



MEMORANDUM

To: MCWD Board of Managers

From: Lars Erdahl, District Administrator

Date: June 22, 2017

Re: **DRAFT** Human Resource Plan Concepts and Recommendations

Purpose:

As requested by the Board of Managers, this memorandum summarizes foundational background information regarding the District's Human Resources Planning effort, and outlines concepts and recommendations to guide the finalization and implementation of the MCWD Human Resources Plan.

At its June 8, 2017 Board Meeting, the Board of Managers directed the Administrator to bring conclusions and recommendations for the Human Resources Strategic Plan on June 22, 2017. If the consultant report was not yet complete, implementation concepts and recommendations from the Administrator were to be advanced that include as one option, that the Research and Monitoring Department be merged into the Planning and Projects Department for purposes of preparing the 2018 budget.

At this time, the Springsted Report has not been delivered in an acceptable final form. Therefore, as requested by the Board of Managers, this memorandum provides foundational background information regarding the District's Human Resources Planning and outlines concepts and recommendations from the Administrator.

Introduction:

The MCWD has been engaged in a strategic evaluation of the organization, its programs and initiatives, with a goal of increasing organizational effectiveness through improved alignment and resource optimization.

On February 9, 2017, the MCWD Board of Managers adopted a strategic direction for the organization (resolution 17-007), to guide the alignment of District programs, resources and operations.

A key component in successfully implementing the strategic direction set by the Board of Managers are the District's human resources. It is critical to the success of any organization to have the right people, in the right positions, in the right amount, at the right time, and operating within the right structure – to achieve its strategic goals and mission.

To assess and guide the Human Resources Plan, on November 17, 2016, the MCWD Board of Managers authorized the execution of an agreement with Springsted Incorporated (resolution 16-082), to assist the

District in developing a strategic human resources plan to align the structure of the organization's functions and positions efficiently to accomplish the established strategic goals.

Since then, Springsted has been working with the District Administrator and staff, in coordination with Board Liaisons, to gather information to inform recommendations on structure, knowledge/skills/abilities, positions and capacities, needed to support the District's strategic direction.

To-date Springsted has:

- Conducted thirty-one (31) interviews of MCWD staff, Board Members and consultants to obtain information regarding:
 - The organizational and departmental strategic priorities
 - If the current organizational and departmental structures align to meet the priorities
 - What positions and functions are vital to the success of the organization
- Met with the Board of Managers' Executive Committee to discuss preliminary information gathered, and obtain feedback
- Conducted eleven (11) additional staff interviews, with the District Administrator present, to gather refined context regarding:
 - Baseline resource levels to accomplish department mission and strategic priorities
 - Whether current staff have the necessary skills to accomplish identified goals
 - If not, how might gaps be filled (i.e. training, outsourcing, staffing/structural changes)
 - What changes are needed to the organization's structure

To facilitate discussion regarding the finalization of the Human Resource Plan, this memorandum focuses on a suite of possible structural and positional changes to support the MCWD's strategic priorities and provide direction forward, with additional operational details (implementation timelines, costs, specific positional changes, training, outsourcing needs, etc.) still to be defined.

This information will be presented and discussed at the June 22, 2017 Planning and Policy Committee Meeting, with the intent of facilitating discussion and feedback, prior to the final report recommendations being delivered to the Board of Managers by the end July, 2017. This memorandum includes:

- ***Strategic Planning Background:***
 - Strategic Planning Purpose and Process
 - MCWD's Organizational Strategy
 - Operationalizing MCWD's Strategic Direction
- ***MCWD's Human Resources Planning Background:***
 - 2017 Human Resource Planning Purpose, Process and Status
 - Evolution of MCWD's Organizational Structure
- ***MCWD's Human Resource Needs and Directional Recommendations:***
 - HR Planning Goal & Guiding Principles
 - Overview of Departmental Needs
 - Framework for Identifying Detailed Departmental Needs

Strategic Planning Background:

Strategic Planning Purpose and Process:

Throughout 2016, the MCWD Board and staff undertook a strategic evaluation of the organization (resolution 15-085), with a principal goal of:

1. Evaluating existing programs to provide meaningful change, alignment and prioritization of resources.

The approved framework for the District's strategic realignment effort delineated an iterative process to engage the MCWD Board and staff in evaluation, discussion and decision-making at all levels of the organization. The planning framework outlined the following areas of evaluation and decision making:

1. Organizational Strategic – Vision, Mission, Goals and Guiding Principles
2. Program Strategic – Program purpose, priorities and alignment within the organization
3. Program Operational – Operational details of program, including resource allocation
4. Organizational Operational – Organizational level decision making and decision implementation

An expanded version of this roadmap for achieving organizational alignment is outlined below, from the Strategic Alignment Plan, drawing on the Advance! Strategic Alignment Process™. The District is currently working within Step 3, below, "***aligning the District's operational model.***"

1. Defining the purpose of the MCWD
 - Why does MCWD exist?
 - The answer to this question forms the organization's values and behavior in line with the purpose, and outline the MCWD's brand promise to its partners or "customers."
2. Aligning MCWD's strategic goals
 - What does MCWD want to achieve?
 - Strategic goals define the achievements the District plans on making to achieve the mission.
 - Strategic goals should nest from the organizational level, overarching strategies, down into individual strategic goals for programs.
3. ***Aligning the District's operational model***
 - How does MCWD want to achieve its goals?
 - Organizational structure, programs, operational processes, and resources must be aligned with the key purpose of the District and the strategic goals.
4. Aligning District culture
 - Company culture, leadership and staff must protect and support an organizational culture in-line with the District's purpose, values and brand promises that are defined.

MCWD's Organizational Strategy:

On February 9, 2017, the MCWD Board of Managers adopted a strategic direction for the organization (resolution 17-007). This resolution directed the Administrator to begin operationalizing the strategic direction by incorporating it into budget and financial planning, information technology planning, and human resource planning.

Below is a summary of the adopted organizational strategy

1. Pursuant to *Balanced Urban Ecology* the MCWD's overarching organizational strategy to accomplishing its mission is to:
 - Develop high impact capital projects integrated with non-water initiatives through multi-jurisdictional partnerships.
 - Change the land-use and water policy environment to increase early value added partnership with private development, public infrastructure, and public policy/planning.
2. All MCWD programs will be developed to work in support of these two highest organizational priorities.

Operationalizing MCWD's Strategic Direction:

The Minnehaha Creek Watershed District has defined its vision, mission and strategic goals. It has developed an overarching organizational strategy, and it has outlined strategic directions for individual programs that will increase alignment and synergy. Combined, these strategic directions will guide future decisions, and focus MCWD's limited resources towards achieving its mission.

Progress towards strategic goals is a product of the extent to which strategic directives are turned into discrete accountable actions at an operational/program level within the organization. The essential connection between strategy and the successful execution of that strategy is operations-level planning. Operational planning is perhaps the most critical phase of strategic planning.

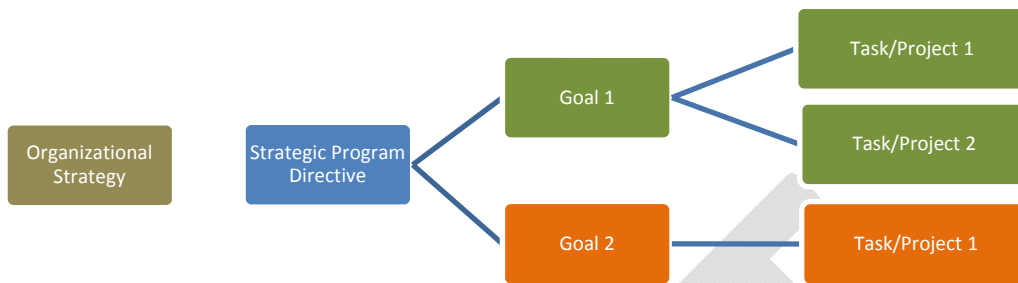
One of the most common complaints about strategic plans, is that once created, they just sit on a shelf. Strategic planning has no value when organizations neglect to dedicate the same energy into implementing the plan that went into the plan development.

After guiding the development of the strategic plan throughout 2016 and understanding these principles, the Board of Managers tasked the District's Planning Department to work with the District Administrator to "*proactively maintaining organizational alignment and focus,*" and to, "*recommend policy, project, program, and resource deployment to Board of Managers.*"

At the Direction of the Administrator, one of the first steps that will be taken by the Planning Department is to translate the adopted organizational strategy, and individual program directives, into a strategic action plan; or operational plan. This plan will break strategic directives down into individual goals for each program. Evaluating progress towards these goals/tasks will provide the organization with an accountability framework.

