



BOARD MEETING AGENDA SUBMITTAL

MEETING DATE: January 8, 2019

ITEM SUBMITTED BY: Peter J. Kampa, General Manager

SUBMITTAL PREPARED BY: Peter J. Kampa, General Manager

AGENDA ITEM: Approval of a Revised and Updated District Organizational Chart
7E to Reflect the Appropriate Existing and Recommended Future
Position Classifications

RECOMMENDED ACTION

“I Move to Approve the Revised and Updated District Organizational Chart as Presented.”

BACKGROUND

The Board has requested that management determine if the District is adequately staffed to comply with legal, financial and administrative requirements, state permits, and to provide reliable, high quality services, provide a safe work environment and maintain the systems, facilities and records in accordance with laws and industry standards. In addition, the approved Management Objectives state the following:

Board Member Objectives -Personnel

1. Review District staffing and compensation policies and propose changes to improve employee recruitment, development, retention and cross-training
2. Evaluate the organizational structure to ensure that we are adequately staffed for our size and services; and responsibilities are appropriately assigned to accomplish the priorities of the District

Management Evaluation

Management has determined that although we continue to operate legally, safely and in compliance with regulatory requirements and permits at this time; this pace cannot be sustained for a variety of reasons detailed further herein. There are important administrative and operational functions that can be significantly improved and made more efficient and less costly for the long term through proper alignment of current positions and responsibilities, duties, establishment and measure of performance measures. Also, as currently structured, we have a high probability of losing very high quality current employees and do not have the position classification to reflect the work necessary to be completed.

Management has reviewed the recent history of staffing, position classifications and changes thereto; as well as changes in laws, regulatory requirements, standards, infrastructure condition and improvements. Included herein as Figure 1 are the 2009 and 2018 Organizational Charts for comparison. We have determined the following impacts over the past 10 years:

1. Reductions in operations staffing have resulted in reduced routine and

preventative maintenance. Currently preventative maintenance ranges from very little to none for the many hundreds of fire hydrants, street valves, air relief valves, blow off valves, pressure regulating and control valves. The reduced maintenance will result in premature failure of the infrastructure and increased system unreliability.

2. Elimination of supervisory positions in operations has reduced the ability of mid-management to have a positive leadership influence, setting and measuring of tasks and work performance standards, training capabilities, and promotional opportunities.
3. Assignment to the O&M Manager of a high level of personnel leadership/management, full infrastructure project management, planning, safety training, personnel development, permit compliance, reporting and administrative responsibilities has created a significant variance between the current classification/pay for the position and the level of expected/necessary performance.
4. The elimination of the Admin/Finance Manager position has resulted in all technical administrative and financial management functions being reassigned to the then current Board Secretary, which was ultimately transitioned to an Office Manager position; created as a lower level title/pay. Over the period of years, out of necessity, this position has assumed all Admin/Finance Manager responsibilities without the change in classification.
5. Assignment to the Office Manager/Board Secretary a high level of personnel leadership/management, full accounting/financial systems management, planning, training, personnel development, accounting standard and legal compliance, reporting and other administrative responsibilities has created a significant variance between the current classification/pay for the position and the level of expected/necessary performance.
6. The elimination of the Admin/Finance Manager position has resulted in technical accounting functions being reassigned to the Finance Clerk position, which was created with a lower level title/pay but the level of responsibility of an accountant position.
7. Elimination of two administrative office positions has resulted in increased accounting, customer account management, records management and Board Secretary related functions being assigned to the Office Clerk position.

We have been functioning in this mode; at Red-line with employees performing fantastically outside their job classifications, for nearly the past decade. Based on management's decades of experience, and for the efficient and effective long-term management of the District, it is strongly recommended that the positions shown in the attached Organizational Chart be reclassified to include the required job functions currently being performed, and a mid level operations supervisor position be re-established to ensure long term efficiency and productivity.

