

# AB 2561 Public Hearing

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**Regarding Vacancy Rates, Recruitment &  
Retention Efforts and Staffing Analysis**

Presented April 28, 2026

By Karleen Harp, Administrative Services Manager



# Agenda

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## Vacancy Rates

Introduction to AB2561

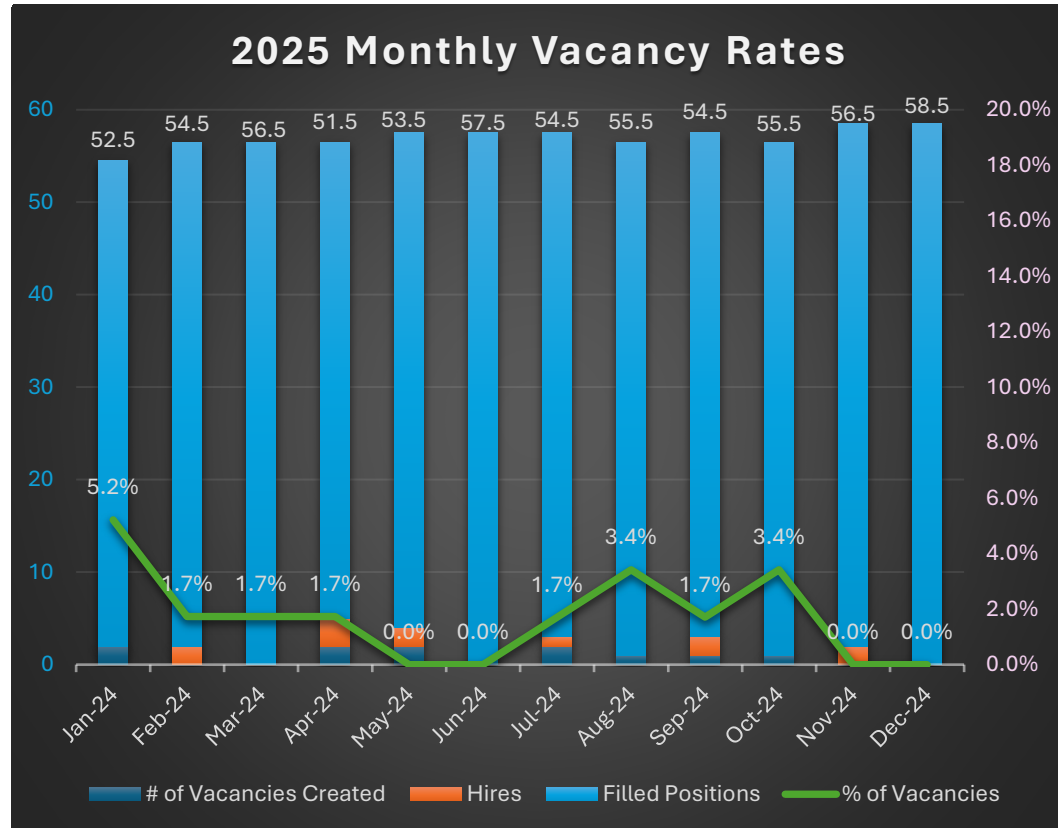
Recruitment & Selection Process

- Selection Process
- Recruiting Successes
- Recruiting Challenges

## Annual Staffing Analysis

- Drivers of turnover
- Who is leaving and why
- Generational Demographics
- Staffing Continuity Planning
- Overtime Trends
- Staffing benchmark
- Multi-Year Staffing Plan
- Other Recommendations

# Vacancy Rates - 2025



## Snapshot as of December 31, 2025:

- District-wide vacancy rate: 0%
  - Rainbow Employees Association (REA): 0%
  - Rainbow Association of Supervisors and Confidential Employees (RASCE): 0%
  - Exempt: 0%

## Trends:

	2024	2025
Total Vacancies	13	11
Total Vacant Days	470	407
Average time to fill	36	29
Peak Vacancy Rate	10.6%	5.2%
Quit Rate	11%	5%
Retirement Rate	3.5%	3.4%
Internal Fill Rate	0%	36%

# Recruiting Successes



## Decreased average time to fill to **29** days

- Early retirement notice, can start recruiting before it's vacant
- Filled **36%** of positions internally in 2025

## Continued Reverse Interviews

- ~20 applicants narrowed down in 2 hours
- Offers realistic preview of job
- Chance for applicants to meet the crew and ask questions
- Builds interest in applicants to keep trying
- Filled multiple positions with single recruitment
- Used for **Construction, Custodian, SCADA**