A draft model of a strategic action plan is shown in *Figure 1*. Program goals will be further refined and divided into discrete projects and action steps, with specific timelines and individual/program responsibilities, thereby creating accountability for the implementation of the District’s strategy.

Figure 1 – Model Operational Plan



In order to **align its operational model** to achieve its strategic goals, MCWD must define structural alignment of District functions and human resources, through a human resources plan.

Without an appropriate organizational structure and management system, the right positions filled with the right people in the right amount, and a supporting culture, a strategic plan merely exists on paper lacking the human resource infrastructure to implement it.

The MCWD Board of Managers has prioritized the development of a strategic human resources plan to define and prioritize positions critical to the organization’s strategy, and to identify the need to restructure, recruit, train, or outsource, to achieve the desired organizational alignment of positions, knowledge, skills and abilities.

Human Resources Plan Background:

2017 Human Resource Purpose, Process and Status:

On November 17, 2016, pursuant to resolution 16-082, the MCWD Board of Managers authorized the execution of an agreement with Springsted Incorporated, to assist the District in the development of a strategic human resources plan.

The project was divided into the following three phases, **with only Phase I being completed at this time:**

- **Phase I:**
 - Mapping skills, positions, staffing capacity and organizational structure needed to support organizational priorities. Recommendations for restructuring, recruitment, retention, training and outsourcing.
- **Phase II:**
 - Developing a human resources philosophy (compensation, performance evaluations, retention strategies, etc.) to operationalize Phase I.
- **Phase III:**
 - Refinement of Phase I and Phase II into a Plan and ongoing operational strategy

Phase I was further divided into three areas of work:

- **Task 1** – Develop a needs assessment identifying knowledge/skills, positions, and staffing levels needed to support priorities
- **Task 2** – Map existing staffing knowledge/skills, and capacities
- **Task 3** – Recommend restructuring, retention, recruitment, training and outsourcing to meet MCWD priorities

In accordance with the project scoping document, Springsted was contracted to work with and advise the District Administrator in developing the following human resource plan deliverables:

- MCWD goals and priorities
- Current organizational structure, job descriptions and staffing
- Identify skill sets necessary to meet short, mid and long-term goals identified by MCWD
- Map key positions for retention and recruitment
- Assess skills of current MCWD staff
- Recommend areas of training or additional development of existing staff
- Recommend organizational restructuring to support MCWD goals
- Recommend areas where additional staff may be needed

To provide context for this work, a human resources alignment model is provided in *Figure 2*. This diagram visually represents the District's work across a variety of phases, which all tie back to the District's strategy. A conceptual process for this alignment model is also visually depicted in *Figure 3*.

Figure 2 – HR Alignment Model

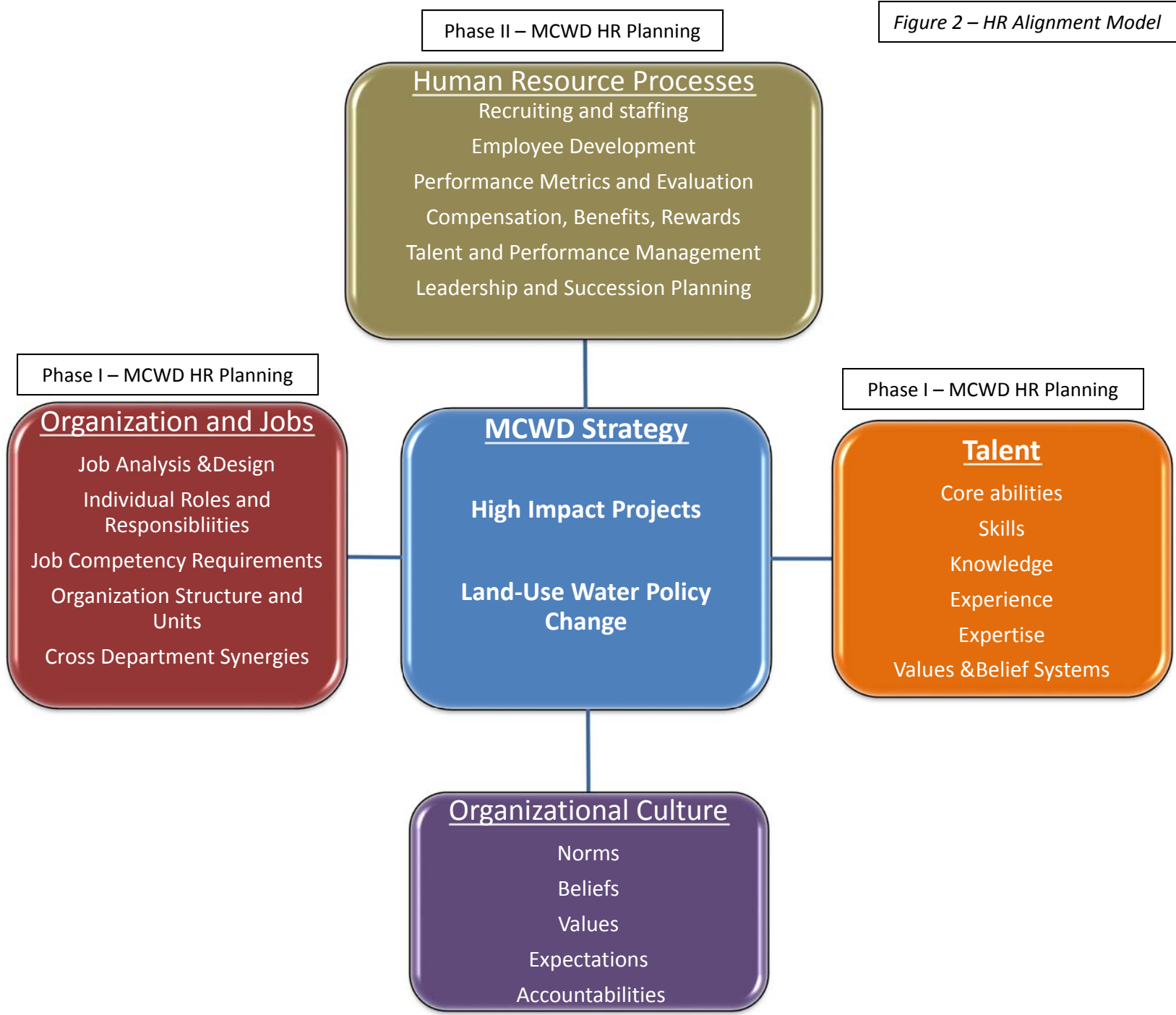


Figure 3 – HR Process Concept

Assessing HR Alignment

- Are individual results aligned with MCWD goals
- Are talent/staffing levels aligned with MCWD objectives
- Assess individual career goals
- Are teams and departments aligned with MCWD objectives
- Is the MCWD culture supportive of MCWD's objectives

Phase I – MCWD HR Planning

Building HR Alignment

- Assure person-job fit
- Optimize human performance
- Assure bench strength
- Job design
- Organizational structure

HR Process Alignment

- Talent management
- Performance management
- Employee recruitment, selection and placement
- Succession planning
- Rewards and recognition

Phase II – MCWD HR Planning

HR Planning Goals and Guiding Principles

The principal **goal** of MCWD's human resources planning efforts is to:

- **Align human resources (talent, organizational structure, jobs, processes) with MCWD strategic priorities.**

The following **objectives** support this principal goal:

- Define Organizational Structure to Align with MCWD's Strategic Objectives
 - a. See Attachment G for eight criteria used in developing organizational structure, identified by Management Systems.
- Integrate Work Units
 - a. Eliminate programmatic silos that historically worked independent of each other
 - b. Strengthen upstream and downstream work processes, improving the connection of interdependent intra-departmental work
- Improve Operational Efficiency
 - a. Identify work unit overlap, redundancies and desired synergies
 - b. Benchmark departmental staffing against industry standards
 - c. Eliminate redundancies and enhance synergy by applying lean management principles

In addition to the goals and objectives outlined above, the entire strategic planning process has been guided by the following principles:

- A Strong Staff-Board Partnership:
 - The strategic planning process is a cooperative enterprise between the Board and staff, in which the engagement of all staff is critical to support the collection, synthesis and presentation of information needed to objectively evaluate programs and facilitate Board decisions.
- Processes Inclusive of Staff and Guided by MCWD Culture:
 - We believe that a healthy, successful organization requires a strong organizational culture rooted in shared values of honesty, integrity and authenticity.
 - We believe that a management culture supportive of a collaborative environment, where ideas from all staff are acknowledged and encouraged, creates the foundation of a strong organization.
 - We believe that an environment of idea-generation and innovation uninhibited by hierarchical (vertical) or inter-departmental (lateral) restriction, will promote professional development, creativity and the free flow of information, improving service delivery.
 - We believe that an organization which empowers and celebrates leadership and accountability at all levels will enhance productivity and increase the successful execution of innovative ideas, serving to perpetually advance the organizational mission.

