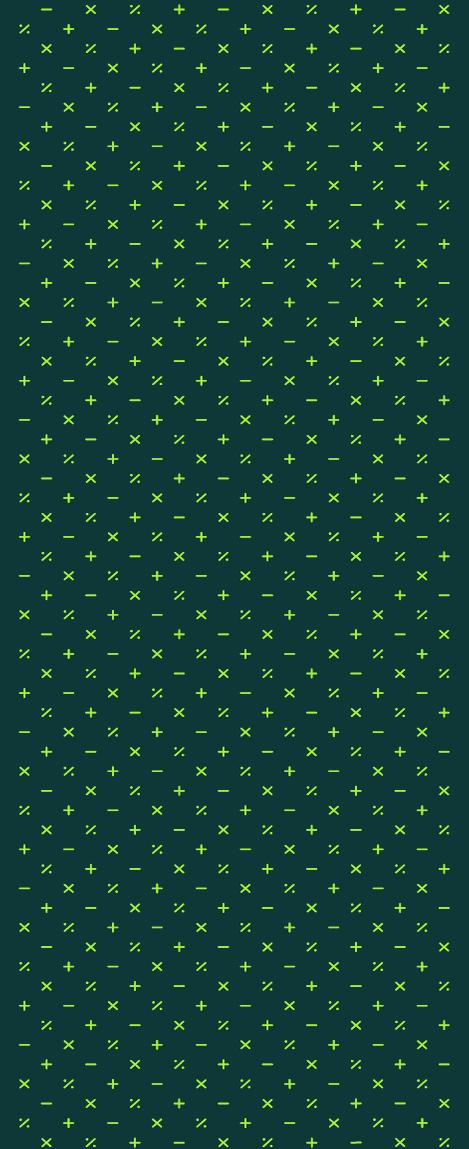




MOSSADAMS

LAS VIRGENES MUNICIPAL WATER DISTRICT Organizational Staffing and Structure Assessment

May 21, 2024





Agenda

01 PROJECT OVERVIEW

02 STRUCTURAL RECOMMENDATIONS

03 MANAGEMENT CONSIDERATIONS

04 IMPLEMENTATION NEXT STEPS



Project Purpose

The District engaged Moss Adams to perform an organizational structure and staffing analysis to evaluate staffing levels, workforce risks, and future staffing needs based on these anticipated impacts on District operations stemming from:

- Expected retirements of long-tenured employees
- Increased operational pressures due to periods of drought and the effects of climate change
- Aging infrastructure that requires rehabilitation and renewal
- Development of the Pure Water Project to provide local and reliable water supply to District customers



Project Scope

This assessment focused on:

- Evaluating LVMWD's existing structure, reporting lines, staffing levels, and capacity
- Assessing the purpose, role, and core function that each department/program performs within the District
- Analyzing the functions of existing roles to identify gaps and overlaps
- Comparing LVMWD structure and staffing levels to 10 selected peer water districts
- Identifying options for an optimal organizational design (including functional alignment by department, division, and position) to support LVMWD's current needs and future goals
- Providing the District with a 10-year staffing plan



Project Methodology

This assessment was conducted between September 2023 and April 2024 and consisted of four major phases (project initiation and management, fact finding, analysis, and reporting). Fact-finding and analysis is informed by:

- *Interviews:* We conducted interviews with 48 members of LVMWD's Board, management, staff, and other key stakeholders.
- *Document review:* We gathered relevant documentation for review including organizational charts, job descriptions, succession plans, and human capital data including turnover rates, overtime utilization, and standard operating procedures.
- *Survey:* We distributed a confidential survey to all District employees (66% full responses, a strong response rate).
- *Industry Best Practice:* We conducted research into industry best practices for related topics such as appropriate staffing ratios, functional alignment, and management span of control.
- *Peer Benchmarking:* We conducted peer benchmarking for 10 entities identified in collaboration with LVMWD.



