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SAN MIGUEL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

APRIL 30, 2016 SPECIAL MEETING MINUTES

MEETING HELD AT DISTRICT OFFICES
1150 MISSION STREET
SAN MIGUEL, CA 93451

- I. Meeting Called to Order by President Green—10:00 am
- II. Pledge of Allegiance: lead by Director Buckman
- III. Roll Call: Directors Present: Buckman, Dawes, Green, Kalvans and Reuck
- IV. Adoption of Special Meeting Agenda: Moved by Director Kalvans, Seconded by Director Reuck
- V. Public Comment and Communications: None
- VI. **BOARD WORKSHOP** –Board Training Workshop by BHI Consulting, Inc.

General Manager Gentry introduced the Workshop Facilitator, Mr. David Aranda of BHI Consulting, who would be leading the session training for the Board. GM reviewed Mr. Aranda's 20+ years experience and qualifications as a Special District Trainer specialist, Board Member of CSDA Risk Management Authority Board of Directors, District General Manager for Water and Wastewater Agencies and as well as BHI Consultant.

The purpose of this training workshop was examine and discuss a Board Self-Assessment and developing useful techniques for: Leadership, Teamwork, Conflict Management, Communication between Board and Staff, Board-Employee Relationships, Sound Governance Practices, and Productivity

Mr. Aranda began the workshop outlining some goals to be realized in the discussion and presentation of workshop topics. He also provided more information about his professional background, experience and qualifications serving as a CSDA (California Special District Association) Risk Management Authority Board Member, a Water and Wastewater District General Manager for various public agencies and as a consultant for BHI Consulting, Inc. He also provided information about the BHI Consulting firm, its history and other clients served.

He briefly spoke about his professional acquaintance with General Manager from association with CSDA events and General Manager's former water and wastewater agency.

Before beginning his presentation, Mr. Aranda spoke about how the Assessment surveys inconclusive, but that there were markedly important topics identified for discussions today that came out from all the personal interviews. As a result, he would focus some of his remarks and discussion points to include discussion on Board-Employee relationships and interactions, Communication techniques as Board Members, importance of strategic planning, understanding of Board roles and ethics, developing team membership within the CSD agency.

GM asked Mr. Aranda to clarify the time schedule intended for today session. Mr. Aranda indicated that the length is up to Board Members but can be whatever the Board wants. GM stated that a lunch break is planned and can be done, along with any other break at the pleasure of Board.

Mr. Aranda proceeded with his presentation beginning with a discussion of a model organization structure for a public agency. He stressed that this is a model example only. Director Buckman asked a question about whether or not the graphic was intended to represent a recommendation for SMCS D. Mr. Aranda stated that the graphic does not represent SMCS D. Mr. Aranda encouraged additional questions during his presentation by other Board members.

The topics to be covered in training session included: Board Role, Position and Obligation. There was a review of Mission Statement's purpose and specifically, SMCS D's Mission Statement. He commented that based on his review of minutes, agendas and other resources show that SMCS D is, after 16 years of existence, only now fundamentally creating an agency structure and organization that is based on current practices for public agencies. This 16 year lag has resulted in creating barriers, confusion, and mis-communication in general and mistrust, specifically.

A more representative Mission Statement defines the public mission (need or purpose), contains some statements that can be measured, reveals "a bloodline of the community", who is represented, identifies management, spells out operational components, such as fire protection, water, etc. and lastly, the service of Mission Statement to the public. Mr. Aranda next spoke about the specific SMCS D Mission Statement.

Mr. Aranda began the next topic on Board Relationships and Authority. Board should retain oversight responsibility and role that achieves: Service to the Mission Statement, Making Policy, Setting Direction, Keeping efficiency upmost in mind, and providing clarity.

Mr. Aranda next spoke about the essential shift from I (as a candidate for office) to WE (as an office holder) as an important evolutionary step for elected officials.

Director Green raised a point about an individual member's own agenda have a lot to do with changes to or in the culture or norm for elected Boards. Mr. Aranda stated that individual agenda's have more to do with Candidates for Office than Office holders. Teams change either by Board Member or staffing changes. What is useful to think about here are what are the norms and culture for the future, not the past.

Mr. Aranda spoke briefly about what is the Board's legacy and what is your personal vision for service, what is it that you can identify supports the overall mission of the District and what are your achievements. Oftentimes, District will use a General Manager's Annual Report to the Board as a tool for this assessment.

He described Board Governance topic by asking a series of questions about what is the primary role of Board, what is not your role, where should the individual commitment be and who counts on you as a Board member.

The Directors made some comments and remarks about their perceived roles as Board Members. Director Green commented that these good governance questions could be used as a framework for a Board handbook, which the Board does not have at this time.

Next the discussion turned to "who do you represent" and "respect of the process". Mr. Aranda pointed out each member is a part of the process, what has been created or being created. His assessment of SMCS D was that the District is now creating much needed administrative and Board policy procedures and processes that have been missing or out of date.

Several Directors made comments about need for all 5 elected officials to work together and that the people presently are working together with no private agendas. Director Green stated that BHI could do a return visit for new elected Board members as will develop a Board handbook.

