



Scotts Valley Water District Board Best Practices

Adopted July 10, 2014

Revised June 20, 2019

1. Introduction

The Scotts Valley Water District (District) Board of Directors (Board) and the General Manager understand the importance and value of a positive and constructive culture to the overall performance of the District. This culture in large part is a product of the District's strategic vision and the goal of performing as a "Best of Class," both individually and organizationally. Whether in the capacity of a Director or as an employee, our primary responsibilities are to serve the District's customers and support the community.

The Board has adopted District mission, vision, and strategic goals to set the direction for operating activities, which are guided by policies and procedures including the Board Best Practices. In order for the Board to function in an effective manner, it is important that Directors understand their respective roles and relationship to other Directors and the General Manager. This also requires an understanding of the level of performance necessary to carry out the duties of a Director.

This document is intended to serve as an internal document to provide general guidelines and principles relating to the activities of the Board and the Directors.

2. Role of the Board

The primary role of the Board is to establish policies that guide the District to fulfill its mission. The policy decisions of the Board constitute the "action" of the Board. As such, each Director is strongly encouraged to support the actions of the collective Board even when there may be individual opinions.

The Board has three (3) major responsibilities:

- (1) Promoting the interests of the District's customers by establishing policies that support the vision and mission of the District and by ensuring the implementation of those policies. Policies include the governing principles, plans, programs, and other overarching actions of the organization. Policy-making is the process of visionary planning and should reflect the broadest possible principles and provide parameters within which staff can operate. Policy-making sets the overall direction for the District.

- (2) Overseeing the fiscal health of the District. The Board establishes policies that support fiscal stability and the effective use of District funds. In order to achieve this, each fiscal year the Board approves a budget covering the anticipated revenues and expenditures of the District. In addition, the Board establishes and monitors cash reserves and investment policies.
- (3) Hiring a General Manager to manage the day-to-day operations of the District. The Board holds the General Manager accountable for the effective operational management of the District. It also has a responsibility to properly evaluate the General Manager on a periodic basis.

General Guidelines

- The Board provides policy direction and leadership for the District.
- The Board supports decisions (from a policy perspective) which are in line with a progressive, innovative, and well-managed organization.
- The Board exercises authority only as a Board.
- The Board understands and provides leadership in regional, state, and national issues affecting the operation and management of the District. Board action is supported by the General Manager as required.
- The Board respects the role of constituents in the governance of the District, encourages their participation, and consults with key stakeholders when and where appropriate.
- Directors recognize and respect the distinctions between the policy-setting role and the day-to-day implementation of policy by staff.
- Directors represent the District in various community and water industry events.
- Directors maintain a high level of communication with the General Manager and notify the General Manager of their unavailability in a timely manner.
- Directors have equal access to information authored and received by the District.
- Directors inform the General Manager of any specific information they want to receive from outside agencies or organizations and are provided such information in a timely manner.
- Directors may request information from District staff by notifying the General Manager of such request provided such request does not cause significant disruption in staff workload. The General Manager determines if it is warranted to include the requested information on the Board or Committee meeting agenda.

3. Principles and Performance Expectations of the Board

- The Board and the General Manager function as a participatory team.
- The Board values a visionary, constructive, and high-energy work environment.
- The Board values open and honest communication with transparent agendas.

- The Board works for the common good of its customers and stakeholders and not for any private or personal interest.
- Directors are expected to review agenda packets and attend Board and Committee meetings prepared to take action as needed.
- Directors practice continued professional development.
- Directors are respectful of each other, District staff, and Board traditions.

The Board recognizes the value of diverse representation as well as shared knowledge and continuity of experience. The District is committed to providing the Directors with appropriate resources to maximize their contributions for the benefit of the District and larger water community. Board Development Guidelines (Appendix A) is a document that delineates the expectations to the Directors along with compensation parameters.