Report Elements

Organizational Structure and Staffing

- Department Structure Recommendations
- Division Structure Recommendations
- Staffing Levels Analysis
- Pure Water Staffing Needs

Management Considerations

- Prioritization Framework
- Recruitment and Retention
- Succession Planning
- Training and Development

Appendices

- 10-Year Staffing Plan
- Survey Results
- Peer Benchmarking
- Implementation Plan



Commendations

We'd like to extend our gratitude to leadership and staff for their active engagement and valuable participation throughout this assessment. The success of this work has been underpinned by several commendable traits, including:

- **Dedication**
- **Expertise**
- **Investment in Employee Training and Development**
- **Workplace Culture**

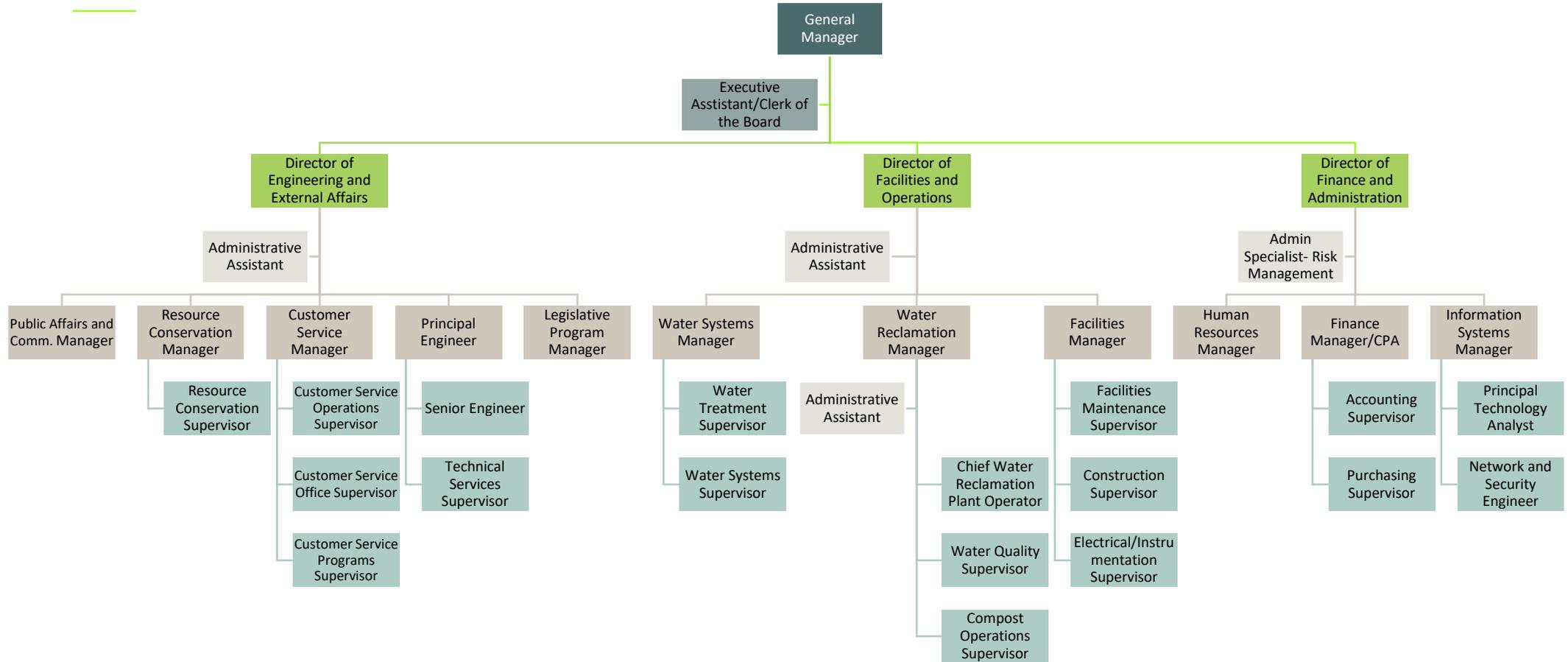
The contributions of staff have formed a strong foundation from which LVMWD can move into the next ten years.



