

SAN JUAN WATER DISTRICT

Board of Director's Workshop Minutes
February 17, 2016 – 3:00 p.m.

BOARD OF DIRECTORS

Pam Tobin	President
Ken Miller	Vice President
Ted Costa	Director
Dan Rich	Director
Bob Walters	Director

SAN JUAN WATER DISTRICT MANAGEMENT AND STAFF

Shauna Lorance	General Manager
Keith Durkin	Assistant General Manager
Donna Silva	Finance Director
Teri Grant	Board Secretary/Administrative Assistant

OTHER ATTENDEES

Bob Churchill	CHWD
Hilary Straus	CHWD
Tony Barela	SJWD
Greg Turner	SJWD

AGENDA ITEMS

- I. **Board Workshop**
 - 1. **Succession Planning**
 - 2. **Staffing Levels**
 - 3. **Compensation Studies Policy**
 - 4. **Other**
- II. **Public Comment**
- III. **Adjourn**

President Tobin called the meeting to order at 3:07 p.m.

I. BOARD WORKSHOP

1.1 Succession Planning

Mr. Durkin conducted a presentation on Succession Planning. A copy of the presentation will be attached to the meeting minutes. He informed the Board that staff started succession planning in 2012 in recognition of the potential for key staff retirements and the need for knowledge retention and transfer. The goal of the planning was to develop a systematic process to identify, assess and develop staff to make sure they are ready to assume key roles within the District to ensure the District can continue to meet its mission and future challenges. The plan showed that 15 employees were eligible to retire by 2017. Since 2012, 11 employees have retired from the District.

Mr. Durkin explained the challenges of succession planning, from having a lean staff to adapting management styles for the new generation. In addition, he provided the Board with the Succession Plan Executive Summary that was previously given to the Board in November 2013. Director Miller suggested that the summary table on page 5

include the eligible age for retirement and explain that the District is only responsible to cover retirement benefits for the number of years that the employee is at the District. In addition, Director Miller requested an organizational chart with associated retirement information.

Mr. Durkin informed the Board that the succession plan covers training, promotions and transitions, performance management, knowledge retention and transfer, and retention and recruitment strategies.

Director Costa commented that to put an employee into a position with a much higher salary for the last few years before they retire can cause an issue with the unfunded PERs liability. In addition, he recommends that employees are trained for 2 positions when they are hired.

In response to Director Walters' question, Mr. Durkin explained that the succession plan is ongoing; it is management staff's responsibility to implement the plan. Ms. Lorange will provide the Board with a list of activities that staff are accomplishing as part of the succession plan.

In response to Director Rich's question, Ms. Lorange explained that new employees with no previous PERS enrollment come into the District under the California Public Employees' Pension Reform Act (PEPRA) at 2%@62, and other employees are under the Classic pension at 3%@60. In addition, Ms. Lorange will report back to the Board on the hiring process per his request.

For information only; no action requested.

1.2 Staffing Levels

Ms. Lorange conducted a presentation on Staffing Levels. A copy of the presentation will be attached to the meeting minutes. She reviewed the historical perspective from 20 years ago to looking into the future. She explained that times have changed and the District is more involved in state and federal issues than ever before. In addition, she explained that her previous plan was to request a new position at a higher level so that position could assist with these growing demands. However, after receiving input from the Board and the public, she re-evaluated the staffing needs and is now recommending bringing a position in at a lower pay level to assist managers, improve efficiency, and reduce average payroll costs.

Ms. Lorange reviewed the number of employees the District has had over the past 17 years. She reviewed the District's short term needs, need for input from the Board for Financial Plans, the existing Organization Charts, and recommended future Organizational Charts. In addition, she provided agency comparisons for staffing levels for wholesale and retail agencies.

Ms. Lorange provided the Board with information on the increased responsibilities for the Water Treatment Plant, Customer Service Department, and Human Resources. In addition, she explained the staffing needs for these areas and for an Administrative Assistant to help reduce managers' workloads.

Ms. Lorange informed the Board that she is recommending four additional positions in the near future. The positions are WTP Operator, Customer Service Representative,

Human Resources Specialist, and an Administrative Assistant. She provided the Board with a list of long term staffing needs as well, which she would like to coordinate with strategic planning. Ms. Lorance provided an estimate on the cost of hiring the additional near-term positions. In addition, she provided information on other costs associated with these positions, such as office space, electrical improvements, furniture, etc.

Ms. Lorance recommended that the Board discuss these positions and determine if they should be placed in the financial plans in order for the Board to see the overall impacts to the District. The Board discussed the additional staffing needs. In addition, they discussed the need for job descriptions, responsibilities, and how the positions are filled and transitioned for these recommended positions along with prioritizing the positions.

Director Costa commented that staff should look into outsourcing for some District positions. In addition, he recommended that an efficiency expert should evaluate the staffing at the District and provide a functionality study. Director Rich commented that in his experience those studies are usually costly and do not provide meaningful data. Director Rich also noted there will likely be a credit from reduced overtime for the WTP Operator position. President Tobin suggested that any overtime credit be shown in order to offset expenses, and that the succession plan be linked to the strategic plan.

Ms. Lorance will bring back the information requested from the Board and will add the four positions into the financial plans so that the Board can make a decision regarding the positions.

For information only; no action requested.

1.3 Compensation Studies Policy

Ms. Lorance noted that the meeting ran over the time allotted for the agenda items previously discussed. The Board requested that another workshop be scheduled to discuss this topic.

1.4 Other

There were no other matters discussed.

II. PUBLIC COMMENT

There were no public comments.

III. ADJOURN

The meeting was adjourned at 5:23 p.m.

ATTEST:

PAM TOBIN, President
Board of Directors
San Juan Water District

TERI GRANT, Board Secretary

SUCCESSION PLANNING UPDATE

February 17, 2016

Mission Statement

Take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it.