4. Board Compensation

Pursuant to the District Administrative Code, the Directors are entitled to the following:

- Directors fee for attending meetings and events related to District business. The fee amount is consistent with provisions contained in California Water Code and is established by an ordinance of the Board.
- Reimbursement of expenses incurred in connection with carrying out their official duties in accordance with District regulations.
- Group life insurance in the amount of \$10,000.
- Group dental and vision coverage for the Director and his/her dependents.
- Reimbursement of medical insurance premiums for the Director and his/her dependents in an amount not to exceed the District's employees lowest group rate determined annually. This benefit is only available to current Directors seated on the Board as of June 20, 2019 and expires at the end of the current term for each individual Director.
- Reimbursement of medical insurance premiums for the Director and his/her dependents in an amount not to exceed the District's employees lowest group rate for single party plus 50% of either the two-party or family group rate surcharge respectively if the Directors insurance covers a spouse or family.

5. Board Interaction and Communication

- Directors maintain informal and professional relationships among each other.
- Directors refrain from personal attacks against other Directors and District staff.
- Business attire is appropriate at Board meetings and attire appropriate to the event when representing the District at public events.
- Directors are representatives of the District's culture and values at all times, and lead by example in their interactions.

- Directors are knowledgeable of and adhere to the District’s policies.
- When attending meetings or conferences, Directors act as ambassadors and representatives of the District and conform to behavior that always places the District in a positive light.
- Directors will apply the rules governing communications among Directors in compliance with the Brown Act.
- Directors function as a team and are not exclusive in their communications and interactions.

6. Role of the General Manager and Legal Counsel

Role of the General Manager

The most vital relationship in the District is between the Board and the General Manager. The General Manager is the primary agent of the Board and is the individual to whom the Board delegates its authority to manage and administer the District’s daily operations in accordance with policies approved by the Board. This position is important because the District requires leadership and vision that supports the Board’s guidance in order to be successful. In this capacity, the General Manager has two roles: Chief Executive Officer, and principal advisor to the Board. As the most visible employee, the General Manager represents the District to its many constituents.

The success of the strong relationship between the Board and the General Manager depends on a shared sense of purpose, open communication, honesty, and mutual support. Both parties must also understand that the relationship itself is paradoxical with inherent tensions. The General Manager is hired to carry out Board policy directives, while at the same time looks to the Board for guidance and leadership.

One of the most important decisions a Board makes is the selection of a General Manager in whom the Board has confidence. The Board must be able to support the decisions of the General Manager and grant the authority to manage and lead the District.

It is the General Manager’s responsibility to ensure that Directors have the information needed to make Board-level decisions. The General Manager provides the same information to all Directors and will promptly alert them about problems and issues to prevent surprises. Directors expect the General Manager to provide a recommendation on items before the Board.

Board Interaction with the General Manager

- The General Manager devises and proposes periodic performance goals for approval by the Board as a part of the formal performance review process.
- The Board provides the General Manager with constructive feedback during his/her periodic performance evaluation.

- Directors are encouraged to contact the General Manager about any subject related to the operations of the District. Similarly, the General Manager may discuss any District related issue with any Director.
- The Board's questions or concerns regarding overall District operations, specific division issues, or problems with District staff are directed to the General Manager.
- The General Manager implements the Board's policy directions concerning District matters.
- The General Manager informs the Board when he/she will not be available for work-related duties.

Board Interaction with District Staff

- Directors do not direct staff to take a particular action. Requests are made through the General Manager.
- Directors may contact members of the District's executive team with questions related to pertinent District activities. When a Director makes direct contact with staff, the General Manager is advised by staff of the communication. The General Manager is responsible for ensuring that requests initiated by Directors are handled promptly and accurately.
- Critical information about District operations is provided to all Directors in verbal or written (electronic) format by an appropriate staff person with the knowledge of the General Manager.
- Directors make every effort to contact staff prior to a board meeting regarding questions related to agenda items so that staff can provide the most accurate and prepared response. The Board and staff operate by the "No Surprise Rule" regarding information sharing.

District Legal Counsel

- The District's Legal Counsel is selected by the Board and operates as an extension of and in collaboration with the Board, the General Manager, and District staff.
- The Legal Counsel's primary point of contact is the General Manager.
- The Legal Counsel regularly consults with the Board and the General Manager on items of legal concern relating to District operations.
- The District's Legal Counsel may be consulted prior to board agendas being posted publicly.
- When specialized legal expertise is needed, the District's Legal Counsel may recommend the services of an expert legal counsel and oversee the work when necessary.
- The Legal Counsel is proactive in informing and protecting the District and the Board in the performance of its duties and compliance with its legal obligations.
- The Legal Counsel meets with General Manager and Board President periodically to review the performance of the Legal Counsel, establish goals, and review its contract.