# Recruitment & Selection Process

2025 Recruiting:  
Job Posting Views

13,304

Applications

822

Assessments

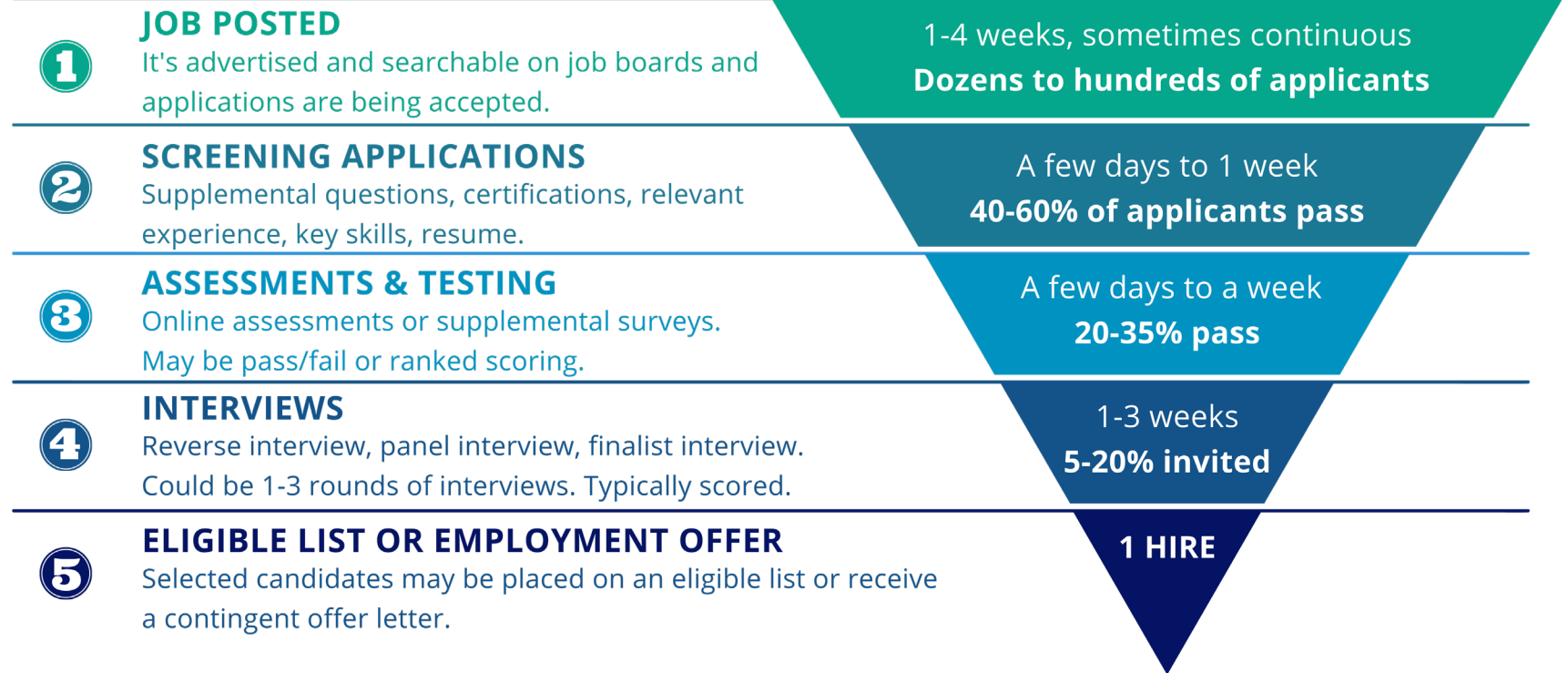
554

Interviews:

102

New Hires:

12



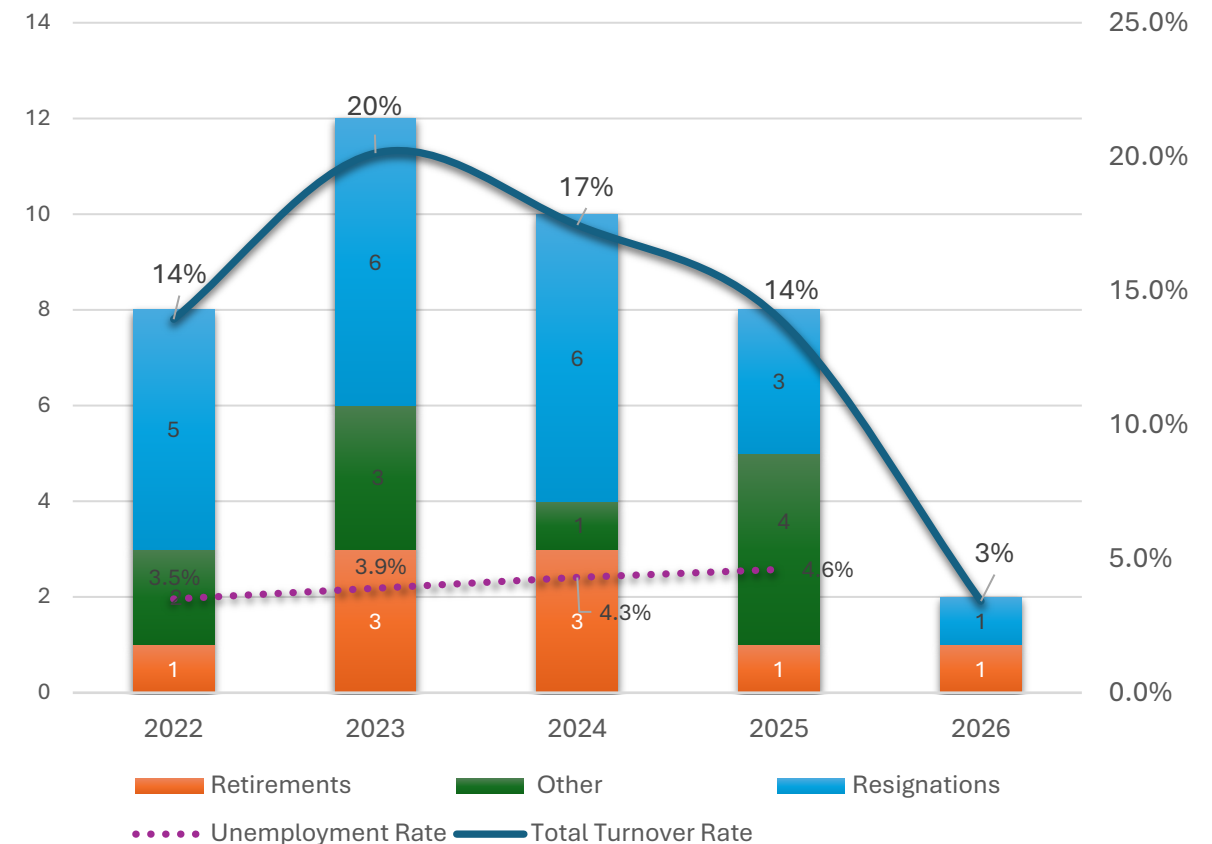
**2024: For every 1 hire, we averaged 8 interviews, 82 applications, and 2,753 job post views**

