

EMPOWERING CAREER PROGRESSION TO REDUCE TURNOVER

Dan Smith, P.E.



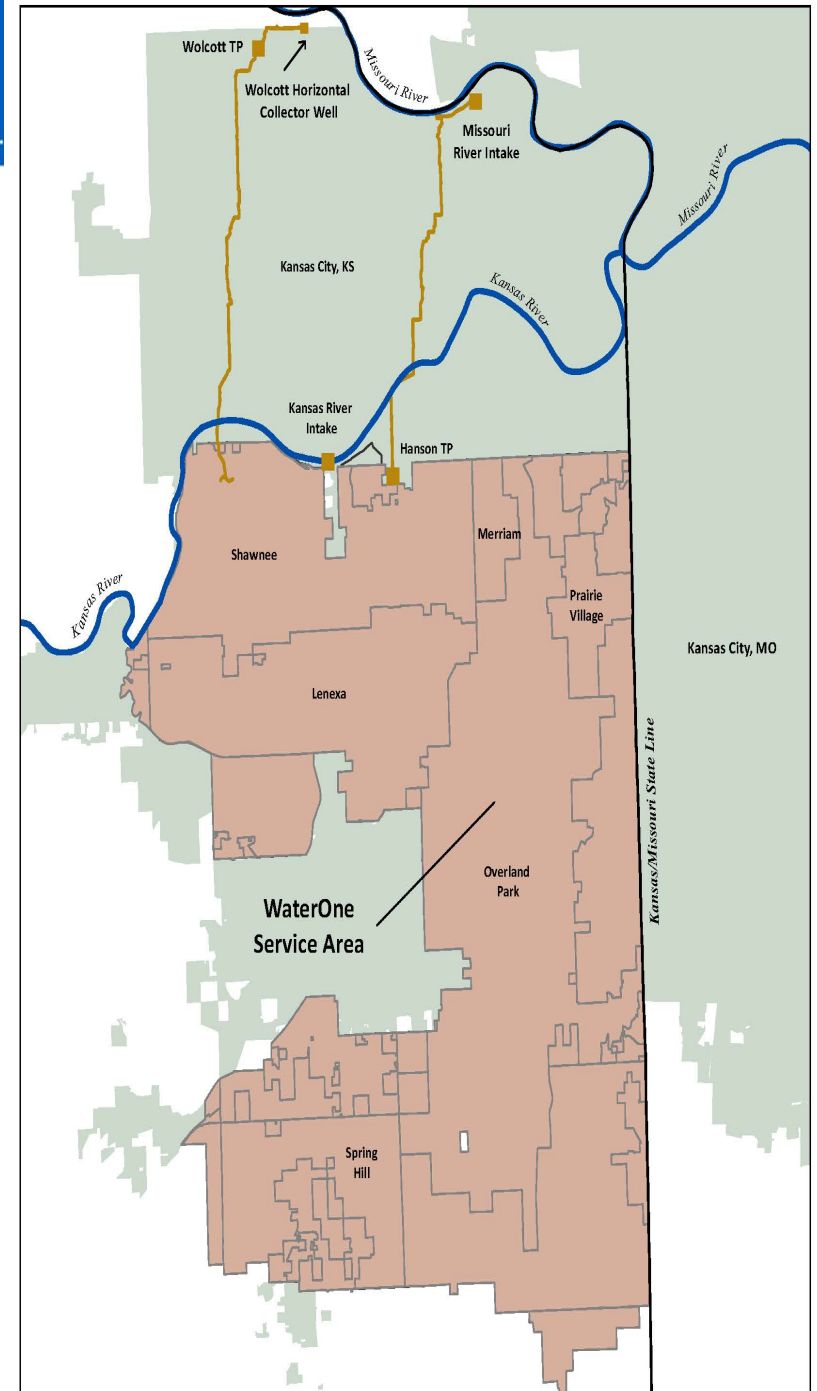


MEET WATERONE



Meet WaterOne

- Johnson County, Kansas
 - Suburbs of Kansas City metro area
- Quasi-municipality
 - Independent, non-profit water-only
- 272 square mile service area
- 17 municipalities
- 395 FTEs
- Non-Union



Meet WaterOne

- 146,000 service connections
 - 440,000 residents served
- Annual Revenue \$116 million
- 200 MGD capacity
- 2,700+ miles of main
- 18,000+ fire hydrants
- 47,000+ valves
- Our Vision – "Setting the Standard
Utility Excellence"