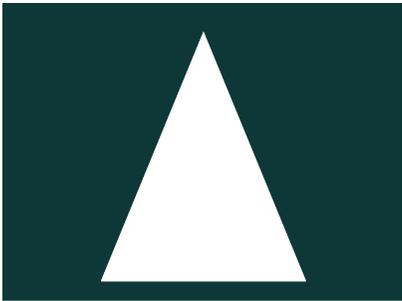


Organizational Structure

Current District Structure



Model A: Two Departments, Deputy Director Structure



Narrow
Hierarchical
Structure

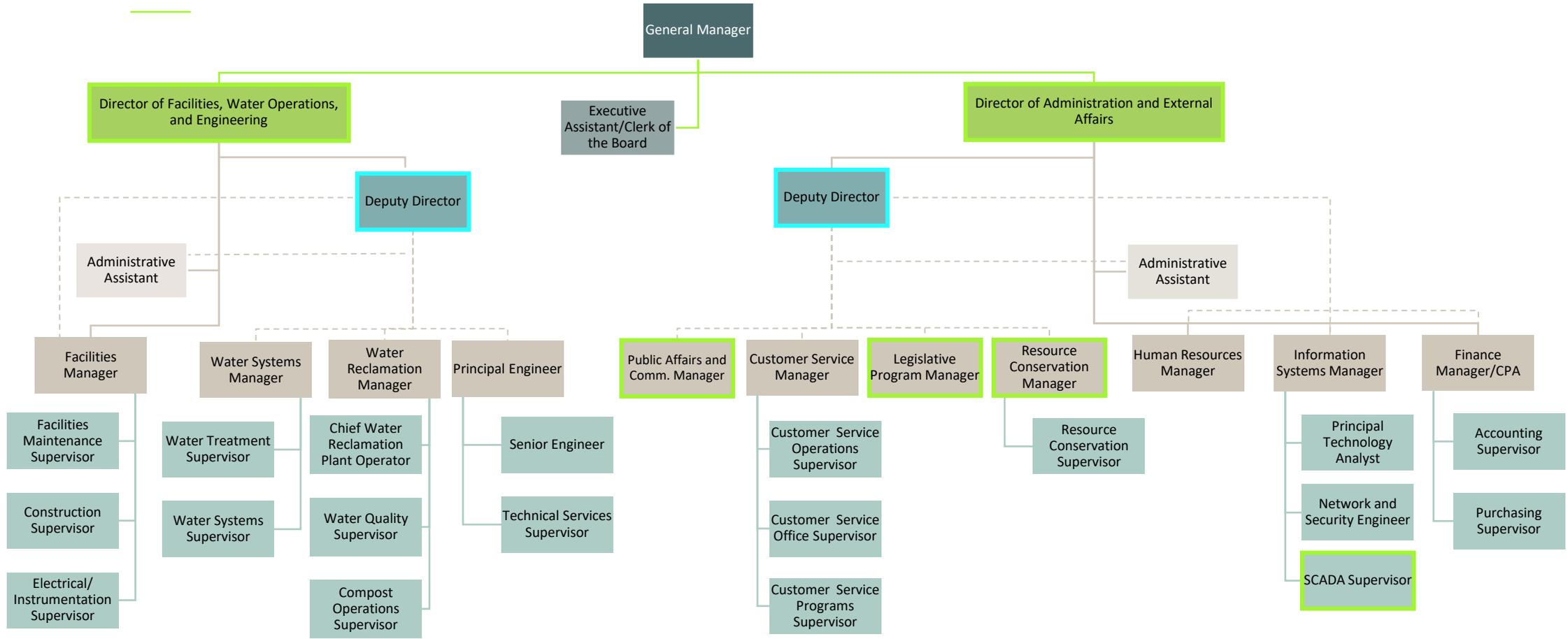
Model A is a hierarchical structure, characterized by several reporting layers, and increasingly narrow leadership towards the top.

When narrowing the organizational structure of the District, Model A was informed by the following observations:

- Similarly situated roles among peers often include a Deputy. This role can help with management and operational duties and support succession planning strategies.
- Position titles for this model were not altered but could be revised based on the results of the recently completed compensation study. Changes to titles at the top of the organization should then cascade down through the reporting lines.