**2025: For every 1 hire, we averaged 9 interviews, 68 applications, and 1,109 job post views**

# Recruiting Challenges

- **Quantity** of applicants has decreased
  - 2020 averages 100 applicants per job
  - Now averaging 68 applicants per job
- **Conversion Rate** has decreased
  - Was 16% in 2020
  - 6% in 2025 (up from 3.5% in 2024)
- **Lower conversion means more job views are required to get sufficient applications**
  - 8,829 views in 2020 for 14 jobs
  - 13,304 in 2025 for 12 jobs
- Lower ratio of qualified applicants – **entry level is where the most interest is**
- **Drop in turnover aligned with higher unemployment, less job mobility**
- **Trending to 9-10% for CY 2026**
- **OUR PRIMARY CHALLENGE ISN'T RECRUITMENT, IT'S RETENTION**

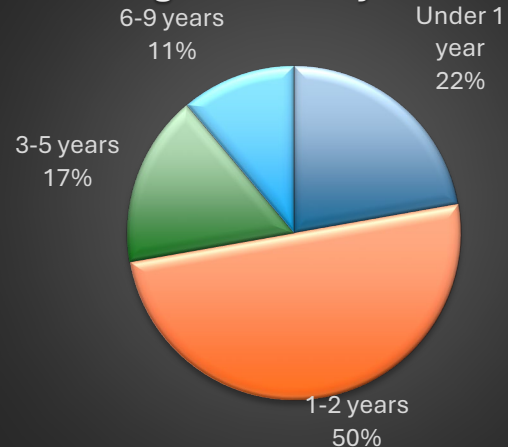
Multi-Year Turnover with Unemployment Rate



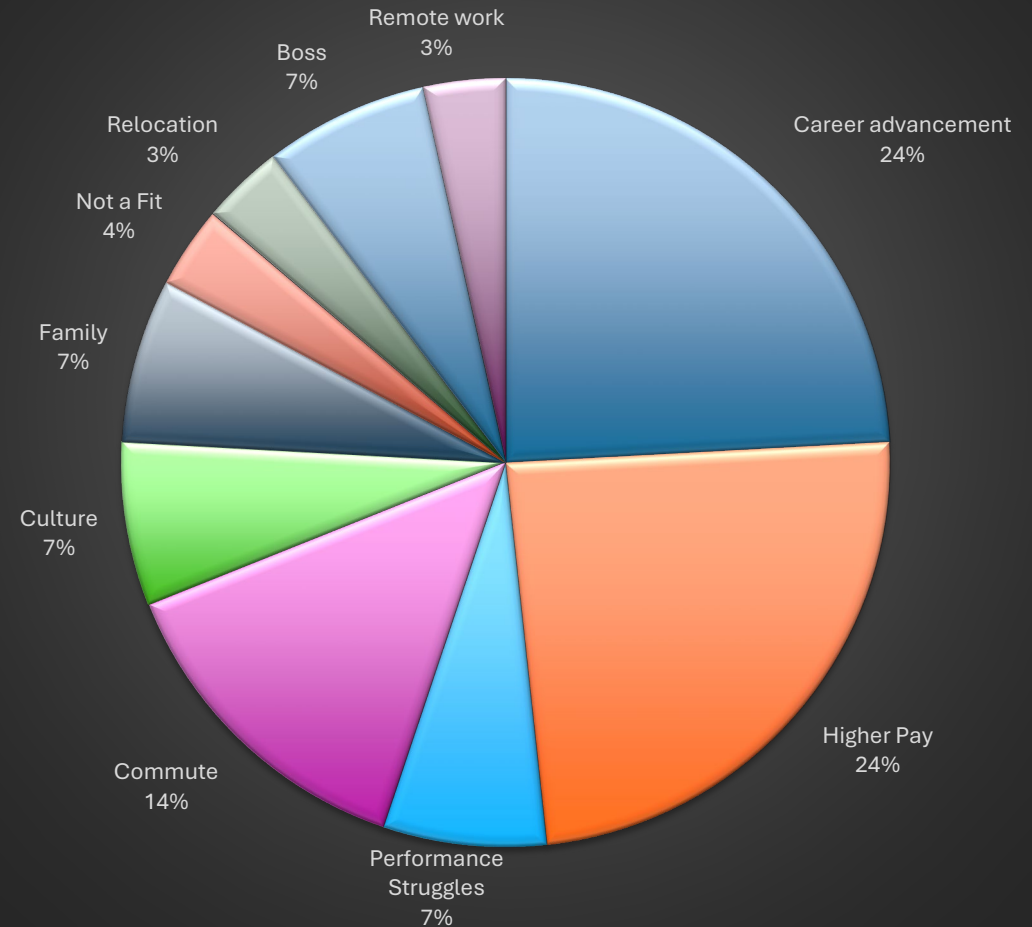
# Drivers of Turnover

- 48% of voluntary resignations are related to Advancement and Pay
- 25% are related to performance/ boss/culture/role misalignment
- 17% are related to commute or getting more remote work
- 72% of new hires leave within 2 years

