

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

EI&A Committee

T. McCoy, Chair
G. Cordero, Vice Chair
D. De Jesus
B. Dennstedt
L. Dick
A. Fellow
L. Fong-Sakai
J. Garza
G. Gray
M. Luna
N. Sutley

Equity, Inclusion, and Affordability Committee

Meeting with Board of Directors *

July 25, 2023

10:00 a.m.

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. A listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmdsUWpKR1c2Zz09>

Tuesday, July 25, 2023 Meeting Schedule

**08:30 a.m. PAE
10:00 a.m. EIA
12:30 p.m. Break
01:00 p.m. Exec
02:15 p.m. BOD WKSP
- Bay-Delta**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

Teleconference Locations:

2936 Triunfo Canyon • Agoura Hills, CA 91301

Covina Irrigating Company • 146 E. College Street • Covina, CA 91723

MWD Sacramento Office • 1121 L Street, Suite 900 • Sacramento, CA 95814

Fullerton City Hall Council Chambers • 303 W. Commonwealth Avenue • Fullerton, CA 92832

3008 W. 82nd Place • Inglewood, CA 90305

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**** CONSENT CALENDAR ITEMS -- ACTION ****

- 2. CONSENT CALENDAR OTHER ITEMS - ACTION**

- a. Approval of the Minutes of the Equity, Inclusion, and Affordability Committee for April 10, 2023 (Copies have been submitted to each Director, Any additions, corrections, or omissions) [21-2335](#)

Attachments: [07252023 EIA 2A \(04102023\) Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

NONE

**** END OF CONSENT CALENDAR ITEMS ****

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Diversity, Equity, and Inclusion Strategic Plan [21-2541](#)

Attachments: [07252023 EIA 6a Presentation](#)
[07252023 DEI Strategic Roadmap Report](#)
[07252023 DEI Assessment Report](#)

7. MANAGEMENT REPORTS

- a. Diversity, Equity, and Inclusion Manager's Report [21-2542](#)

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

EQUITY, INCLUSION, AND AFFORDABILITY COMMITTEE

April 10, 2023

Director Fellow called the meeting to order at 3:38 p.m.

Members present: Directors Dick, Fellow, Fong-Sakai, Garza, Gray (teleconference posted location), Pressman (teleconference posted location), and Sutley.

Members absent: Directors Cordero, De Jesus, Luna, and McCoy.

Other Members present: Abdo, Ackerman, Armstrong, Dennstedt, Miller, Ortega, Peterson, Ramos, and Smith.

Committee Staff present: Hagekhalil, Kasaine, Redin, Ros, Scully, and Thomas.

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

None

CONSENT CALENDAR ITEMS — ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

None

3. CONSENT CALENDAR ITEMS – ACTION

None

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Subject: Business Outreach Update

Presented by: John Arena, Section Manager

Ms. Katano introduced the item and Mr. Arena presented the committee with an overview of the business outreach annual report for 2021 through 2022. His presentation included core objectives, history and milestones, strategic business alliances, outreach and engagement, new initiatives, contract awards, and total SBE Utilization.

Item 7a was heard prior to item 6b.

7. MANAGEMENT REPORTS

7a. Subject: Diversity, Equity, and Inclusion Manager's Report

Presented by: Liji Thomas, Chief Diversity, Equity & Inclusion Officer

Ms. Thomas presented the committee with an update on the DE&I assessment and roadmap that will be brought back to the committee in the next few months.

6. COMMITTEE ITEMS (CONTINUE)

b. Subject: Panel Discussion on Rubidoux Community Services District

Presented by: Adel Hagekhalil, General Manager
Craig Miller, General Manager of Western Municipal Water District
Sandy Kerl, General Manager of San Diego County Water District
Alex Rojas, General Manager of Central Basin

Director Fellow introduced the item and Mr. Hagekhalil presented the committee with an overview of the Rubidoux Community.

Mr. Miller provided a brief presentation of Western Municipal Water District's request and a brief overview of the agreement. Ms. Kerl and Mr. Rojas provided introductory comments.

Director Fellow opened the discussion.

The following Directors provided comments or asked questions:

1. Fellow
2. Ortega
3. Garza
4. Petersen
5. Fong-Sakai
6. Miller
7. Smith
8. Dick
9. Armstrong
10. Seckel

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Meeting adjourned at 5:09 p.m.

Anthony Fellow
Director



Equity, Inclusion, and Affordability Committee

Diversity, Equity, and Inclusion Strategic Plan

Item 6a
July 25, 2023

Agenda

A Water Future
That Leaves
No One Behind.



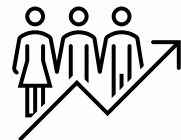
Metropolitan Strategic DEI Framework



Current State



Roadmap for Implementation of
The Bucherati Group (TBG) Recommendations



Progress Made & Work Outstanding



Next Steps

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

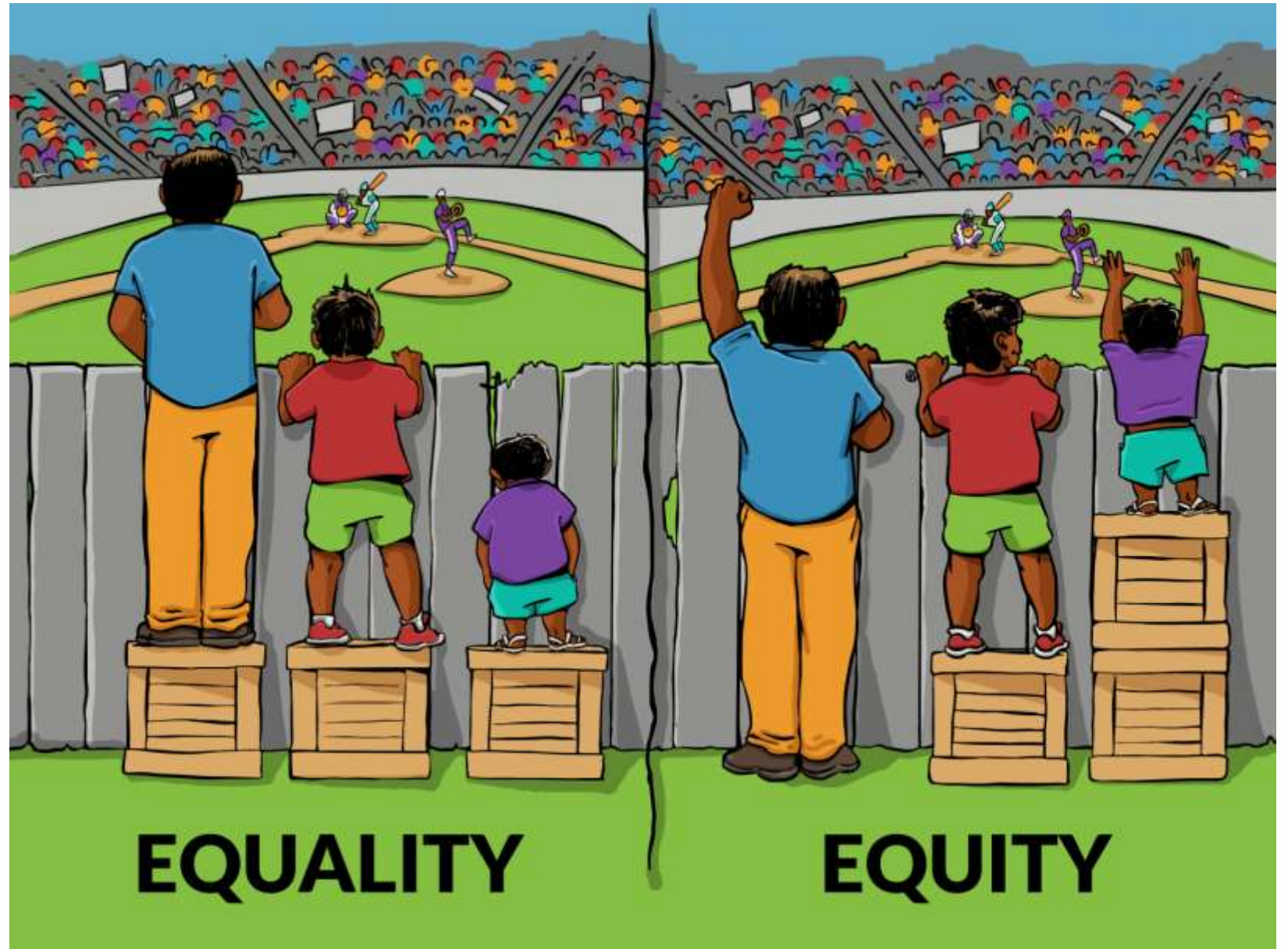
Ensure diversity, equity and inclusion is embedded into **every aspect of water** planning, conveyance and delivery, including aspects such as **multicultural** conservation messaging and **environmental justice**



Community

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

Metropolitan Strategic DEI Framework - Equality vs Equity



Source: *Interaction Institute for Social Change*
Equity, Inclusion and Affordability Committee

The Current State

Despite Significant Challenges, We Have Made Progress In The Last Year; Much Work Remains To Be Done

Metropolitan is at a critical junction in key decisions that will affect not only the future of Metropolitan but the future of the water industry as a whole. Understanding that a **focus on the people must be just as important as a focus on the pipes** and building a strong foundation for DEI/people-related functions at Met will be key determinants in whether the organization is truly successful in winning the war for talent, rebuilding **public trust**, being a good steward of **public funds** and delivering on Metropolitan's **public mission**.