Evaluating Organizational Structure:

In terms of evaluating and considering structural changes to align the District's human resources, *Management Systems* approaches organizational structure in three distinct, yet related levels. This framework of criteria was used to evaluate and inform the preliminary concepts and recommendations in this memorandum.

1. **Macro Structure** – the boxes on an organization chart and how they are arranged.
2. **Micro Structure** – how the roles and responsibilities of each position-holder are defined and how these “role descriptions” are managed.
3. **Supporting Systems** – the systems (i.e., operational systems, management systems, and corporate culture management systems) that are in place to promote the effective implementation of the organization's structure.

A set of eight criteria can be used to assess the effectiveness of the current, and design the future, organizational structure. These **eight criteria** are:

1. **Strategy/Structure Alignment** – the extent to which the current (or how the proposed future) structure supports the achievement of the organization's goals.
2. **Functional Contribution** – the extent to which each function in the current structure has a well-defined function that adds value (or the value-added role that each function will play in the proposed future structure).
3. **Clarity and Contribution of Individual Roles** – the extent to which each individual role is clearly defined and contributes to the achievement of organization Goals (or how each role should be defined to promote effective and efficient achievement of organization Goals).
4. **Clarity and Structure of Reporting Relationships** – the extent to which reporting relationships and decision making are clear and well-structured (or how reporting relationships should be structured to support the achievement of organization Goals).
5. **Appropriate Span of Control and Number of Organizational Levels** – the extent to which span of control and the number of levels supports effective and efficient achievement of Goals (or what the optimum number of levels and span of control should be in the proposed future structure).
6. **Appropriate Management/Leadership and Technical Skills** – the extent to which managers/leaders and technical professionals have the skills needed to effectively fulfill their responsibilities (or the skills that managers/leaders and technical professionals will need to effectively fulfill their roles as defined in the proposed future structure).
7. **Effective Coordination** – the extent to which units and individuals effectively coordinate in the current structure (or the systems that need to be in place to promote effective coordination/communication between units and individuals in the proposed structure).
8. **Appropriate Supporting Systems** – the extent to which operational, management, and culture management systems support the effective functioning of the current vs. future structure.

Evolution of MCWD's Organizational Structure:

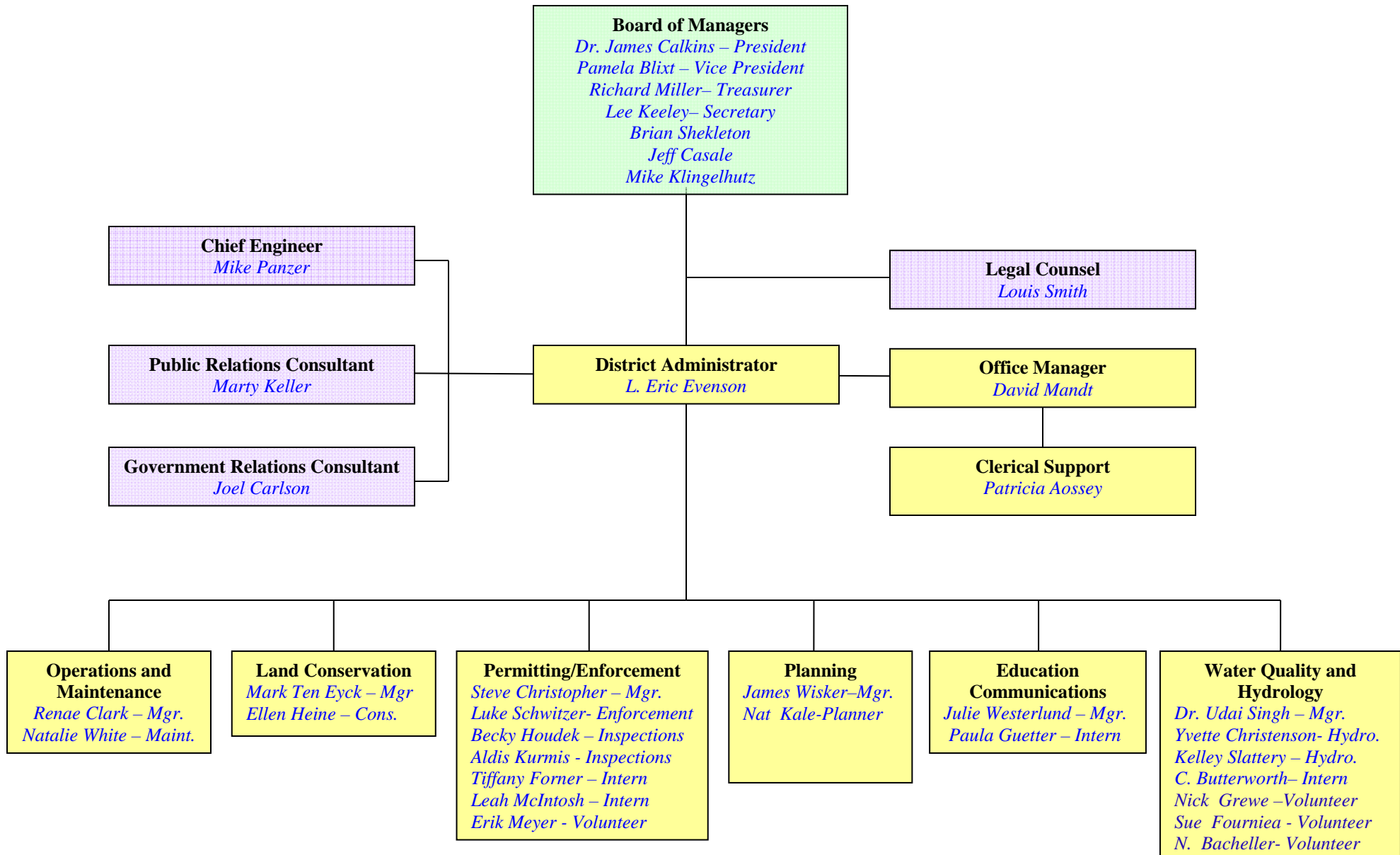
Before outlining potential structural changes, included in the following pages (Attachment A) are organizational charts, depicting MCWD's historical organizational structure from 2009 – Present.

- 2009 – 2010 Organizational Chart
- 2010 – 2011 Organizational Chart (Final and Generic)
- 2011 – 2012 Organizational Chart
- 2014 Organizational Chart
- 2015 – 2016 Organizational Chart

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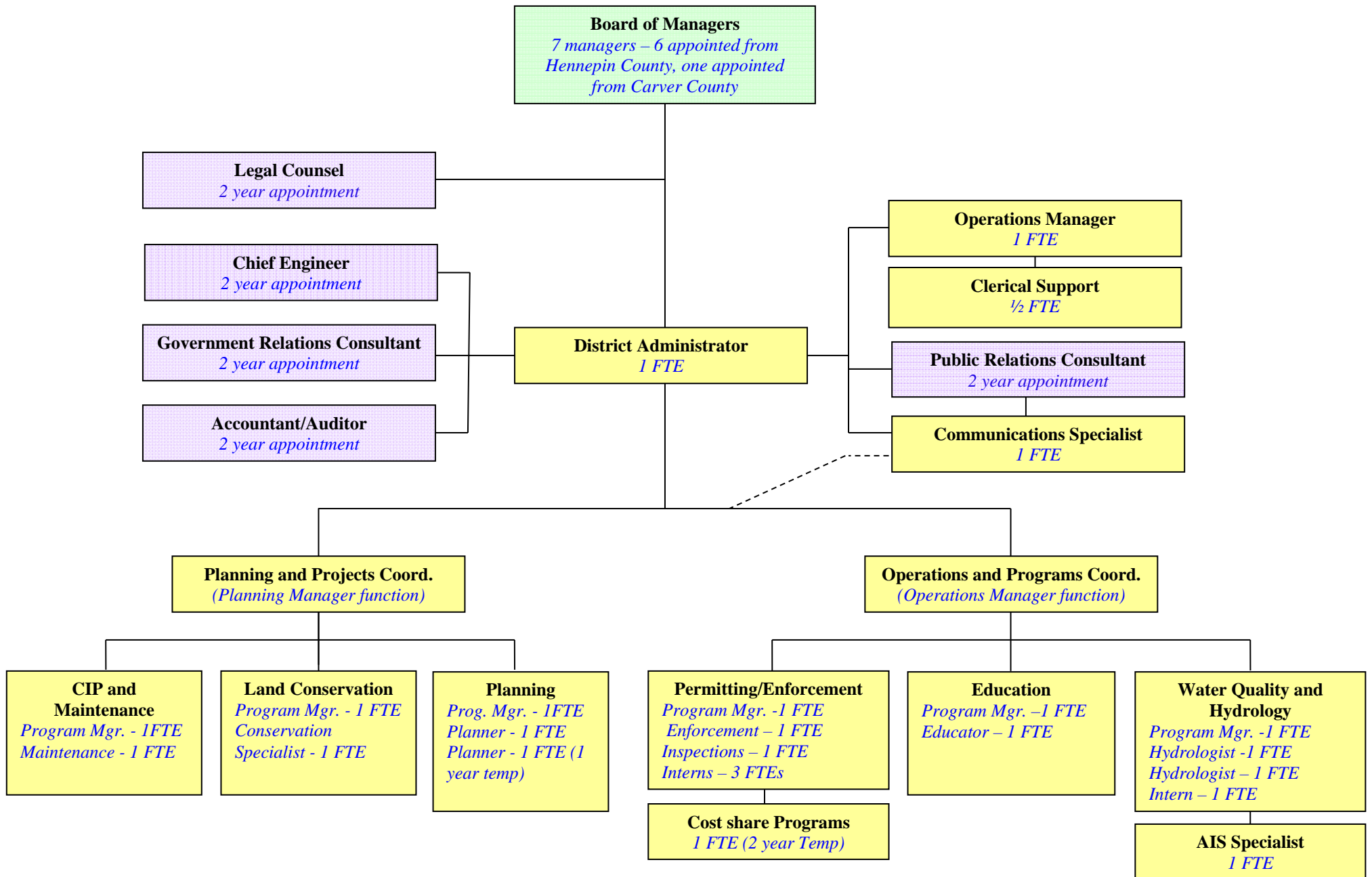
Attachment A