Background

- ⦿ Succession planning began in earnest mid-year 2012
- ⦿ Issues prompting planning included:
 - Retiring baby-boomers; potential for more than 15 employees to retire within 5-years
 - Changing workforce requirements - policy direction, increasing regulations, more technology, infrastructure requirements
 - Flat organization structure/no overlap
 - Competition for employees

Background

Challenges affecting succession planning

- Maintaining lean staffing levels in face of increasing regulatory compliance, job complexities, aging infrastructure, customer expectations, and employee expectations
- Providing on-the-job employee development opportunities due to lean organizational structure of the District
- Adapting management styles and workplace environment to attract/retain “Gen Y” employees
- Maintaining strong customer service ethic and culture of “doing whatever it takes”

Succession Plan

- Analyzed current workforce and future workforce needs
- Identified gaps and prepared plans to eliminate gaps
- Developed a performance evaluation system that includes career advancement planning
- Developed career ladders that depict potential career progression for employees
- Provided recommendations for classification structure, training, performance management, and knowledge retention and transfer

Succession Plan Implementation

Training

- ⦿ Leadership and management training
 - Leadership “academy”
 - Small group continuation program
- ⦿ HALO Corporate University
- ⦿ ACWA/JPIA supervisor training, AWWA, targeted seminars, etc.
- ⦿ Tuition reimbursement

Succession Plan Implementation

Promotions/transitions

- 3 out of 5 management and supervisory positions filled from within
- 1 position filled from within on trial basis
- Providing opportunity and assignments to potentially qualified staff for lead position.

Succession Plan Implementation

Performance management

- ⦿ Revamped employee evaluation and career planning process
- ⦿ Consistent, objective system to:
 - Provide feedback
 - Identify training needs
 - Assist with succession planning (goal setting)
 - Support personnel decisions

Succession Plan Implementation

Knowledge retention and transfer

- ◎ Process documentation
 - Department/desk manuals
 - Standard operating procedures
 - Process flowcharts or calendars
- ◎ Job shadowing
- ◎ Mentoring

Succession Plan Implementation

Retention and recruitment strategies

- Compensation package
- Workplace environment and District culture
- Providing career opportunities
- Industry reputation and respect

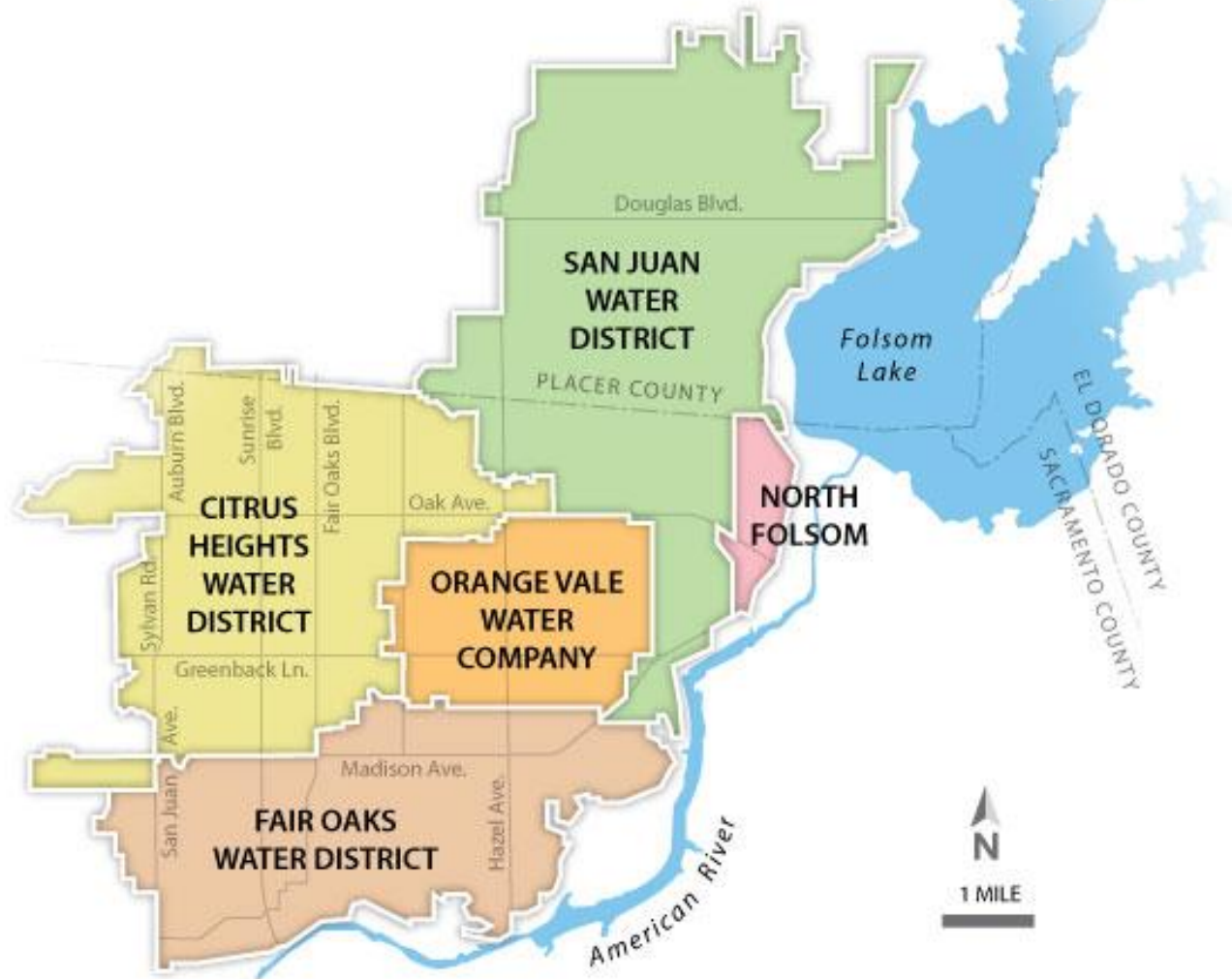
Questions?