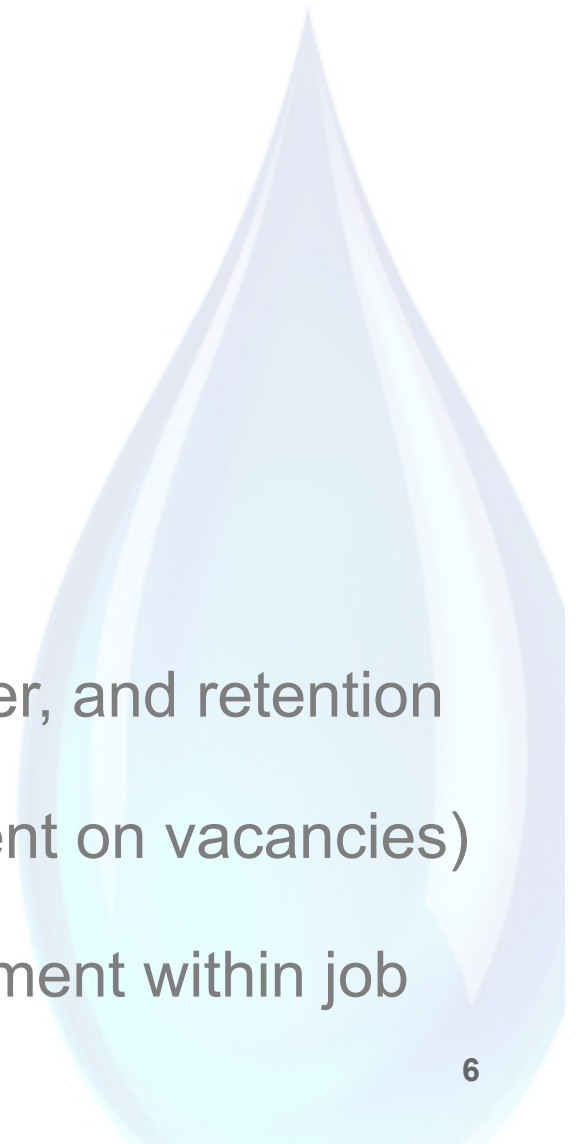


THE NEED FOR CHANGE



Problems/Challenges

- Increased retirement projections
- High turnover of new hires – 26%
- Recruitment challenges
- Build our knowledge base quicker
- Concerns: succession, knowledge transfer, and retention
- Lack of pay/career progression (dependent on vacancies)
- No defined parameters for upward movement within job family



The Real Cost of Turnover

- Difficult to quantify but no doubt a cost
- Reduced productivity with continuous churn of new employees entering the workforce
- Frustration by first line supervisors
- Morale of the work force
- Overwhelming training needs