MCWD Organizational Chart July 2009



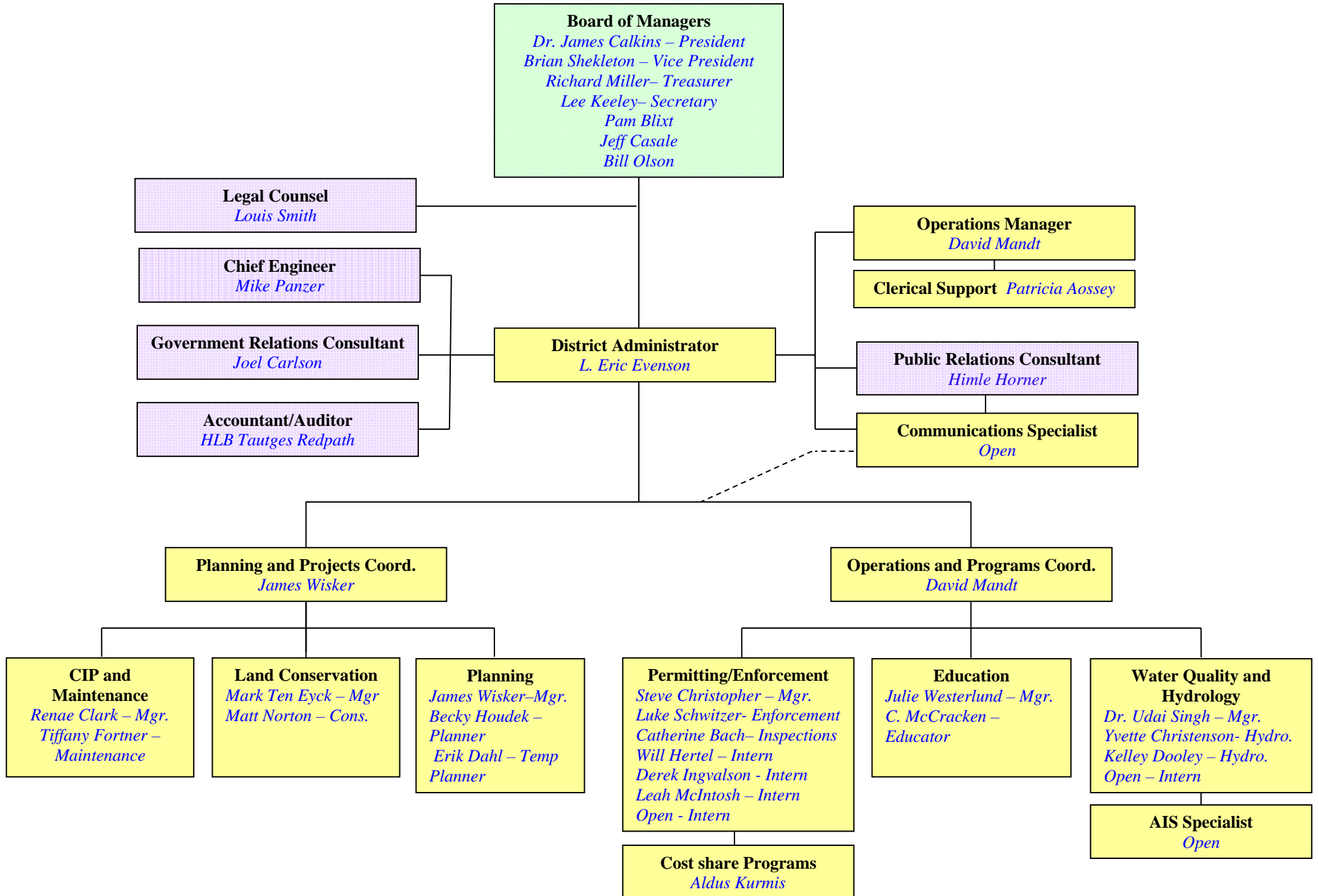
MCWD Organizational Chart

2010-2011



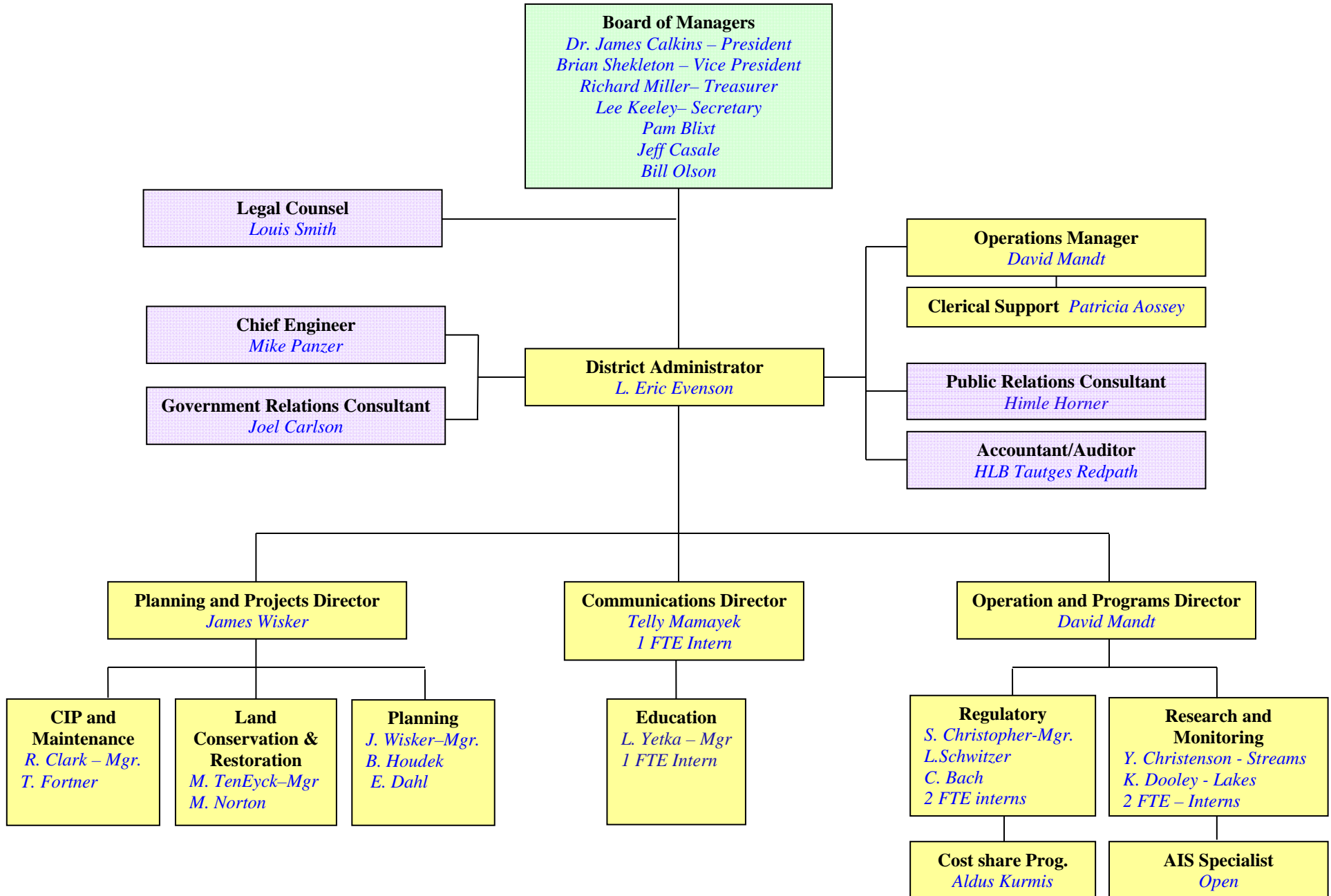
MCWD Organizational Chart

2010-2011



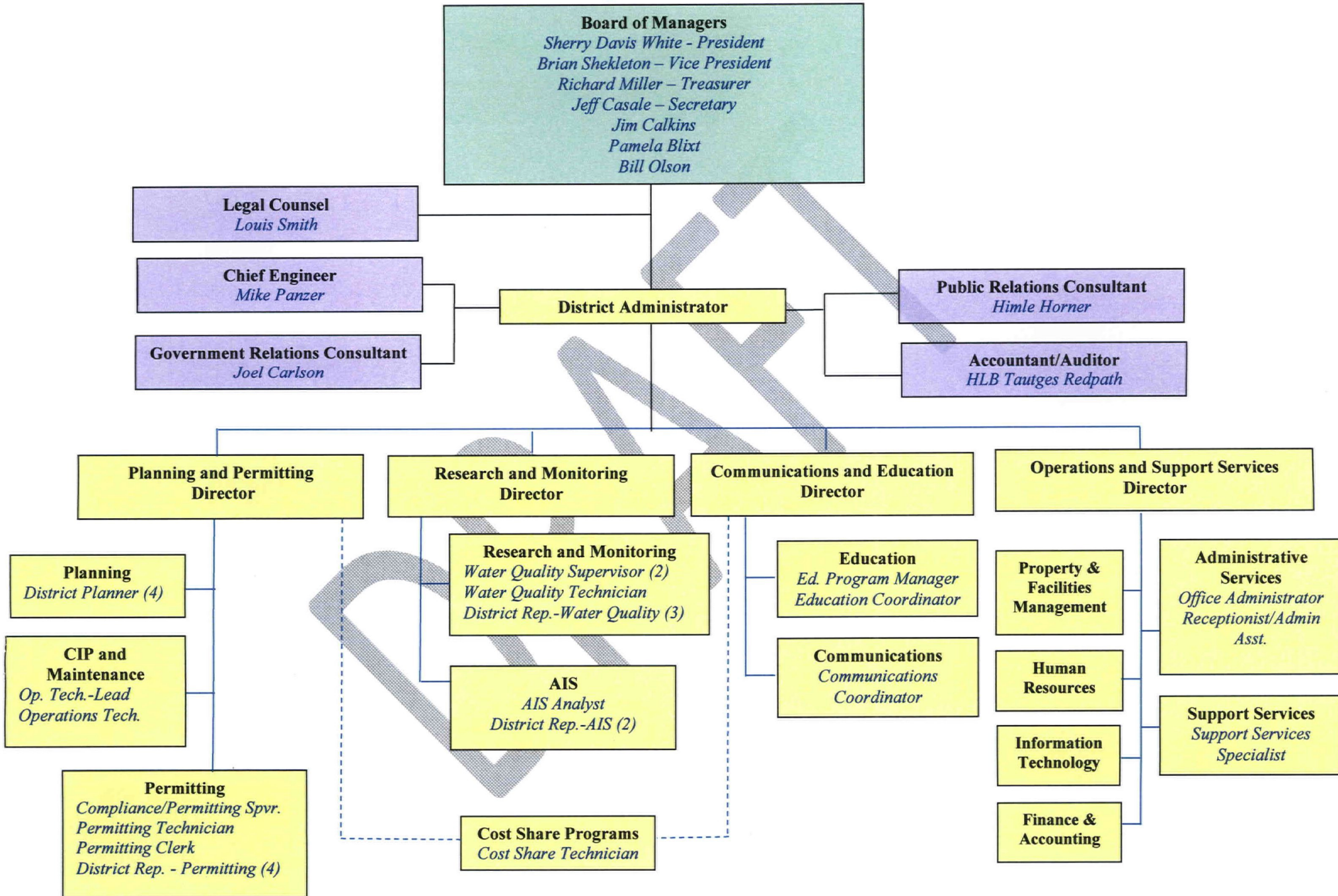
MCWD Organizational Chart

2011-2012



MCWD Organizational Chart

Working Draft - 2014



MCWD Organizational Chart

2015-2016

Board of Managers
 Sherry Davis White, President
 Brian Shekleton, Vice President
 Dick Miller, Treasurer
 Kurt Rogness, Secretary
 Bill Becker
 Bill Olson
 Pam Blixt

Legal Counsel
 Smith Partners

Chief Engineer
 Wenck Associates

Accountant / Auditor
 HLB Tautges Redpath

District Administrator
 (1 FTE)

Government Relations
 Joel Carlson

Public Relations
 Himle Rapp

Planning and Projects Director
 (1 FTE)

Research and Monitoring Director
 (1 FTE)

Communications and Education Director
 (1 FTE)

Operations and Support Services Director
 (1 FTE)

Planning and Projects
 Planner Project Manager (4 FTE)
 Planning Assistant (1 Contract)

Project Maintenance and Lang Management (PMLM)
 PMLM Program Manager (1 FTE)
 PMLM Technician (1 FTE)

Permitting
 Permitting Program Lead (1 FTE)
 Permitting Technician (2 FTE)
 District Representative (4 Temp)

Research and Monitoring
 Water Quality Manager (2 FTE)
 Water Quality Technician (1 Contract)
 District Representative (2 Temp)

Aquatic Invasive Species (AIS)
 AIS Program Manager (1 FTE)
 AIS Technician (1 FTE)

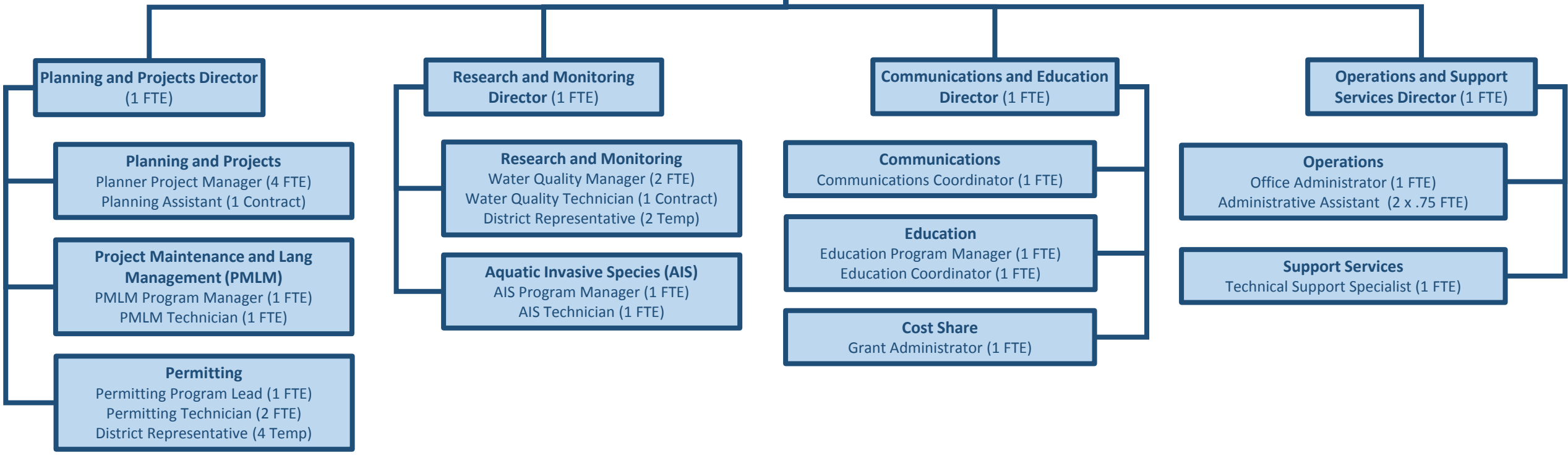
Communications
 Communications Coordinator (1 FTE)

Education
 Education Program Manager (1 FTE)
 Education Coordinator (1 FTE)

Cost Share
 Grant Administrator (1 FTE)

Operations
 Office Administrator (1 FTE)
 Administrative Assistant (2 x .75 FTE)

Support Services
 Technical Support Specialist (1 FTE)



Overview of Organizational and Departmental Needs:

This section of the document provides an overview of organizational/departmental context and needs, and then outlines concepts and recommendations for changes to organizational and departmental structure. This information and directional recommendations are made based on information gathered and synthesized from:

- Strategic Planning Discussions with PPC and Board
- Management Team Discussions
- Strategic Planning Issue Identification
- Adopted Strategic Alignment Plan
- Thirty-one (31) human resource planning interviews of Board, staff and consultants
- Executive Committee Discussion
- Additional eleven (11) human resource planning interviews of staff
- Additional discussions between individual program staff and the District Administrator

Information, concepts and recommendations are summarized in the following order:

- Management System
- Integrating and Streamlining of Workgroups
- Planning and Projects
- Education and Communications
- Permitting
- Grants
- Information Technology

Following this summary of needs, is an outline of preliminary concepts and recommendations.