Compensation Study

The District has recently commissioned the preparation of an evaluation of the salary and benefits paid by similar districts, with the objective to determine mean salary and level of benefits provided. There are two main factors to ensure an "apples to apples" comparison when evaluating compensation:

1. The selection of appropriate “Comparator Agencies”. We cannot possibly evaluate the salary and benefits of every agency in the state, and if we could, the data from the largest districts such as those with hundreds of staff and very large customer bases, would not be a similar comparison with GCSD. We therefore went through an exercise to identify similarly sized and types of Districts where the job knowledge, skills, experience and qualifications would be similar to the positions of GCSD.
2. The selection of appropriate position classifications to evaluate. GCSD is a small special district, but must comply with all of the same legal, accounting, administrative, regulatory, permit, water quality and related requirements as the largest districts in the state. There is **no forgiveness** by the state or courts for GCSD because of size, number of employees, budget constraints or community income or other factors if we do not provide adequate financial controls and accounting, comply with our water or wastewater treatment or sewage handling requirements. Considering this, above all else, we must have the right personnel performing the right duties.

The Board approved the proposed list of comparator agencies proposed by our consultant, Koff and Associates. Unfortunately, as described above, our current position classifications do not reflect the correct body of work being performed, and necessary for effective District operation and administration. This agenda item is intended to align the correct position classifications with those currently in place. The recommended Organizational Chart, attached hereto as Figure 2, proposes a reclassification of the following positions:

- Office Manager/Board Secretary to Administrative Services Manager
- Finance Clerk to Accountant
- Office Clerk to Administrative Services Technician I
- Operations and Maintenance Manager to Operations Manager
- Reestablishment of the Operations Supervisor position

Information on modified and additional duties for each of the positions above is included in Table 1. Please note that this discussion has nothing to do with the performance of existing personnel, and discussion of this item cannot extend into the qualifications or performance of the existing employees performing outside their job classification. This discussion and decision is 100% about the positions and responsibilities needed for the success of the district going forward.

