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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APPROVED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

41845

APR - 9 1996

8-2

Dawn Chin
for EXECUTIVE SECRETARY

March 25, 1996

(Organization and Personnel Committee -- Action)
 (Finance and Insurance Committee -- Information)
To: Board of Directors (Information Systems Ad Hoc Committee -- Information)
From: General Manager
Submitted by: Chief Financial Officer
Subject: Consolidation of the Finance, Administrative Services, and Information Systems Divisions into the Finance and Business Services Division

RECOMMENDATION(S)

That the Board approve, effective immediately, the creation of two new classifications at pay grade 61 to be used for the three new Branch Manager positions resulting from the consolidation of the Finance, Information Systems, and Administrative Services divisions into the Finance and Business Services division.

EXECUTIVE SUMMARY

This letter outlines the new organizational structure for the Finance and Business Services Division resulting from the consolidation of the Administrative Services, Finance, and Information Systems divisions. The new organizational structure provides considerable opportunities for productivity improvements, increased customer service levels, and cost savings. In this initial step, the primary cost savings will come from the reduction of approximately 15-20 vacant positions. This reduction will result in a cost savings to the District in the range of \$900,000 - \$1,200,000. The flattened organizational structure will enable Divisional managers to work together more effectively in an integrated manner and enable employees to work across business functions in the manner required by today's fast-paced environment.

Prior to July, 1995, the three divisions each had a Director and an Assistant Director. Under the new structure, the number of senior level positions will be reduced from six to three. The Chief Financial Officer will be directly supported by two Assistant Chief Financial Officers. The Division will operate with a total of nine branches.

DETAILED REPORT

Last year, the General Manager announced the consolidation of the Finance, Administrative Services, and Information Systems divisions. Since that time, Chief Financial Officer has spent considerable time and effort working with the firm of Shannon Davis & Associates to develop an organizational structure which will serve as a catalyst for productivity gains, provide an increased customer service focus, and provide opportunities for cost savings. Many of the challenges that Metropolitan faces require that the core business activities, inherent in the missions of the Finance, Administrative Services, and Information Systems divisions, be carried out in a more streamlined manner. As such, a flexible and responsive organizational structure is required which will promote the principles of teamwork, empowerment, and accountability.

Currently, the Chief Financial Officer is responsible for the management of the Finance, Administrative Services, and Information Systems divisions. He is assisted by one Assistant Chief Financial Officer, the Acting Director of Administrative Services, and the Acting Director of Information Systems. A copy of the current organization chart for the three divisions is shown on Attachment 1.

The new organizational structure (Attachment 2) provides considerable opportunities for productivity improvements, increased customer service levels, and cost savings. The flattened organizational structure will enable Divisional managers to work together more effectively in an integrated manner and enable employees to work across business functions in the manner required by today's fast-paced environment. A series of goals were developed which guided the overall restructuring effort. These goals are listed on Attachment 3.

The consolidation of the three divisions, first of all, results in a new name for the Division; the Finance and Business Services Division. Prior to July, 1995, the three divisions each had a Director and an Assistant Director. Under the new structure, the number of senior level positions will be reduced from six to three. The Chief Financial Officer will be directly supported by two Assistant Chief Financial Officers; one Assistant Chief Financial Officer - Financial Services and one Assistant Chief Financial Officer - Business Services. This is an existing classification and the only change is the modification of the position's title to clearly reflect the different responsibilities of these two positions. Antoinette Christovale, the current Assistant Chief Financial Officer will become the Assistant Chief Financial Officer-Financial Services and be responsible for the management of the following five Branches.

Budget & Financial Systems -- Responsible for developing corporate budget policies, procedures, and formats; developing and coordinating the District's corporate annual budget; conducting on-going cost monitoring and cost vs. budget analysis; developing performance measures; providing management information on cost and key performance indicators; developing cost management strategies; providing support of all departments and divisions in budget preparation, cost analysis, and report development; and providing assistance in divisional and corporate special studies and assignments.

Additional responsibilities include providing technical support for financial services users of computer hardware and software; maintenance of the Oracle and PeopleSoft software to support corporate applications, system performance analysis; and applications design as well as support for automated applications.

Controller -- Responsible for cost accounting, general ledger, accounts payable, payroll and reimbursable projects. The Controller Branch is also responsible for the production and analysis of a variety of financial reports. The Cost Accounting and General Ledger sections have been consolidated as part of this reorganization.