Resignations by Tenure

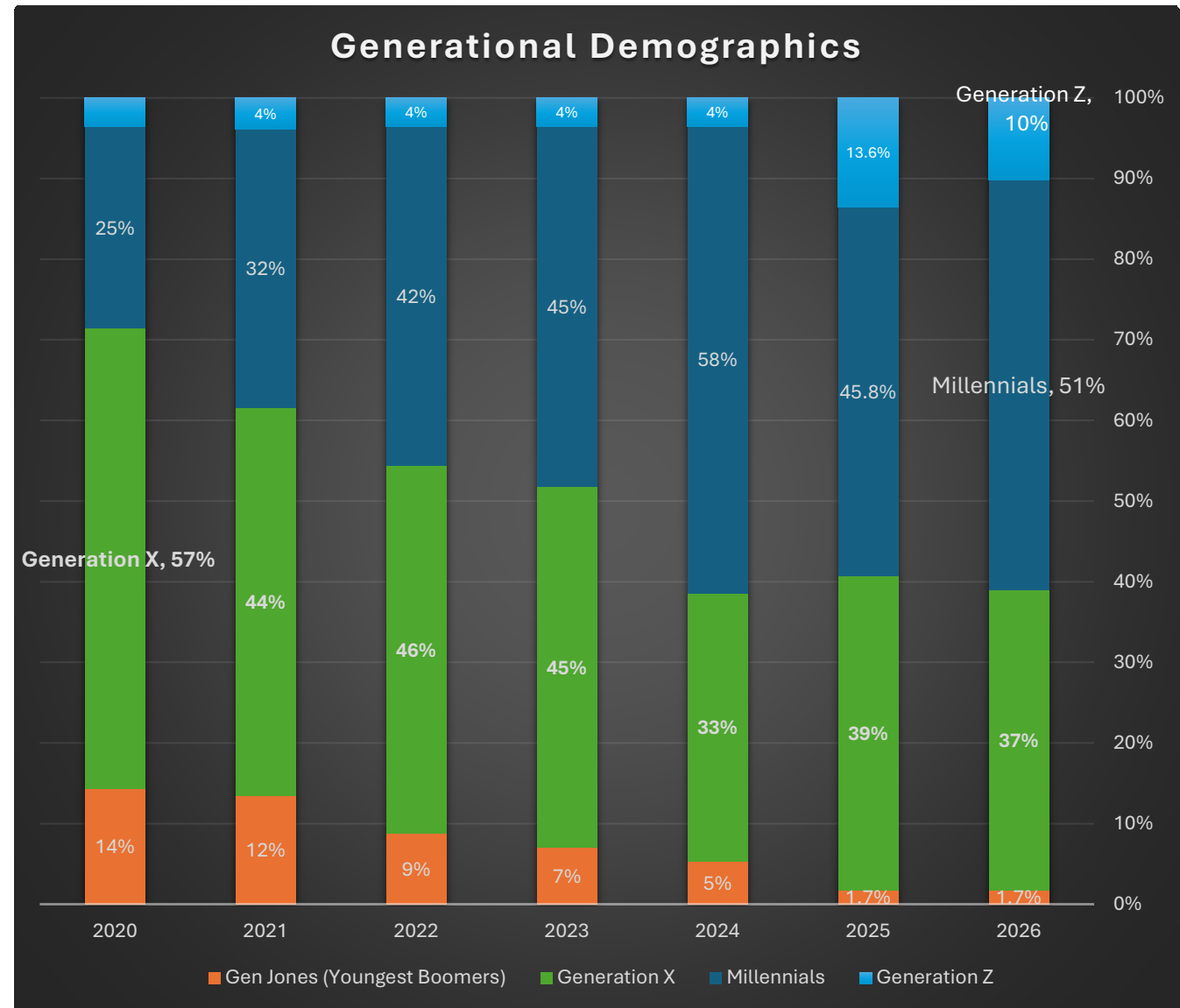


All Reasons for Voluntary Resignations According to Exit Interviews



# Workforce Generations

- According to BLS, older workers tend to stay with the same employer longer:
  - Ages 55-64: 9.6-year median tenure
  - Ages 25-34: 2.7-year median tenure
  - Public sector: 6.2 years median tenure