Staffing Levels



Shauna Lorance
February 17, 2016

What Do We Do?

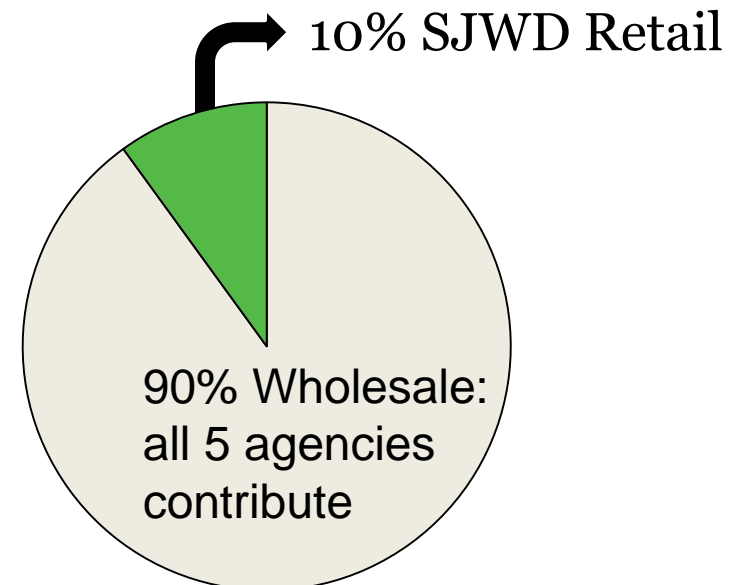


Who Are We

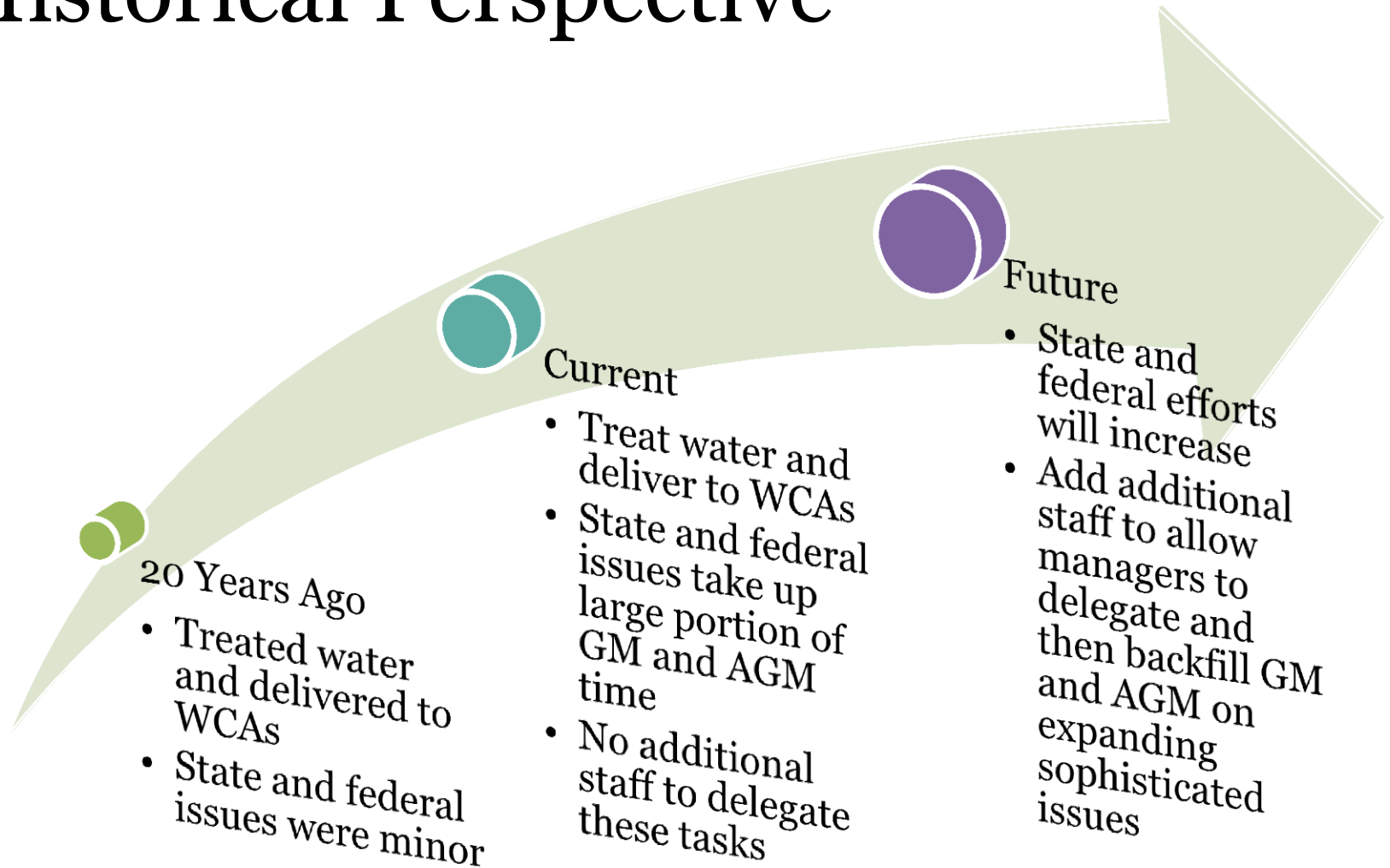
- Created in 1954 as a Community Services District
- Legally one entity but operates as two
- Costs assigned to SJWD Wholesale or SJWD Retail,