Financial Analysis & Administration -- Responsible for short and long-term financial analysis and planning; annual revenue requirements recommendations; preparation of security sales documents; annual financial reports; Long-Range Finance Plan; administration of the water standby charge program and preparation of special projects and financial studies as needed.

Treasury Operations -- Responsible for the receipt, investment, and disbursement of District funds; the safekeeping of District-owned securities; and the administration of the District's debt program. Directs investment operations in accordance with the Administrative Code and Statement of Investment Policy; administers the District's deferred compensation plans and acts as trustee for the District's 401 (k) benefit program.

Risk Management -- Responsible for the District's owner controlled insurance program, identification of risk, development of recommendations to transfer risk exposure, the review of District policies and practices that govern insurance and indemnity requirements imposed on contracts, the review of contracts and certificates of insurance for compliance with District insurance and indemnity requirements, administration of the District's Worker's Compensation program, property loss and liability claims, and management of the District's incident reporting systems. Worker's Compensation and liability claims are being transferred to the Finance and Business Services Division from the Human Resources Division.

The Manager of Budget & Financial Systems, Marti Farley, the Controller, David Furukawa, the Manager of Financial Analysis & Administration, Chris Portner, and the Treasurer, Roger Marumoto, will remain in their current capacities. The newly hired Risk Manager, Barbara Anderson, will begin work on April 8.

A second Assistant Chief Financial Officer - Business Services will be added and the recruitment process for this vacancy will commence immediately. The Assistant Chief Financial Officer - Business Services will be responsible for the following four Branches.

Business Applications -- Responsible for enterprise-wide services including data base support, information security, change management, system level technical support, performance management, host and LAN back-up and recovery, product upgrades, data warehousing, production operations, and consulting services.

Additional responsibilities include; centralized customer support services including technical assistance, workstation support, IT training, and service order processing.

Advanced Technology and Planning -- Responsible for network design, implementation, and support; District-wide architecture and standards, and emerging information technology evaluation/recommendations covering the areas of local/wide area telecommunications and data networks; data and information storage and retrieval; messaging and electronic mail; and workstations. Project management for District-wide information technology projects and disaster recovery are also provided by this Branch.

Support Services -- Responsible for the provision of business support services including; document management, records management, text processing, graphic services, facilities planning and maintenance, and the RideShare program. This Branch will also be responsible for the development and implementation of the newly created Business Office Support Center.

Procurement and Materials Management -- Responsible for corporate procurement efforts, inventory control, salvage activities, coordination of the District's operating equipment assets, and the corporate travel program. Additionally, this Branch is responsible for the maintenance of the Oracle Materials Management and Asset Tracking software applications.

The proposed changes to the current structure of the Information Systems division results in a reduction in the number of branches from five to two. The proposed changes to the Administrative Services division results in a reduction in the number of branches from four to two.

Leo Yu, the current Acting Director of Information Systems will be appointed to the position of Manager, Business Applications. Kaye Marchal, the current Acting Director of Administrative Services will be appointed to the position of Manager, Support Services. The current Purchasing Manager, Clarence Simmons will remain in his capacity under the new structure. The Manager of Advanced Technology and Planning is a new position and the recruitment process for this position will begin immediately following Board approval of the new classification. In the interim, Mr. Yu will have responsibility for this branch.

A new Management Analysis unit will be created from an analytical unit in the Administrative Services Division. This unit will report to the Chief Financial Officer and have responsibility for Division-wide activities in human resource management, budgeting, professional service contracts, procurement, and operating equipment management, and general administrative support. This unit will also conduct analytical studies on various issues related to business process improvement efforts.

Summary of Major Restructuring Actions

- Establishment of two business service groups; Financial Services and Business Services.
- Reduction in the number of Branches from thirteen to nine.

- Reorganization of the Information Services Division into two branches; Business Applications, and Advanced Technology and Planning.
- Reorganization of the Administrative Services Division into two Branches; Support Services, and Procurement and Materials Management.
- Creation of a Management Analysis unit in the Chief Financial Officer's office.
- Transfer of the Worker's Compensation/Liability Claims administration from the Human Resources division to the Risk Management Branch in the Finance and Business Services Division.
- Transfer of Fleet Operations from Finance and Business Services to the Operations division.
- Designation of an Implementation Advisory Team to assist with the implementation of the reorganizational effort.
- The development of business plans for each Branch to serve as the foundation for work efforts during the 1996-97 fiscal year.
- Continuation of on-going business process improvement efforts.