Progress Made/ Current Enablers

- ✓ New leadership in place; strong Board and GM support of DEI
- ✓ Strong recent emphasis on Culture/DEI
- ✓ Comprehensive plan to address existing areas of opportunity
- ✓ 11 ERGs with strong leadership, history and employee engagement
- ✓ Good intentional work to mitigate bias, proactively identify opportunities
- ✓ Growing external brand capital for Met
- ✓ Key leadership and organizational changes made to accelerate the pace of change



Challenges that Remain/ Current Obstacles

- ❖ High-profile workplace incidents and the need to build trust across organization
- ❖ DEI not well understood and confused with other key offices at Met
- ❖ Limited budget and resources to drive change
- ❖ Lack of consensus on how important DEI should be at Met and in the water industry
- ❖ Lack of current communication channels that reach every employee, including in the field
- ❖ Complex processes and structures that slow down progress and lack of data informed insight
- ❖ Resistance to change

The Future

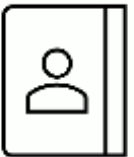
The Roadmap Forward (The Bucherati Group Recommendations)



2023-2024
Building a Solid Foundation



2024-2026
Accelerating The Pace of Change



2026+
Advancing DEI Thought Leadership In The Public Sector

Phase 1 (6 Months)

- DEI Strategy with Metrics and Accountability
- Strategic DEI Communications Plan
- Equity Practice
- Civil & Inclusive Workplace training Launch for leaders
- Guided Culture/Change Management Work Session with Leadership
- HR Capability Build



Phase 2 (6-12 Months)

- Leverage Collective Genius
- Leader Toolkits
- Succession Planning Process
- Culture/Change Management Work
- Launch formal succession planning process for Met



Phase 3 (12+ Months)

- Evolve and Enhance work emanating from Phases 1 & 2
- Culture/Change Management Work

Creating sustainable business results, managing risk, and enhancing MWD's success in the **workplace, workforce, industry and community**

2023 Diversity, Equity & Inclusion Strategic Roadmap Of The Metropolitan Water District Of Southern California

Goal	Action Taken	Work Outstanding	Next Milestone/Update
Simplified DEI Strategy with Metrics & Accountability	Procedure for proactive data monitoring; strategic partnerships to build diverse talent pipeline/senior leadership/Board presentation in July	Pursue impact in all stakeholder groups; work with HR to establish report and reporting cadence; continue to partner with HR to shift outcomes	Presentation to Board on workforce metrics before 2023 year-end
Build an Equity Practice	Examined promotion and performance rating data for adverse impact	Holistically assess opportunities to mitigate bias and take a more data informed approach	To be included in budget request; build holistic equity practice for Met
Establish DEI-Focused Communications Plan	Targeted communications to Diversity Council, ERGs, etc.	Holistic communication vehicles and plan to reach all employees, including desert/field employees	To be included in budget request; build holistic comms plan
Craft Vision and Values	Collaborated with Office of GM to consider new values/vision	Align on Met values and plan to socialize them	Senior leadership team alignment on values/vision by Dec 2023

2023 Diversity, Equity & Inclusion Strategic Roadmap Of The Metropolitan Water District Of Southern California

Goal	Action Taken	Work Outstanding	Next Milestone/Update
Culture/Change Management Work	Initial focus on defining values and vision for Met and how best to socialize them	Holistic approach to defining values and appropriate behavior, communicating well and building accountability	Values and Met Vision presented to Senior Leadership by December 2023
Civil & Inclusive Workplace Training	Previewed training with HR/field staff ; reviewing initial proposal from ELI on training rollout	Agreed upon SOW and rollout of training to leadership and staff in next eighteen (18) months	To be included in budget request; agreed upon proposal and rollout schedule by December 2023
Partner to Build HR Capability	Several conversations with HR about apprenticeship program/better outreach and recruitment	Ongoing work with HR to advance transformational change	Plan for current fiscal year
Leader Toolkits	Dependency on current labor negotiations, current revision of HR practices	Build these with input from the field and determine effective rollout	Plan for '24-'25 fiscal year
Launch Formal Succession Planning Practice for Met	Efforts to build the talent pipeline; some entry level hiring	Build formal succession planning for Met	Plan for '24-'25 fiscal year
Leverage Collective Genius	Existing Diversity Council, Managers Meeting	Launch leveraging collective genius	Plan for '24-'25 fiscal year

Workforce Outreach & Development

2023 Diversity, Equity & Inclusion Strategic Roadmap



Goal	Action Taken	Work Outstanding	Next Milestone/Update
Pipelines of Talent	Strategic engagement with community-based organizations to expand feeder pools of talent into apprenticeship programs; cybersecurity internship; HBCU partnership	More intentional community engagement; increased partnership with HR to accelerate the pace of change	Determine how to launch WETT (Water Education and Training for the Trades) program; work with bargaining units on outreach efforts
Efforts Across Met/Address Structural Barriers	Engagement on Project Labor Agreement (PLA) , local hire, partnership with WSO; partnership with HR to address structural improvements (collateral, application, etc.)	Partnership with HR to reduce cycle time in hiring ; leveraging existing relationships for talent attraction; investing in internal talent/succession planning	Cross-organizational partnership on workforce development efforts to drive transformational change
New Career Pathways	Discovery regarding workforce development needs that are currently not being addressed	Address existing deficiencies and create newer pathways to address them (i.e. water system operators)	Additional resources to focus on workforce development

Tribal Outreach & Engagement

2023 Diversity, Equity & Inclusion Strategic Roadmap

Goal	Action Taken	Work Outstanding	Next Milestone/Update
Trust with Tribal Communities	Strategic engagement with CRIT ; targeted sponsorships (i.e. NatiVisions Film Festival)	Continued engagement in building trust; ongoing consideration of key opportunities/sponsorships	Ongoing efforts
Outreach to K-12	Partnership with Parker High School (Parker, AZ); bordering Gene Camp	Continued partnerships and relationship building	Identification of and partnership with other trade schools/educational institutions
Trades Program Pipeline Development	Recent Gene Camp tour for Native students , including sharing info re: apprenticeship program	More plant tours requested and growing group of Native students expressing interest;	Dedicated support for test prep
Efforts Across Met/Greater Outreach & Support	Brought together all partners across Met engaged in Tribal Outreach	Continued commitment to coordinate efforts; meeting with Sec’y Snider from Gov. Newsom Office	Regular Meeting to coordinate efforts; resources to accelerate efforts
Sustainability & Tribal Engagement	Visit to Mojave Desert Land Trust; engagement with Chemehuevi on ecological/conservation	Continue to build efforts and connection between SRI & DEI	Project plan to advance this engagement

Workforce Development

Tribal Outreach & Engagement



Business Outreach & Community Engagement

2023 Diversity, Equity & Inclusion Strategic Roadmap



EQUITY IN INFRASTRUCTURE PROJECT

Goal	Action Taken	Work Outstanding	Next Milestone/Update
Equity in Infrastructure Pledge	Performed baseline survey of current vendor database to identify certified Disadvantaged Business Enterprises (DBE)	Working with CFO office on streamlining prompt payment to DBE primes and subcontractors. Participate and execute CA EIP plan	Ongoing efforts; establish goal for increase in historically underutilized business (HUB) spend by 2025
Increasing Small Business Opportunity	Re-established MOU with Small Business Development Centers to host small business workshop series	Create outreach campaign targeting the re-certification of existing SBE firms; Currently 75% expired; Goal is to increase by 25%	June 2024
Coordinating Efforts Across Met/Structural Opportunities	Partnered with Engineering Group to host MetWorks outreach series to promote upcoming CIP projects	Planning in-person conference in Western Region; collaborate with Member Agency staff to present local CIP projects	Fall 2023

ERGs/Diversity Council/Broader Inclusion Efforts/ Water Sector Leadership

2023 Diversity, Equity & Inclusion Strategic Roadmap

Goal	Action Taken	Work Outstanding	Next Milestone/Update
Employee Resource Groups (ERGs)	Evolving ERGs to align them around Workplace, Workforce, Industry and Community contributions; better support	Evolve better support and structure for ERGs; shift ERGs to Business Resource Groups (BRGs)	Ongoing efforts
Metropolitan Diversity Council	Engaging Diversity Council in key strategic DEI initiatives (i.e. HR data monitoring procedure)	Envision strategically aligned DEI Council; increase representation from outside Union Station to ensure Council is truly reflective of all employee voices	Engaging Diversity Council on workplace improvement efforts
Broader Inclusion Efforts	Held town halls with Recurrent Team; addressing key concerns regarding fairness and transparency; inclusive language in Board comms	Increasing impact of inclusion efforts to Benefits offerings, communication methods that effectively reach all employees, etc.	Ongoing efforts
Water Sector Leadership	Active member of CUWA DEI Committee, contributing to CA Water Equity Plan	Ongoing efforts; cross-functional partnership to accelerate workforce development efforts	Ongoing efforts



“ DEI is an
Adaptive
Problem –
does not
require
information;
requires
transformation

Adapted from Ronald A. Heifetz and Donald L. Laurie, “The Work of Leadership”, Harvard Business Review, January-February 1997; and Ronald A. Heifetz and Marty Linsky, “Leadership on the Line”, Harvard Business School Press, 2002.