For example: Staffing

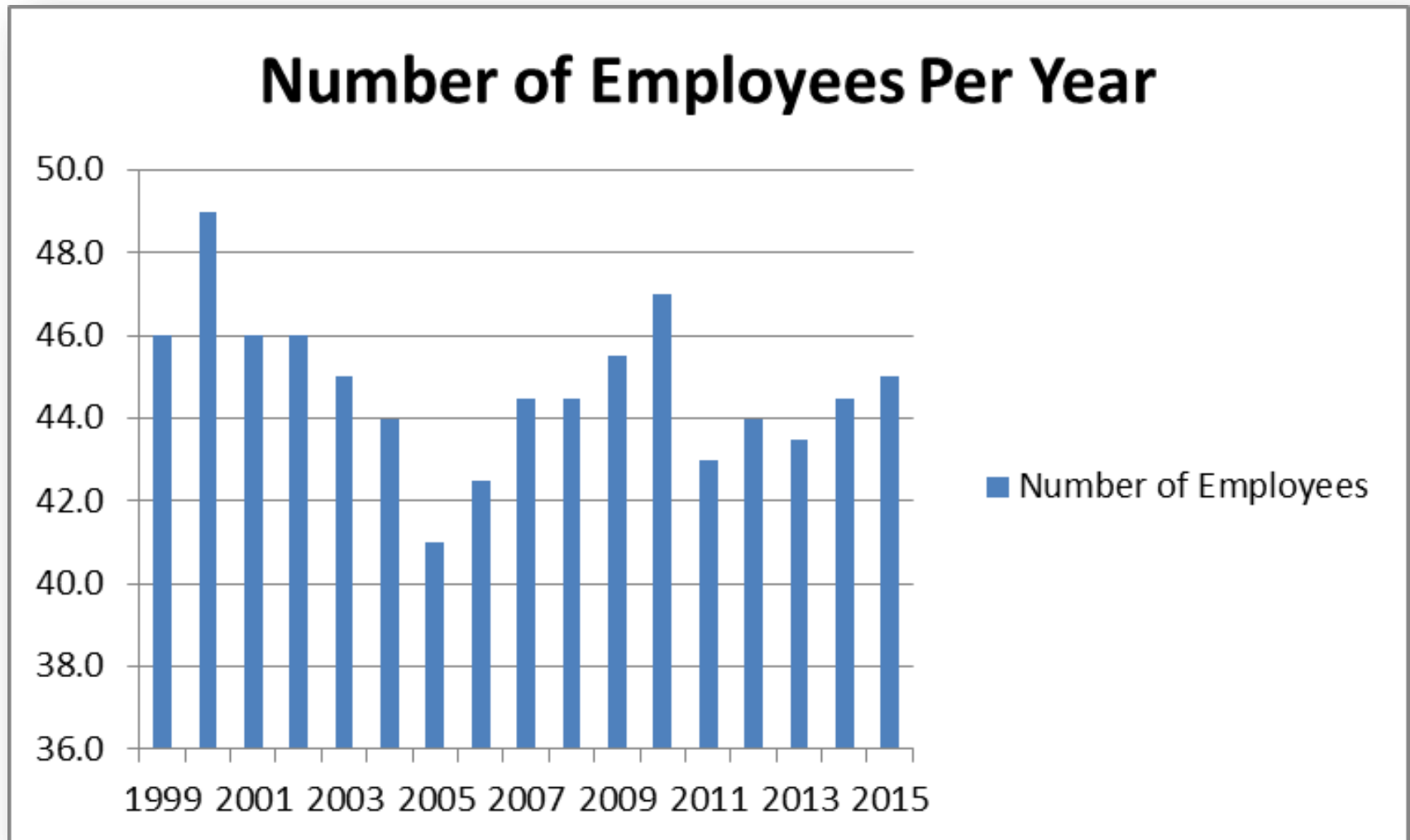
- Field personnel – All Retail
- General Manager –