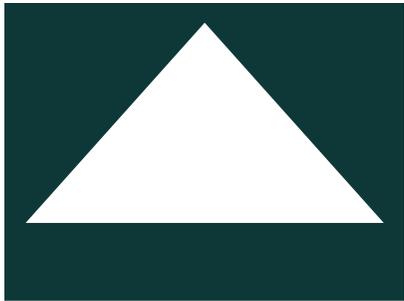
Model A: Two Departments, Deputy Director Structure



The reporting structure of managers to a Director or Deputy Director would ultimately be determined collaboratively between the Deputy and the Director, based on area of expertise and level of experience.



Model B: Four Departments and AGM(s)



Flat Organizational
Structure

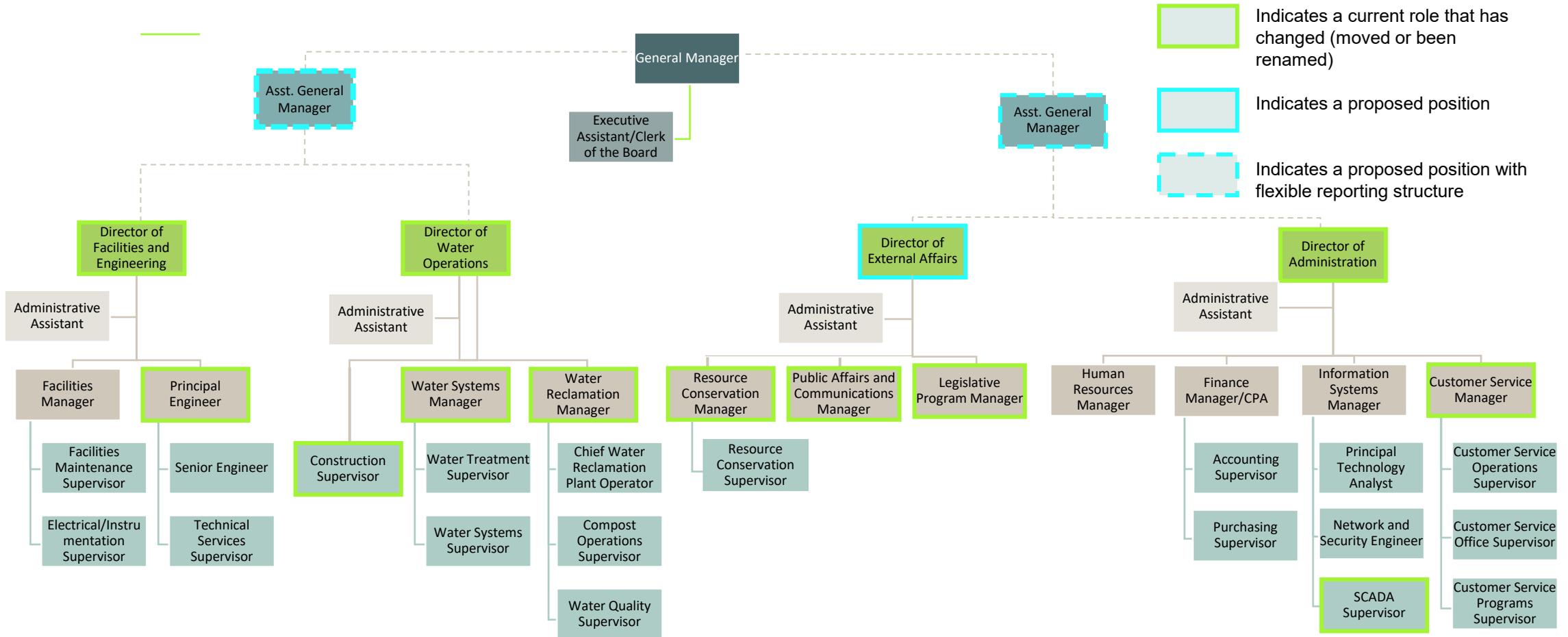
Model B represents a flatter organizational structure, characterized by few management layers with a wider span of authority. During reviews with LVMWD leadership and staff, this model was identified as the preferred option for the District.