Technical Problems vs. Adaptive Challenges

The single biggest failure of leadership is to treat adaptive challenges like technical problems.

Technical Problems

1. Easy to identify
2. Often lend themselves to quick and easy (cut-and-dried) solutions
3. Often can be solved by an authority or expert
4. Require change in just one or a few places; often contained within organizational boundaries
5. People are generally receptive to technical solutions
6. Solutions can often be implemented quickly - even by edict

Adaptive Challenges

1. Difficult to identify (easy to deny)
2. Require changes in values, beliefs, roles, relationships and approaches to work
3. People with the problem do the work of solving it
4. Require change in numerous places; usually cross organizational boundaries
5. People often resist even acknowledging adaptive challenges
6. “Solutions” require experiments and new discoveries; they can take a long time to implement and cannot be implemented by edict

Next Steps

1

DECIDE

- MWD leadership decisions on proposed DEI Strategy and Plan
- Assess resources and budget necessary to move forward
- Communicate

2

PLAN

- Develop operational plan, timetable, metrics and accountabilities for implementing DEI Strategic Framework and 2023-2024 Plan
- Communicate

3

IMPLEMENT

- Engage internal/external resources necessary to move forward
- Communicate

Embracing the need for change and moving forward with these recommendations will position MWD for greater results and sustainable success



Thank
You!





Diversity, Equity and Inclusion Strategic Roadmap



July 2023

Letter from the General Manager & Diversity, Equity & Inclusion Officer

Dear Metropolitan Community,

To fully realize our mission to work with our 26 member agencies to provide over 19 million residents in Southern California with “adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way” we have to build an organization and culture where there are no barriers to full human potential. We need to envision a future that leaves no one behind.

It is because of this belief that we have developed this strategic roadmap, outlining the key priorities, goals, objectives and actions to advance a more inclusive and equitable future for Metropolitan. Where applicable, we have aligned our priorities with those outlined in the latest version of the General Manager’s Strategic Plan to demonstrate how the newly formed DEI Office is helping to advance larger strategic priorities for Metropolitan.

The priorities outlined in this document were informed by the findings and recommendations laid out in a recent DEI Assessment performed by The Bucherati Group. They were further informed by the listening sessions held over the past year and the various avenues of employee input through which we are able to gauge the efficacy of our efforts. We are deeply grateful to the countless employees and members of the Metropolitan community who gave so graciously of their time to ensure that Metropolitan’s best days are yet to come. We hope this outline, while just a start, accurately reflects the input, feedback and recommendations shared by so many.

Now the work begins. It will take intentional efforts by the entire Metropolitan community to achieve our goals and chart the right course for the next chapter of our growth and history. This plan is a living document and will be revised and updated however it can best serve the approximately 1,800 employees of Metropolitan and the larger community. We look forward to partnering with each and every one of you to build a more inclusive and equitable ecosystem and to ensuring that Metropolitan’s best days are yet to come.



Adel Hagekhalil
General Manager



Liji Thomas
Chief Diversity, Equity & Inclusion Officer



Diversity, Equity & Inclusion Vision

Our DEI Vision is to build the most inclusive, equitable, socially and environmentally conscious public institution in the world

We will achieve this by advancing equity and inclusion across the Metropolitan ecosystem and specifically in the following areas of focus:



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 MWD 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.

Strategic Priorities, Goals, Objectives, and Actions

The strategic priorities outlined below reflect the findings from a recent DEI Assessment conducted by The Bucherati Group as well as the feedback garnered from numerous listening sessions hosted by the DEI Office. Focusing on these priorities will help us to achieve the broad goals for diversity, equity and inclusion at Metropolitan.

Overall Diversity, Equity and Inclusion 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 through 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.

[GM Strategic Priority #1: Empower the workforce and promote diversity, equity and inclusion]

Goal 1.1: Build A People-Centric Culture of Connection And Care

Objective 1.1.1: Create connection and sense of belonging for all employees

- **Action 1.1.1.1:** Expand onboarding processes to ensure all employees feel welcome and have the information needed to succeed at Metropolitan
- **Action 1.1.1.2:** Establish internal mentorship and job shadow programs to create a support system for employees and enhance career mobility
- **Action 1.1.1.3:** Expand benefits to be more inclusive and explore various ways to better recognize and celebrate employees
- **Action 1.1.1.4:** Review the role of the Diversity Council in advancing inclusion
- **Action 1.1.1.5:** Provide ongoing support for Employee Resource Groups
- **Action 1.1.1.6:** Examine any areas that require greater focus (i.e., accessibility and inclusion for individuals with disabilities, military/veteran outreach and hiring efforts, racial equity, etc.)

Goal 1.2: Create A Simplified DEI Strategy with Metrics and Accountability

Objective 1.2.1: Pursue a data informed approach to the employee life cycle to proactively identify areas of opportunity before they become areas of concern

- **Action 1.2.1.1:** Implement the procedure for proactive data monitoring across hiring, promotion, transfers and exits (voluntary and involuntary)
- **Action 1.2.1.2:** Identify any potential areas of concern and examine root causes
- **Action 1.2.1.3:** Disaggregate the data and establish a scorecard and a regular reporting cadence
- **Action 1.2.1.4:** Report annually to the Board of Directors on the status of the workforce

Strategic Priorities, Goals, Objectives, and Actions

- **Action 1.2.1.5:** Establish a process for conducting exit interviews to garner relevant feedback on how culture can be improved
- **Action 1.2.1.6:** Establish a DEI scorecard/metrics and determine appropriate accountability

Goal 1.3: Build an Equity Practice

Objective 1.3.1: Review key policies and practices to ensure fairness and mitigate any potential bias

- **Action 1.3.1.1:** Ensure job descriptions are inclusive and gender neutral
- **Action 1.3.1.2:** Examine existing processes to mitigate any potential bias

Goal 1.4: Establish DEI-Focused Communications Plan

Objective 1.4.1: Create communication channels and messaging that reaches all employees and conveys important information tailored to the audience

- **Action 1.4.1.1:** Complete full assessment of existing channels and messaging
- **Action 1.4.1.2:** Ensure effective channels are created for frontline/desert personnel
- **Action 1.4.1.3:** Examine the role of Diversity Council/ERGs in communication efforts
- **Action 1.4.1.4:** Partner with External Affairs to create holistic communications plan

Goal 1.5: Craft Vision and Values

Objective 1.5.1: Create a compelling vision to guide Metropolitan into the next chapter of its growth and establish values that will guide acceptable standards of conduct

- **Action 1.5.1.1:** Complete full assessment of existing values
- **Action 1.5.1.2:** Partner with Office of GM to align on new vision and values
- **Action 1.5.1.3:** Solicit employee input into values
- **Action 1.5.1.4:** Ensure broad and effective communications plan to convey new values
- **Action 1.5.1.5:** Implement mechanisms for accountability around new values

Goal 1.6: Culture/Change Management Work

Objective 1.6.1: Create a holistic approach to culture transformation at Metropolitan

- **Action 1.6.1.1:** Incorporate and socialize new values as the standard for appropriate behavior at Metropolitan
- **Action 1.6.1.2:** Identify a cadre of early adopters/evangelists who can socialize the needed changes
- **Action 1.6.1.3:** Align vision, values and leadership training to create a powerful force for change
- **Action 1.6.1.4:** Consider people-centric storytelling to highlight and celebrate people who are living the values
- **Action 1.6.1.5:** Adopt mechanisms for reinforcement and accountability (i.e. performance management)

Strategic Priorities, Goals, Objectives, and Actions

Goal 1.7: Civil & Inclusive Workplace Training

Objective 1.7.1: Equip all employees, beginning with leadership, with the tools needed to promote a civil and inclusive workplace

- **Action 1.7.1.1:** Determine appropriate statement of work for civil and inclusive leadership training deployment
- **Action 1.7.1.2:** Create a training plan to begin with leadership and cascading to all employees
- **Action 1.7.1.3:** Measure and share metrics on success of training
- **Action 1.7.1.4:** Reinforce the training and better embed the concepts for reinforcement
- **Action 1.7.1.5:** Implement 'train the trainer' to ensure continuity of training for new hires