7. Selection and Role of the President and Vice President

President of the Board

- The President of the Board is selected by a majority vote of the Board at the last public Board meeting of each calendar year, unless otherwise modified. The newly elected President's term begins at the close of that Board meeting.
- The President remains as one member of the Board and has no rights or authority different from any other Director. The President votes with the Directors and votes last on a Roll Call vote.
- Each President's individual style is unique. Diversity is encouraged.
- The President chairs the meeting of the Board; calls the meeting to order, presides over the meeting, including the conduct of Directors and those in attendance, entertains and repeats all motions properly before the Board, puts motions to a vote, and announces the result.
- The President acts as the ceremonial head or representative of the District at various civic functions.
- The President is the designated spokesperson for the Board to the general public. The President may elect to appoint another Director to serve in this capacity.
- The President makes appointments to all Board Committees.
- To the extent possible, the President advises the Board of any informal communication or correspondence sent or received regarding District business.
- The President regularly communicates with the General Manager and keeps other Directors fully informed on matters of District business.
- The President provides guidance to the Board fairly and impartially.
- The President personally addresses any issues between Directors. Directors and the General Manager will inform the President on any issue or concern brought to their attention.

Vice President of the Board

- The Vice President of the Board is selected by a majority vote of the Board at the last public Board meeting of each calendar year, unless otherwise modified. The newly elected Vice President's term begins at the close of that Board meeting.
- The Vice President remains as one member of the Board and has no rights or authority different from any other Director.
- In the event the position of the President is vacated prior to the expiration of the term, the Vice President becomes the President for the remaining term, unless otherwise directed by the Board.
- In the event of an early vacancy in the position of Vice President, the Board determines, by vote, a replacement for the remaining term.

- The Vice President serves in the capacity of the President of the Board in the absence of the President.

8. Public Interaction

- All customer concerns and inquiries are referred to the General Manager or an appropriate staff member.
- Staff provides the Board with a verbal or written report of all significant customer concerns or inquiries which cannot be handled in a routine manner, along with any response to the concern or inquiry.
- The Board is informed of significant, politically sensitive, urgent and/or repetitive communication inquiries. Staff researches the request as soon as possible and provides the General Manager with the appropriate follow-up and response. The General Manager will review the communication prior to dissemination to the Board.
- Information on an issue that may expose the District to liability is shared with District Counsel and the Board promptly at a properly-noticed closed session meeting.

9. Board Meetings

General

- All noticed meetings are conducted using Robert's Rules of Order. Robert's Rules contemplate constructive meetings and a fair, democratic process.
- The General Manager is responsible for setting the agenda. Any Director may request that an item be placed on the agenda through notification to the General Manager and the President. If a member of the public requests that a matter be placed on the agenda, the General Manager and the President will determine if the item is placed on the agenda or referred to staff or an appropriate committee.
- The General Manager meets with the President to review the agenda and prepare for the upcoming meeting.
- Oral communications are allowed for items not on the agenda, provided that a final decision of the Board on a matter is subject to the agenda requirements set forth in the Brown Act.
- Directors give due respect to all public comments; however they will not respond in a manner that suggests a decision has been made. The President will refer matters that need a decision to the General Manager for follow-up. Directors may ask clarifying questions so that staff are able to provide an appropriate and relevant response. Occasionally, a prompt response may be offered when an obvious answer or resolution is available. Directors will refrain from debating or making decisions in response to public comments.
- The President is responsible for maintaining an orderly progression of business before the Board, and to the extent possible regulates the amount and type of input from the public and from Directors and staff.

- Each Director may speak on an item prior to the vote being taken.
- The Board works diligently to achieve unanimity on all action items. At the request of a Director, and the discretion of the President, prior to a vote where unanimity may not be achieved, the item may be referred back to a committee to consider a resolution to the issue.
- Once an agenda item has been voted on, the disposition is considered as the “action” of the Board and is subsequently supported by individual Directors.
- Directors on the minority side where a less than unanimous vote is cast cannot bring back an item for consideration for one year. A majority of the Board may bring a matter back for reconsideration at any time.