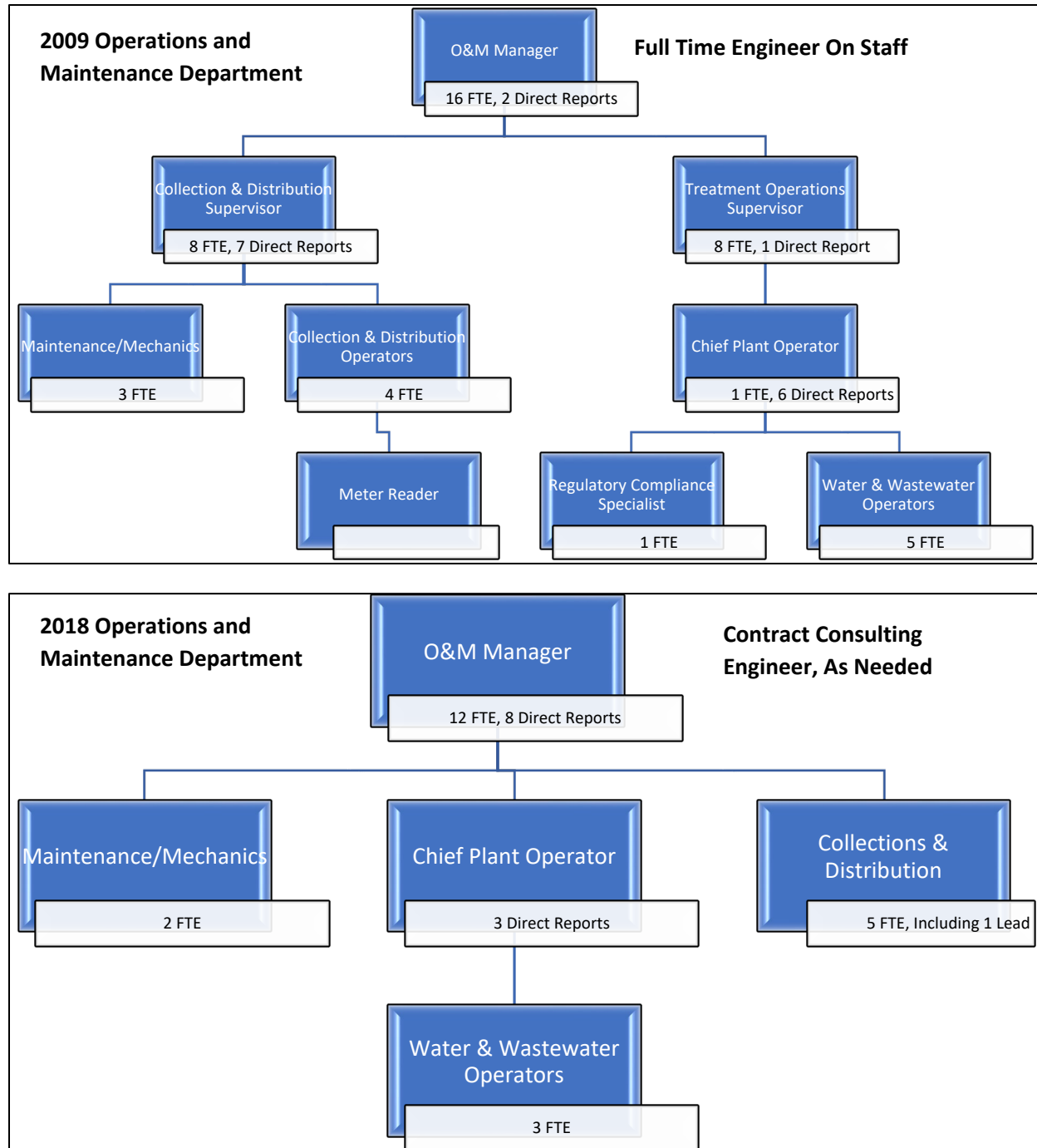
ATTACHMENTS

- Figure 1 – Historical Changes in Organizational Chart
- Figure 2 – Recommended Organizational Chart
- Table 1 – Revised position responsibilities

FINANCIAL IMPACTS

Evaluation of financial impacts of the loss and replacement of mid management staff, or expense associated with any recommended salary adjustments is not possible at this time

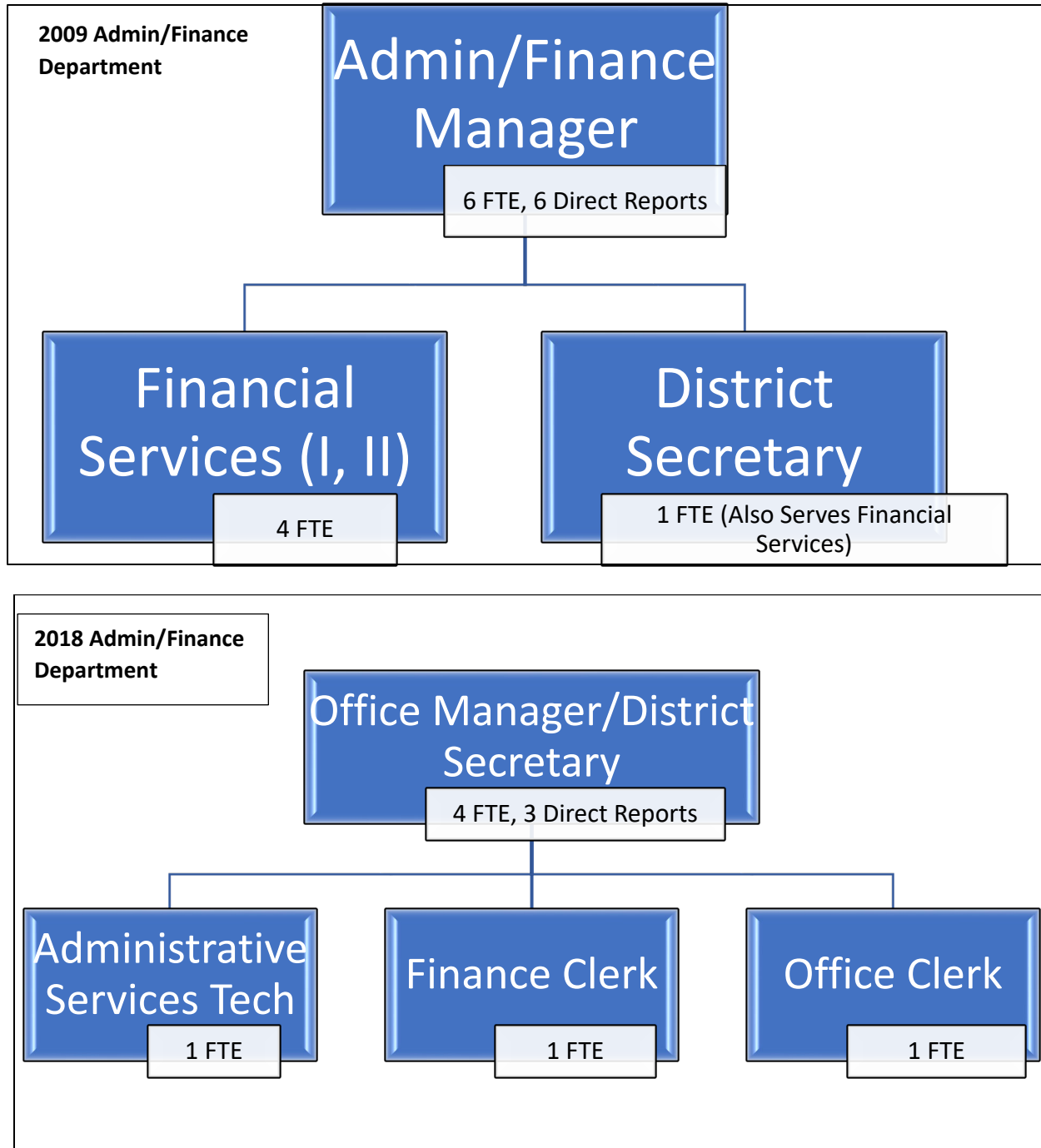
FIGURE 1 - GCSD OPERATIONS DEPARTMENT ORGANIZATIONAL CHANGES 2009 - 2018