Goal 1.8: Leader Toolkits

Objective 1.8.1: Build toolkits to better equip leaders with the management know how they need to lead effectively

- **Action 1.8.1.1:** Codify key management essentials for leadership at Metropolitan
- **Action 1.8.1.2:** Proactively create training needed to accompany release of the toolkits
- **Action 1.8.1.3:** Solicit employee and leadership input into the toolkits to ensure they are effective
- **Action 1.8.1.4:** Consider communication plan to accompany toolkit release
- **Action 1.8.1.5:** Ensure mechanism to reflect any updated guidance/changes so toolkits stay current and relevant

Goal 1.9: Support Formal Succession Planning Practice for Metropolitan

Objective 1.9.1: Given the large percentage of the workforce that is currently retirement eligible, partner with HR to launch formal succession planning and knowledge transfer to mitigate against critical gaps

- **Action 1.9.1.1:** Examine key areas of vulnerability in the talent landscape
- **Action 1.9.1.2:** Consider existing profile of talent and plan for succession
- **Action 1.9.1.3:** Develop diverse pipeline of talent for all critical roles
- **Action 1.9.1.4:** Develop mentorship/development programs for key roles

Goal 1.10: Leverage Collective Genius

Objective 1.10.1: Leverage the power of cross-functional intelligence as a standard way of doing business at Metropolitan

- **Action 1.10.1.1:** Create forums to share information across departments
- **Action 1.10.1.2:** Ensure psychologically safe environments that invite constructive dissent
- **Action 1.10.1.3:** Foster an innovative mindset and reward innovative behaviors

Goal 1.11: Build Forums to Proactively Solicit Employee Input and Engagement

Objective 1.11.1: Create forums for employees and front-line leaders to proactively bring forth opportunities and recommended solutions for constructive change

- **Action 1.11.1.1:** Create forums for front-line leaders to collectively problem solve solutions
- **Action 1.11.1.2:** Create outlet for employees to bring forward concerns and ideas for change
- **Action 1.11.1.3:** Continuously improve newer and better ways for voice of the employee to be heard

Strategic Priorities, Goals, Objectives, and Actions



Workforce

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

Goal 2.1: Build Pipelines of Talent for Current and Future Jobs

Objective 2.1.1: Increase outreach efforts and help build brand capital for Metropolitan to attract a diverse pipeline of talent for current and future jobs

- **Action 2.1.1.1:** Examine opportunities to better leverage existing partnerships for talent attraction
- **Action 2.1.1.2:** Develop effective marketing collateral and communicate in compelling ways to attract talent to Metropolitan, including from historically underrepresented groups
- **Action 2.1.1.3:** Establish strategic partnerships with community-based organizations to expand career awareness and opportunity
- **Action 2.1.1.4:** Leverage the power of storytelling to highlight careers at Metropolitan and attract talent
- **Action 2.1.1.5:** Strategize regarding key career fairs/recruitment opportunities

Goal 2.2: Coordinate Efforts Across Metropolitan

Objective 2.2.1: Coordinate efforts across Metropolitan related to pipeline development and address key barriers and process inefficiencies that hamper recruitment and hiring efforts

- **Action 2.2.1.1:** Partner with Human Resources and Water System Operations to actively recruit for the next apprenticeship class
- **Action 2.2.1.2:** Coordinate efforts with the outreach activities specified in the Project Labor Agreement (PLA) including opportunities for local hire, second chance hiring and hiring of transitional workers

Goal 2.3: Address Structural Barriers to Hiring and Recruitment

Objective 2.3.1: Address any structural barriers to hiring and recruitment

- **Action 2.3.1.1:** Validate the written test for the apprenticeship program (biggest hurdle for historically underrepresented talent)
- **Action 2.3.1.2:** Reexamine minimum qualifications for job levels (ie. college degree requirement)
- **Action 2.3.1.3:** Strategize most effective ways to reduce cycle time in hiring while effectively mitigating bias

Goal 2.4: Envision New Career Pathways from Communities we Serve

Objective 2.4.1: Explore the formation of pathways that do not currently exist but are critical to water system operations

- **Action 2.4.1.1:** Assess the critical, hard-to-fill roles that do not currently have defined pathways
- **Action 2.4.1.2:** Partner across the organization (Human Resources, Water System Operations, etc.) to explore creation of these newer pathways
- **Action 2.4.1.3:** Apply for any applicable grant funding
- **Action 2.4.1.4:** Launch any new pathways and solicit feedback for continuous improvement

Strategic Priorities, Goals, Objectives, and Actions



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. **[GM Strategic Priority #3: ADAPT to changing climate and water resources]**

Goal 3.1: Contribute to Crucial Conversations in the Water Industry

Objective 3.1.1: Influence crucial conversations in the water sector, including those regarding equity, affordability

- **Action 3.1.1.1:** Influence equity and affordability considerations in the Climate Adaptation Master Plan for Water planning effort
- **Action 3.1.1.2:** Partner with other water agencies to address workforce development efforts especially in areas of mutual benefit and shared economies of scale
- **Action 3.1.1.3:** Work cross-functionally to influence conservation messaging in multicultural/disadvantaged communities
- **Action 3.1.1.4:** Contribute to environmental justice considerations for water industry
- **Action 3.1.1.5:** Be a thought leader for DEI issues in water sector
- **Action 3.1.1.6:** Seek any applicable grant funding to address equity, affordability, workforce development and environmental justice



Community

Enhance communication and connection between people and functions in underserved communities and with non-traditional partners. **[GM Strategic Priority #5: PARTNER with interested parties and the communities we serve]**

Goal 4.1: Build Connections with Tribal Communities in Mutually Beneficial Ways

Objective 4.1.1: Build trust with the constituencies and communities we serve

- **Action 4.1.1.1:** Increase outreach and build trust with Tribal communities
- **Action 4.1.1.2:** Understand the needs and issues that most affect Tribal communities
- **Action 4.1.1.3:** Work with Tribal communities as pipeline of talent for Metropolitan
- **Action 4.1.1.4:** Partner with K-12 schools to exposure youth to career opportunities
- **Action 4.1.1.5:** Build connections between sustainability and ecological commitment leveraging Tribal knowledge

Goal 4.2: Advance the Equity in Infrastructure Pledge

Objective 4.2.1: Locally implement the national pledge, benefiting local communities and historically underutilized businesses (HUBs)

- **Action 4.2.1.1:** Establish baseline measurement of procurement spend with HUBs
- **Action 4.2.1.2:** Increase outreach efforts to small businesses and HUBs
- **Action 4.2.1.3:** Work cross-functionally to address any systemic barriers to procurement
- **Action 4.2.1.4:** Partner with local public agencies to advance the California Plan
- **Action 4.2.1.5:** Establish thought leadership in public agency procurement



DEI ASSESSMENT REPORT

June 2023

Agenda



Our Remit, Approach



High-Level Findings & Recommendations



Roadmap Forward



The Critical Question



Appendix – Additional Findings and Recommendations

Our Remit



Assess the current state of MWD's organization as it pertains to Diversity, Equity and Inclusion (DEI). Other MWD enablers and obstacles were evaluated given their impact on DEI.



Provide MWD with a specific set of Findings, Recommendations and a Roadmap Forward.

Our Approach

STEP 1 UNDERSTANDING CURRENT STATE

Provision of findings:

- Things that are **working well** and need to be further leveraged
- Things that **need adjustment/enhancement** to deliver better results
- Things that **need to be eliminated**
- Things that do not currently exist but **need to be created**



STEP 2 CREATING THE CHANGE

- Provision of recommendations for **holistic, integrated DEI strategy**
- Provision of a **“Roadmap Forward”**



STEP 3 LAUNCHING FOR SUCCESS

- Creating and communicating the **business case, vision, values, commitment, strategy and action plan**
- Implementation
- Metrics
- Accountability
- Transparency of progress

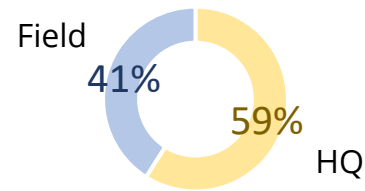
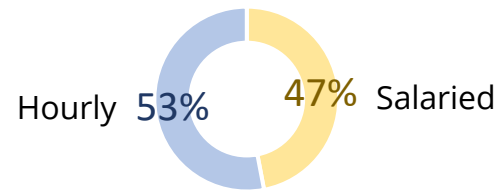
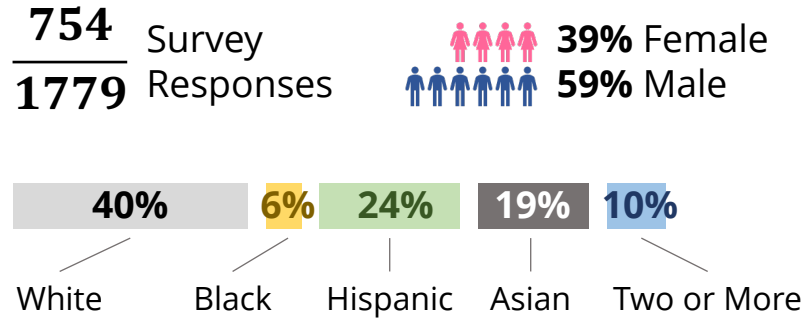
Positioning MWD for Success in the Workplace and the Communities You Serve

Addressing the Opportunity with a Three Step Approach

STEP 1 THE DIGITAL REVIEW

We reviewed policies, processes, programs and data provided to us by MWD pertaining to DEI and broader talent-related areas.