Historical Perspective



Employees Per Year



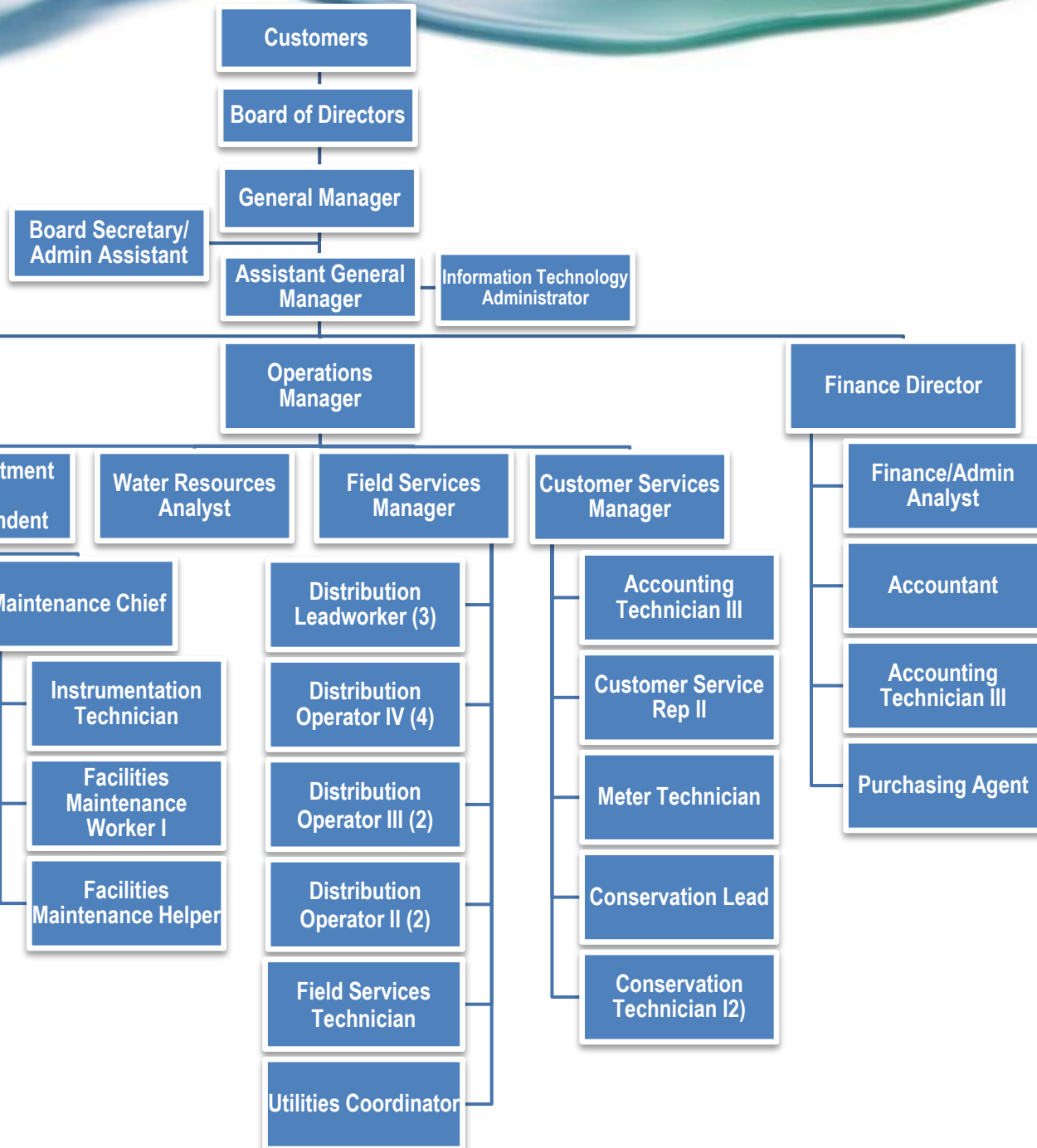
Staffing

- Short Term Needs
 - Exactly enough vs. critical not getting done
 - Goal is in between
- Input for Financial Plans
- Existing Organization Charts
 - District Wide
 - Wholesale
 - Retail
- Recommended Future Organizational Charts
 - Listened to suggestions
 - Add lower paid positions
 - Opportunity for higher paid staff to delegate

