



**SUCCESSION AND DEVELOPMENT PLANNING FOR  
YUBA WATER AGENCY  
May 21, 2019**

Succession planning is a process for developing emerging leaders who can replace departing leaders in our organization. Succession planning increases the availability of experienced and capable employees who are prepared to assume leadership roles as they become available. The purpose of this document is to initiate a professional development program for employees in order to prepare potential successors for key leadership and subject matter experts in support of Agency objectives. It is projected that close to 26% of total full-time employees will be both age and PERS eligible for retirement within 5 years. In addition, 17% of total staff is eligible for retirement now or with one year.

**Purpose of this plan:**

- To ensure a smooth transition and promote business continuity for the Agency when an employee vacates his/her position.
- To plan, both operationally and financially, for anticipated retirements.
- To identify internal talent, areas of potential development, and internal weaknesses.
- To provide meaningful and appropriate professional development opportunities to current and future employees.
- To plan for future Agency growth and long-term financial viability.
- To increase the stability and long-term success of the Agency.

## **Guiding Principles:**

1. Develop systems and polices that ensure YWA's ability to attract and retain the best employees in a competitive market. (from Strategic Plan)
  - a. Encourage knowledge of employees' career goals and establish mechanisms to support and assist employees in attaining those goals.
  - b. Attract candidates with YWA's demonstrated support of employees in attaining their career goals and professional development.
2. Continue YWA's uncompromising and focused commitment to a comprehensive selection and assessment process, (from Strategic Plan), including:
  - a. Continued commitment to performing recruitments on every vacancy to ensure attracting the best candidates possible and to promote a balance of benefits from internal experience and new external ideas. The extent and scope of the recruitment should be determined at the start of the recruitment process and is dependent on the availability of potential pool of candidates and the current employment market. The recruitment could be nationwide, statewide, regional; could be assisted by a search firm; could be limited to internal candidates or open to all candidates. For example, typically the recruitment for an executive manager would be at the minimum statewide and assisted by a search firm.
  - b. Continued authority for direct appointment, used sparingly.
3. Develop and implement ongoing technical and leadership professional development opportunities and plan and prepare for smooth succession. (from Strategic Plan)
4. Nurture YWA's collaborative culture to encourage individual engagement, responsibility, accomplishment and loyalty to YWA and its mission. (from Core Values)
5. Ensure an informed committed workforce with an active internal communications strategy and personalized development tools. (from Strategic Plan)
6. Further develop and enhance YWA's Core Values. (in Strategic Plan)
7. Proactively analyze each vacant position prior to recruitment and continue to use consultants and other alternative resource scenarios to assure appropriate staffing level, to avoid layoffs, and to ensure strategic alignment in utilization of employees.

## Key Findings and Observations:

1. YWA enjoys an excellent management team in terms of breadth of skills and experience among its individual management team members. However, the management “bench” is not of sufficient depth.
2. The current management team provides a good foundation for further development of the matrix management structure to maximize the effectiveness of strong management. For example, finance and purchasing staff effectively supports operations and management at Colgate and Marysville by coordinating with two executive managers.
3. The organization would benefit from further role clarification for all management positions.
4. Role clarification among management positions will benefit from adjustment in titles to distinguish levels of management.
5. Given the strong results derived from the current recruitment and selection process, the organization would benefit from continued commitment to completing robust external recruitments for almost all positions and utilizing direct appointment opportunistically.
6. Current “working managers” on the executive management level will need to continue to “shift up” over the coming years to better focus on strategic outcomes and to prepare the organization as a whole to perform at an increasingly higher level.
7. An individualized succession plan needs to be developed for each retiring manager, including analysis of possible changes to position, recruitment plan, length of overlap between incoming and outgoing incumbent, specific training plan for incoming employee, etc.
8. Executive management will need continued commitment to focus on succession planning and organizational development as the Agency grows more complex and takes on more operational areas.
9. A comprehensive review of overall organizational structure for alignment with strategic plan may benefit the organization, e.g., flood risk reduction is a Strategic Priority but its management is not apparent in the management structure.
10. Development areas identified include:
  - Technical training and development

- Leadership development
- Agency knowledge
- Building relationships
- Experience in leading teams
- Experience managing in a union environment
- Experience in managing in a public agency
- Experience in working with an elected Board
- Negotiation skills (in different types of situations)
- Experience in specific operations
- Specific experience, education or skills
- Experience in legislation/politics
- Business acumen
- Project management
- Media training.

## PROCESS

The following was identified to implement the succession and development planning process:

<b>Action Item</b>	<b>Ownership</b>	<b>Target Date</b>	<b>Status/Comments</b>
1. Conduct follow-up session with next level down managers	Terri/Mike/Willie	Aug 22, 2018	Initial committee assessment complete; Needs annual update; COMPLETE
2. Conduct Organizational Design/Structure discussion to determine proposed Organization	Terri/Mike/Willie	Sept	-Now -1-2 years 2-4 years COMPLETE/ONGOING
3. Draft Initial document representing proposed succession plan	Terri/Mike/Willie	Oct	COMPLETE/ONGOING
4. Draft future organizational structure/chart and define existing and add-on positions	Terri/Mike/Willie	Oct	COMPLETE/ONGOING
5. Identify financial impact of both development requirements and position additions	Terri/Mike/Willie	Oct	COMPLETE
6. Review plan with Curt and modify as appropriate	Terri/Mike/Willie	Nov	COMPLETE
7. Review plan with exec mgmt team, modify as appropriate	Terri/Mike/Willie	Jan 2019	COMPLETE/ONGOING
8. Identify any critical immediate needs to address for succession; develop plans	Exec Mgmt	Jan-Jun	COMPLETE/ONGOING
9. Review proposed plan with Board, including "utility" proj mgr positions. Modify as appropriate	Curt	Mar	Closed session—perf eval of GM  COMPETE
10. Take plan to Board for approval	Terri	May	PENDING.