STEP 2 THE DEI SURVEY



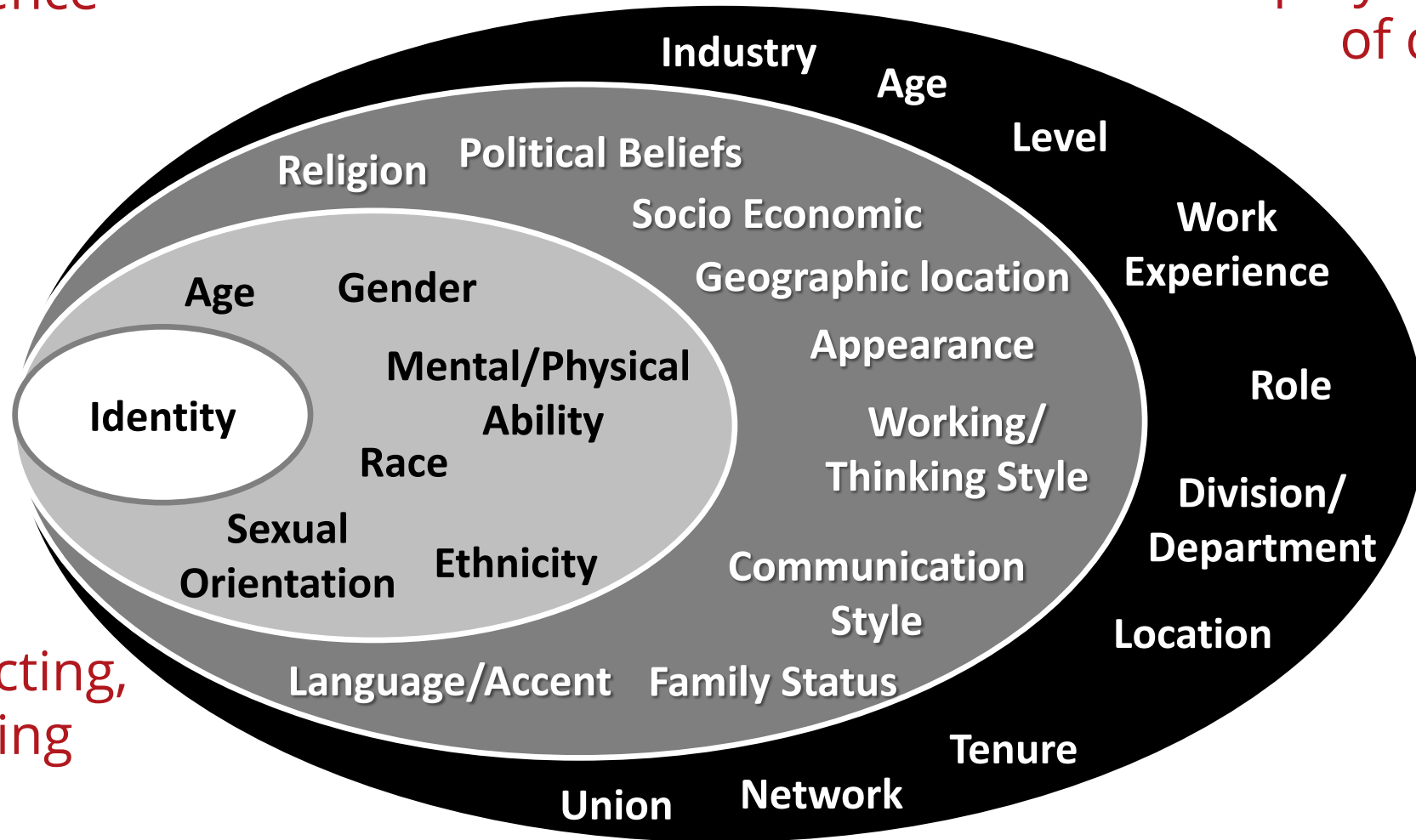
STEP 3 INTERVIEWS & FOCUS GROUPS

We conducted **23 focus groups** and **54 interviews**, talking to **154 total people** across the organization, including two field sites.