Consent Agenda

- The District utilizes a Consent Agenda to approve routine business matters and previously approved budgetary items.
- If a Director has a question on a Consent Agenda item they are encouraged to contact a staff member for clarification prior to the official meeting, rather than having it pulled for separate discussion during the meeting.
- Written staff reports are prepared for all Consent Agenda items, and staff is prepared to provide a verbal report on any item when necessary.

Closed Session

- All Closed Session discussions and materials are considered legal and confidential information and as such, are not shared outside the Closed Session Conference unless specific action is taken, and then must be reported out of Closed Session. Closed Session staff reports are returned to the General Manager immediately following the meeting. Electronic copies of the reports will not be provided.
- Closed Session meetings may be held at times other than the regular meetings of the Board so long as the meeting is posted pursuant to the Brown Act.
- A Director is expected to refer a request for information regarding a Closed Session item to the General Manager who, in concert with Legal Counsel, will prepare an appropriate response.

10. Role and Responsibility of Standing and Special Committees

- Board committees are given the authority to obtain more information, investigate, and provide a report or recommendation to the Board. The committee format allows the Board to conduct its business more efficiently. Committees serve in an advisory capacity to the Board, except when the Board delegates a matter to a committee for final action.
- A standing committee may be formed, renamed, or have functions changed or terminated with approval of the Board.

- An ad-hoc committee may be formed with approval of the Board and its term expires upon completion of the project or issue for which the ad hoc committee was formed.
- A standing committee consists of two Directors. A committee chair is appointed from the members of the standing committee. Standing committee meetings are open to the public and subject to provisions of the Brown Act.
- Other Directors may attend the meetings of the standing committees; however, the Brown Act prohibits their participation in the meeting because this constitutes a quorum of the Board.
- Upon request of the committee members, the General Manager, or the President, a committee meeting may be scheduled to address an issue requiring attention.
- Staff assists members of standing committees by preparing agendas, staff reports, distributing materials, and performing other support functions as required. Committee members may request staff assistance through the General Manager.
- Copies of committee agendas are made available to the entire Board.
- The committee chair is responsible for providing a report of items discussed and/or recommendations to the entire Board at the next available Board meeting.
- If committee members are in disagreement on a recommendation, the issue is brought to the full Board for consideration.

Appendix A:

Scotts Valley Water District Board Development Guidelines

Purpose

To attract a diverse pool of individuals to serve on the Board of Directors and provide them with appropriate resources to maximize their contributions for the benefit of the District and larger water community.

Expectations to Directors

Anticipated level of commitment, engagement, effort, and energy

Required

- Participate in the New Director Orientation and District Tour in the first 3 months of assuming the office
- Attend Board Committee meetings (typically monthly) as assigned
- Attend Board President Retreat
- Attend other agency/committee meetings (such as Santa Margarita Groundwater Agency, Scotts Valley General Plan Advisory Committee, etc.) as assigned
- Attend Association of California Water Agencies (ACWA), WaterReuse and other industry events (at minimum 1 per year)
- Participate in water related education and training opportunities

Desired

- Attend ACWA Joint Powers Insurance Authority's conference as the District's representative
- Get involved in ACWA Region 5 and ACWA committees
- Attend community events on behalf of the District

Minimum anticipated annual time commitment: 12 evening meetings (2 hours each, not counting preparation), 6-12 late afternoon meetings (1 hour each), 1 day meeting (4-8 hours), 1 out-of-town conference (3-4 days), other events and training (1-2 hours each)

Attributes and Qualities of Directors

- | | |
|---------------------|---------------------|
| • Deliberate | • Dedicated |
| • Insightful | • Respectful |
| • Flexible/Adaptive | • Community minded |
| • Empathetic | • Consensus builder |
| • Analytical | |

Compensation Considerations

- In alignment with District vision and values
- Driven by the expectations to the Directors
 - Sense of responsibility/accountability
 - Prioritization of time
- Support succession planning and reduce barriers to entry
- Provide internal parity and external parity