



SHAW LAW GROUP PC
WORKPLACE ADVICE • TRAINING • INVESTIGATIONS

WORKPLACE CLIMATE ASSESSMENT:

EXECUTIVE SUMMARY

PREPARED FOR:

**METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

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I. INTRODUCTION

The Metropolitan Water District of Southern California (the “District”) retained Shaw Law Group, PC (the “Firm”) in December 2020 to provide the following services: (1) “conduct an independent review of allegations of systemic discrimination, harassment, and retaliation, and related concerns” (“EEO¹ Issues”); (2) evaluate the District’s current policies and processes for handling EEO Issues; and (3) make recommendations to improve the efficacy of the District’s EEO policies and processes (collectively, the “Review”).

The Review focused on the District’s internal practices and culture to identify the sources of its EEO Issues, and opportunities for improvement. We analyzed information provided by current and former District employees and members of the District’s Board of Directors (the “Board”) through a targeted Confidential Workplace Assessment and confidential one-on-one interviews, reviewed thousands of pages of documents, and visited several District sites (collectively, the “Review data”).

In this Summary, we provide a brief overview of the Review process, and our observations and recommendations for the District effectively to prevent, investigate, and resolve violations of its EEO policies.²

II. BACKGROUND

A. Metropolitan Water District of Southern California

The District imports and stores water from the Colorado River and other sources in Northern California, and delivers treated and untreated water to 26 member public agencies (the “member agencies”). A 38-member Board, consisting of representatives from each of the member agencies (the “Directors”), is responsible for establishing the District’s policies. The Board includes several standing committees. The Organization, Personnel and Technology (“OP&T”) Committee makes recommendations related to personnel issues. Board and committee meetings are open to the public and provide opportunities for public comment.

B. The District’s Employees

The District employs over 1,800 individuals at its Union Station headquarters and in the field at pumping plants, reservoirs, and water treatment plants. Most of the District’s employees are represented by one of four union bargaining units.

¹ The term “EEO” refers to “equal employment opportunity.” As used in this Executive Summary (the “Summary”), the terms “discrimination,” “harassment,” and “retaliation” do not refer to legal conclusions or findings. We did not make any legal conclusions or findings related to the Review.

² Our “Report of Observations and Recommendations” provides a detailed explanation of each of these areas, and should be read in conjunction with this Summary.

C. The District's Management Structure

The District's General Manager oversees the District's day-to-day operations, and reports to the Board. Three department heads also report directly to the Board. Four Assistant General Managers ("AGMs") report to the General Manager. Most AGMs oversee one or more functional groups, all of which are led by a "Group Manager." Most Group Managers oversee one or more sections, which in turn are managed by a "Section Manager." Most Section Managers oversee one or more units, each of which has a "Unit Manager." Most Unit Managers oversee one or more teams, each of which has a "Team Manager." Since 2018, the District's management structure has undergone several significant changes.

D. Internal Responsibility for EEO-Related Investigations

Currently, the EEO Manager conducts intake of internal EEO-related complaints, and then forwards to Legal those complaints that she determines require an investigation. If Legal agrees that the complaint requires investigation, Legal then assigns the investigation to an external investigator, and manages the investigation. Upon receipt of the external investigator's report, Legal sends the EEO Manager a summary. The EEO Manager then delivers the investigation findings to the employees involved, and, if appropriate, refers the matter to Employee Relations to implement corrective action.

E. Context for the Review

Several internal District developments provide context for the Review:

- In November 2019, the Ethics Office surveyed all District employees regarding ethics-related issues.
- Since March 2020, several District employees and union leaders have spoken out at OP&T meetings regarding their concerns about the District's working environment.
- On April 16, 2020, one of the unions formed a new subcommittee, the AFSCME Women's Caucus, to advocate for issues unique to female and LGBTQ+ employees.
- In July 2020, the District launched a Diversity, Equity and Inclusion ("DE&I") initiative that includes a DE&I Council.
- On June 30, 2021, the California Legislature's Joint Legislative Audit Committee authorized an audit of the District's personnel policies and practices.
- On June 30, 2021, Adel Hagekhalil assumed the role of the District's General Manager.

III. OBSERVATIONS AND RECOMMENDATIONS

The Review focused on the following issues as written in the Action Item that the Board approved on November 10, 2020:

1. How EEO-related discrimination, harassment, and retaliation claims are handled by senior management, human resources staff, legal department, and other levels of management. Include examination of processes utilized in: (1) the case that was the subject of the General Manager's October 20, 2020 communication to the Board of Directors; and (2) cases reported by claimants during meetings of Committee and Board members throughout 2020.
2. Effectiveness of processes related to the DE&I Council, including confidential interviews of participants.
3. Degree of employees' fear of reprisal for reporting violations, including results of Ethics Office employee survey and independent climate assessment.
4. Compliance with best practices in these and related areas.
5. Level of Board of Directors oversight of issues and concerns related to: (1) diversity, equity, and inclusion; (2) handling of EEO-related complaints; (3) fairness and favoritism in employment practices; (4) management accountability; and (5) fostering a safe working environment for women, ethnic and racial minorities, and LGBTQ employees.

Based on the Review data, we made the following general observations:

1. The Review data does not support a finding of current widespread EEO Issues at the District.

However, the Review data demonstrates that the District has not properly responded to certain EEO Issues in the past, and some prior managers did not embrace their responsibility to prevent EEO Issues by promoting a positive working environment and effectively managing employee performance. The District's working environment generally appears to be improving, although some current employees with outdated beliefs appear reluctant to change their behavior. New managers are driving heightened expectations for EEO compliance, and Human Resources is making appropriate changes to support them.

Still, the District's current EEO-related processes are in certain aspects ineffective and/or inconsistently applied, which, among other things, increases potential liability for the District.

Further, some of the District's employees who were negatively affected by a lack of appropriate follow-up post-investigation and/or poor past management have difficulty trusting the new managers' efforts, and recognizing and appreciating positive developments.

2. Although the DE&I Council is well intentioned, its current organizational structure hinders the Council's effectiveness. In addition, the Council lacks an experienced manager to lead its efforts.
3. The Review data and the results of the 2019 Ethics Office employee survey demonstrate that although some District employees fear retaliation if they report potential EEO issues, the majority of employees are comfortable raising workplace concerns. The individual level of comfort, however, varies widely depending on an employee's work location, job classification, and demographics (i.e., sex, race, etc.).
4. The District's EEO-related policies and practices, although generally compliant with applicable law, do not fully comport with best practices.
5. The Board's oversight of the issues and concerns identified in the Review's scope is appropriate, given the Board's role in these areas.

Although the District is taking steps to improve its EEO compliance, in our "Report of Observations and Recommendations," we made recommendations for improvement in the following areas:

1. the District's EEO-related policies and practices;
2. the role of managers and District Leadership in preventing EEO Issues, including retaliation;
3. the structure of the EEO Office and its management;
4. the involvement of Legal in EEO-related matters;
5. the District's hiring and performance management processes;
6. the DE&I Council's organizational structure; and
7. the Board's dynamics.

It appears that the District is committed to preventing future EEO Issues, and encouraging a more positive and respectful working environment. Of course, change takes time, and transforming the culture will require effort on the part of everyone at the District.

Very truly yours,



Jennifer Shaw



Brooke Kozak