Important Grounding: Defining DEI

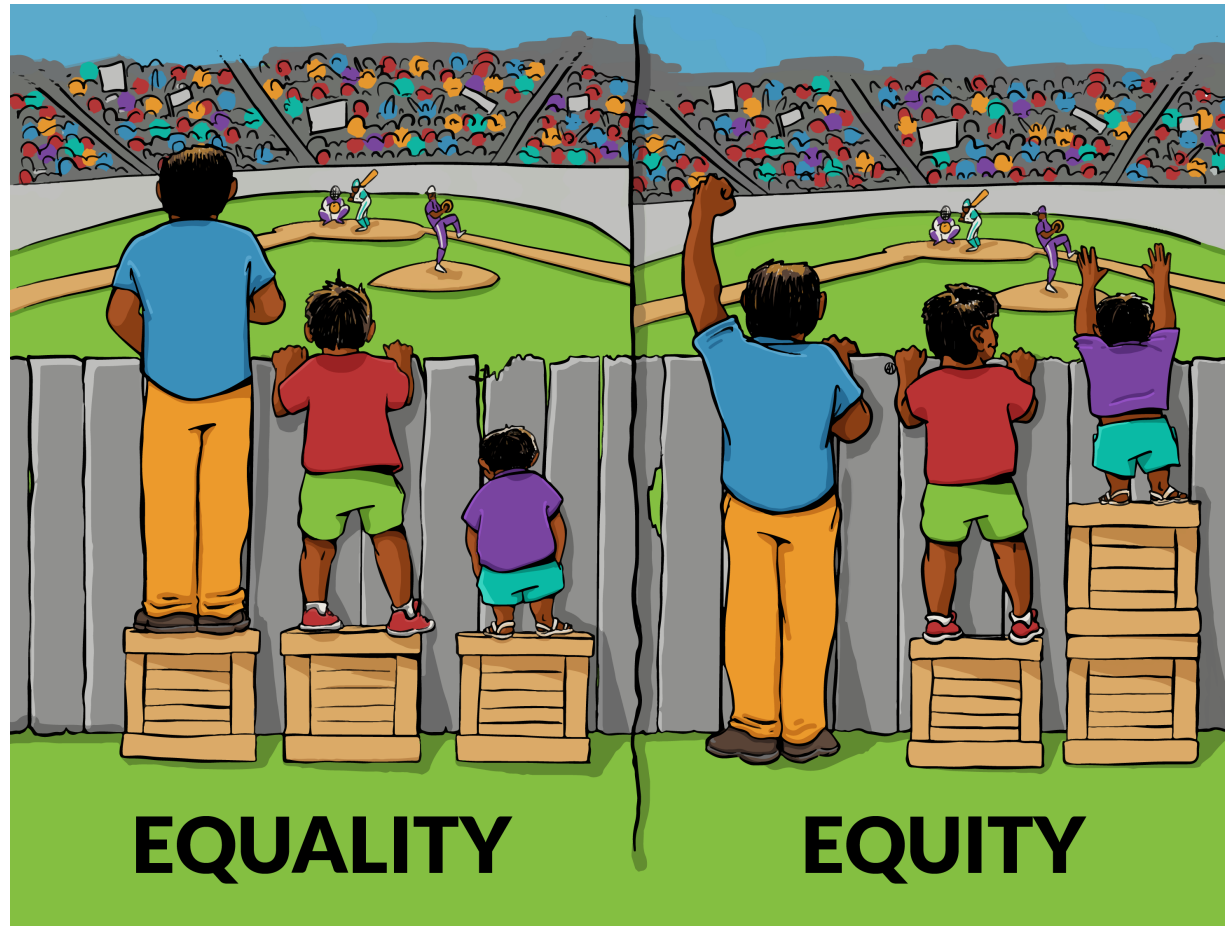
Diversity = difference

Equity = fairness of decisions



Inclusion = respecting, valuing & leveraging differences

Important Grounding: Equality vs. Equity



Equality = Sameness, Equity = Fairness

Making DEI Relevant at MWD

Managing
Risk



Creating
Sustainable
Business Results

Our findings and recommendations address both

Significant Risks MWD is Facing

Current State



A very senior and tenured workforce



58% of the workforce believes MWD respects individuals and values differences



42% believe MWD consistently treats all employees fairly and with dignity



51% of the workforce feels safe expressing their opinion



44% believes that MWD is doing a good job of developing people

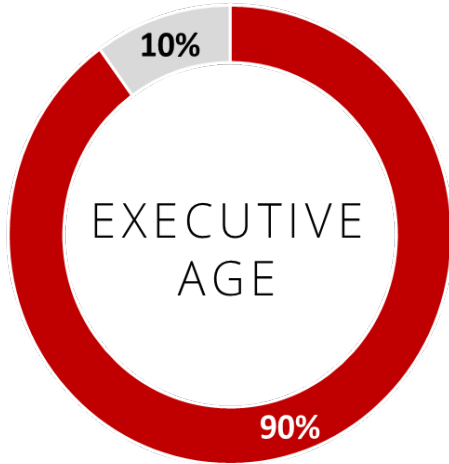


30% believe that career opportunities go to the most qualified person

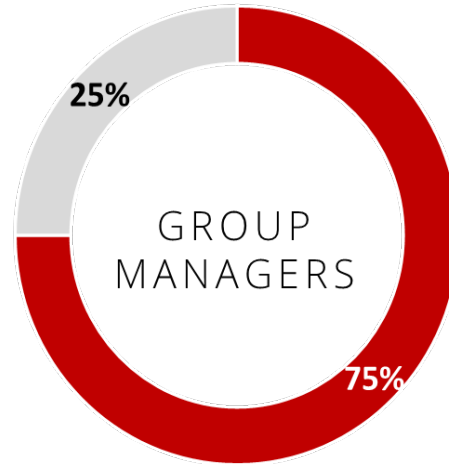


45% believe they would be treated fairly and with dignity if they tried to resolve a dispute at work

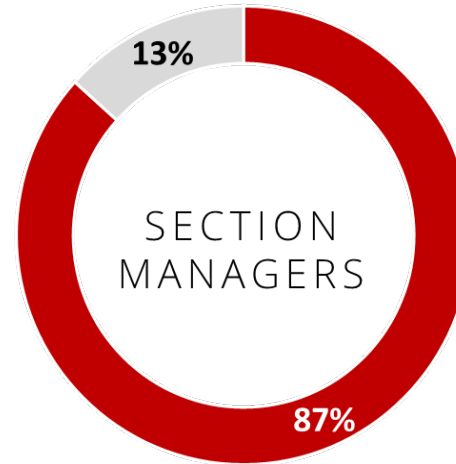
Continuity: Leaders At or Near Retirement



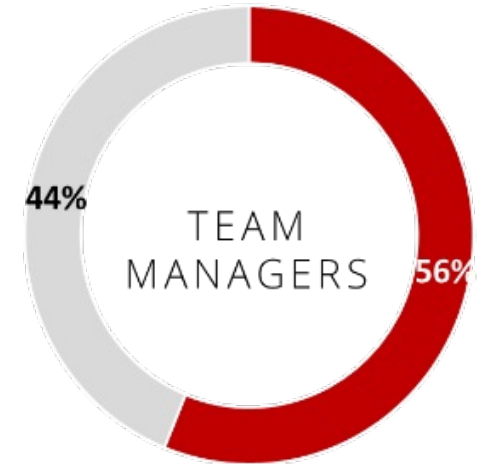
■ Over 50 ■ Under 50



■ Over 50 ■ Under 50



■ Over 50 ■ Under 50



■ Over 50 ■ Under 50

What succession plans currently exist to *replace this potential loss of institutional knowledge* and experience?

Key Findings



1. While there are indicators that DEI is progressing at MWD,
 - a. there is **no collective understanding of what DEI means from an organization perspective**
 - b. MWD lacks a **simplified DEI strategy**, a corresponding tactical and implementation plan, and a corresponding strategic DEI communications plan. This must be leader-led.

Recommendations

1. Develop a DEI Strategy, with **defined metrics and accountability**, to support the broader business strategy.
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, and the DEI business case, strategy and tactics, metrics and accountability.
 - Explain the **organizational “why and focus” for DEI** (i.e., protecting the MWD brand and reputation, retaining talent, innovation, problem-solving, etc.).
 - Communicate **ongoing DEI-related results transparently** on a pre-determined cadence.
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



2. There is a significant belief regarding a **lack of fairness for employee-related decisions** such as selection, promotions, job assignments, development, use of job descriptions, investigations, etc.
 - a. Further, it appears that **manager and supervisor training is needed** due to inconsistent execution in performance management, hiring, job assignments, etc.
 - b. A general perception exists that there is a **systemic lack of accountability** for issues that arise.

Recommendations

1. Develop, communicate and implement a **comprehensive Equity practice** - designed to mitigate risk, enhance and protect MWD's reputation and brand in the workplace and community. An investment in these programmatic and process enhancements can be offset by reduced costs associated with EEO charges/litigation.
2. Develop and distribute **leader toolkits** tied to employee-related opportunities and issues (i.e., performance management, employee development, employee relations, etc.).
3. Implement **"Building a Civil & Inclusive Workplace" training** for all management levels in order to build a culture of mutual respect.
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



3. There is a perception that HR needs further capability to support the MWD business and its leaders. This includes:
 - a. An enhanced People **strategy**
 - b. More **proactive** HR programs and processes
 - c. Involvement and participation at the **earliest stages of work** that impacts the workforce
 - d. **Aligned and leveraged** HR systems
 - e. Provision of **greater analytics and insights** to support the business.

Recommendations

1. Develop HR capability necessary to **proactively advance and support the MWD business strategy**, inclusive of additional field resources, and ensure consistent communication and implementation of HR strategy.
2. Develop and implement a **structured succession planning process**, including the implementation of purposeful development plans for key pipeline talent.
 - Include DEI-related lens and strategies
 - Include a process for identifying high potential talent early in their MWD careers
 - Ensure regular Board awareness on status of the plans
 - Build in accountability measures for successful completion of development plans
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



4. Employees across the organization **shared a strong sense of pride in MWD's purpose** and what the organization delivers to the community. However, the perception exists:
 - a. There is a **lack of:**
 - **clarity, understanding and accountability** for MWD's values and standards of acceptable behavior.
 - **role clarity** within the organization:
 - Across DEI, EEO and HR
 - Across Ethics and Legal

Recommendations

1. Conduct a **guided culture/change management work session with leadership** to:
 - a. define/refine MWD values, vision, and consistent standards of acceptable behavior and conduct, inclusive of the business case for DEI.
 - b. create and communicate greater role clarity for the DEI, EEO, HR, Legal and Ethics offices.
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, and the DEI business case, strategy and tactics, metrics and accountability.
3. Implement **“Building a Civil & Inclusive Workplace” training** for all management levels in order to build a culture of mutual respect.
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



5. In order to truly become “We Are One”, which is both a cultural nuance and an inclusion strategy, employees **need clearly articulated strategies, and tactical and resourcing plans from leadership.**
 - a. There is a strong belief that MWD **has been controlled by the narrative** as opposed to proactively controlling the narrative.

Recommendations

1. Conduct a **guided culture/change management work session with leadership** to:
 - a. define/refine MWD values, vision, and consistent standards of acceptable behavior and conduct, inclusive of the business case for DEI.
 - b. create and communicate greater role clarity for the DEI, EEO, HR, Legal and Ethics offices.
2. Build an **Inclusion strategy around the concept of Leveraging Collective Genius (LCG)**, implementing LCG concepts and programs across MWD.
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



6. The Board of Directors typically **only hears about people issues when there's a disaster** and needs a regular routine tied to people-related issues, opportunities, data, analytics and insights in order to find the **"sweet spot"** between being hands off or being too involved.

Recommendations


1. Build a **People/Culture/DEI component into regular Board meetings** to ensure that the Board is provided regular reports tied to:
 - People/Culture/DEI goals and results
 - Critical issues and mitigation plans
 - Data, analytics and insights

The Roadmap Forward – Sequencing for Success


PHASE 1(TBD):

- DEI Strategy
- Strategic DEI Communications Plan
- Equity Practice
- Civil & Inclusive Workplace training
- Guided Culture/Change Management Work Session with Leadership
- HR Capability Build

PHASE 2(TBD):

- 
- Leverage Collective Genius
 - Leader Toolkits
 - Succession Planning Process
 - Culture/Change Management Work

PHASE 3(TBD):

- 
- Evolve and Enhance work emanating from Phases 1 & 2
 - Culture/Change Management Work

Creating sustainable business results, managing risk, and enhancing MWD's success in the workplace and community

Successful DEI Practice Companies Always Have...