In such a handbook, Mr. Aranda pointed out the importance of incorporating a respect statement in the governance handbook and to use it as a new Board member orientation tool.

Director Dawes made a comment about the "past is the past" and dwelling on the past happens too much, especially continued discussion about what did or did not happen in the past. He believes it is important that the Board find a way to stop that practice.

Mr. Aranda pointed out the importance of keeping a view from 10,000 feet elevation, to make policy, not administer it, understand/create foundational and directional statements, represent the PUBLIC as steward, and managing the General Manager and General Counsel. All with efficiency, since it is expected of the Board.

Make good policy, as your Board role requires, for operations, administration, Board procedures, personnel and budget/finance.

Learn to be listeners, have a voice with your perspective but be committed to teamwork that realizes and practices decisions are a collective team process, not an individual.

Set clear visions, direction and planning that chart a course and don't leave the public, staff, or stakeholders guessing about where the agency is going. Lastly, filter everything through an ethical lens, nothing above what is commonly available to the public.

What is not the Board's role: anything unilateral, represents a single interest or one faction, spending a lot of time with means instead of ends, meddling with operations in a unilateral way, practicing your skills rather than learning and applying good Board skills, delving into staff-level working relationships, including manager to staff or representing staff.

Director Green announced a lunch break at 11:47 AM.

Director Green called members back to order to resume the training session at 12:17 PM.

Mr. Aranda resumed with topic of Board Member Communication and the importance of clarity, inside and outside communication, up and down within the District organization, need to not let inappropriate expectations rule communication and/or the Board's culture.

He next discussed the importance of strategic planning and the role of the Board which is to develop ends, not means. Board should set clear outcomes for professional staff and then let them get it done with the means and hows.

This concept is based on the fact that the Board is the policymaking body, not the professional staff.

What are efficient Board dynamics was discussed by Mr. Aranda. He stated that you cannot get anything done by yourself. YOU have no unilateral authority, both by District Board Policy or by law. The general public sees a board, not individuals. Adopt a I to WE mentality in all processes and actions by the Board. Public policy setting, visioning, management is a team effort, even if you don't like the outcome.

Directors Buckman & Green left for a fire emergency call check at 12:32pm and returned at 12:36pm.

Mr. Aranda resumed with a discussion on Board relationships, use of Committees for input to Board, optimizing such committees by addressing purpose, structure and charters. He spoke about the alternative to Committees being the Committee of the Whole, which is the entire Board having a working session meeting to review all items in more detail. This type of Committee can be more efficient than producing 3-4 agenda packet each month and provide all Board members with the same information for study session discussion.

What are good Board Communications was the last topic for Mr. Aranda's presentation. The root cause for so many internal issues is poor communications. The process for communications to the Board must involve all Board members. All communications must be clear and at times, documented.

Board Communication areas include: Board to Manager, Manager to Board, Communication of District direction and policy and/or protocols. Board to staff or manager can be one of the most difficult areas for Board members. Board members have to be very deliberate in how and when they communicate, especially with District staff. Board members should look at it as "not about being liked or being friends.

Mr. Aranda spelled out that there are many stories of legal liability where Board members inappropriately communicated with District staff getting themselves and the District into serious legal and often financial troubles.

He spoke about the need to develop relationships based on trust, not social interactions. The General Manager should always be the prime contact. If a Board member contacts a staff level person, then Board member should let the General Manager know about the contact and nature of communication.

Equally, Mr. Aranda stressed, is the importance of staff being aware of how and when they should or should not communicate with the Board. There are just as many stories of staff inappropriately communicating with individual Board members or the entire Board.

Both situations should be avoided, always.

Board to General Manager communications is one of the most critical areas for CLEAR communications. Clarity of expectations is key to performance, expectations of performance and direction.

Clarity at a Board meeting is often needed to provide the overall direction, spell out vision and strategic direction. The Manager's communication to Board is to be clear with the Board what is needed.

Finally, the need for a clear strategic plan is vital to communication because it defines the agency vision, goals, and objectives for the next several years and provides the public with an understanding what is being attempted and what direction the Board is working toward.

The communication policies should include: a Board Handbook of policies and procedures, a long term strategic plan and new board member orientation materials.

Mr. Aranda provided a final look back on training session and indicated that the highest concern for this Board is identifying a sense of purpose that defines its culture and norms.

Board members discussed the recent GM evaluation and directions given to GM. They agreed that a Board Member Handbook would prove to be a useful tool.

Director Dawes asked about any follow-up to be done by BHI. Mr. Aranda replied that there is a scheduled follow-up in approximately 3-4 months. He thanked the Board for their participation.

VII. BOARD COMMENTS:

<p>This section is intended as an opportunity for Board members to make brief announcements, request information from staff, request future agenda item(s) and/or report on their own activities related to District business. No action is to be taken until an item is placed on a future agenda.</p>

VIII. ADJOURNMENT Time: 1:45 pm

Attest:

Darrell W. Gentry _____

Darrell W. Gentry,
General Manager and
Secretary to the Board of Directors