



- **Board of Directors**  
***Ethics, Organization, and Personnel Committee***

5/14/2024 Board Meeting

7-4

## **Subject**

Approve the Department Head 360° Evaluation Process; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

On March 12, 2024, the Board established the Ad Hoc Committee for the Department Heads Evaluation Process (Ad Hoc Committee) to provide recommendations for Metropolitan's annual Department Head evaluation process. There was consensus during the 2023/24 process to address issues including implementation of a 360°-degree evaluation component, hiring a consultant to facilitate the process for the Board, and changing the practice of the board providing anonymous feedback to Department Heads.

The Ad Hoc Committee met on April 5 to discuss proposed updates to the process based on Board discussions during the 2022/23 Department Head evaluation process. The proposed 360°-degree evaluation process includes integrating input from:

- Department Heads: General Manager, General Counsel, General Auditor, and Ethics Officer
- Direct Reports and Peers: Employees reporting to Department Heads, Department Heads reviewing each other, and Peers selected by the Department Heads
- Board of Directors

The process will be coordinated by an external consultant. A contract has been established with Catapult For Change to facilitate the process. Eleanor Allen, of Catapult For Change, will collect written feedback from reviewers and Department Heads, conduct interviews of reviewers and Department Heads, prepare individual reports for each Department Head and a summary report for the Board's review, which will include themes of the feedback received and organizational goals for 2024/25 based on the feedback. The consultant will not disclose the origin of the feedback provided to a Department Head concerning input from other Department Heads, Direct Reports, and Peers. The confidential input obtained from the 360° evaluation process will empower Department Heads to enhance collaboration amongst themselves and with their direct reports, as well as to shape their goals for the 2024/25 review period.

## **Process:**

The attached chart (**Attachment 1**) provides details on the process. Key milestones include:

- 5/14: Ethics, Organization, and Personnel Committee and Board approve process
- 5/15-6/21: Department Heads and Direct Reports/Peers complete surveys and interviews
- 6/24: Consultant meets with each Department Head to provide feedback for individual plans
- 7/8-9: Department Heads present 2023/24 accomplishments 2024/25 goals to home committees
- 7/9: Consultant provides 360°- Evaluation Summary Report to Board Members

- 7/9: Evaluation Survey links are sent to Board Members to complete
- 7/29: Deadline for Board members to submit completed evaluations
- 8/20: Provide confidential summary reports to Board members
- 8/27: Board Meeting to discuss Department Head Performance Evaluations and Compensation Recommendations

The proposed process meets the requirements as stated in the Administrative Code Section 6210 of Metropolitan's Administrative Code: Department Heads (General Manager, General Counsel, Auditor, and Ethics Officer). Each Department Head shall provide a narrative summary and presentation to the home committees at the July meetings concerning accomplishments in performance areas deemed relevant by the Board, including but not limited to strategic leadership, operational leadership, Board relationships, and results. In July, each member of the Board shall submit an evaluation form for each Department Head. At its August meeting, the Board shall discuss the evaluation results and determine an overall performance rating for each Department Head. Each member of the Board shall properly execute their right and duty to actively participate in the annual evaluation of each Department Head.

### **Proposed Action(s)/Recommendation(s) and Options**

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#### **Ad Hoc Committee Recommendation: Option #1**

##### **Option #1**

Approve the Department Head 360° Evaluation Process

**Fiscal Impact:** None

**Business Analysis:** None

##### **Option #2**

Do not approve the Department Head 360° Evaluation process

**Fiscal Impact:** None

**Business Analysis:** None

### **Applicable Policy**

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Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 2416 Duties and Functions (Executive Committee)

Metropolitan Water District Administrative Code Section 2451 Duties and Functions. (Legal and Claims Committee)

Metropolitan Water District Administrative Code Section 2471 Duties and Functions (Ethics, Organization, and Personnel Committee)

Metropolitan Water District Administrative Code Section 6210 Employee Evaluation

Metropolitan Water District Administrative Code Section 6208 Pay Rate Administration

### **Related Board Action(s)/Future Action(s)**

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Not applicable

### **California Environmental Quality Act (CEQA)**

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#### **CEQA determination for Option #1:**

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5).)