Clearly articulated **values, vision, mission, goals, strategy and a tactical plan for DEI directly connected to the business**, with clear and consistent leadership from the top



A culture where **DEI is woven into the fabric** of how an organization operates



A holistic DEI strategy focused on both **internal** (workforce) and **external** (marketplace, community, partners)



A DEI strategy that permeates an organization's broader **people strategy, operational tactics and the employee life cycle** (i.e., sourcing and recruitment, talent management, succession planning, etc.)



A strategic and tactical **DEI communications plan**



An **Equity practice** to ensure fair and equitable decision-making in all employment-related areas (i.e., selection, promotion, development, compensation, etc.)



Clearly defined and communicated **metrics, reporting routines, and accountabilities**

Next Steps

1

DECIDE

- MWD leadership decisions on all TBG recommendations
- Assess resources and budget necessary to move forward
- Communicate

2

PLAN

- Develop operational plan and timetable for implementing recommendations
- Communicate

3

IMPLEMENT

- Engage internal/external resources necessary to move forward
- Communicate

Embracing the need for change and moving forward with these recommendations will **position MWD for greater results and sustainable success**

But for this to be successful, Liji will need four things that all successful practice organizations give their Chief DEI Officer: **Access, Influence, Authority and Budget**

The Critical Question Before You

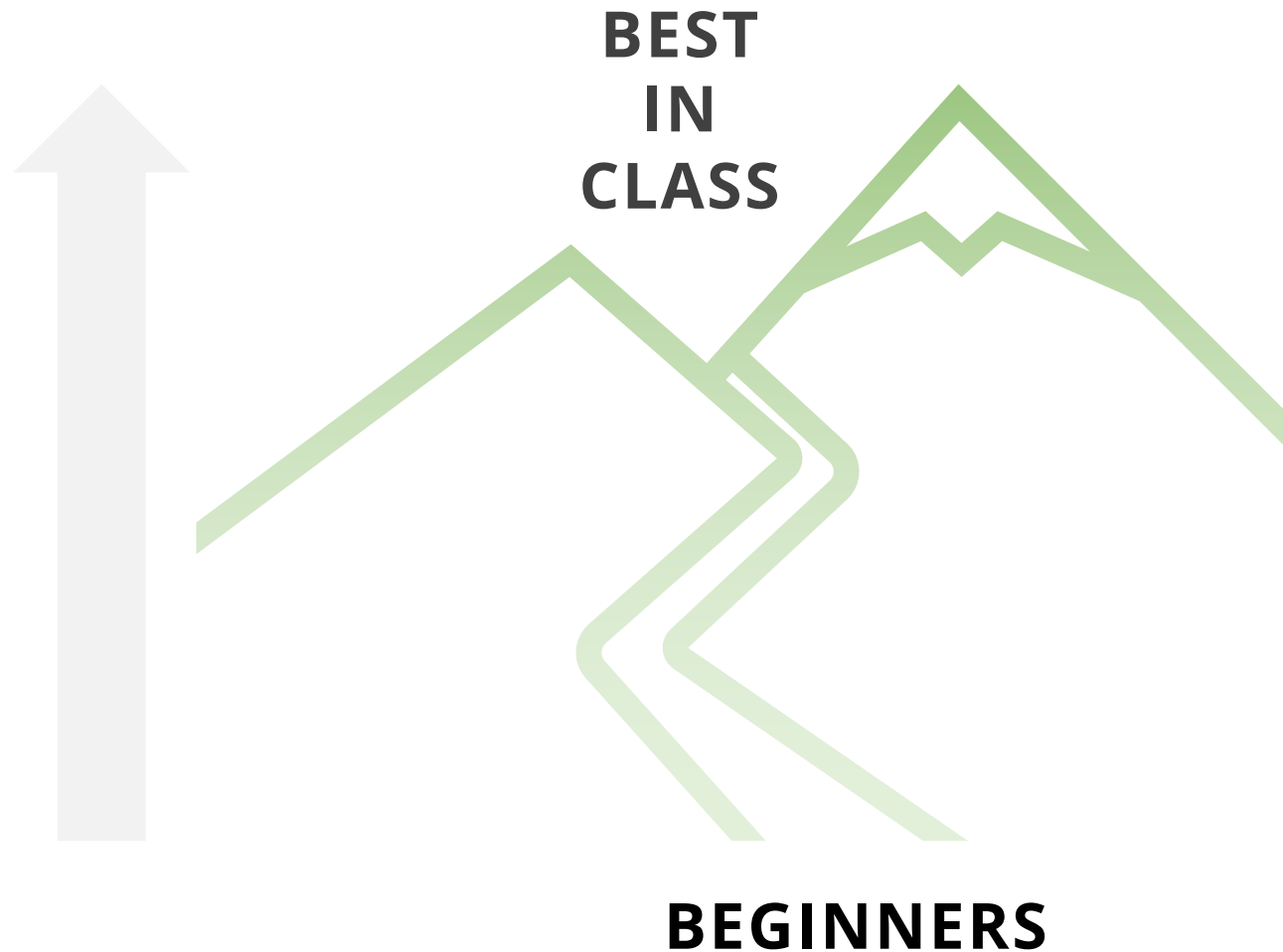
Is Leadership, inclusive of the MWD Board of Directors, Executive Leadership, and the management ranks, fully committed to the change required for success?

If so, MWD leaders have decisions to make -

- to move forward or not with each finding and recommendation
- about resourcing implementation
- about building in an accountability model

This is a **legacy opportunity** for MWD's Leadership and the Board

Successful Work in DEI and Culture Change is a Journey...



How does MWD want to be recognized, internally and externally:

- for doing good work?
- for being a successful practice company?
- for being a gold standard organization that lives its values and others choose to emulate?

A hand is shown reaching down towards a body of water at sunset. The hand is positioned in the upper left quadrant, with fingers slightly curled. The water is calm, reflecting the hand and the sunset. The background shows a sunset over a body of water with mountains in the distance. The overall mood is serene and contemplative.

APPENDIX

Our Findings in four key categories

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE



4

MWD Transformation
Opportunity Areas

Our findings go beyond DEI, and link to cultural and business-related building blocks

And here's how we looked at each category...



The following slides present additional findings and recommendations, all of which MWD can review and take into consideration

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

1 | **Diversity**
Increased diversity
across the
organization

2 | **Resources**
Additional resources
focused on DEI

3 | **ERGs**
Good early work on
ERGs and
community
outreach

What's Working, but has Improvement Areas

- ## 1 Gender

Gender representation at the Executive and Group Manager level is strong, though there is an opportunity for **improvement at the Section, Team and Unit Manager levels**
- ## 2 Race/Ethnicity

Non-white representation across all management levels is consistent with or above the available labor market for the MWD geography, though there is an **opportunity to expand sourcing and recruitment nationally**
- ## 3 Understanding

No collective understanding of what DEI means from an organization perspective – a perception also exists that MWD focusing on DEI is **more divisive than unifying**
- ## 4 Community

Some good community work in disadvantaged communities, though more work can be done to **tell these positive stories**
- ## 5 DEI Council

Greater clarity required on the **role of the DEI Council**

What's Not Working

- ## 1 Fairness

There are significant perceptions about a **lack of fairness for employee-related decision making**, such as selection, promotions, job assignments, development, use of job descriptions, investigations, etc.
- ## 2 Accountability

Accountability in the DEI space; more **walk the talk** by senior leaders
- ## 3 Receptivity

There's a question mark on the receptivity of the organization to DEI work. Many are not sure if DEI work is fully understood enough to accept the change

What's Missing

- 1 Strategy**
A one-page DEI strategy with a corresponding tactical and implementation plan that **everyone can connect to** and share with others.
- 2 Processes**
Processes that ensure **fairness in and consistent application** of employee-related decision-making
- 3 Connection**
Getting people to understand that **DEI is about their lived experience** and contributing to building the MWD's shared culture



Our Recommendations

1. Develop a DEI Strategy, with **defined metrics and accountability**, to support the broader business strategy
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, mission, and the DEI business case, strategy and tactics, metrics and accountability
 - Explain the **organizational “why and focus” for DEI** (i.e., protecting the MWD Brand and reputation, retaining talent, innovation, problem-solving)
 - Communicate **ongoing DEI-related results transparently** on a pre-determined cadence
3. Measure DEI Return on Investment (ROI) through development of a **standardized metrics dashboard**, analytics, and further inclusion of critical DEI insights and best practices
4. Evolve the ERGs to **Business Resource Groups (BRGs)**, engaging them in the business of MWD and DEI efforts across the workplace, marketplace and community



Our Recommendations

5. Build an **Inclusion strategy around the concept of Leveraging Collective Genius** (LCG), implementing LCG concepts and programs across MWD to focus on maximizing each employee's unique talents
6. Develop, communicate and implement **a comprehensive Equity Practice** - designed to mitigate risk, enhance and protect MWD's reputation and brand in the workplace and community