Organizational and Departmental Background and Needs:

1. Management System Background:

Throughout strategic planning, the information gathering processes of human resources planning, and at the June 8, 2017 Executive Committee Meeting of the Board of Managers, the purpose and utility of the existing management structure has been questioned by both the Board and staff. Specifically, the purpose and roles of the Management Team and the ability of the current structure to provide ongoing strategic direction and alignment for the organization.

The Management Team structure was created by the Board of Managers in 2010-2011, to relieve the District Administrator of workload burden associated with directly managing a growing staff across a number of specialized program workgroups, that were expanding and diversifying (e.g. permitting, planning-projects, project maintenance and land management, education and communications, land conservation, research and monitoring).

At that time Director roles were created to oversee:

- Planning and Projects
- Operations/Administrative Services and Programs (permitting, education and water quality/research and monitoring)

This change in the management system was intended to provide:

- Time for the District Administrator to cultivate organizational strategy with the Board
- Increased accountability and oversight of program implementation

In 2011-2012, the Board worked with the District Administrator to create a new Director position, responsible for oversight of the expanded Education and Communications Program. This program was removed from the oversight responsibilities of the Operations/Administrative Services and Programs Director, who retained oversight over Administrative Services, Permitting and Research and Monitoring.

Between 2012 and 2013 the District created a new Aquatic Invasive Species (AIS) Program, which was staffed with full time technical staff and a contract position to oversee and manage the creation and initial implementation of the program. In 2013, this temporary contract position overseeing AIS was modified into a Director position responsible for the oversight of Research and Monitoring and AIS.

While the existing Management/Director Structure provides a level of oversight and accountability of specialized workgroups, through positional authority, the Management Team has not consistently played a lead role in informing the strategic direction of the organization. In many organizations, authority and accountability to determine overarching organizational strategy are more typically the responsibility of the Chief Executive Officers and/or Board of Directors. As defined in the strategic direction approved by the Board of Managers, these functions have been provided by the District Administrator in consultation with the Director of Planning, and with concurrence from the Board of Managers.

The Planning Department has specifically been charged with working with the District Administrator and Board of Managers to:

- Maintain ongoing organizational alignment

- Identifying opportunities and threats, and recommending resource alignment and deployment
- Assembling and directly managing cross-departmental teams to support District priorities

However, under the historic organizational structure, the Planning Department has lacked the direction and authority to effectively fulfill these roles. The lack of a supporting structure to provide clear direction, with defined roles and responsibilities, limits the ability of the Planning Director to move quickly with the Administrator and Board to recommend, develop and implement integrated/aligned policies, programs and projects – drawing on all the resources of the organization.

1. Management System Concepts/Recommendations:

The opportunity to modify the District’s existing organizational structure and management system should be considered to better reflect the redefined role of the Planning Department in working with the District Administrator and Board of Managers in establishing strategic organizational direction, maintaining alignment, and recommending resource deployment.

Positional and departmental authority must be modified to support the designated staff leaders’ ability to assemble and manage cross-departmental teams to accomplish MCWD’s organizational priorities. For example, integrating monitoring data into diagnosing watershed issues and developing project recommendations, utilizing education and communication programming to generate awareness and support for initiatives at a policy and community scale, project managers developing capital improvements with support in the regulatory environment from permitting, planning the projects with consideration for long range operational costs, programming community awareness and education of projects post construction, and monitoring for their effectiveness.

This will require the District to move away from a rigid organizational structure - that decentralizes and delegates issues to the responsibility of specialized workgroups - towards a matrix or possibly hybrid matrix organizational structure. Composite organizational structures blend the specialized division of labor present within functional organizational structures, with the concept of matrix management systems – relying on the practice of managing individuals with more than one reporting line to increase cooperation and communication across traditional silos, to unlock talent and resources that the organization needs to respond effectively and flexibly to evolving demands.

Making this organizational change will require cascading changes to the Planning Department and other work group structures to allow the Planning Director to increasingly work with the District Administrator, Board and other program leads to establish and implement strategic objectives, recommend resource deployment and alignment, and monitor for effectiveness. This will likely require increased delegation of planning, project management, permitting, and project-land maintenance responsibilities.

2. Integrating and Streamlining of Workgroups Background:

Throughout the various information gathering processes, the potential to integrate and streamline workgroups has repeatedly been raised as an opportunity to increase the alignment and collaboration of functional workgroups, and to improve overall organizational efficiency by reallocating resources to highest and best use.

Opportunities for vertical integration and streamlining of Research and Monitoring (R&M) and Operations and Support Services workgroups have been repeatedly suggested, but this process needs to consider the whole organization and all work areas. Referring back to the *Management Systems* eight criteria in considering structural alignment, the following are criteria most pertinent to past discussions of these particular workgroups.

- **Functional Contribution** – the extent to which each function in the current structure has a well-defined function that adds value (or the value-added role that each function will play in the proposed future structure).
- **Clarity and Contribution of Individual Roles** – the extent to which each individual role is clearly defined and contributes to the achievement of company Goals (or how each role should be defined to promote effective and efficient achievement of company Goals).
- **Appropriate Span of Control and Number of Organizational Levels** – the extent to which span of control and the number of levels supports effective and efficient achievement of Goals (or what the optimum number of levels and span of control should be in the proposed future structure).
- **Appropriate Management/Leadership and Technical Skills** – the extent to which managers/leaders and technical professionals have the skills needed to effectively fulfill their responsibilities (or the skills that managers/leaders and technical professionals will need to effectively fulfill their roles as defined in the proposed future structure).
- **Effective Coordination** – the extent to which units and individuals effectively coordinate in the current structure (or the systems that need to be in place to promote effective coordination/communication between units and individuals in the proposed structure).

Research and Monitoring:

The District's Research and Monitoring Program is responsible for:

- Diagnosing drivers of water resource issues to information planning and implementation
- Monitoring the effectiveness of the District's implementation efforts
- Broadly characterizing ecological health

The District's monitoring program was historically managed by consultants up until 2004 when it was brought in house. As of 2009-2010, it was staffed by one (1) program manager, two (2) technicians, and one (1) FTE intern with seasonal volunteer assistance.

In 2010, based on the 2010-2011 Organizational Chart, the program was brought under the supervision of the Operations and Programs Coordinator. In 2012, following the departure of the program manager, the

two (2) technicians were promoted to co-program managers and supported by two (2) FTE District Representatives. Concurrently, in 2012, the AIS Program was created and initially staffed with one (1) limited term contract position to develop an AIS Management Plan, and one (1) AIS Technician.

In 2014, following the District's leadership transition, the two programs merged into the Research and Monitoring (R&M) Department, and the AIS Program Manager position was turned into a Director position to oversee the two programs. At that time, the AIS program staffing increased to add one (1) AIS Analyst and two (2) District Representatives. Also, the Water Quality Program added a new FTE limited term contract position to support the co-program managers' temporary focus on the development of the E-Grade Program. Also, during this restructuring, Water Quality Program District Representatives increased from two (2) positions to three (3).

The current Departmental structure includes one (1) Director, two (2) water quality managers, one (1) limited term contract water quality technician, two (2) District representatives, one (1) AIS Manager, and one (1) AIS Technician.