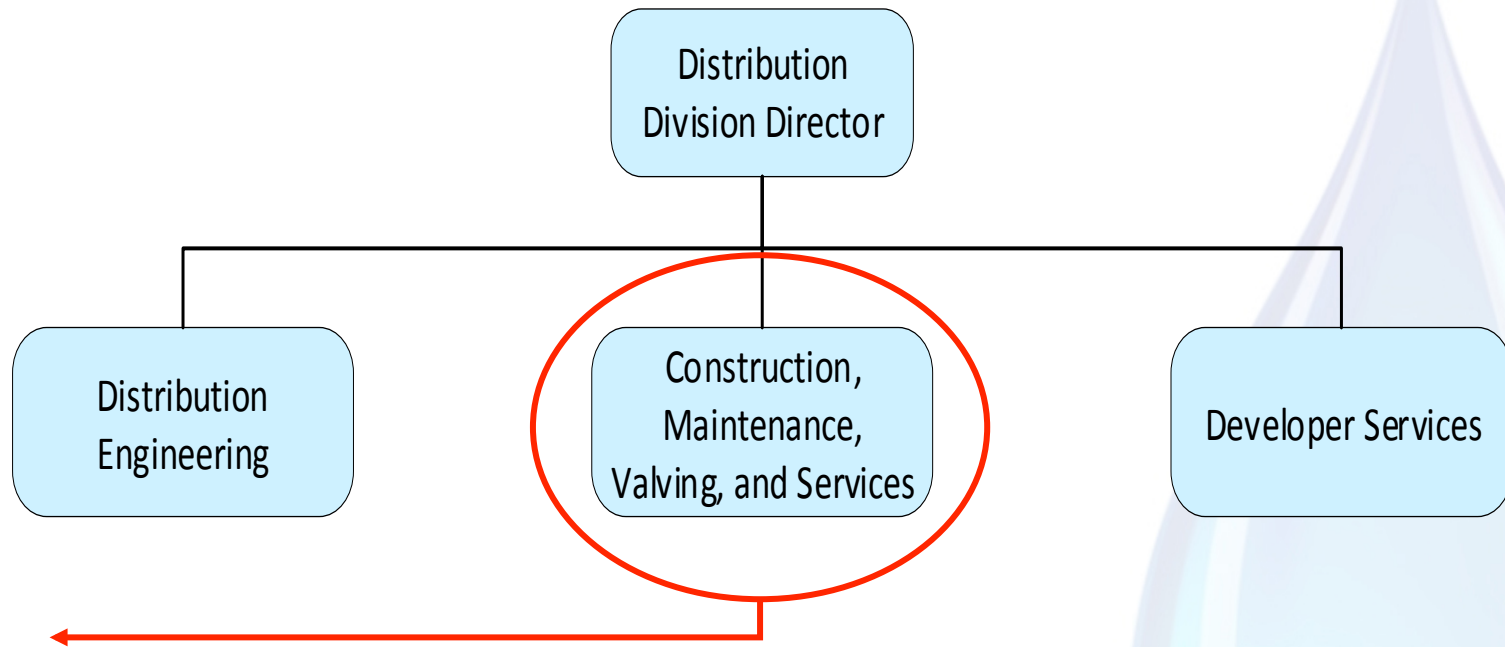


Total Compensation Strategy - Be an Employer of Choice

- Market competitiveness
- Attract and retain talent
- Internal equity
- Legally defensible
- Conducive to knowledge transfer and succession
- Sustainable



Distribution Division Structure



- CMVS
 - Field personnel with specific crew structure

CMVS Crew Structure

- Existing job titles
 - Crew Foreman – 15
 - Utility Mechanic I (UMI) – 17
 - Heavy Equipment Operator (HEO) – 21
 - Utility Mechanic II (UMII) – 41
 - Crew sizes vary
 - One to five person crew
 - Depends on work activity
- initial focus of new program

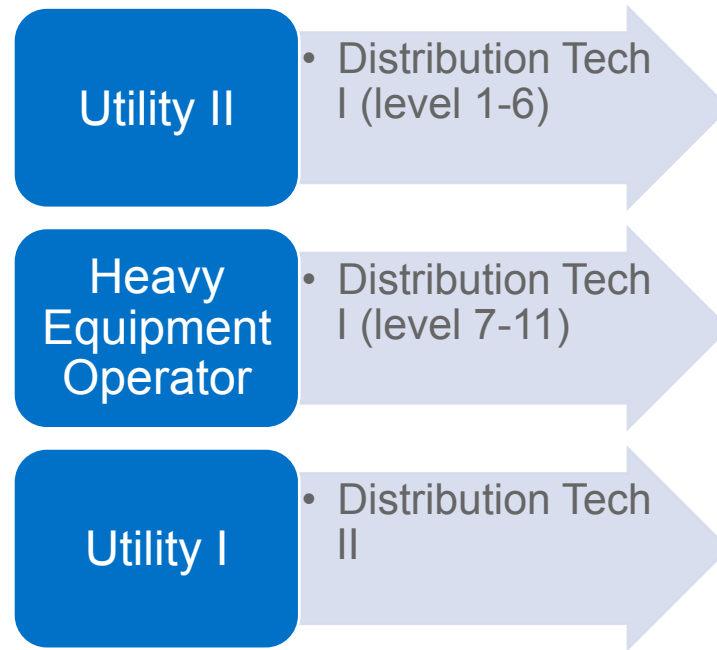


DISTRIBUTION TECHNICIAN (DT) PROGRAM



DT Program Transition

- Restructured existing job titles



**no change to foreman position at this time*





EXAMPLE: Distribution Tech. 1-(1-6) Competencies

Category	Level 1 (Entry Level)	Level 2	Level 3	Level 4	Level 5	Level 6
Licenses and Certifications	Class A CDL w/in 90 days (basic)	Confined Space Training. Trenching & Excavation. FEMA level 100 and 700 ICS training	Fork Lift Cert., Rigging & Signaling, Smith Driving, Staking University Cert.	Class I Water Dist. Operator Cert.	CDL Manual Transmissi on endorsement	_____
WaterOne Experience	None	6 Months	12 Months	18 Months	24 months	30 months
Education	HS Diploma or GED	GIS, Tie's, and GPS competency exam, show basic knowledge of SAP such as timekeeping, notification entry and completion and complete	Complete PRV training class	CA State Univ. Water Distribution Operator Training	Complete stake reading and laser level class with exam	Complete and understand correlator training
Non-Technical Skills	Follows standards and procedures, maintains excellent interpersonal skills, prioritizes work, listens to and follows instructions, shows a willingness to learn and work as needed, and attendance/ECO.					
Safety	Demonstrate knowledge of WaterOne's safety manual. Has completed saw and hot work training session. Shows good housekeeping skills for truck, equipment and jobsite. Has successfully completed all training and certification classes needed for DST1. Uses all PPE and needed safety equipment regularly w/out incident					