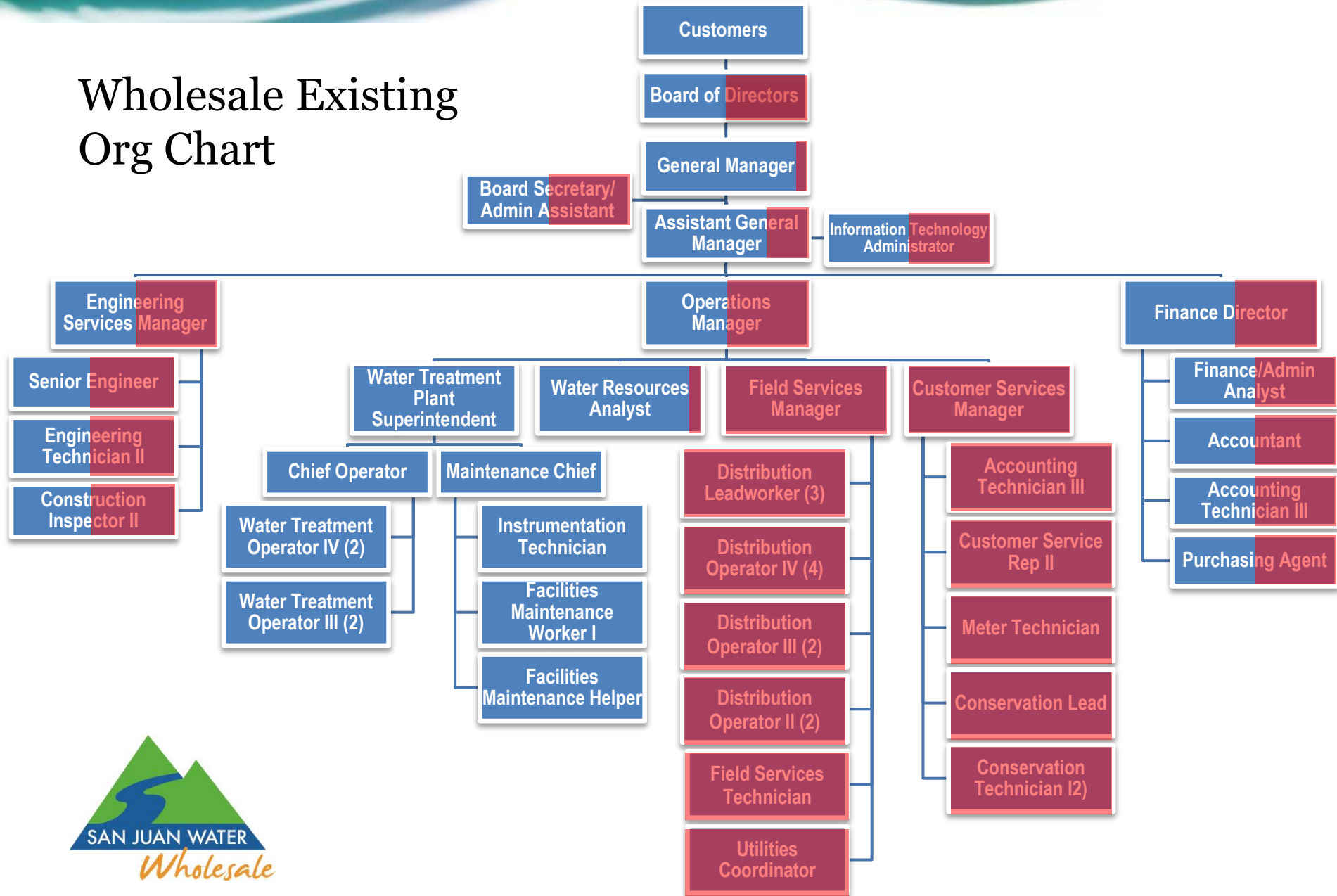


Near term recommendations; reevaluate for long term

SJWD Existing Org Chart



Wholesale Existing Org Chart



Wholesale Staff Comparison

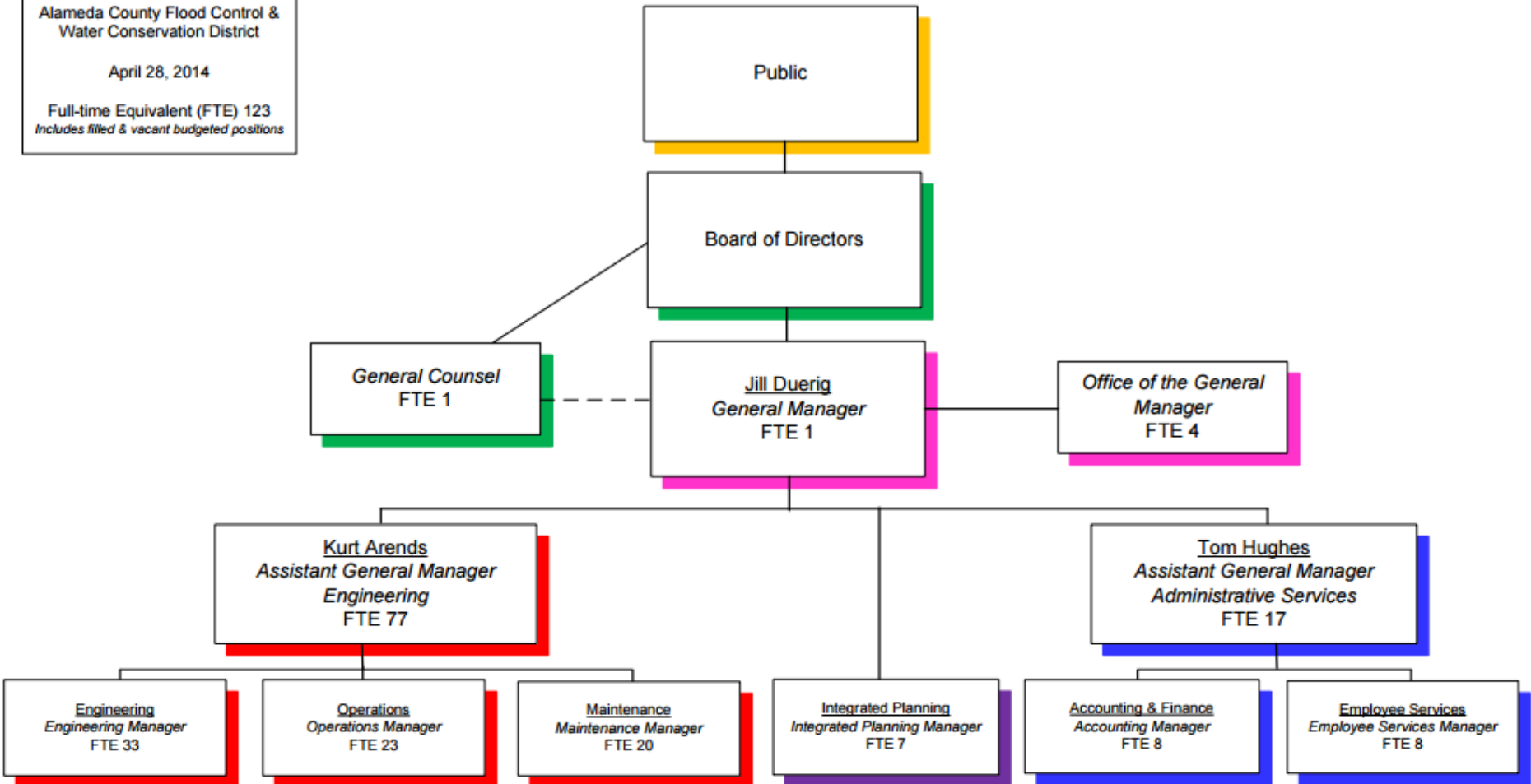
Agency	Demand - Normal year (acre-feet)	Staffing	Million Gallons Per Day - Water Treatment Plant
San Juan Water District	54,000	18.5	150
Zone 7	58,000	89	56
San Diego County Water Agency	500,000	238	100
Santa Clara Valley Water District	140,000	360	220