**CEQA determination for Option #2:**

None required

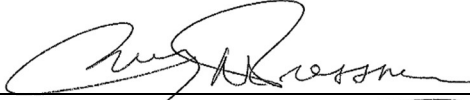
**Details and Background**

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**Background**

At the Ethics, Organization, and Personnel Committee in April 2023, the committee discussed updating the Department Head evaluation process including integration of best practices (**Attachment 2**), implementation of a 360°-degree evaluation component, and hiring a professional to facilitate the process for the Board. Additionally, the committee deliberated on the past practice of anonymously conveying Directors' comments to Department Heads. The consensus was to revise the process, eliminating anonymity for Directors' comments. Department Heads will now receive individualized reports detailing comments from each Director, along with a thematic summary highlighting key priorities to focus on for the upcoming year for presentation to the Board.

The Ad Hoc Committee reviewed updated 360°-degree evaluation questions, which are based on performance areas (strategic leadership, operational leadership, Board relationships, and results) as stated in Section 6210 of the Administrative Code, best practices, and mapped the evaluation questions to the previous questions to ensure that all areas are included.

 4/30/2024  
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Barry D. Pressman, M.D. Date  
Chair, Ethics, Organization, and Personnel  
Committee

**Attachment 1 – Department Head Evaluation Process****Attachment 2 – Best Practices**

Ref# hr12698299

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## Attachment 2

**Catapult For Change**  
**Eleanor Allen, P.E., NAE**  
**Executive Performance Evaluation - Best Practices**

The Board evaluation of executive performance is a critical task that can positively impact the organization's trajectory. Ensuring objectivity, strategic alignment, and comprehensive feedback is essential for effective evaluations. Our process follows best practices for executive performance evaluations. Key points are summarized below and links to relevant articles are provided if you wish to read further.

The proposed process includes the following best practices:

**1. Board Involvement and Insight:**

- Involve relevant stakeholders, such as **board members**, in the evaluation process.
- Recognize that board members may lack proximity or insight into day-to-day operations. Their feedback should focus on **strategic alignment and overall impact**.
- Conduct **annual** formal reviews of executive performance. Regular evaluations ensure ongoing alignment with organizational goals and expectations.

**2. 360-Degree Feedback:**

- Use a **360-degree confidential evaluation** process that involves input from various stakeholders, including board members, peers, and direct reports.
  - Go beyond day-to-day tasks and evaluate executives' contributions to the entire company ecosystem.
  - Consider their role in fostering innovation, managing stakeholders, and shaping organizational culture.
  - Evaluate how well executives align their leadership strategies with the broader organizational strategy.
  - Consider their impact on Metropolitan's future, industry positioning, and long-term goals.
- Include a self-assessment for the Department Head to complete using the same assessment criteria as the other reviewers.
- Have the person tasked with leading the evaluation process meet with reviewers after they provide written feedback to ensure clarity and understanding of the feedback.
- Provide Department Heads with a feedback meeting and a written report summarizing a holistic view of their performance from all stakeholders. This shall include a comparison of their self-assessment vs. how their performance is perceived by others.
  - Share feedback with Department Heads anonymously and not attributed to specific evaluators.



### 3. Clear Expectations and Goal-Setting:

- Set **clear performance expectations** for executives. Define specific goals, objectives, and key performance indicators (KPIs) aligned with the organization's strategic direction.
  - Develop **organizational goals** for 2024-2025 will be developed by the Department Heads using input from the 2023-2024 assessments.
  - Create **individual development plans** for each Department Head for their own professional development goals in 2024-2025 using the input from the 2023-2024 assessments.

### 4. Benchmarking for Salary Setting:

- Use **external salary benchmarks** to assess executive compensation.
- Regularly review compensation packages to ensure competitiveness and alignment with industry standards.
- **Note:** *This task will be completed following the performance evaluation.*

### Articles for further information:

1. [Executive Evaluation and Compensation](#) – BoardSource
2. [How to Conduct Great Performance Reviews](#) – Society for Human Resources Management (SHRM)
3. [How to Conduct an Executive Performance Review: Templates and Best Practices](#) - Zavvy