Major Changes:

- Headcount reduced by 4 FTE
- Eliminated Treatment Supervisor and Collection/Distribution Supervisor Positions
- Eliminated direct onsite engineering support, reassigned project management and all department administrative functions to Operations Manager
- Major increases in state regulatory requirements (SMPP) and system maintenance due to age
- Quadrupled employees directly reporting to the O&M manager to 8

**FIGURE 1 - GCSD ADMINISTRATION DEPARTMENT
ORGANIZATIONAL CHANGES 2009 - 2018**



Major Changes:

- Headcount reduced by 2 FTE
- Eliminated Admin/Finance Manager Position
- Office Manager position assumed all functions of Admin/Finance Manager position (out of necessity, with responsibilities only partially reflected in job classification)
- Major increases in state legislative requirements, accounting pronouncements and standards
- Significant increases in customer service expectations (technology, communications)

Shortcomings with Current Organizational Classifications and Assignments

January 8, 2019

The following information is provided to support the adoption of the revised organizational chart and job classifications, which will ultimately be evaluated in the current salary study being performed by Koff and Associates. Other than the recommended increase of one additional administrative technician position, the cost of which can be estimated closely; the cost associated with the reclassification of positions discussed herein cannot be estimated until completion of the Salary Survey. The solutions recommended herein are necessary for the achievement of the goals of the Board of Directors; and for the effective, efficient and accountable management of the District.

For each area of deficiency identified below, management has briefly described the issue and its effect; and has proposed a solution based on decades of industry experience, and successful implementation of this exact task in other similar district. Please note that there are no names of faces on the Org chart. This exercise is about building the ideal structure for the most efficient, long term success of the CSD, regardless of who occupies the positions. We need to be prepared for employees at all levels to come and go, and for the personnel we plug in to that position to have the skills and abilities to always keep the District moving forward in providing a high level of public service.

1. Records management

The management of district records from inventory, categorization, to filing, digitizing and destruction was not fully assigned (or implemented) in the transition to Office Manager, and perhaps prior. There is currently a very large disorganized backlog of records and we currently have no management system to implement.

Solution – Full records management responsibility will be assigned to the Administrative Services Manager. A records inventory will be completed per state guidelines. The records will then be categorized and a management system implemented. The cleanup and maintenance of records can be accomplished over a period of year(s) with the addition of an administrative services technician, under direction of the manager. This position will also cross over in all other aspects of the administration.

2. Lack of integrated technology functions

The District has internal and external networks, PCs, laptops, servers in multiple locations, Supervisory Control systems for pumps and plants, cell phones, tablets, pagers, etc. All of the equipment is of different vintages, purchased with no baseline standards, upgrade or replacement policies. The District does not have internal IT staff, and is having difficulty securing competent, versatile consulting assistance capable of integrating our technology. None of the current District position classifications have the overall responsibility for IT. Much staff time is currently wasted dealing with malfunctioning technology.

Solution – Assign the overall IT responsibilities to the Administrative Services Manager (ASM) to either hire internal expertise, or secure/manage competent consulting assistance. The ASM will work with the

GM and Ops Manager to develop a technology inventory and an integrated technology improvement plan and policy.

