



Ethics, EEO, Diversity, Equity & Inclusion Committee

State of Diversity Equity and Inclusion and Metropolitan's Approach

Item 6a
March 10, 2025

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Subject

Update on Current State of Equal Employment Opportunity and Diversity, Equity, and Inclusion at Metropolitan

Purpose

Update on the current state of Equal Employment Opportunity and Diversity, Equity, and Inclusion at Metropolitan in light of the recent Executive Orders

Recommendation and Fiscal Impact

None

Affirmative Action/EEO & Diversity, Equity & Inclusion 101

EEO/Affirmative Action

Civil Rights Act of 1964

- Establishes the Equal Employment Opportunity Commission (EEOC)
- EEO focuses on compliance with anti-discrimination laws
- Prohibits discrimination in employment

Diversity, Equity & Inclusion

- Strategies and practices that advance fair, respectful and inclusive workplaces
 - Diversity → Who is in the room?
 - Equity → Fairness/Are artificial barriers removed?
 - Inclusion → Does everyone feel valued and heard?

These functions exist to prevent discrimination and build a culture where there are no barriers to full human potential/champion equal access and meritocracy

Current State in Light of Recent Executive Orders

Metropolitan's Affirmative Action/Anti-Discrimination Obligation

- Metropolitan has been subject to State and Federal Anti-Discrimination Laws for Decades
 - Title VII, ADA, ADEA, FEHA, Prop. 209
- What does “Affirmative Action” in federal law mean
 - Proactive efforts to employment and other opportunities, such as targeted outreach, educational outreach, community engagement
 - Procedures designed to eliminate unlawful discrimination and promote fairness

Affirmative Action

- Does not mean quotas
- Does not mean workforce preferences

Metropolitan's Affirmative Action Obligations

- Executive Order 11246 (1965)
 - Underlying authority requiring annual AAPs for minorities and women
 - Ensures non-discriminatory practices
 - Prohibits discrimination based on race, color, religion, sex, or national origin
 - Required federal contractors to take “affirmative actions” to promote equal access to employment opportunities
 - Required contractors to submit written compliance reports to OFCCP
- Required Federal Affirmative Action Programs
 - Section 503 (individuals with disabilities)
 - VEVRAA (protected veterans)
- Title 2, California Code of Regulations, Section 11103 Nondiscrimination Program
 - As a state contractor Metropolitan is required to maintain a written nondiscrimination plan, which essentially mirrors the federal requirements.

Overview of Affirmative Action Plan (AAP)

Workforce Analysis

- Job title
- Demographics
- Wage/Salary Range

Underutilization analysis and outreach efforts

- Comparison of the percentage of protected class
 - gender/race/disability/veteran
 - employed in specific job groups
 - compared to the available relevant labor market
- Identify significantly lower areas of underutilization

Overview of Executive Orders on DEI Initiatives

Significance

Series of executive orders signed by President Trump on January 20-21, 2025, mark a shift in federal policy regarding Diversity, Equity, and Inclusion (DEI)

EO 14151

“Ending Radical And Wasteful Government DEI Programs And Preferencing”:

- Mandates termination of DEI and DEIA programs in federal agencies
 - DEI and DEIA are not defined
- Elimination of Chief Diversity Officer positions in federal agencies
- Does not apply to Metropolitan

EO 14173

“Ending Illegal Discrimination And Restoring Merit-Based Opportunity”:

- Targets the private sector; encourages the cessation of Diversity, Equity, and Inclusion related activities
- Rescinds Executive Order 11246, which established protections against discrimination in federal contracting
- Requires federal contractors to certify that it does not engage in diversity, equity, and inclusion efforts that violate applicable federal antidiscrimination laws

EO 14173

Immediate Impact to Metropolitan

- Metropolitan was exempt from written AAPs regarding race/sex categories
- Written AAPs for veterans and disability status still required
- State requirements for antidiscrimination plans remain
- Does not prohibit voluntary diversity, equity, and inclusion efforts

Implications of Rescinded EO 11246

- **End of Affirmative Action Requirements**

Contractors no longer mandated to maintain affirmative action programs, potentially affecting workforce diversity efforts

- **Compliance and Legal Risks**

90-day compliance period for existing contracts raises ambiguity Increased liability under False Claims Act for noncompliance

Future Outlook and Considerations

- *Ongoing Assessment and Engagement*

Continue reviewing existing contracts for affirmative action language. Monitor evolving federal regulations to ensure compliance with Metropolitan's contracts and keep Board apprised as necessary

