Presentation and Discussion Item 6



2025 Employee Engagement Survey

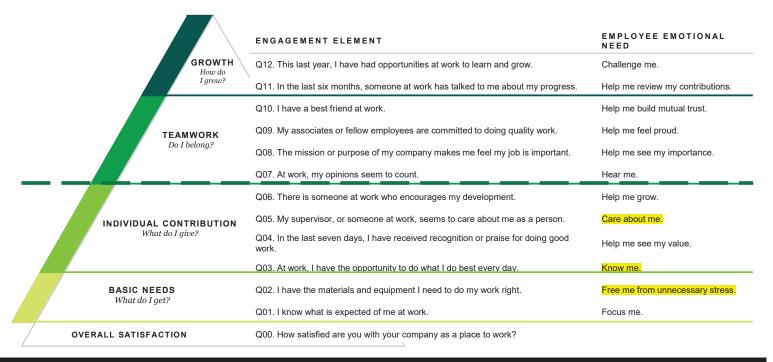
Leadership Results Briefing Session Board Meeting

Fifth Administration August 13, 2025

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These Are **Employees Prioritized Needs** to *Perform Their Best* — Gallup's Q^{12®}



Year Over Year Engagement Grand Mean

2019 - 3.75

2022 - 3.78 (28th percentile)

2023 - 4.06 (+.28 | 47th percentile)

2024 - **3.91** (35th percentile)

2025 - **3.79** (27th Percentile)

In just one admin (2022-2023), you can make meaningful improvement from Mesa Water's Employee perspective (+.28) and Gallup's Database (47th percentile).

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Mesa Water Engagement is Stable, but *Employees need to feel more seen and heard*.



Year-Over-Year Engagement Index

What percentage of employees are Engaged?

2023 - 48%

2024 - 48%**2025 – 46%** (-2% decline) – 15% above U.S. Average (31%)

1 Top Quartile Team (75th perc. and above): Field Services Division:

4.46 (n = 6) Study your bright spots!

1 st -24 th 2	25th-49th	50 th -74 th	75 th -89 th	≥90 th
ELEMENT PERCE	NTILES		n Size = 48	
	MEAN	MEAN △		_ <mark>Overall</mark> _Overall Q [*] 20-2024) P'TILE
Q00 Satisfaction	3.54	-0.19		16 th
Q12 Learn & Grow	3.90	+0.12		33 rd
Q11 Progress	3.91	-0.18		42 ^{nc}
Q10 Best Friend	3.64	-0.07		46 th
Q09 Quality	4.06	-0.11		39 th
Q08 Mission	3.83	-0.15		29 th
Q07 Opinions	3.53	+0.09		25 th
Q06 Development	3.73	-0.19		28 ^{tl}
Q05 Cares	3.85	-0.39 ▼		23rd
Q04 Recognition	3.45	-0.27 ▼		32 ^{nc}
Q03 Do Best	3.71	-0.14		19 th
Q02 Materials	3.69	-0.12		17 ^{tt}
Q01 Expectations	4.17	±0.00		22 ⁿ

Only one thing. But always one thing.

EMPLOYEE ENGAGEMENT WISDOME

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Strategic Highlights

Your Engagement Grand Mean today is 3.79 at the 27th percentile compared to Gallup's overall database.

- 46% of employees engaged (-2% since last year) = 15% above national average
- · In 2023, you were more engaged at 4.06 and the 47th percentile this is a meaningful decrease to study

Strengths

- Q10/Best Friend 3.64, 46th percentile: employees feel connected to each other
- Q11/Progress 3.91, 42nd percentile: Employees see their progress at Mesa Water (cultural rituals around this)
- Participation Rate is excellent at 94% (5% increase since last year); 10% above Gallup's overall mean.
- Progress: Listening sessions revealed employees need for more staff (Q2) → You listened and acted! Continue this process

Opportunities

- Q2/Materials 3.69, 17th percentile: employees feel stressed
- Q3/Do Best 3.71, 19th percentile: employees need help seeing how to better use their strengths in their role
- · Q4/Recognition the 17% who gave a 1 out of 5 need to be addressed to prevent negativity spread
- Q5/Cares Almost
 - Warning: watch out for venting silos due to lower basic and individual needs plus high Q10

Key Variation Across Populations

- Levels of leadership: Managers more engaged (+0.52), supervisors less engaged (-0.62) than last year.
- Tenure: employees who have been at Mesa Water District for 6 > 10 years saw an increase in engagement.
- Customer facing (3.95, +0.19) is now more engaged than non-customer facing roles (3.41, -0.82).
- Addition Question: Employees have the will to deliver quality (4.09 responsibility) but may lack the way (decrease from 3.93 to 3.79 since 2024).

From a Metrics Perspective, 5s far outdo 4s in predicting strong performance.

Performance gain/loss compared to average impact across Gallup's Satisfaction and Q12 items.

