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## Metropolitan Water District of Southern California

### *Its Leadership Has Failed to Promote Transparency or Ensure a Fair and Equitable Workplace*

#### **Background**

MWD employs more than 1,800 full-time employees, and partners with 26 member agencies to deliver treated drinking water to about 19 million people living in Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. MWD owns and operates an extensive range of facilities, some of which operate 24 hours per day for much of the year, and some are located in remote areas. Therefore, MWD owns more than 100 housing units and requires key staff located at the remote plants to reside in them while on duty. MWD had more than \$500 million in unrestricted reserves at the end of the 2020–21 fiscal year.

MWD has repeatedly been the subject of alleged discrimination against employees and job applicants. State and federal laws prohibit MWD from discriminating against employees or job applicants on the basis of a protected characteristic, such as race or sex. They also disallow other workplace behaviors, including sexual harassment and retaliation for reporting alleged discrimination. These are commonly referred to as *equal employment opportunity* (EEO) protections.

#### **Key Findings**

- MWD's failure to address EEO issues has negatively affected its employees.
  - » It has not dedicated sufficient attention or resources to its EEO policy or its EEO office.
  - » Employees can be subject to potentially unsafe workplace circumstances for unnecessarily long periods of time.
- MWD has resisted implementing an equitable and accountable hiring process.
  - » It gives significant discretion to individual hiring managers, lacks transparency, and cannot demonstrate that hiring decisions are equitable.
- MWD has not done enough to correct issues with the structure of its ethics office and its aging employee housing.
  - » Its management has interfered with the ethics office's independent functions.
  - » It has not effectively addressed serious issues threatening the habitability of its employee housing or long waits for maintenance requests.

#### **Key Recommendations**

- MWD should implement numerous improvements to better meet legal responsibilities and best practices:
  - » Update its EEO policy to include definitions of retaliation, investigatory procedures, and an accurate reflection of all requirements in state and federal law.
  - » Add appropriate staff to EEO Office and assign formal, written responsibilities, and structure the office so that it can operate with independence and impartiality.
  - » Develop a formal, written employee discipline process.
  - » Adopt and publish comprehensive formal hiring procedures to achieve equity and consistency.
  - » Establish procedures to track and fulfill housing maintenance requests.
- Because MWD has resisted taking corrective actions recommended by our office, the Legislature should amend existing state law in the following ways:
  - » Establish a mechanism to revoke or limit MWD's authority over key personnel and ethics processes if MWD again fails to take corrective action.
  - » Require MWD to formally adopt procedures for hiring and promoting employees.
  - » Establish MWD's ethics officer as the sole authority for interpreting MWD's ethics rules when conducting investigations, and grant that officer the authority to contract with outside legal counsel.
  - » Prohibit any MWD employee or board member from interfering in ethics investigations.