Closest Comparable Agency

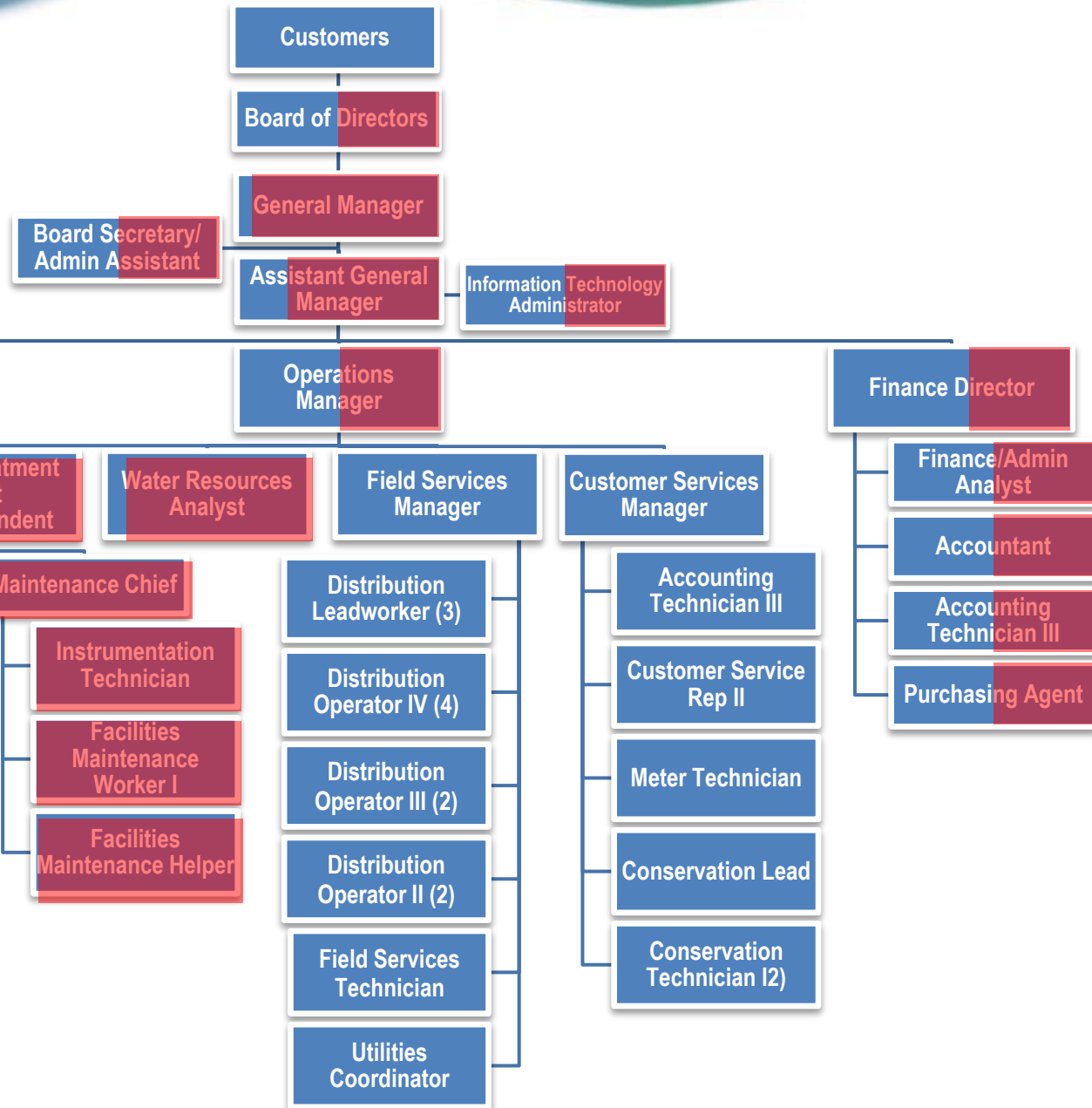
Alameda County Flood Control &
Water Conservation District

April 28, 2014

Full-time Equivalent (FTE) 123
Includes filled & vacant budgeted positions



Retail Existing Org Chart



Retail Staff Comparisons

Agency	Employees	Connections
San Juan Water District	26.9 regular	10,574
Citrus Heights Water District	30	19,591
Fair Oaks Water District	35	13,737
Placer County Water Agency (has Water Treatment Plant)	215 total – 169.5 used in table (31.5 agency wide, 138 water system, 45.5 power)	38,324 (34,600 treated, 3,724 untreated)
Sacramento Suburban Water District (has Groundwater wells)	62	46,112



What Has Changed?

WTP Increased Responsibilities

2003 New BW Hoods Project

- 2 hoods
- 4 pumps
- 4 VFD's
- 2 PLC's (Programming Logic Controllers) and UPS
- 5 communications radios

2004 SHB Project

- 3 belt presses
- 2 dyna blend polymer units
- 14 pumps
- 14 VFD's
- 3 conveyers/auger type
- 1 overhead crane
- 5 PLC's (Programming Logic Controllers) and UPS

2009 Raw Water Piping Project

- Additional large diameter pipe
- 6 valves
- 1 chemical vault with sample pump
- 1 new confined space

2009 Generator Replacement Project

- ATS (automatic switch gear)
- 1 PLC

WTP Increased Responsibilities

2009 Chlorine Building Project

- 6 chlorinators with automatic control
- 7 injectors
- 8 chlorine scales
- 1 2-ton chlorine scrubber
- 30 MOV's (motor operating valves)
- 1 BAS (Breathing Air System)
- 2 online pH meters
- 2 online chlorine analyzers
- 4 chlorine pressure switches
- 2 vacuum gages
- 1 PLC (Programming Logic Controller) and UPS
- PSM program and safety management and training

2009 Wholesale Meter Project – 18 to 33 meters

- 15 additional meters
- 15 PLC's (Programming Logic Controllers) and UPS
- Additional communication radios
- Additional meter reports and reporting

2011 Solar Project

- All solar equipment and ongoing maintenance management

WTP Increased Responsibilities

2011 TW and CTP Bypass Project

- Additional large diameter pipe
- TW chemical feed vault and sample pipe
- 1 new confined space
- 10 valves
- Active Cathodic Protection System for site's large diameter piping

2012 SCADA Project

- 10 HMI workstations
- 2 additional process PLC's unrelated to other projects
- Win 911 autodialer

CMMS – Computerized Maintenance Management System

- Asset development and implementation in excess of 630 assets
- Preventative maintenance schedules
- Training on program to staff

Safety Programs Management and Training

- SPCC – Spill Prevention Counter Control measures and training
- HMBP – Hazardous Materials Business Plan and training
- Universal Waste program and training
- RPP – Respiratory Protection Program and training
- ERP – Emergency Response Program (for chlorine and district site)
- Risk Management Plan and training
- LOTO – Lockout Tagout Program and training
- Confined Space Program and training
- Arc Flash Program and training
- TargetSolutions training program

WTP Staffing

- WTP staffed with 10 employees
- 3 licensed shift operators cover 24 hrs/365 days
- 1 licensed Operator and 1 Chief Operator during days
- 4 maintenance employees (incl. janitorial services)
- 1 Superintendent - Grade 5 Operator



Recommend 1 additional WTP Operator



Customer Service Increased Responsibilities

- Conservation
 - Increased regulatory requirements require:
 - Long term reduction goals; data tracking and mgmt; increased customer engagement; increased level of services (programs/rebates); water waste patrol & follow up
- Utility billing/Accounts Receivable
 - Increased:
 - Bills issued/processed; bad debt (collection/shut offs); customer move in/out; electronic payment options; payment plans; account adjustments
- Meter Reading
 - Manual meter reads; clearing meter boxes; re-reads