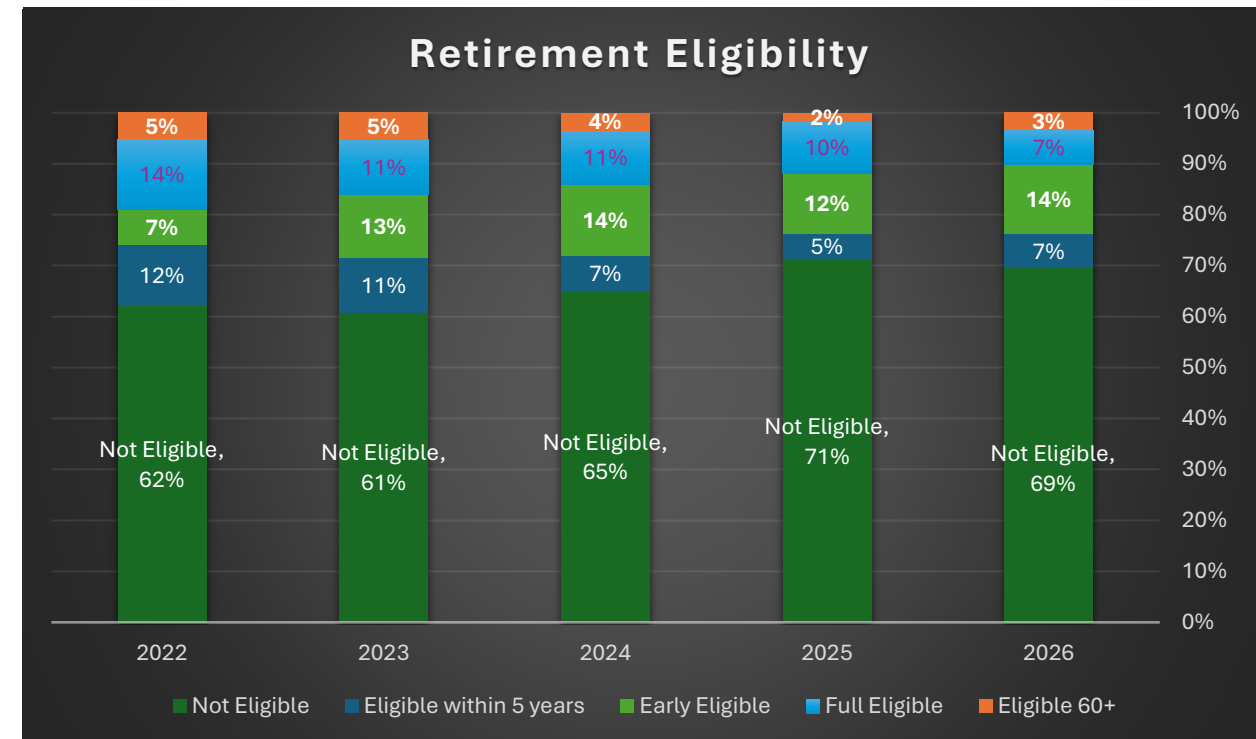


# Staffing Continuity Planning

Job title	Priority Level
IT Manager	1
Admin Services Manager	1
COO	1
Senior Fleet Mechanic	1
CS/Meters Supervisor	2
CFO	2
Safety & Risk Management Officer	2
Construction Supervisor	2
IT Specialist	2
Deputy Operations Manager	2
Eginineering / CIP Manager	2
Wastewater Superintendent	2
General Manager	2
Senior Project Manager	2
Senior Engineering Inspector	2
Board Secretary	2
Electrical/Electronics Technician	3
Construction Leads	3
Administrative Analyst - Communications	3
Utility Workers - Wastewater	3
Water System Operators	3

Priority factors considered include:

- Retirement eligibility
- Single incumbents
- Specialized knowledge
- Difficult to replace
- Difficult to retain
- Risk of attrition
- Leadership, technical or executive support



# Challenges with Staffing Continuity Planning

- We are not meeting learning and advancement desires of younger generations *at the pace they expect*
- Knowledge transfer plans reset when turnover occurs
  - Rapid shift from top-heavy to bottom-heavy in Construction within one year
- New technology requires regular upskilling
- Our high overtime rates contribute to burnout and compromise work-life balance



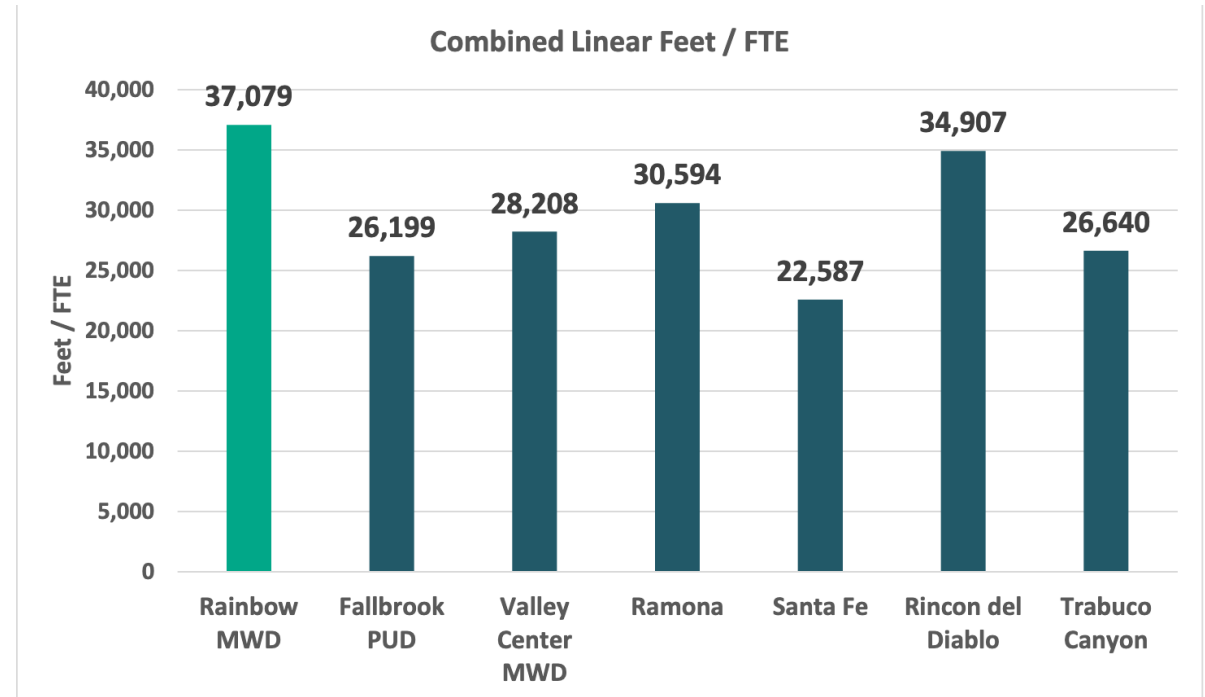
# Actions Taken in FY2026 to Address Challenges