Recently proposed departmental structures include a Water Quality Supervisor (1 FTE), Water Quality and Lab Manager (1 FTE), Water Quality Monitoring Technician 2 FTE, Water Quality Project Biologist/Planning Manager (1 FTE), Water Quality Field Biologist/Technician (1 FTE), Seasonal Water Quality Technicians (as needed)

Through the issue identification phase of strategic planning (focus groups and surveys), the primary issues flagged for this department were:

1. The need to clarify the purpose and priorities of the program
2. The need to evaluate the department structure to improve efficiency

Within the Issue Identification document there was general agreement regarding the Department's proposal to restructure, that the department indeed required restructuring. Many people noted that "the department is overdue for a course correction." It was recommended that an evaluation be performed of "job descriptions, time allocations, and work breakdown structures" to align with strategic priorities. Regarding departmental structure, consistent themes emerged regarding the Director position, overall management structure, and the number and specialization of staff.

The Strategic Alignment Plan refocuses the R&M Program on collecting and interpreting data to inform planning and implementation, while optimizing and maintaining baseline anchor monitoring. AIS efforts have been refocused on managing AIS that have demonstrable water quality impact in synergy with planning and project priorities, while reducing District investment in prevention programming.

Both functions require strengthened operational linkages with the Planning Department. Through both Strategic Planning and the recent Executive Committee meeting, Board Members have recommended that the Research and Monitoring program be merged with Planning and Projects in order to achieve the desired level of alignment.

At its June 8, 2017 meeting, the Board directed the District Administrator to evaluate the option of integrating the Research and Monitoring Program into Planning and Projects, on the premise that data collected across the watershed directly informs planning and implementation, and the data collected on

built projects demonstrates the efficacy of the District's highest priority work – capital improvements. Cementing these upstream – downstream workflow connections through a change in organizational structure that vertically integrates these functions, will improve intra-departmental integration, and the overall operational efficiency of the District. However, this change will also create both temporary and ongoing workload impacts within the Planning Department, which has previously absorbed departments without structural or staffing changes. The merging of these two departments would further underscore the need for changes to Planning Department structure and staffing required due to recommended changes in the management system.

Operations and Support Services:

Similar calls for improved efficiency and streamlining have been made regarding the Operations and Support Services Department, which purposely relies on consultant services for accounting and bill pay, payroll, human resource planning, finance, information technology, etc. Some of this reliance on external consultants reflects best management practices for the operation of a organizational finances. Through strategic planning, this workgroups was identified as needing to clearly identify its **functional contributions** (primary purpose, outcomes, performance metrics), in order to begin the process of aligning the departmental structure and positions around these functions as efficiently as possible. These administrative service functions include:

1. Finances (bill pay, debt payments, audit, budget, financial planning)
2. Human Resources (benefit renewal, payroll, human resources planning)
3. Information Technology (maintain stable IT, planning and implementation of new IT)
4. Maintaining Office Building

The Operations and Support Services Department was officially created in 2014 as part of the restructuring process, and currently includes one Director and four staff positions, two of which are currently filled with temporary staff that are beyond the timeline for permanent placement of December 2016.

In 2009, prior to the creation of the Department, this workgroup consisted of one (1) Office Manager and one (1) Clerical Support position. In 2010-2011 the Office Manager position was reclassified to Operations and Programs Coordinator, absorbing oversight over the Permitting, Education and Water Quality Programs. In 2012, the Operations and Programs Coordinator position was reclassified as the Operations and Programs Director. At this time the Education and Communications Department was formed and relocated under a new Communications Director position.

In 2014, the Operations and Programs Coordinator position was reclassified to Operations and Support Services Director, marking the establishment of this department. As part of this restructuring, the Water Quality program was relocated under the newly created Research and Monitoring Director; and the Permitting Program was relocated under the Planning Director. Finally, as part of this restructuring, the Permitting Clerk position was relocated into the Operations and Support Services Department.

With the formation of a formal department in 2014, the department structure included one (1) Director, one (1) Office Administrator, two (2) Receptionist/Administrative Assistant, and one (1) Support Services

Specialist. Currently the department includes the District Administrator (1 FTE), Director (1 FTE), Finance Technician (0.75 FTE), Administrative Services Technician (1.75 FTE), and Administrative Assistant (0.75 FTE).

While some adjustments have been made to staff roles and responsibilities since the strategic planning issue identification process, in recent years the Department has not had the capacity to manage the District's budget, human resources planning, or significantly advance information technology planning. Moving forward it will be critical to establish position descriptions, filled with the knowledge, skills and abilities, any needed training and within an appropriate department structure, to support the delivery of these major functions.

Recommendations to increase efficiency and modify the structure of this department include:

- Consider the impact of broadening job responsibilities and optimizing the number of specialized part time employees
- Explore the option of re-assigning certain functions into the role of the District Administrator.

2. Integrating and Streamlining of Workgroups Concepts and Recommendations:

- Develop alternative options and a recommended plan and timeline for the potential absorption of Research and Monitoring into the Planning Department, including an analysis of workload, structure and staffing of both workgroups.
 - Considerations include:
 - Need to identify the appropriate R&M staffing levels and departmental structure to implement departmental priorities of (1) increased focus on diagnostic monitoring to inform and guide planning and implementation, and (2) refocusing AIS on planning and implementation, while (3) optimizing baseline anchor monitoring, E-Grade implementation and AIS early detection monitoring.
 - Need to evaluate the impact to the Planning Department workload and workflow, reporting roles and responsibilities.
- Develop a plan and timeline to integrate and streamline the functional contributions of the Operations and Support Services Department, including the potential for broadening job responsibilities and optimizing the number of specialized part time employees, and absorbing departmental functions into the role of the District Administrator.
 - This plan must finalize a decision regarding the status of two temporary employees within this department that are beyond the timeline for final placement, of December 2016.
 - Need to refine the positional roles and responsibilities and departmental structure to deliver the department's priorities.
 - Consider benchmarking staffing and structure against other public and private industry standards, for comparably sized and funded organizations.

3. Planning and Projects Background:

The Planning and Projects Department has the following strategic priorities.

- The MCWD's highest priority is to plan and implement capital projects through partnerships. The MCWD must accurately predict, prioritize, and mobilize its financial and human resources needed to execute this work.
- To proactively maintain organizational alignment and focus, the MCWD's Planning Department priority will be to scan the external environment for opportunities and threats and to recommend policy, project, program, and resource deployment to the Administrator and Board of Managers.

The "planning and projects" workgroup structure has evolved over time, absorbing other departmental functions and restructuring repeatedly to meet emerging organizational needs set by the Board of Managers.

In 2010, based on the 2010-2011 Organizational Chart, this work group included six (6) program staff and one (1) program manager. At that time these numbers included a separate and discrete two (2) person Land Conservation workgroup. Since 2010, the planning and projects group, consistent with the strategic goals of the organization and Board direction, revised its planning and implementation model for capital improvements. As a result the District is now positioned to implement a larger volume of capital improvement work, with more complex funding, partnership parameters and internal program dependencies, at a larger geographic scale.

Coupled with increased project emphasis, this workgroup also absorbed all Land Conservation functions, and absorbed the Permitting Department in 2014. As part of this transition, the Permit Clerk position was removed from the Permitting Department and relocated within the Operations and Support Services group. Over this same time period, the Board directed staff to develop a comprehensive approach to the assessment and maintenance of District lands and capital improvements, resulting in the increased specialization of two staff to perform ongoing operations of the Grays Bay Dam and management of the District's physical assets.

No additional full time staff were added to this workgroup throughout these organizational restructures. Today, planning and projects includes six (6) program staff, and one (1) Director. Two (2) of these staff are predominantly focused on maintenance of the District's physical access, while providing temporary stop gap capital project management capacities. Three (3) staff are focused on planning and capital project implementation in the Minnehaha Creek Greenway and Six Mile focal areas, while responding to emerging needs within other parts of Minnehaha Creek and Painter Creek. One (1) staff person is responsible for policy development, responding to MCWD communities, and assisting the Director in program administration.

While being directed to take a more focused and strategic role in the cultivation of policy change, at a local, regional and state level, with regards to land-use and water policy integration, this workgroup has simultaneously evolved into a position of internal leadership within the organization, growing into organizational and strategic planning, and the prioritization and deployment of District resources, with the Administrator and Board.

This workgroup has played a strong role in cultivating the District’s culture, strategic alignment, financial planning, and strategic human resources planning. As a result of the increased clarity and alignment provided by this leadership, the Board of Managers has tasked this workgroup with formally continuing this internal leadership role.

Also, through strategic planning, improving intra-department linkages with supporting and interdependent programs, like Research and Monitoring or Education and Communications, has been identified as an operational goal. Concerns were raised through the Issue Identification that “Planning staff requested work product from other programs on short notice.” These sentiments highlight the need for strengthened intra-departmental connections, modified workflow systems, and the improved integration of supporting programs with Planning and Projects.