Cost Savings

The consolidation of three existing divisions into one provides an opportunity for the District to realize substantial cost savings over the years ahead due to the streamlining of business functions. In this initial step, the primary cost savings will come from the reduction of approximately 15-20 vacant positions. This reduction is being incorporated into this year's budget process. These vacant positions, as a result of their not being filled, will result in a cost savings to the District in the range of \$900,000 - \$1,200,000. Additional cost savings in the future will result from a clear focus of the new Division's responsibilities, productivity improvement and automation efforts aimed at streamlining operations, a systematic approach to outsourcing alternatives, and continued review of the need for positions as they become vacant.

New Classifications

To implement this proposed reorganization, authority is requested for the establishment of two new classifications for the three new manager positions for the Support Services, Business Applications, and Advanced Technology and Planning branches. All three positions' salary range would reflect the range established by the Board for pay grade 61. The job descriptions for these positions are shown in Attachments 4 and 5. These positions fall into the Management and Professional Association.

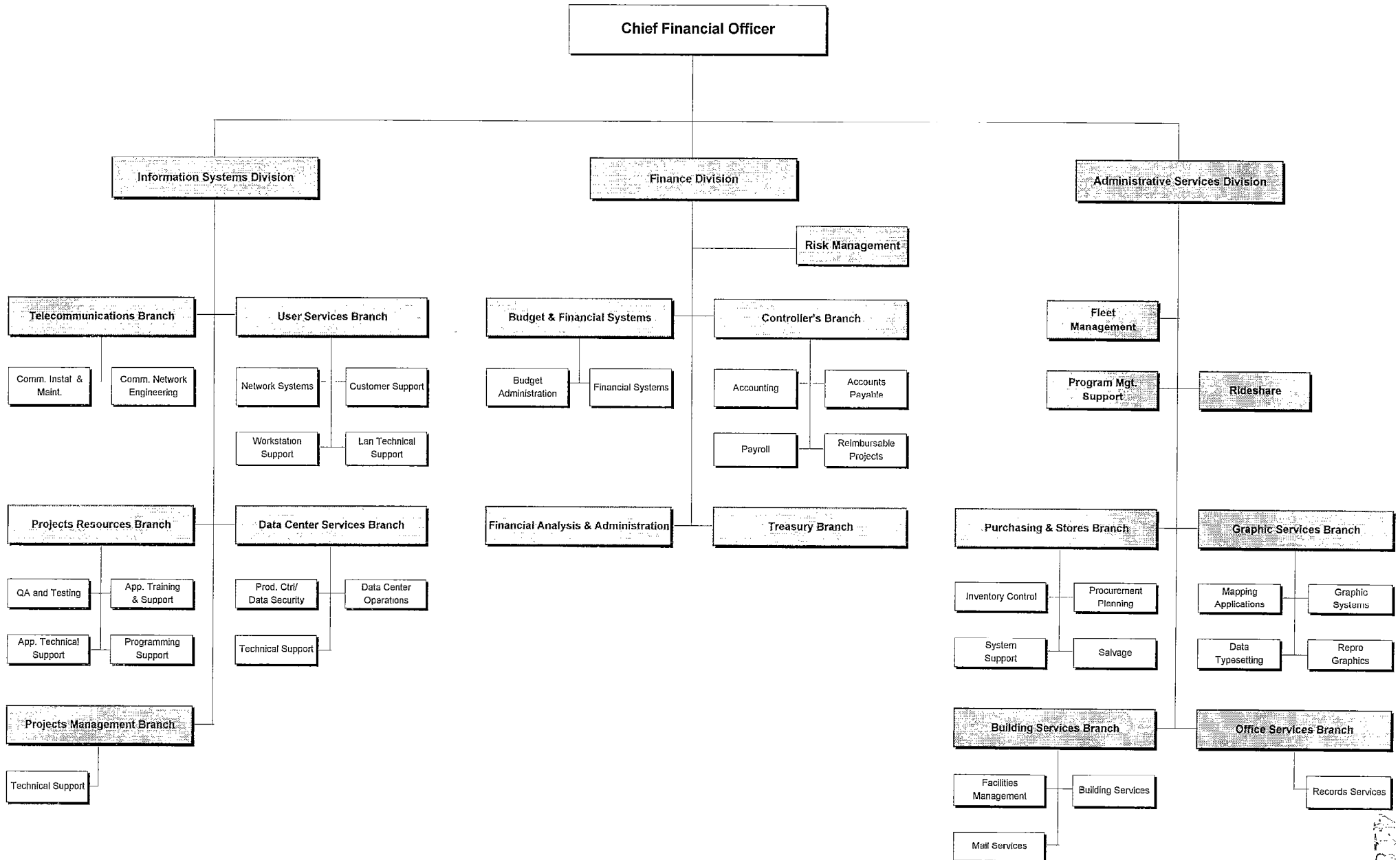
Implementation Timeframe

The full implementation of this reorganization will commence immediately upon Board approval of the new position classifications. It is planned that the full integration of the three impacted divisions will be completed by June 30, 1996.

Attachments

brs

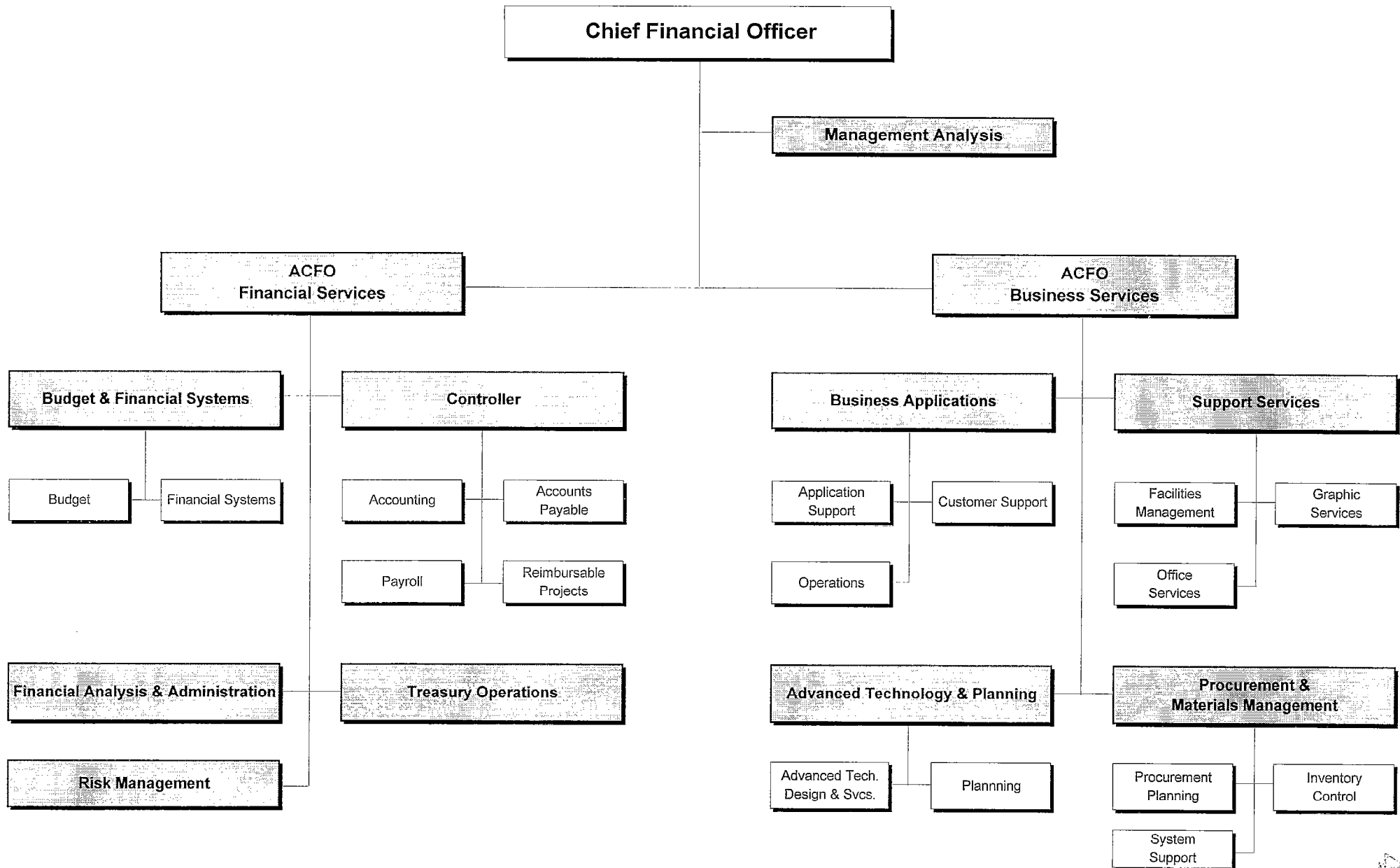
**FINANCE, ADMINISTRATIVE SERVICES AND INFORMATION SYSTEMS
Current Table of Organization**