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- Created new positions to create development opportunities
  - Customer Service & Meters Supervisor
  - Customer Service Lead
  - Lead System Operator
  - Converted IT Intern to part-time regular position
  - Promoted Admin Assistant to Analyst to support Operations/Garage
- Implemented new competitive pay grades based on comp study
- Negotiated more attractive terms with bargaining units

# FTE per Linear Feet of Pipeline Shows Lean Staffing

- **Wastewater** crew is very lean – 3 people to share Standby results in excessive overtime and lack of redundancy for PTO, nearing retirements
- **System Operations** handles Distribution and Water Quality; new facilities to support development will require dedicated Water Quality staffing in the future
- **Garage** is a department of one; consistently high overtime and is in top priority tier for succession planning

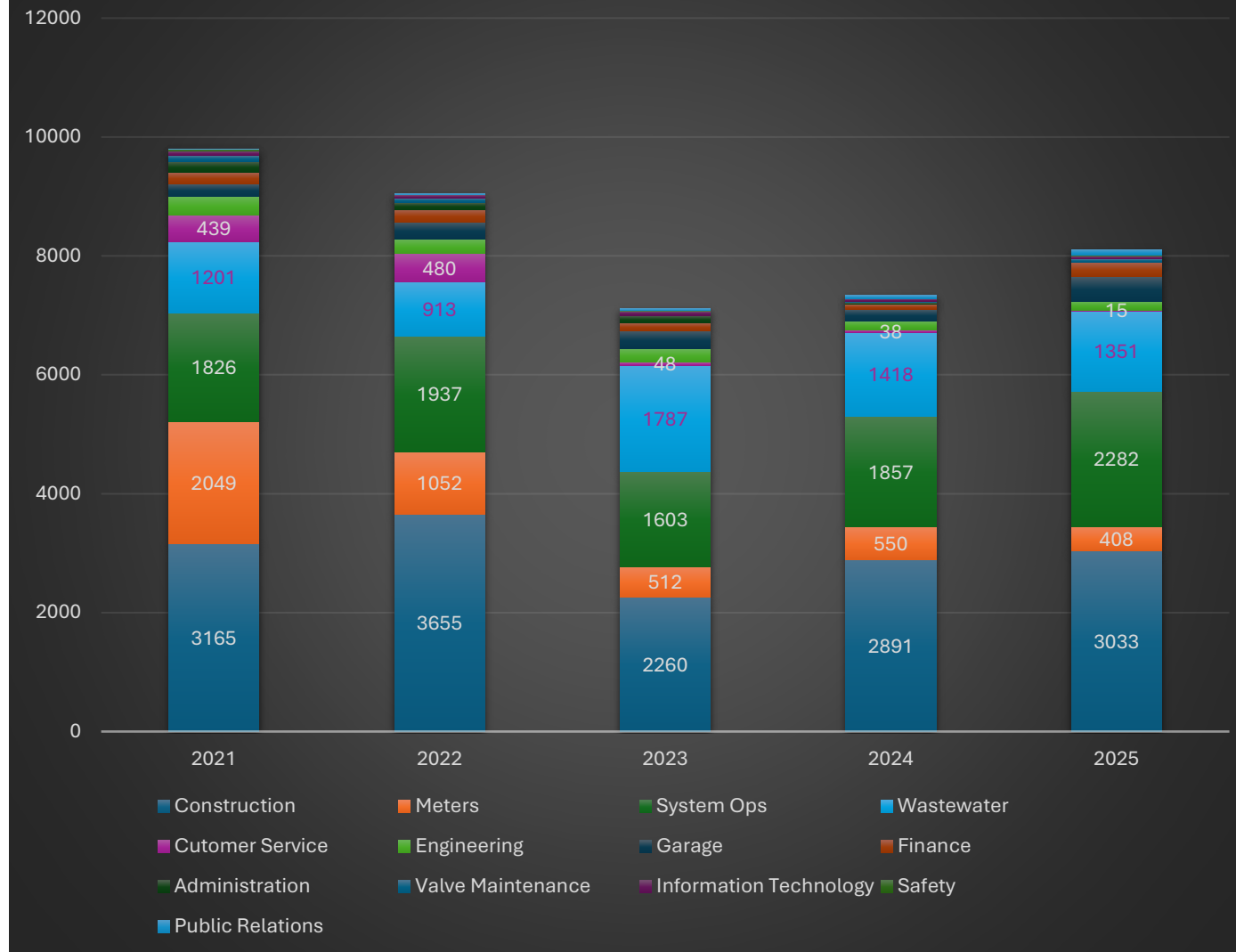


Analysis conducted by Raftlis as part of the 2026 Benchmarking and Organizational Analysis Assessment shows Rainbow's FTE per Linear Feet of Pipeline compared to peer agencies of similar size