	Strongly disagree				Strongly agree
	1	2	3	4	5
Outcome Metric					
profit	-34.4%	-22.8%	-11.8%	0.5%	12.1%
productivity	-31.9%	-21.1%	-10.3%	0.5%	11.3%
customer engagement	-18.8%	-12.4%	-6.1%	0.3%	6.6%
turnover (lower is better)	71.9%	47.7%	23.5%	-0.7%	<mark>-24.9%</mark>
safety (fewer accidents is better)	105.1%	69.4%	33.7%	-1.9%	-37.6%

Source: Gallup Q12 meta-analysis database including 183,806 business units across 347 organizations

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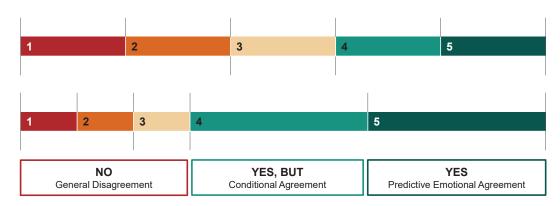
The Psychological Differences in Responses: 4s should be seen as an opportunity group.

Rational

We would assume that a "3" is an average score as it is the midpoint in a 5-point scale.

Emotional

"3" is actually another way of the respondent showing disagreement with a "4" closer to the psychological midpoint.



Associates who provide a "4" rating should be looked at as an opportunity group—moving them to give more "5" responses would result in a positive behavioral impact.

In 2023, only 18% of employees said "No" while 82% said "Yes" to Q2/Materials

Meaningful GrandMean growth is an increase of +0.20 or more when there are less than 1,000 respondents.

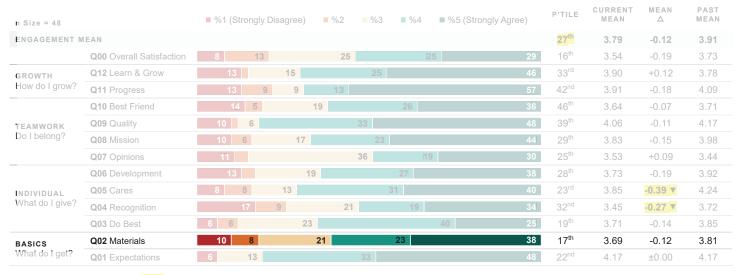


Note: Percentiles based on Workgroup Level_Overall 012 Database - Workgroup Level; Due to rounding, percentages may sum to 100% +/-1%; Numerical values shown when 5% or higher; ▲/▼ indicates meaningful change boiled and defined as +/-0.10 or greater for n=-1000 and +/-0.20 or greater for n=-1000 and +/-0.20 or greater for n=-1000.

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In 2025, 39% of employees said "No" while only 61% said "Yes" to Q2/Materials

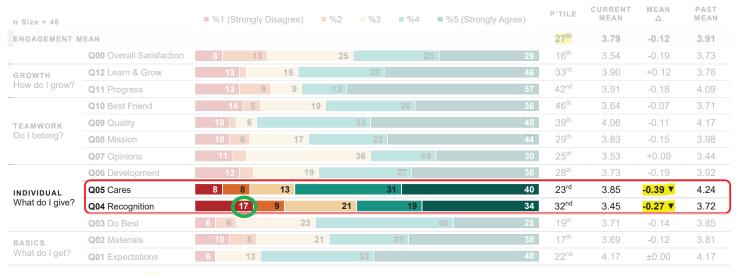
1s pollute overall engagement for the organization and allow for toxic behavior patterns that hurt everyone.



Note: Percentiles based on Workgroup Level __Overall_Overall_Overall_Overall_Q¹² Database (2020-2024); Due to rounding, percentages may sum to 100% ±1; Numerical values shown when 5% or higher; ▲/▼ indicates meaningful change bolded and defined as ±0.10 or greater for n size ≤1,000 and ±0.20 or greater for n size <1,000.

Almost **HALF** of your organization **does** *not* **feel appreciated** for their hard work.

Q4 RECOGNITION: 49% gave some kind of "no" with 17% loudly speaking up that they need it or else. Q5: CARES – nearly 1 in 3 employees does not feel cared about with a significant decline since last year.



Note: Percentiles based on Workgroup Level overall Overall Q¹² Database (2020-2024); Due to rounding, percentages may sum to 100% ±1; Numerical values shown when 5% or higher; ▲/▼ indicates meaningful change bolded and defined as ±0.10 or greater for n size ≥1,000 and ±0.20 or greater for n size ≥1,000.

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Mesa Water Employees have the will but may lack the way.

2024: Employee belief in delivering quality to customers.

2025: Added employee's sense of responsibility to deliver quality.

My agency always delivers on the promise we make to customers.



At my agency, we feel great responsibility for the quality of service we deliver to our customers.

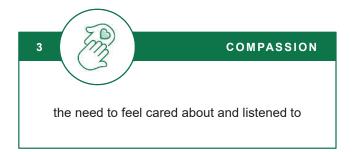


Note: Percentiles based on Workgroup Level_Overall_Overall Q12 Database (2020-2024).

The Four Needs of Followers









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STRATEGIC NEXT STEPS

- 1. Continue to $Ask \rightarrow Listen \rightarrow Act \rightarrow Communicate about employee's needs$
 - 2. Study your bright spots (division, leaders) and recruit 4s to 5s.
 - 3. Address 1s and Active Disengagement to prevent attitude pollution

Thank You