

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

January 9, 2012

Chair J. Murray, Jr. called the meeting to order at 1:30 p.m. in Committee Room 2-456 at Metropolitan's Headquarters.

Members present: Chair J. Murray, Jr., Vice Chair Edwards, Directors Camacho, Dick, Friedman, Little, Montalvo, Quiñonez, and Wunderlich

Members absent: Directors Ballin, Bowersox, Evans, Gray, and Sanchez

Other Board Members present: Directors Ackerman, Barbre, Blake, Brown, Foley, Griset, Heidel, Lewinger, K. Murray, Peterson, Record, Steiner, and Wilson

Staff present: Beatty, Bennion, G. Breaux, Giron, Green, Ivey, Jankovic, Kightlinger, Lem, Man, Pimentel, Pitman, Radhakrishnan, Riss, O. Sanchez, Scully, H. Torres Jr., Upadhyay, and Wolfe

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

Ms. Valerie D. W. Rowe, a certified small business owner of VisionSpot Consulting, spoke at the meeting to address Item 7a on the agenda regarding the oral report on workforce skill assessment, offering her services for HR's Organizational Development/ Succession Planning efforts. Ms. Rowe's business specializes in corporate education and organizational development. She spoke briefly about what the company has to offer and mentioned that the company is a registered vendor with Metropolitan's Business Outreach.

2. APPROVAL OF THE MINUTES OF THE ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE MEETING HELD ON DECEMBER 12, 2011

Approved

Motion: Director Little

Seconded: Director Montalvo

3. COMMITTEE CHAIR'S REPORT

Chairman J. Murray, Jr. stated that in light of the excellent budget presentation from Chief Financial Officer Gary Breaux and Metropolitan's priorities as it moves in the new year, Metropolitan is looking for efficiencies in various operating areas of the company and can expect high productivity from their employees. Training becomes extremely important; succession planning and a variety of other things are becoming very important in making sure that we have the best in class employees and organization. There has to be a synergistic relationship between Human Resources, Operations, Engineering, Administration and everyone must work in concert with each other to bring that about. The Board and the members of the OP&T Committee will be hearing in the coming months covering a range of things strategically identified by Feedy Mares, Gilbert Ivey, Roy Wolfe, Debra Man, Gary Breaux, and Jeff Kightlinger on how this kind of interdisciplinary synergism will be taking place and the types of programs that will be put in place to accomplish all this.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Subject: **Oral report on workforce skill assessment**
Presented by: Human Resources Group, Project Manager Irwin Jankovic

Chief Administrative Officer Gilbert Ivey introduced Item 7a. Mr. Ivey stated the presentation is specific to the whole issue of succession planning with the workforce skills assessment being a big part of it. Managing succession is an important issue for all the industries across the nation, particularly in the water industry where there is concern about a potential "brain drain". The fact is that the water industry has about 34 - 40+ percent of water industry employees eligible to retire within the next five to ten years. Metropolitan needs to plan a strategy on how it is going to

fill behind and at the same time save costs, keep rates down, and able to do more with less.

The presentation is an opportunity to collect input from the Board and members of the committee about where Metropolitan needs to focus efforts on succession planning. General Manager Jeff Kightlinger, Assistant General Manager Debra Man, Chief Financial Officer Gary Breaux and Chief Administrative Officer Ivey are determined to ensuring Metropolitan has an integrated strategic approach for developing a high performance workplace and workforce.

Mr. Ivey stated that in February, Business Technology Group Manager Roy Wolfe will be coming to the OP&T Committee to describe how the Business Technology Group plans to ensure it can (1) meet the critical capabilities and skills required to achieve its mission for both today and for the future, (2) assess each team member's level of expertise for meeting these critical capabilities, and (3) define learning and development strategies to close any critical team-skill gaps.

Strategic Program Manager Irwin Jankovic presented the item on behalf of Director of Human Resources Feedy Mares.

Mr. Jankovic laid out Mr. Mares' approach to effective succession planning program. He gave a brief explanation of the modern definition of succession planning; reasons why to address succession planning; the elements and minimum components of the succession program which include three main areas: (1) workforce planning, (2) leadership capabilities, and (3) developing pipelines; what questions need to be addressed prior to implementing a successful succession planning program; and the list of next steps.

Director Little stated that the presentation looks good on paper, but management needs to be very careful how they sell it to the employees. People do not like to change because they have to; they change because they want to. He also stated that it may not be so easy to do if employees feel that their jobs are going to be rearranged.

Mr. Jankovic responded that staff needs to worry about preparing for the future. A lot of the staff got the signal that many positions are not being replaced. Business Technology Group Manager Roy Wolfe stated that people need to realize there are changes. In many cases, the way employees do their work is changing

dramatically. One example discussed a number of times at the OP&T Committee is “cloud computing”. Cloud technology is taking the work that traditional project management and programming did and moving that off to the cloud. Unless, staff recognizes that there are changes in skill sets, those functions will not be needed. Mr. Wolfe stated it is important to talk to employees, educate them and once they see the landscape of what is happening everywhere else they will be on board. He stated that this has been discussed with the employees and they have been very much in support of what is needed to implement this program.

Director Quinonez suggested a future board retreat on succession planning so that the Board can see details in depth. He encouraged speaking and partnering with Metropolitan’s labor organizations, community groups, business owners, and various other groups that would see the value and importance of what Metropolitan is trying to accomplish. Mr. Jankovic responded Metropolitan has been involved with various workforce boards, community councils, and community colleges.

Director Blake asked how staff plans to measure the success of the program. Mr. Wolfe responded that one of the things Metropolitan plans on doing is measuring on an annual basis closing of the gap by assessing the staff in their skills. This will help determine if progress is being made.

Director Griset asked if there is a way of modeling other organizations that have done succession planning and finding out what Metropolitan can learn from their experience. General Manager Jeff Kightlinger responded that Metropolitan has contacted a number of other organizations. The one area Metropolitan has difficulty with is skilled mechanical labor; therefore, the apprentice program was developed. Another area Metropolitan has had difficulty in is Operators, but in most other areas Metropolitan is able to recruit very effectively and hire top notch people who are applying.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Director Peterson requested an update on health care alternatives. Staff will bring this item to the OP&T Committee in February.

Next meeting will be held on February 13, 2012.

Meeting adjourned at 2:15 p.m.

John W. Murray Jr.
Chair