# Overtime Total Trends by Department

- Average around \$500K per year annually
- 8,109 OT hours in 2025
- Construction, System Ops, and Wastewater consistently highest departments overall
- System Ops was still high due to Morro requiring more frequent water quality testing and onsite visits on weekends and holidays

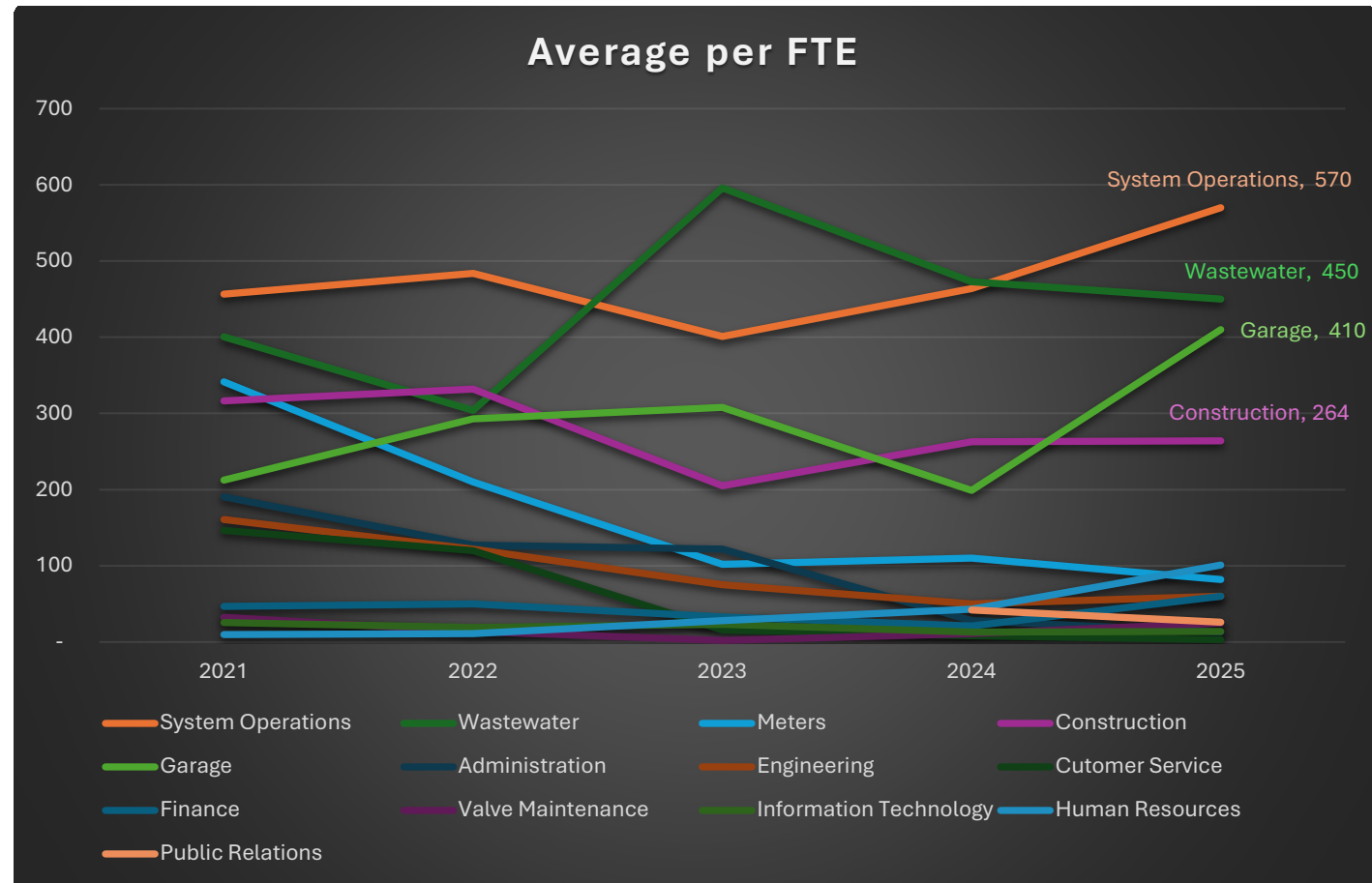
## Total Overtime by Department, 5-Year Trend



# Overtime Trends per FTE by Dept

- Wastewater and System Operations remains high
  - Wastewater does overnight work and shares OT with other departments
    - Top ee reached 645 OT hours in 2025
- System Ops Department has routine duties 7-days per week, early mornings and evenings that are routine overtime, *also handle all water quality issues*
  - Top ee reached 592 OT hours in 2025
- Weekend work is required in garage to work on vehicles while not in use by crews
- Meters was high during WSUP project, now normalized to sustainable level