Finally, a green infrastructure grant program has been identified as potentially being incorporated into this workgroup in the future, in order to respond to opportunities to integrate clean water infrastructure into public and private land use change partnerships.

While responsibilities and outputs have grown since 2010, staffing levels have generally not changed within this workgroup. Within the Issue Identification Phase of Strategic Planning (focus groups and surveys), and through subsequent discussions with the Board, workload and overtime concerns were expressed by staff for this workgroup.

Moreover, as mentioned previously, the organizational structure, departmental structure and positional authorities have not evolved to support the roles and responsibilities adopted through strategic planning.

Therefore, the following needs/issues should be considered.

3. Planning and Project Concepts and Recommendations:

- Need to adjust positional, departmental and organizational structure to define and refine operational roles, responsibilities, authorities of this workgroup, and the MCWD management system necessary to support the established goals in capital projects, policy-planning, partnerships, organizational planning, and the development and management of cross-departmental workgroups.
- Need adequate staffing levels to implement capital projects, policy-planning, and maintain strategic alignment of organization. Additional staffing is required within this workgroup to implement the stated priorities of the organization, particularly as the Department
- Change departmental structure to align existing talent, integrate new recruited talent, to support capital project planning and implementation, policy and planning, integration of research and monitoring, and working with the Administrator and Board to set direction, maintain alignment, and assemble cross departmental support teams.
- Utilize changes in positions and departmental structure to create a stronger functional bridge between Planning – Projects and Education and Communications, to assist Education and Communications in achieving their strategic goal of supporting projects and policy development.

4. Education and Communications:

The strategic priorities of this workgroup include:

1. Supporting the planning and delivery of capital projects through partnerships, promoting land-use and water policy integration.
2. Explore how to reprioritize, restructure and resource historic baseline communications. Education and public engagement functions, including grant programs.

Historically, the education and communication functions of the organization were combined under one program, and as of 2010, managed by one (1) Education Manager and one (1) FTE assistant. An audit of the Education Program in 2010 led to the growth and division of this workgroup into two distinct programs, with the Education Program focused on community engagement and the Communications Program focused on District reputation management and strengthening communications and relationships with municipalities.

Subsequently, in 2011, the District restructured to a three (3) Director framework to provide the organization with a Management Team. At this time a Communications Director was established, staffed with one (1) FTE, overseeing the Education Manager, one (1) Education FTE and one (1) Communications FTE.

In addition, between 2013 and 2014, the Education and Communications workgroup absorbed grant programming relocated from the Permitting Program. As evidenced on the 2014 organizational chart, this program was intended to be the subject of matrix management, receiving direction from both the Planning and Communications Director to split time on community engagement and green infrastructure programming.

Over the years, as program staff and Board priorities have changed, these programs diversified and expanded, taking on new activities while keeping legacy activities. This created diffuse programming, which was identified through Strategic Planning as a principal issue related to this workgroup's effectiveness and alignment with the revised mission and organizational strategy.

Pursuant to the Strategic Alignment Plan, the Education and Communications workgroup focus was narrowed to prioritize the highest organizational priorities:

- Supporting capital project planning and implementation
- Changing the land-use water policy environment

Moving in this direction will require the development of specific action plans that provide the support needed for capital project planning and implementation and a program to support the land-use water policy programming (BUE).

Developing and successfully implementing these action plans will require close interaction with, and direction from the planning and projects workgroup. It is recommended that intra-departmental connections be strengthened. Within the Issue Identification documentation, the program was recommended to be "strategically embedded" within priority programs.

In addition, the program has a number of residual baseline functions, and is replacing the Cynthia Krieg Grant Program with a Community Engagement Grant and Master Water Steward Grant functions. It has been identified and discussed that current staffing levels may be insufficient to adequately resource the principal priority and the full suite of proposed baseline functions.

Therefore, the following needs/issues should be considered.

4. Education and Communication Concepts and Recommendations:

- Develop clear roles and responsibilities for Education and Communications staff to support the organization's priorities. Evaluate workload and develop clear priorities to facilitate the shift in Education Communications priorities.
- Evaluate opportunity with positional and structural changes in the Planning Department, for personnel to be assigned specifically to strengthen the supporting role of Education and Communications for capital project development and the land use – water integration policy initiative – by providing specific content knowledge in areas of MCWD's planning methodology, planning and project priorities, capital project development, land-use and water policy framework, and development planning, in order to leverage support with new target audiences, specifically to encourage early coordination in areas of:
 - Planned Development
 - Infrastructure Improvements and Public CIPs
 - Area Wide and Long Range Planning

5. Permitting:

The District's Permitting program has been strategically directed to:

- Improve the efficiency of its regulatory programs through administrative, policy and rule changes, while increasing partnership opportunities with the land use community to achieve natural resource benefits that exceed regulatory requirements.

The largest human resource issue identified through the process, for the Permitting Department, is staffing stability. While turnover within the program has generally decreased, due to the nature of the work, the structure of the department, and the skills developed by employees while at MCWD, employee turnover remains an issue.

While turnover in any department cannot be completely mitigated, and some turnover is inherent within this department, there are actions that can be taken to continue to increase stability of staffing. Stabilizing staff and increasing tenure will improve the department's ability to fulfill its strategic objective of creating value added partnerships with the land use community.

This departmental function is not readily achievable today because turnover eliminates institutional knowledge, and doesn't afford time to provide professional development for staff in areas of partnership development and project management. Currently, this workgroup employs three (3) District Representative positions. These positions perform processing of permit applications, provide construction oversight, and are the visible face of the program. These positions are unbenefitted and limited to a two year term. These positions operate under a (1) Program Lead, and two (2) Permitting Technicians who process more complex permit applications, resolve field compliance issues, provide support to Planning, communicate with municipal, regional and state partners, and present permits for consideration to the Board of Managers.

The limited term nature of the District Representative positions has been identified as a source of instability within the Permitting Department. The training curve for work within this workgroup has been shortened through concerted efforts by the Program Lead, but substantial investment is still being made in staff that are required by District policy to leave after 24 months of employment. This provides, at best, 12 months of top level production after 6 months of onboarding and training. This issue has been flagged through strategic planning, discussed by the Executive Committee, and is a complaint of developers and communities who rely on the District to effectively and efficiently process a high volume of permit applications for some of the state's most sensitive resources.

5. Permitting Concepts and Recommendations:

- Define options to modify a number of limited term positions to full time benefitted employees and alter the Departmental structure to promote stability.
- Changes to regulations/policy, and the Departmental structure should be used to provide staff an opportunity to spend 10-15% of their time creating value and innovating across workgroups to increase employee satisfaction and reduce burnout inherent in work associated with managing a regulatory program

Next Steps:

The concepts and recommendations outlined within this draft memorandum serve to provide a basic framework from which the Administrator and Board can advance and finalize the District's 2017 Human Resource Plan.

The concepts and recommendations include:

- Modifying the existing management system and structure to reflect the redefined role of the Planning Department in working with the District Administrator and Board of Managers in establishing strategic organizational direction, maintaining alignment, recommending resource deployment, and assembling and managing cross-departmental teams.
- Develop options to streamline the Research and Monitoring workgroup, including evaluating the potential to merge this program with the Planning and Projects Department.
- Develop options to streamline the Operations and Support Services workgroup, including potentially broadening job descriptions and reducing the number of specialized part time staff, and absorbing functions like the budget and human resources into the role of the District Administrator.
- Map department structure and staffing levels for the Planning – Projects workgroup to meet capital project priorities, the redefined role in maintaining organizational alignment and directing cross-departmental workgroups, and the potential absorption of Research and Monitoring.
- Develop clear roles and responsibilities for Education and Communications staff to support the organization's priorities of capital projects and land use – water policy integration. Evaluate opportunity to utilize positional change and restructuring of Planning and Projects Department to strengthen the capacity of Education and Communications.
- Modify a number of limited term positions to full time benefitted employees and alter the Permitting Department structure to promote stability.

Based on discussion and feedback provided at the June 22, 2017 Planning and Policy Committee, the District Administrator will continue to work with Springsted, the Board Liaisons and staff workgroups to advance the concepts and recommendations outlined here, and refine them into more detailed options for consideration and discussion at the July 13, 2017 meeting.

From there, directions will be finalized and brought back for Board consideration and action on July 27, 2017.

Based on the concepts and recommendations presented here, and additional Committee and Board discussion in July, varying levels of detail may accompany

Following the adoption of a strategic human resource direction, the District Administrator will continue working closely with the Board Liaisons, staff workgroups and the Board of Managers to provide routine updates and to implement the direction over clearly established timelines.