3. Lack of management planning and/or performance management/improvement time due to workload and assignments

The current Admin/Office Manager is 100% consumed currently with the day to day office management and associated tasks, leaving little to no time for robust administrative planning with the GM, to receive leadership and training, and to improve our administrative systems. This is partially due to the low level of administrative staffing with no backup staff for critical functions during training, leave and absences.

The current Operations Manager is also 100% consumed with project planning and implementation, crisis management, operating plan updates and the day to day performance management of 8 employees who directly report. Management discussions tend to be problem solving rather than forward thinking. In addition as previously discussed by the Board, as currently structured, the Operations Manager must either spend their day as a field supervisor; assigning, supporting and measuring the completion of field crew tasks, or managing for full compliance and the betterment of the system and operation. There simply is not time for both and as we are, one will ultimately fail.

Solution (Admin) – Reclassify the Office Clerk position to a higher skill/responsibility level as Administrative Services Technician. Establish ranges I, II and III within the Admin Tech classification for a higher level of more relevant and valuable skills, and advancement opportunities. Reassign mid level administrative functions currently performed by the Office Manager, to the now qualified Admin Techs. This serves a succession planning and training function as well. The elimination of the Office Clerk position leaves the District with two employees in that classification, and with an increase of one additional Admin Tech and reassignment or duties, the following can be achieved:

- Effective and efficient records management program implemented and sustained
- Improved customer service and outreach capabilities
- Administrative planning and program management
- Increased training capabilities
- Added capacity to sustain workflow during absences and changes in staff
- Increased management efficiencies with the GM, Admin and Ops managers

Solution (Ops) –Reclassify the Collection and Distribution Lead position to Operations Supervisor, and assign to it the day to day leadership, duty assignment and performance measurement for the six maintenance and operations staff. This reclassification may result in the need to maintain the Lead position for promotional/succession purposes, or a position may need to be added at entry level to ensure the success of the Supervisor in performing planning and mid-management level functions reassigned from the Operations Manager. Both the Operations Supervisor and Chief Plant Operator will be cross trained for succession in the Ops Manager position.

The Operations Supervisor will also assume responsibilities related to the SSMP implementation, improvement project planning and implementation, maintenance program implementation/reporting, etc. The Supervisor will also be supported by the administrative assistance of the Admin Tech.

4. Compartmentalized functions in admin office and low staffing levels

As discussed above, the Administrative Office currently employs three positions reporting to the Office Manager:

- One Finance Clerk assigned District Payroll, Payables, CalPERS reporting, reconciliation of accounting modules, month end journal entries, grant claim management, District General Ledger maintenance, quarterly tax reports, and yearly audit support.
- One Admin Services Tech position assigned to utility billing and customer account maintenance functions, and
- One Office Clerk position assigned to answer phones and take customer payments

In reality, with a single staff person assigned a narrow set of responsibilities, it is more common than not for each staff person to be performing the job of the other, and in some cases for any higher level work to not get done until the return of the one responsible employee. The majority of the duties, skills and responsibilities land at various level of complexity and importance within the Administrative Services Tech classification. Currently with one Admin tech, there is no succession/career path to the Billing Clerk or Office Manager position.

Also, our classification and responsibilities of the Finance Clerk position are nearly identically aligned with the Accountant or Accounting Manager positions of other similar sized districts, while the title Finance Clerk is typically used for billing clerks or other finance department support positions.

Solution – Rename the Finance Clerk position to Accountant and ensure consistency with that level of financial responsibility. Reclassify the Office Clerk position to Admin Services Tech, and create a I, II and III range within the classification to require advanced skills and responsibilities/advancement. Create one additional entry level Admin Services Technician position.

5. Lack of integration of duties assigned to technical consultants, and contractors

We have operated for many years trying and assuming that we can complete all repairs, system upgrades, replacements, testing, inspection, maintenance, etc in house, with our own forces. The thought was that we could save money by not hiring contractors and consultants. Unfortunately, with changes in staff (for all districts) we are not able to attract highly skilled system maintenance personnel, and therefore we tend to focus our work where we are comfortable, such as general construction and repair for which we are mostly skilled. This has left the technical infrastructure maintenance and repair work to be deferred beyond my comfort level. We have always “done our best with what we have” which in the current environment does not suffice in a regulatory compliance situation.