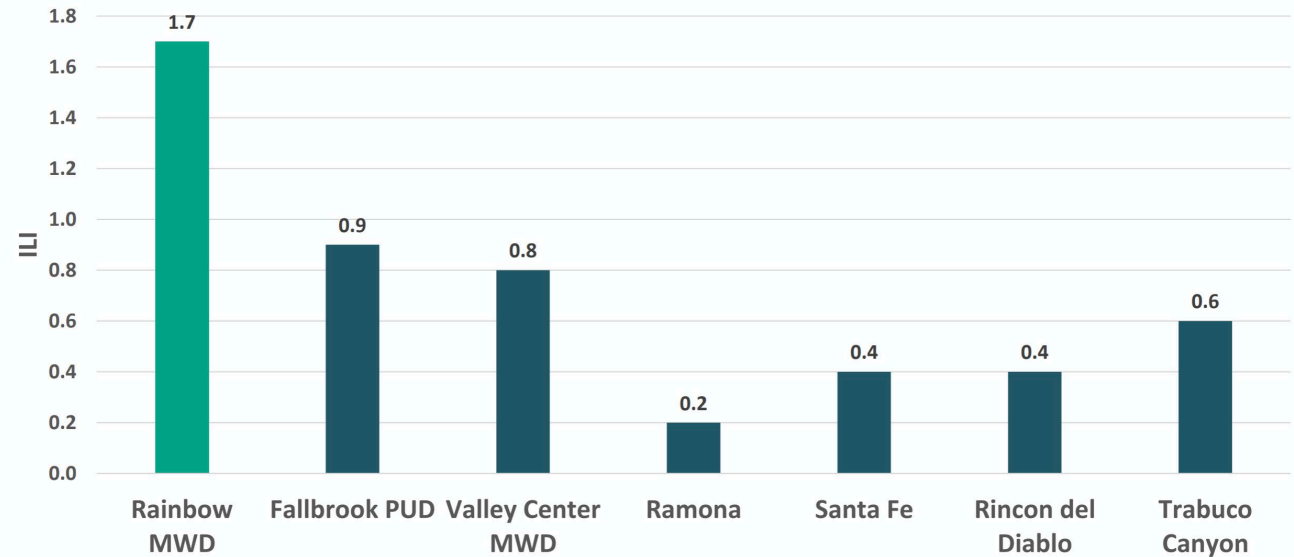
# High risk of burnout



## High Leak Index indicates strong ROI potential for CIP crew

- Our ILI results in 101.5 gallons of water loss per customer per day
- The cost of water loss is \$225.63 per customer per year.
- Raftellis' report noted that investments in infrastructure rehab and replacement would have a strong potential for ROI compared to other agencies.

## Infrastructure Leakage Index (ILI)



Analysis conducted by Raftlis as part of the 2026 Benchmarking and Organizational Analysis Assessment shows Rainbow's infrastructure leakage index compared to our peer agencies.

# Recommended Multi-Year Staffing Plan

FY2027

## New for In-House CIP:

- 1 APWA Intern
- 1 Engineer
- 1 Utility Worker

## Temporary for ERP project:

- Part-time in Finance
- PT to FT in IT

## Job Duties Alignments (same headcount)

- IT Applications Analyst
- Public Relations classification series

FY2028

## New for In-House CIP:

- Construction Lead (promotion)
- 2 Utility Workers

## Temporary for ERP project: (half year):

- Part-time in Finance
- PT to FT in IT

FY2029

## New for CIP:

- 3 Utility Workers

## Wastewater

- 1 Utility Worker, after new development is generating revenue

## System Operations

- 1 Water Quality FTE after new homes and facilities are online

## Garage

- Plan for succession overlap for knowledge transfer before incumbent retirement (could be a future year)

# Additional Actions and Fiscal Impact

## ADOPT MULTI-YEAR STAFFING PLAN

- Address infrastructure replacement needs
- Enhance technological capacity
- Prepare for community growth
- Prepare for key retirements

## TRAINING & DEVELOPMENT:

- Create written development plans for all employees
- Create leadership development program for staff at all levels
- Fund training for staff based on individual development plans in future budget years

POSITION (Operating/CIP split)	NEW FTE	Fiscal 2027 Budget			Fiscal 2028 Budget		
		Operating	CIP	Total	Operating	CIP	Total
<b>Engineer (60/40)</b>	1	154,713	103,142	\$257,855	159,315	106,210	<b>\$265,525</b>
<b>APWA Intern (70/30)</b>	.2	6,901	2,958	\$9,859	7,519	3,222	<b>\$10,741</b>
<b>Utility Worker – CIP (50/50)</b>	1	77,956	77,956	\$155,912	84,884	84,884	<b>\$169,768</b>
<b>Crew Lead – CIP (50/50) (promotion)</b>	-				7,512	7,512	<b>\$15,024</b>
<b>Utility Worker – CIP (50/50)</b>	2				171,231	171,231	<b>\$342,462</b>
<b>Subtotal to stand-up In-House CIP Program</b>	4.2	<b>239,570</b>	<b>184,056</b>	<b>\$423,626</b>	<b>430,461</b>	<b>373,059</b>	<b>\$803,520</b>
<b>IT Labor for ERP (0/100) (1 ee, PT to FT)</b>	.5		80,432	80,432		85,800	<b>\$85,800</b>
<b>Finance Temp for ERP (18-22 months, part-time)</b>	.5		51,404	51,404		47,409	<b>\$47,409</b>
<b>Subtotal for ERP Project</b>	1.5		131,836	\$131,836		133,209	<b>\$133,209</b>
<b>IT Applications Analyst (duties realignment)</b>	-	14,757		\$14,757	16,416		<b>\$16,416</b>
<b>TOTAL</b>	8.4	<b>254,327</b>	<b>315,892</b>	<b>\$570,219</b>	<b>446,877</b>	<b>498,756</b>	<b>\$945,633</b>
		45%	55%		47%	53%	

# Public Testimony

Questions and Answers



# Board Discussion & Action Item

Option 1: Receive and file and approve staffing recommendations

Option 2: Receive and file without approving recommendations