41045

FINANCE AND BUSINESS SERVICES DIVISION

Table of Organization



Attachment 3**Finance and Business Services Division
Restructuring Goals**

- Goal 1** Establish an organizational framework that will be highly responsive and adaptive to the District's financial control and management service needs.
- Goal 2** Maximize horizontal coordination and eliminate redundancies from the point of view of the customer or user of the service.
- Goal 3** Minimize the number of contact points for District customers who seek services from the new division.
- Goal 4** Reassign activities that are significantly redundant of similar work that is also performed in other divisions.
- Goal 5** Use the consolidation of the three divisions as an opportunity to increase long range planning for advancements in technology and to emphasize uniform architecture standards where appropriate.

DRAFT

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CLASSIFICATION DESCRIPTION

Classification Title:	<u>BUSINESS SUPPORT SERVICES MANAGER</u>		
Bargaining Unit:	<u>Management and Professional Association</u>		
Class Code: _____	Grade: <u>61</u>	EEOC Category: <u>A</u>	Overtime Exempt: <u>Y</u>
Division(s):	<u>Finance and Business Services /</u> _____ _____		
Reports to:	<u>Chief Financial Officer</u> / <u>Assistant Chief Financial Officer</u> _____ _____		

JOB SUMMARY

Manage business support service functions related to facilities, office services, and general administrative functions in a cost-effective manner and with a high level of customer satisfaction.

ESSENTIAL FUNCTIONS AND EXPECTED RESULTS

1. Manage all activities related to areas of responsibility including supervision of staff, development and monitoring of budgets, and oversight of consultants to ensure that results are accomplished efficiently in accordance with acceptable standards for quality and technical integrity, and in compliance with applicable policies, rules, regulations, and laws.
2. Manage the development of policies and procedures for facility development and maintenance, records retention and disposal, graphics, and other assigned support services and ensure consistent application throughout Metropolitan.
3. Manage complex analyses, develop recommendations, and implement appropriate actions related to assigned business support service functions to resolve identified problems, incorporate best business practices, and improve overall customer satisfaction.
4. Manage staff, including selection of employees, assigning work, providing training and development, evaluating performance, and building a motivated, effective team to ensure that organizational goals for diversity, career development, productivity, performance management, and employee involvement are met.
5. Ensure that the District is in full compliance with Air Quality Management District (AQMD) regulations and that mandated Average Vehicle Ridership (AVR) targets are met.

6. Prepare or assist in the preparation of annual business plans and/or other planning documents to ensure that activities in areas of responsibility support organizational mission, goals, and objectives.
7. Perform other related duties as required.

OTHER FUNCTIONS AND EXPECTED RESULTS

8. Participate as a member of the Finance and Business Services management team and undertake assignments as required.
9. Review draft correspondence, Board Letters, and studies prepared by staff from other divisions to ensure accuracy of information; responsible for assignments arising from these documents.

MINIMUM QUALIFICATIONS

Education and Experience

- Bachelor's degree from an accredited college or university with a major in Business Administration, Public Administration, Finance, or other related field, and four years of directly related experience business support services, general administration, or budget administration, two years of which must have been at a supervisory or project management level.

OR

- Eight years progressively responsible, directly related experience in business support services, general administration, or budget administration, two years of which must have been at a supervisory or project management level.