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

1 | **Workforce**
Talented, educated
workforce

2 | **Ownership**
Action-oriented,
with lots of
ownership for the
work

3 | **Challenge**
Challenging, high-
quality work and
growth potential

What's Working, but has Improvement Areas

1

Engagement

Employees believe that the culture appears to be focused on the engagement, empowerment, development and promoting of staff more than in the past, but this needs to be a core value, supported by consistent action

2

Inconsistency

The culture differs from function-to-function and from manager-to-manager and there doesn't seem to be an overarching "We Are One" MWD-wide culture

3

Communications

Need a consistent internal communication strategy; some get information while others do not

4

Conflict

Stakeholders sometimes are pulling against each other vs. building with the same values



What's Missing

1 | **MWD Standards**
Standards for acceptable behavior/conduct, and common, consistent practices to bring **accountability** for unwanted behavior

2 | **Positioning**
Proactive internal/external positioning for MWD

3 | **Safe Space**
Consistent practices, routines and safe space for open, honest dialogue and 360 feedback

4 | **Values**
Employees knowledge of MWD's core values



Our Recommendations

1. Define, implement and communicate **consistent MWD standards for acceptable behavior and conduct** based on the foundation of defined shared values
 - Hold people **everyone accountable, particularly managers**, through performance management for consistent execution of MWD's people practices and the implementation of DEI strategy and initiatives
2. Implement **"Building a Civil & Inclusive Workplace" training** for all management levels, inclusive of union leadership, in order to build a culture of mutual respect
3. Create a quality, highly rated **MWD employee lifecycle beyond hiring** (i.e., onboarding, training, coaching, mentoring, developing, 360 feedback, and managing performance)

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

1 **Committees**
Simplifying the Board committee structure

2 **Experience**
Knowledge and experience of many leaders and Board members

3 **Quality**
Continuity of system knowledge and experiences that ensures the delivery of quality work products

4 **Pride**
Shared sense of purpose and what the organization delivers to their customers/ community

5 **Tenure**
Protects the loss of institutional knowledge

What's Working, but has Improvement Areas

- 1 Talent**
There's a need for **more empowering and promoting** the best talent, and holding people accountable who just skate by
- 2 Messaging**
There's a need to **highlight the good** going on in the business, not just the challenges or what's wrong
- 3 ER Issues**
Working managers do not have time to manage and/or they do not know how to **manage the day-to-day people issues**
- 4 Training**
Further manager and supervisor training is needed due to **inconsistent execution** in performance management, hiring, job assignments, etc.
- 5 Big Picture**
Many managers do not **understand the bigger business picture**, how the business works beyond their area
- 6 Managing**
Large reporting relationships in the field; small crews with the largest working territory and old equipment
- 7 Analytics**
The BOD receives **HR reports on hires, attrition and demographics, but not what they need on retention efforts or succession planning**; there is a lack of analytics, insights and interventions/strategies

What's Not Working

1

"We Are One"?

In order to truly become "We Are One", which is both a cultural nuance and an inclusion strategy, employees **need clearly articulated strategies, as well as tactical and resourcing plans from leadership.**

2

Accountability

A general perception exists that there is a **systemic lack of accountability** for issues that arise

3

Trust

Historically, there has been a **lack of trust in senior leadership** because only good news was presented to the organization; employees took this as all about making senior leadership look good

4

Awareness

The BOD **only hears about people issues when there's a disaster**, and needs a routine "state of the union" on people issues to find the **"sweet spot"** between being hands off or being too involved

What's Missing

- 1 Communications**
Greater transparency from leadership; clear and consistent communications across the organization, with the opportunity for two-way communications
- 2 Celebration**
More celebrating MWD successes rather than just hearing about failures
- 3 Role Sort**
Role sort clarity for HR, DEI & EEO; Legal and EEO; and C-Suite and the GM's Liaison Team
- 4 Field/HQ**
A belief that too many decisions are made at HQ **without collaborating with the field** to understand the real business prior to project design and budget allocation
- 5 Talent Development**
Leaders and employees believe there needs to be more focus on **talent development**



Our Recommendations

1. Conduct a **guided culture/change management work session for leadership** to define/refine MWD values, vision, inclusive of the business case for DEI
2. Develop and distribute **manager toolkits** tied to employee-related opportunities and issues (i.e., performance management, employee development, employee relations, etc.)
3. Invest in HR staff necessary to **proactively advance and support the MWD business strategy**, inclusive of additional field resources
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan



Our Recommendations

5. Build a **People/Culture/DEI component into regular Board meetings** to ensure that the Board is provided regular reports tied to:
 - People/Culture/DEI goals and results
 - Critical issues and mitigation plans
 - Data, analytics and insights

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

- 1 Pride**

Strong sense of pride in MWD's purpose and what the organization delivers to the community.
Employees know their work affects their families and friends, and this is the glue holding MWD together
- 2 Continuity**

Historically, the continuity of the workforce
- 3 Advantages**

Recognition of the advantages employees receive (pension, pay, benefits)

What's Working, but has Improvement Areas

1

HR Strategy

There is a perceived lack of HR/People strategy

2

Interviews

The interview policy and process is good, but the **practice needs to be improved to ensure objective and fair selection**; the perception exists that an internal candidate has been preselected and the interview process is only a check-the-box exercise

3

HR Programs

HR programs and processes tend to be reactive rather than proactive

4

HR Involvement

HR needs more involvement and participation at the **earliest stages of work** that impacts the workforce; HR is often brought in much later in the process

5

Hiring Barriers

A lack of **ability to fill positions** from external sources

6

Development

A belief that the Management Academy looks good on paper, but **participation needs to be open to everyone**

7

HR Systems

HR systems are not aligned and leveraged; there is a **lack of analytics and insights to support** HR and the business

What's Not Working

- 1 HR Support**
Not enough support from HR
- 2 ER Processes**
ER processes need more consistency, and managers need more counsel on the process; managers said HR doesn't have or doesn't provide the toolkits they need
- 3 Performance Mgmt.**
Lack of or broken processes **for terminating employees for poor performance**
- 4 Advancement**
Promotions, job audits and interim assignment processes perceived to be **inconsistent and subjective**, lacking clarity, and too dependent on managers; perceived to be devoid of HR involvement

What's Missing

- 1 Resources**
Employees believe that more resources are required to better support the organization
- 2 Field HR**
Field HR representation
- 3 Tools**
Managers need more tools to manage; currently, the perception exists that the only available training is how to coach, but **not how to manage, develop, and how to manage conflict** and difficult conversations
- 4 EEO**
Greater understanding of the EEO framework and process
- 5 Succession**
A formalized **succession planning** process with routines in place to update the BOD, inclusive of a DEI lens
- 6 Forecasting**
Forecasting, job shadows and hiring in advance of known transfers and retirements for continuity of capability
- 7 Security**
Greater presence of a **Security Officer in the field**, and access to a female security officer
- 8 Mentoring**
Implementation of company-wide formal mentoring process

Our Recommendations

1. Consistent communication and implementation of HR strategy
2. Evaluate and invest in updates for the current HR systems platform and its capability to drive data integrity, people analytics, equity fairness, and DEI metrics tracking/reporting
3. Develop and implement a structured succession planning process, including the implementation of purposeful development plans for key pipeline talent
 - Include DEI-related lens and strategies
 - Include a process for identifying high potential talent early in their MWD careers
 - Ensure regular Board awareness on status of the plans
 - Build in accountability measures for successful completion of development plans

Our Recommendations

4. Design and implement new **talent visibility/assessment programs** providing additional mechanisms to include and advance diverse talent pools
5. Create a strategy and tactical plan to research, source and **recruit top U.S.-based talent** with the skill sets to support MWD's core mission
6. Aggressively plan and prepare for tenured retirements.
 - Ensure **sustainability of institutional knowledge** and expertise through planful transfer of knowledge and expertise from seasoned, tenured employees to less tenured employees through **purposeful coaching and mentoring**
 - Strategically **engage pre-retirement employees and alumni** in incentivized mentoring programs to transfer knowledge

EXAMPLE

Coca-Cola Strategic DEI Framework

2020 Vision: Recruit, develop and advance women, and achieve true diversity.

Our Mission: The Coca-Cola Company **will mirror the rich diversity of the marketplace we serve**, and will be recognized for our leadership in Diversity, Inclusion and Fairness in all aspects of our business, enhancing the Company's social license to operate.

Objective: Leverage the diverse ideas, talents, and capabilities of our organization to create maximum value for our business and for our employees.

Goals:

- Leverage diversity to achieve superior results across our business
- Drive the ongoing recruitment, development, advancement and retention of diverse talent throughout all levels and functions of the Company
- Create, foster and sustain a positive diversity, inclusion and fairness climate across our business

Strategic Framework

<u>Workplace</u>	<u>Marketplace</u>	<u>Community</u>	<u>Partners</u>
Being as diverse in people and thought as the markets we serve	Winning in the marketplace , by appealing to diverse consumers and customers with our brands	Enhancing the lives of the diverse communities we serve	Maximizing supplier diversity opportunities, and engaging with our customers to provide value-added consulting