Model B was informed by the following observations:

- Interviewed and surveyed staff consistently expressed a desire for an Assistant General Manager (AGM). Adding an AGM would allow the General Manager (GM) to focus on higher-level strategic and communications needs.
- 60% of peer districts employ an AGM. In similarly sized districts, several peers had multiple AGM positions that oversee Operations, External Affairs and HR, or Administrative Services.



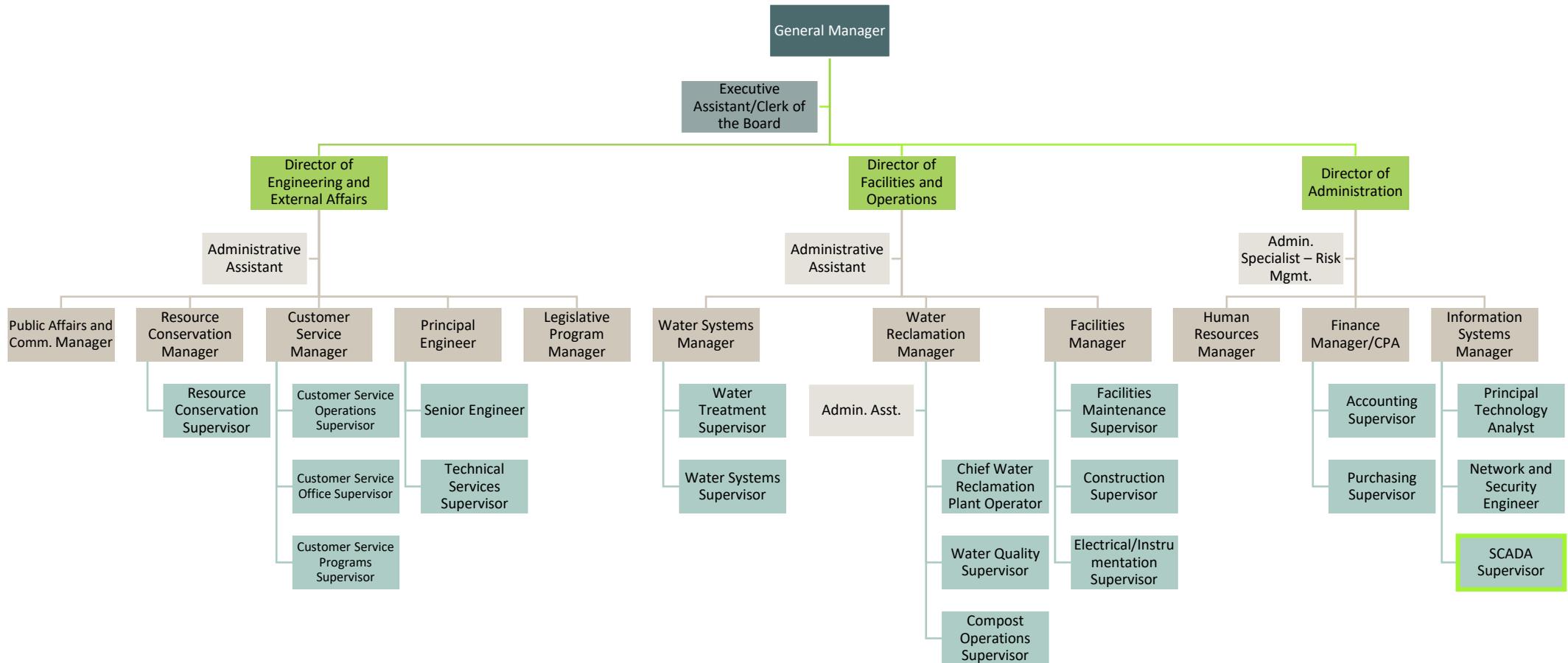
Model B: Four Departments and AGM(s)



The reporting structure of department Directors to the GM or AGM would ultimately be determined collaboratively between the AGM and the GM, based on area of expertise and level of experience.



Model C: Maintain Structure



This third option illustrates a path for the District to make no structural changes at this time, and adopt select changes over time as District operations grow and Pure Water becomes operational.