Knowledge, Skills and Abilities

Knowledge of (B/basic; J/journey; E/expert):

- Management/supervisory concepts and techniques (J)
- Budgetary concepts and procedures (J)
- Relevant knowledge of policies, practices, and procedures necessary to administer a range of business support service functions. (J)
- Relevant knowledge of customer service theory and practices as they relate to the provision of administrative support services to internal and external customers. (E)

Skill and ability to:

- Manage a diverse workforce
- Manage projects involving complex issues
- Prepare comprehensive administrative and technical documents and reports
- Prepare and deliver clear, concise, well-organized presentations to higher-level management and external representatives
- Manage multiple projects and activities simultaneously

PERFORMANCE CATEGORIES

Performance expectations would typically be tailored to the job and incumbent. The general categories for this job could include but are not limited to:

- Degree of customer satisfaction
- Managing within established budget and staffing levels
- Employee development to meet Metropolitan's near- and mid-term needs
- Internal and cross-functional teamwork
- Mutually beneficial working relationships with the District's member agencies and regulatory and governmental agencies
- Overall achievements linked to strategic and operational priorities of the District

SUPERVISORY RESPONSIBILITY/ACCOUNTABILITY

Supervisory scope

- Branch level responsibilities for a work group in the 50-100 employee range

DRAFT

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CLASSIFICATION DESCRIPTION

Classification Title:	<u>INFORMATION SERVICES MANAGER</u>		
Bargaining Unit:	<u>Management and Professional Association</u>		
Class Code: _____	Grade: <u>61</u>	EEOC Category: <u>A</u>	Overtime Exempt: <u>Y</u>
Division(s):	<u>Finance and Business Services / /</u>		
Reports to:	<u>Chief Financial Officer / Assistant Chief Financial Officer</u>		

JOB SUMMARY

Manage enterprise-wide information service functions including performance tuning and capacity planning; strategic planning; application development; data base design; software support; data security; local and wide area network design, implementation, and maintenance; architecture; telecommunications; and emerging technologies in a cost-effective manner, and with a high degree of customer satisfaction.

ESSENTIAL FUNCTIONS AND EXPECTED RESULTS

1. Manage all activities related to areas of responsibility including supervision of staff, development and monitoring of budgets, and oversight of consultants to ensure that results are accomplished efficiently in accordance with acceptable standards for quality and technical integrity, and in compliance with applicable policies, rules, regulations, and laws.
2. Manage the development of policies and procedures for assigned information and technology service functions and ensure consistent application throughout Metropolitan.
3. Manage complex analyses, develop recommendations, and implement appropriate actions related to assigned information and technology service functions to resolve identified problems, incorporate best business practices, and improve overall customer satisfaction.
4. Manage staff, including selection of employees, assigning work, providing training and development, evaluating performance, and building a motivated, effective team to ensure that organizational goals for diversity, career development, productivity, performance management, and employee involvement are met.
5. Prepare or assist in the preparation of annual business plans and/or other planning documents to ensure that activities in areas of responsibility support organizational mission, goals, and objectives.
6. Perform other related duties as required.

OTHER FUNCTIONS AND EXPECTED RESULTS

7. Participate as a member of the Finance and Business Services management team and undertake assignments as required.
8. Review draft correspondence, Board Letters, and studies prepared by staff from other divisions to ensure accuracy of information; responsible for assignments arising from these documents.

MINIMUM QUALIFICATIONS

Education and Experience

- Bachelor's degree from an accredited college or university, with a major in Computer Science, Business Administration or other related field, and four years of directly related experience in information and technology services, general administration, or budget administration, two years of which must have been at a supervisory or project management level.

Knowledge, Skills and Abilities

Knowledge of (B/basic; J/journey; E/expert):

- Management/supervisory concepts and techniques (J)
- Budgetary concepts and procedures (J)
- Relevant knowledge of policies, practices, and procedures necessary to administer a range of business support service functions. (J)
- Relevant knowledge of customer service theory and practices as they relate to the provision of administrative support services to internal and external customers. (E)

Skill and ability to:

- Manage a diverse workforce
- Manage projects involving complex issues
- Prepare comprehensive administrative and technical documents and reports
- Prepare and deliver clear, concise, well-organized presentations to higher-level management and external representatives
- Manage multiple projects and activities simultaneously

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- Overall achievements linked to strategic and operational priorities of the District

SUPERVISORY RESPONSIBILITY/ACCOUNTABILITY**Supervisory scope**

- Branch level responsibilities for a work group in the 50-100 employee range