Customer Service Staffing

- One Customer Service Rep
- One Accounting Technician – billing etc.
- Customer Service Manager
(customer service, meter reading, conservation)



Recommend 1 additional Customer Service position

Human Resources

- Human Resources
 - Much more complicated regulations
 - Risk protection
 - Staff questions on policies
 - Return to work
 - Recruiting
 - Training



Human Resources Staffing

- None

Recommend 1 Human Resources Specialist



Administrative Assistance

- Board Secretary/Admin Assistant is the only administrative position
- Managers perform administrative functions
- More efficient if able to delegate; free up time for the management tasks

Recommend 1 Administrative Assistant position



Short-term & Long-term Staffing Needs

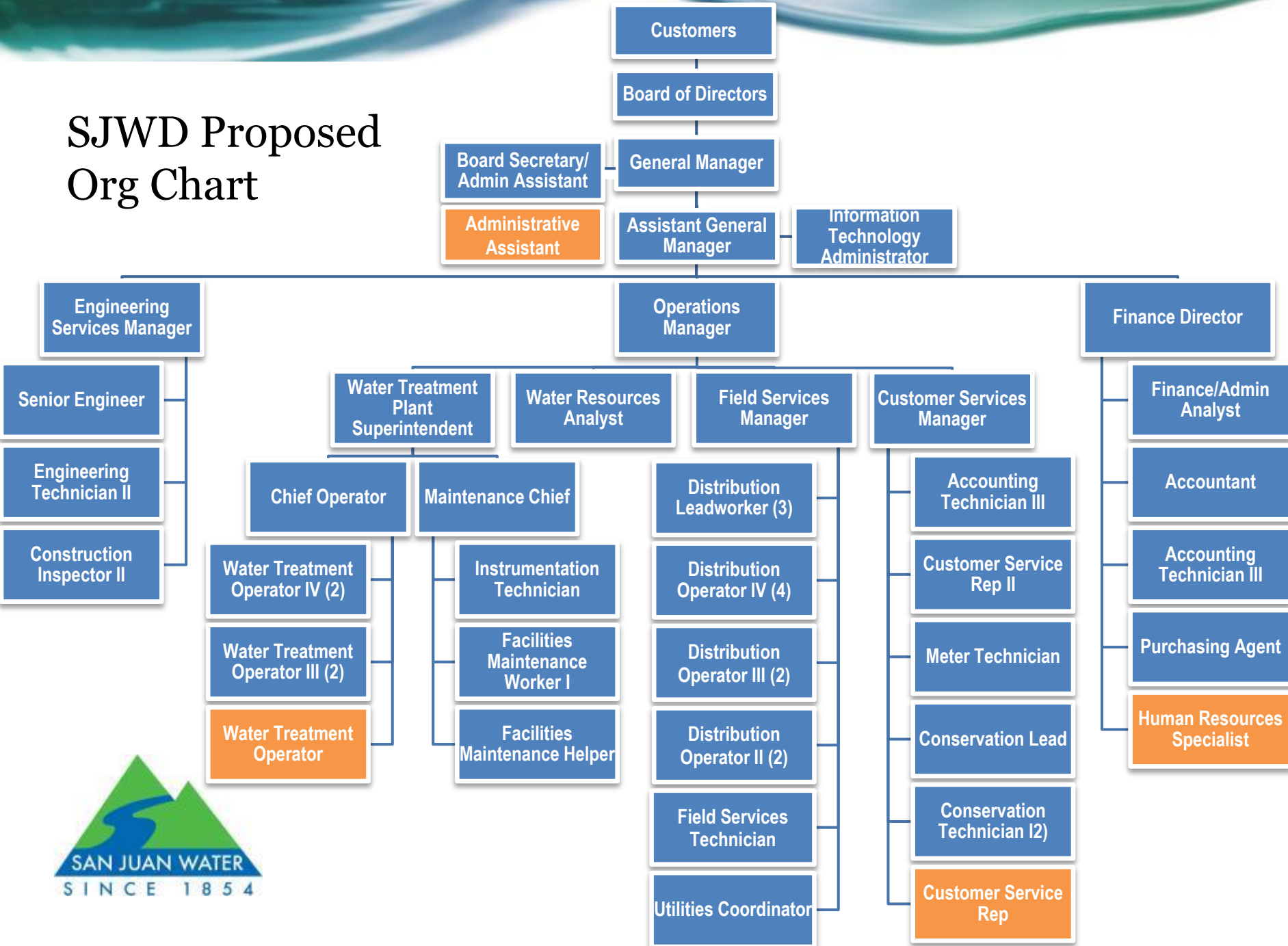
Short-term Needs

- WTP Operator
- Human Resources Specialist
- Customer Service Rep
- Administrative Assistant

Long-term Needs

- Link to Strategic Planning
- Information Technology Technician
- GIS Technician
- CMMS Technician
- Safety/Regulations Coordinator
- Others?!

SJWD Proposed Org Chart



Compensation



Salaries (fully loaded at top of range)

- WTP Operator – \$74,000 to \$90,000 (\$130,000)
- Customer Service Rep – \$44,000 to \$58,000 (\$90,000)
- Human Resources Specialist – \$71,000 to \$85,000 (\$125,000)
- Administrative Assistant - \$38,000 to \$45,000 (\$80,000)

Total Compensation Costs: \$425,000

Retail: \$193,000 (1.3% of operating revenue)

Wholesale: \$232,000 (3.4% of operating revenue)

Additional Costs

- Portable office space - \$10,000 per year
- Electrical improvements ~ \$5,000
- Desks, chairs, etc. - \$4,000
- \$19,000 (50/50 split)



Retail Total ~ \$202,000

Wholesale Total ~ \$242,000

Implementation

- Cost would be included in financial plan
- Board would review and make final decision



DISCUSSION