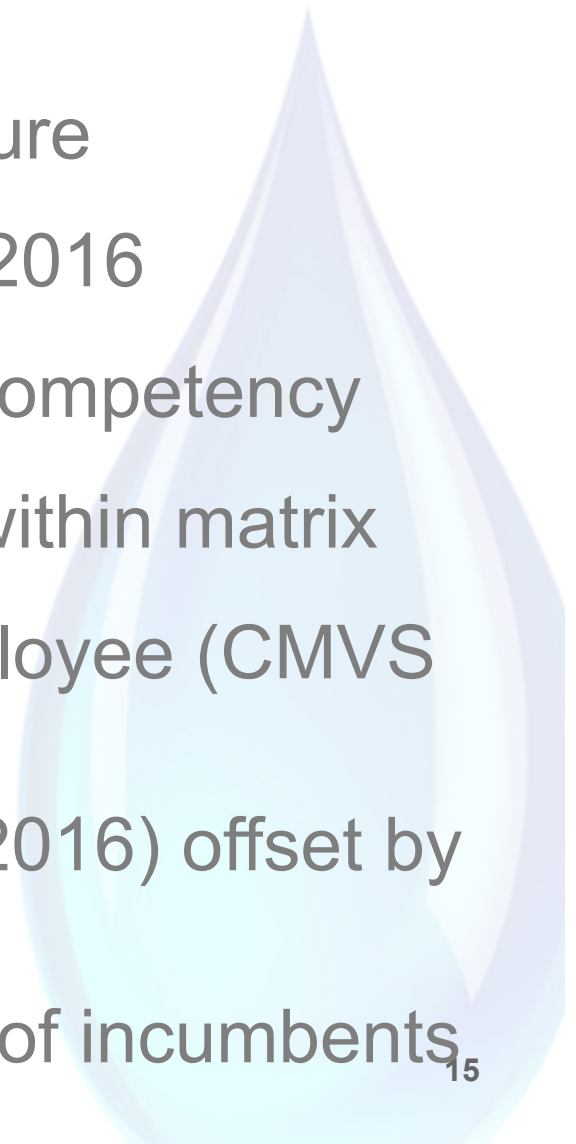
Competencies

- Six major categories
 - Licenses & Certifications – ABC Dist. Operator Cert. I,II, II, IV
 - WaterOne Experience
 - Education
 - Non-Technical Skills
 - Safety
 - Specific Work Modules –over 450 individual competencies
- Skill based pay
 - Increase in pay upon demonstrated proficiency in the established competencies and other factors



Implementation

- Market analysis/revised pay structure
- Program communication summer 2016
- Review of incumbent experience/competency
- Assignment to new position/level within matrix
- One-on-one review with each employee (CMVS & HR) of status
- Initial pay adjustment (3rd quarter 2016) offset by vacancies
- 2017-2018 accelerated “catch up” of incumbents₁₅





RESULTS & RECOMMENDATI ONS



Impact on Turnover

Period*	Total Separations**	Ave. # EE's	Turnover %
Oct. '15 – Sept. '16	20	77	26
Oct. '16 – Sept. '17	13	79	16
Oct. '17 – July '18	6	80	8

* DT program implemented in October of 2016

**Employees who left based on their own decision and for non-retirement reasons

Results of the Program

- Few initial voluntary resignations
- Success/achievements faster than anticipated
 - Decrease in new hire turnover
 - Improved recruitment
 - Improved skill sets in new hires
 - Improved retention



Lessons Learned

- Define expectations for the employees – communicate, communicate.....
- Competencies are key:
 - Creates objective method to evaluate performance
 - Tie competencies to increase in pay i.e., Skill based pay
 - EE's in control of their own advancement
- Provide on-site training:
 - How to prepare for exams (training through KU)
 - Basic water math, training provided by retired state regulator
 - Need for training coordinator to develop, proctor/oversee, and keep records
- Budget necessary payroll \$'s
- Buy-in from HR and the GM/CEO is essential

Going Forward

- Transition recordkeeping to Learning Management System (LMS)
- Review of Foreman position
 - Develop competencies
 - Matrix similar to DT1 and DT2 positions
- Continued refinement of program
- Develop training programs



Thank You!

Contact:

Dan Smith, P.E.

Director-Distribution

dsmith@waterone.org

913-895-5740

WaterOne

Water District No. 1 of Johnson County