Division Analysis

- Overall Division structures within the District were comparable to peers.
- 62% of Survey respondents indicate that most reporting structures and team groupings across the organization appropriately align, but opportunities to improve exist.
- Division recommendations largely capture updates to position titles and efforts to balance staffing to ensure:
 - There are supervisor roles to support every function
 - Leaders can maintain an appropriate span of control
 - Titles are reflective of roles, responsibilities and expectations within the market





10-Year Staffing Needs

District 10- Year Staffing Needs

- Over ten years, the core staffing plan recommends hiring an additional 15 to 16 individuals across the District to support growth
 - This is approximately 1.5-1.6 FTE annually which is an average growth rate of 1%
- Department Breakdown
 - Engineering and External Affairs: 1-2 FTE
 - Facilities and Operations: 9 FTE
 - Finance and Administration: 5 FTE
- An additional 3 FTE will be needed if the District moves toward adopting Model B



Pure Water 10-Year Staffing Needs

Fiscal Year 2026-2027	Fiscal Year 2028-2030	Fiscal Year 2030- 2035	To Be Determined
<ul style="list-style-type: none"> • Customer Service: 1 • Public Information: 0-1 • Technical Services: <ul style="list-style-type: none"> • 1 – Inspector • 1 – Engineer • 1 – Junior Engineer/Intern • Facilities and Operations Admin: 1 • Facilities Maintenance: 1-2 Filtration and Treatment Staff • Pure Water Plant Operations: 3 to 5 – Plant Operations Staff • HR: 1 • Accounting: 2 – Accounting and purchasing Staff 	<p>Technical Services: 1 – Junior Engineer/Intern</p>	<p>Construction: 2 – Additional Staffing</p>	<ul style="list-style-type: none"> • Electrical/Instrumentation: 0 to 2 • Reclamation – Lab: 1 to 3 – Water Quality Staff • Information Systems: 0 to 2 –SCADA Support
Total: 12-16 FTE	Total: 1 FTE	Total: 2 FTE	Total: 1- 7 FTE



Decision Points that will Impact Staffing

Operation Schedule: If the Pure Water plant runs year-round, additional staff may be needed to manage the increase in electrical maintenance at each facility. If it runs seasonally, staff may rotate between facilities and additional staffing may not be necessary.

Lab Location: If the Pure Water plant has a lab onsite, additional staffing, including a supervisory position and lab technicians, will be needed to run the lab and conduct the additional testing requirements for Pure Water. If the Pure Water plant does not have a lab onsite, additional lab technicians will be needed to manage the increase in testing requirements.

Internal Operations: A Grants Supervisor will be needed if the District would like to prioritize strategically using grants to support current and future opportunities. A Senior Contract Specialist will be needed if the District decides to centralize procurement.



Next Steps

This assessment is the first step to help the organization plan for future staffing and structure updates. The assessment maps the current state of the organization and provides information to guide future staffing and structure decisions.

Implementation of any recommendations in the assessment will be made collaboratively with leadership and management over the next ten years.

The final organizational structure, position titles, and depth and breadth of responsibilities for individual positions may be subject to change based on organizational needs, individual skill sets, funding availability, recruitment challenges, and other factors that develop over time. Some recommendations may warrant near-term action, while others may require implementation over multiple years.