Vision

To be the industry leader in water delivery with unparalleled commitment to our people, partners and planet with **no one left behind**

Strategic, holistic stakeholder model as driver of organizational success

Five Strategic Priorities



EMPOWER the workforce and promote diversity, equity & inclusion



SUSTAIN Metropolitan's mission with a strengthened business model



ADAPT to changing climate and water resources



PROTECT public health, the regional economy and Metropolitan's assets



PARTNER with interested parties and the communities we serve



The Business Case for Diversity, Equity & Inclusion



- Committing to being a fair and inclusive workplace
- Attracting the best talent
- Leveraging collective genius to solve the big problems in water
- Identifying systemic changes to create a best-in-class workplace
- Proactively monitoring across the HR lifecycle
- Building trust with the diverse communities we serve
- Aligning with our values of Safety, Trust, Accountability, Respect and Teamwork (START)
- Realizing Metropolitan's mission

Metropolitan Strategic DEI Framework

Goals

- Create, foster and sustain a culture of belonging and fairness across all People-related programs and processes. (**Equity and Inclusion**)
- Leverage diversity and the power of inclusion to achieve superior results for Metropolitan (**Outcomes over Optics**)
- Drive the ongoing recruitment, development, advancement and retention of diverse talent throughout all levels at Metropolitan. (**Increased diversity in talent pipeline**)
- Enhance communication and connection between people and functions in underserved communities and with non-traditional partners. (**Trusted employer and community partner**)



Workplace

Build a **best-in-class** workplace where every employee is **valued**, their ideas **heard** and their work environment characterized by **respect, excellence and belonging**



Workforce (Future)

Cultivate the **next generation of talent** for expanding broader **access** and ensuring greater **equity** to build a more diverse, qualified workforce



Industry

Ensure diversity, equity and inclusion is embedded into **every aspect of water** planning, conveyance and delivery, including aspects such as **multicultural** conservation messaging and **environmental justice**



Community

Ensure inclusion of **underserved communities and non-traditional partners** thereby becoming **trusted partners**

Diversity, Equity & Inclusion Programs & Importance to Metropolitan

Area of Focus	Current Approach	Importance to Met Mission
<p>Workforce Development (including Tribal Outreach & Engagement)</p>	<ul style="list-style-type: none"> ✓ Focus on building next generation of water workforce ✓ Broad outreach efforts, including with community colleges and CBOs ✓ Place-based, not race-based (i.e. Carson) ✓ No quotas 	<ul style="list-style-type: none"> ➤ Given the silver tsunami and retirement eligibility of the workforce, actively building the next generation of talent to sustain water operations and Met's service to its 26 member agencies.
<p>Business Outreach & Community Engagement</p>	<ul style="list-style-type: none"> ✓ Focus on proactively sharing procurement opportunities across Met's service area ✓ Small business, not supplier diversity, program ✓ Broad outreach and partnerships 	<ul style="list-style-type: none"> ➤ Increasing procurement opportunity and competitiveness for contracting across our service territory
<p>Employee Resource Groups (ERGs)</p>	<ul style="list-style-type: none"> ✓ 11 ERGs focused on various affinities (women, Black employees, Persian employees, Veterans, etc); ✓ Membership not limited by protected class 	<ul style="list-style-type: none"> ➤ Creating safe spaces for our employees; opportunities for learning across difference as well as two-way feedback on better support for our employees
<p>DEI Council/Culture Initiatives</p>	<ul style="list-style-type: none"> ✓ Broad cross-section of employees focused on improving workplace culture 	<ul style="list-style-type: none"> ➤ Proactive vigilance and efforts in building a best-in-class culture
<p>Broader Industry Impact</p>	<ul style="list-style-type: none"> ✓ Serving in various capacities (CUWA DEI Committee, Equity in Infrastructure Pledge, workforce development working group, etc.) to impact change at scale 	<ul style="list-style-type: none"> ➤ Underscores Met's commitment to be a thought leader, convener and industry leader in water

Reaffirming
Metropolitan's
Diversity, Equity
& Inclusion
Commitment

The Path Forward

- Metropolitan is uniquely situated, as a public agency *in California*, to write the playbook on how to move forward
- Staff will continually monitor and assess the dynamic legal landscape to maintain compliance and update the Board as necessary



Thank You!
Questions?