Solution – Assign the Operations Manager to identify the body of work best performed in house, and that which is best contracted out, and plan accordingly. The Operations Manager will be assigned the responsibility for SSMP implementation, as well as completion of system maintenance in accordance with industry standards. To accomplish this, the Operations Manager will need to be able to delegate additional work to the Operations Supervisor, Chief Plant Operator and an Admin Tech.

6. Capital Improvement Project (CIP) planning and implementation

As stated above, many past projects were planned to be completed in-house, and in many cases that is why they were never completed; due to lack of staff time and expertise. Over the past decade, the majority of project completed were replacement of broken infrastructure such as valves, pumps and

failed items. As of this year, we are starting to complete improvement projects such as lighting, parking and driveways, proactive valve replacements, drainage and building repair. The process of internal planning, design, specification development, bidding and contracting has placed a significant workload on the Operations Manager, Office Manager and GM. It appears this will continue into the future, further reducing that amount of available management and planning time.

Solution – Larger projects requiring professional engineering design are now being managed by the District consulting engineer, with site assistance by the Operations Manager. The Operations Supervisor position will be delegated project related implementation activities as time allows and/or once the lead position entry level position in operations is created/filled. Many of the administrative requirements of the construction process can be efficiently handled by a qualified admin services tech.

7. Lack of administrative assistance for operations functions and technical executive office tasks

Currently, all reports, agenda submittals, technical letters, requests for proposals and construction related documentation is written by the operations manager, office manager and/or GM; the most expensive District employees. It is not always possible to assign these tasks to the Office Clerk and Admin Tech as their schedules are full and the schedule of available time gaps does not normally match the time when the administrative task is needed.

Solution – Upon creation of the new Admin Tech position, this work can be assigned to the appropriate, qualified admin staff.

FIGURE 2

GCSD ORGANIZATIONAL CHART – PROPOSED

APPROVED 2019/20 HEADCOUNT:

- 17 FTE
- Contract General Manager
- Contract Auditor, District Engineer, Attorney