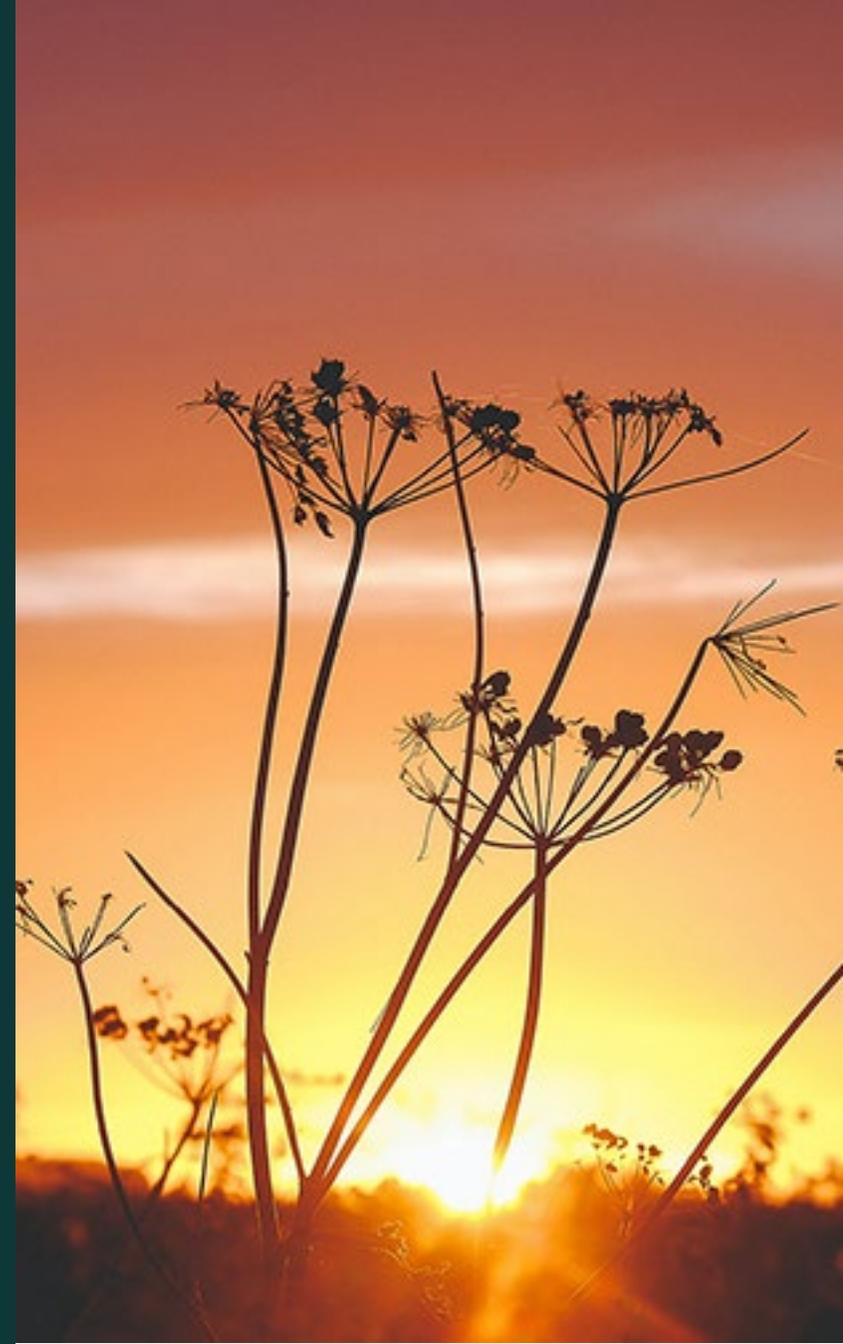
Planning Cycle

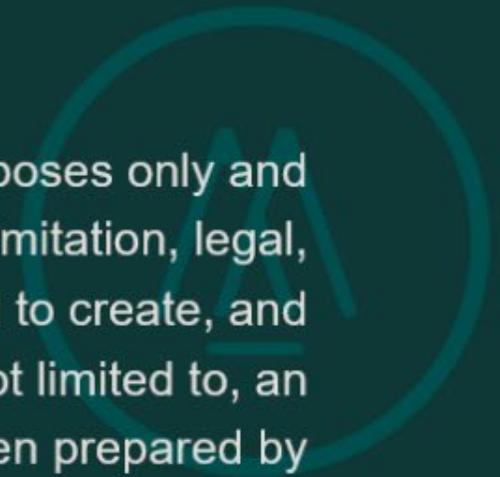
- District management and key stakeholders are engaged in a planning session to prioritize structure or staffing change initiatives.
- The plan is developed by management with input from staff and reviewed with the Board for approval.
- Structure and staffing changes are implemented.
- On an annual basis, initiatives should be evaluated to see if the intended outcomes are achieving the desired results.
- Cross-functional working groups may meet more frequently during the year to manage tasks, progress, and surface issues.





Thank You





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