go to the maximum of his pay grade, and that the other three remain at their current pay levels until such time as the pay structures are increased or the employees are promoted into jobs in higher grades.

### PERFORMANCE REVIEWS

Earl will provide the APC members with a copy of the current District performance evaluation form. The APC will then give input on possible recommended changes. Earl also said that he will be working with his supervisors to help them conduct better performance reviews in the future. The APC agreed to table further recommendations on the performance evaluation process until after having had the opportunity to review and discuss with Earl the current form and process.

### DISTRICT WEBSITE

The agreement between Earl and the APC members is that Linda will ask the CAC Committee to review other MUD websites and give recommendations on possible changes to the District's in order to more effectively communicate with rate payers. Linda will suggest that the CAC consider the following changes/additions to the current District website:

- "Get to Know..." (photos and biographies of current District Board members and employees
- "How to Conserve Water"
- Addition of email addresses for Board members and Committee Chairs to allow rate payers to directly address concerns, questions, etc.
- Other timely issues and topics

### OTHER

The APC members agreed the committee will not meet in July unless a specific need arises. Otherwise, the next meeting will be held at 5:00 p.m. on August 2, at which time the committee will meet with the District's insurance broker to begin reviewing and discussing benefit renewals for 2012.

With no further business to be discussed, the meeting was adjourned at 6:50 p.m.

Submitted by Judy Wallace