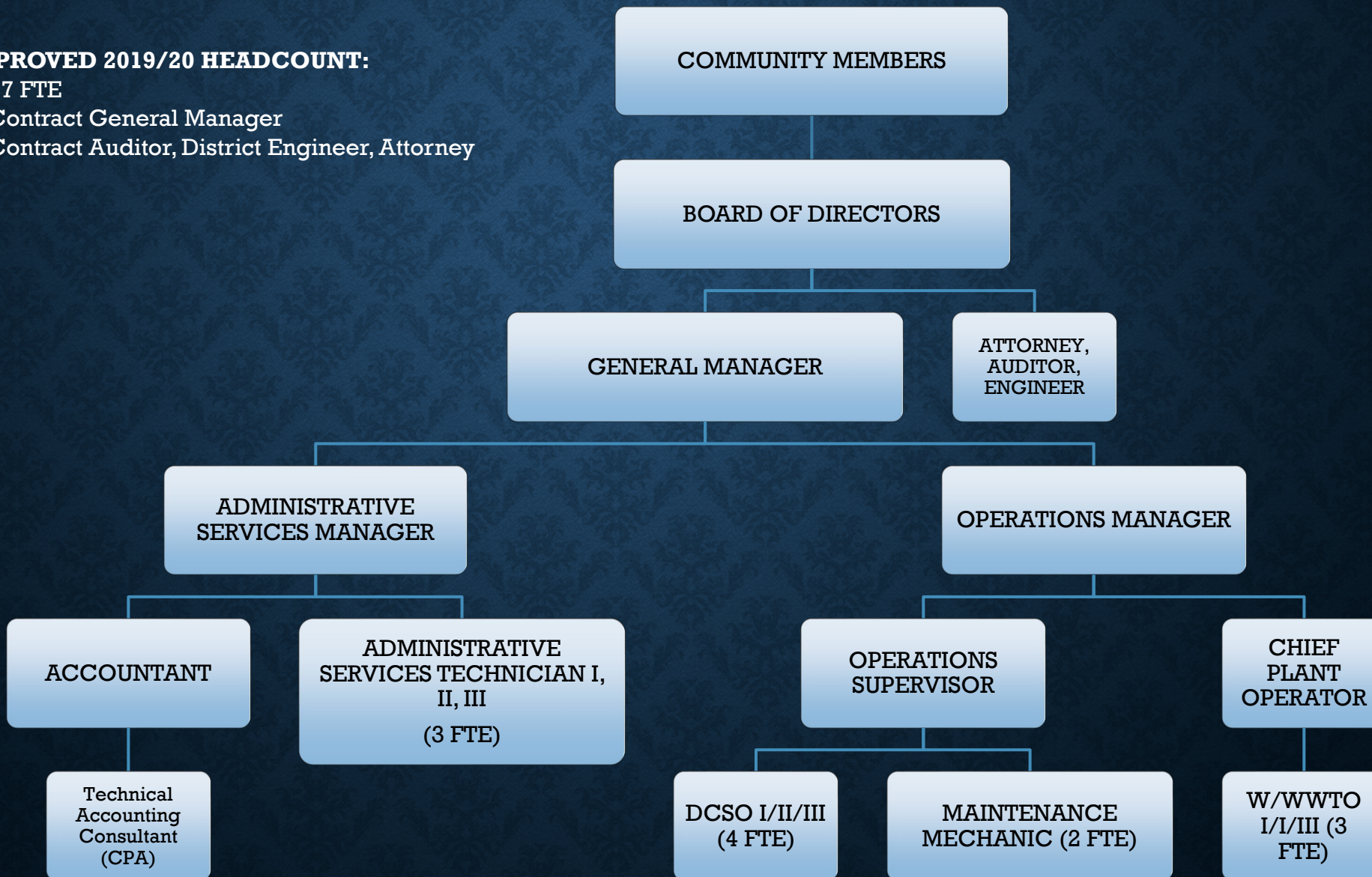


Table 1 A - Office Manager/Administrative Service Manager

| Current Responsibilities | Reclassified Responsibilities |
|---|--|
| Office Manager | <i>Administrative Services Manager</i> |
| Compiles data for reports | Compiles data and prepares reports |
| Support the Board and GM in admin duties | Responsible for Board and GM Admin duties |
| Maintain website | Implement District communication plan |
| Office support such as filing and correspondence | Responsible for District Records |
| Administers Customer Service Program | Develops, improves and implements customer service program |
| Updates policies and manuals | <i>Develops policy updates and supports GM in policy review and responsible for implementation</i> |
| Administers HR policies | Same |
| Assists in employee benefit administration | Responsible for employee benefit administration |
| Participates in office on-call | Administers office on call program |
| Strategic planning, long term goals and objectives | Develops and directs the implementation of goals, objectives, policies, procedures, and workstandards for the District’s financial and customer support function |
| Assist in Board meeting material development | Responsible for Board meeting material preparation and compilation |
| Develop and implement admin staff training | Same |
| Plan, initiate, track financial schedule of projects | Same |
| Coordinate and schedule Board meetings, Board training and committees | Same |
| Perform Utility billing functions | Manage utility billing functions |
| Assist with budget preparation | Responsible for all District accounting functions including budget development and performance, audit, financial reporting, audit standard compliance |

Table 1D, Operations Manager

| Current Responsibilities | Reclassified Responsibilities |
|---|---|
| Operations & Maintenance Manager | <i>Operations Manager</i> |
| Resolve resource loading issues among departments and prioritize maintenance activities | Fully responsible for the successful implementation of the District maintenance program through adequate allocation of resources and through subordinates |
| Under direction, act as liaison with other entities | Under general policy guidance of the GM, act as liaison |
| Oversee operation of plant and systems | Responsible for successful operation of the plants and system, and its regulatory compliance |
| Review and comment on engineering plans | Directs the preparation of engineering plans with budgets and comments |
| Resolve public complaints and coordinate staff response | Overall responsible for successful customer service by field personnel |
| Oversee employee goal setting, setting performance plans and administer discipline | Provide leadership in employee goal setting and manage HR responsibilities within department |
| Ensure compliance with safety policies | Responsible for safety program development and implementation |
| Develop and implement operational policies | Same |
| Develop and implement training program and promote advancement | Responsible for successful employee development and advancement within department |
| Planning, initiating, tracking and managing capital projects for the department | Same, add responsibility to oversee engineer schedule and work products |
| Assist GM in budget preparation | Responsible for budget preparation and performance in the operations department |
| Preparing department and regulatory reports | Same |
| Participate in PLC programming courses | Continuously strive to acquire or contract for the skills necessary to achieve maintenance and operations department goals |
| Participate in training on software, public speaking and human resources | Continuously strive to acquire or contract for the skills necessary to achieve maintenance and operations department goals |