11. Review future org chart with exec management team	Terri	Jan-Aug	
12. Identify core management competencies with management team and review Management Development Tools	Terri	Apr-Jul	
13. Initiate customized development plans for each individual	Exec mgmt	Jun-Dec	
14. Begin working on individual succession plans for key partner consultants	Curt	June-Dec	
15. Review progress and effectiveness of overall plan at least semi-annually	Terri	Nov-Dec	

## DEVELOPMENT TOOLS

The following training/development programs have been identified to provide the professional development opportunities needed for successful advancement for several individuals. These tools will be developed and can be utilized to develop career development plans for individual managers by and with their managers.

<b>Tool</b>	<b>Development Need Addressed</b>	<b>Comments</b>
Standardized outside management training	<ul style="list-style-type: none"> <li>•Leadership development</li> <li>•Building relationships</li> </ul>	All managers go through; CCL?
Agency-specific management training	<ul style="list-style-type: none"> <li>•Leadership development</li> <li>•Building relationships</li> <li>•Business acumen</li> </ul>	Matrix mgmt
Robust Orientation and refresher training	<ul style="list-style-type: none"> <li>•Agency knowledge</li> <li>•Public agency experience</li> </ul>	
Outside specific training	<ul style="list-style-type: none"> <li>•Specific experience, education or skill, e.g., Biology</li> <li>•Business acumen</li> </ul>	Develop sources for training
Mechanism to allow union employees to try management positions	<ul style="list-style-type: none"> <li>•Leadership development</li> <li>•Agency knowledge</li> <li>•Experience leading teams</li> <li>•Managing union units</li> </ul>	Needs to be in MOU
Mechanism to expose employees to other managers/areas	<ul style="list-style-type: none"> <li>•Agency knowledge</li> <li>•Operations exp.</li> </ul>	On project basis Need development in matrix mgmt
Mechanism to gain experience leading teams; form time-specific, mission-specific teams	<ul style="list-style-type: none"> <li>•Experience leading teams</li> </ul>	
Public agency training-identify outside source	<ul style="list-style-type: none"> <li>•Public agency exp.</li> <li>•Board relations exp.</li> </ul>	
Public agency training-presentations/dealing with board	<ul style="list-style-type: none"> <li>•Public agency exp.</li> <li>•Board relations exp</li> </ul>	
Internal skill-specific training	<ul style="list-style-type: none"> <li>•Negotiation skills</li> </ul>	
Internal info training/videos	<ul style="list-style-type: none"> <li>•Agency knowledge</li> </ul>	
Proj mgr positions who rotate through various operations/projects		

## **FINANCIAL IMPACT**

The total estimated annual cost of this succession and development program is estimated to be approximately 3-5% of total current budgeted payroll costs of \$14.2 million.

The cost of this succession and development program has two main components.

**Personnel costs:** The first component is accounting for an overlap of personnel in management and other key positions in order to facilitate smooth transitions between outgoing and incoming personnel. For the seven executive management positions, an overlap of six months is used for cost estimates. For eight management positions, an overlap of three months is used for calculations. Other key positions may benefit from an overall of as much as six months. In addition, cost for consultant expertise if included to assist in providing expertise to incoming personnel. As well, retiring personnel could be valuable for consulting assignments after the CalPERS required break in service.

Note that the personnel costs could vary greatly from year to year, based on the number of retirees and the demands of the open positions. The estimated 3-5% of personnel costs is based on a high-cost year and will probably not be as high on an annual, ongoing basis.

**Training costs:** The second cost component is for annual cost for development tools and training programs. The estimated annual cost, based on current dollars, starts at \$100,000. As the succession plan becomes part of the YWA culture, training dollars may increase.

## **FOLLOW-UP QUESTIONS**

Succession planning in an ongoing, long-term effort. While the initial steps have been identified, ongoing analysis and consideration is needed. Succession planning and career development needs to become part of the YWA culture. The following questions were identified for consideration as part of the on-going Succession Planning process.

1. What is the proposed strategy for succession planning for external consultants?
2. What strategies can be acceptably employed to assist in succession planning preparedness (e.g., job rotation, management training program etc.)?
3. What are the short-term plans for immediate succession planning (e.g., individuals who have discussed plans to retire)?
4. What are our guiding principles for the communication and execution of a comprehensive succession planning process?
5. What is the impact of titles and how can we best leverage titles to attract and retain key employees?
6. What metrics can we utilize to ensure efficiency and effectiveness of the process (i.e. percent of total wages for extra staff positions)?
7. What potential new positions may be needed?
8. What are the key responsibilities, core competencies and levels of authority by position?
9. What mechanism can be used for developing union represented employees for management positions?