

Agenda
Sacramento Suburban Water District
Board Planning Workshop

3701 Marconi Avenue, Suite 100
Sacramento, California 95821

Monday, March 30, 2009
6:00 p.m.

Where appropriate or deemed necessary, the Board may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Public Comment

Items for Discussion and Action

1. Presentation concerning Board governance, roles and responsibilities.
2. Presentation and discussion of key current and long range planning issues impacting the District.
3. Review purpose of District's strategic plan and consider possible changes to the plan.

Adjournment

I certify that the foregoing agenda for the March 30, 2009 special meeting of the Sacramento Suburban Water District Board of Directors was posted by March 26, 2009 at the Sacramento



BOARD GOVERNANCE

PRINCIPLES AND BEST PRACTICES FOR EFFECTIVE GOVERNMENT

MARCH 30, 2009

PRESENTED BY: JOSHUA M. HOROWITZ, DISTRICT LEGAL COUNSEL



Bartkewicz, Kronick & Stranahan
A Professional Corporation

**“GOVERNMENT IS A TRUST, AND THE
OFFICERS OF GOVERNMENT ARE
TRUSTEES; AND BOTH THE TRUST
AND THE TRUSTEES ARE CREATED
FOR THE BENEFIT OF THE PEOPLE.”**

- HENRY CLAY

Five Key Words

“Loyalty”

“Trustworthiness”

“Respect”

“Objectivity”

and

“Perception”

What is Governance?

- The dictionary defines governance as the act and the art of directing and controlling an organization.

- In the public agency context, governance means the board acting collectively to adopt and oversee the impartial implementation and administration of policies that promote and protect the best interests of the communities served by the agency.

Board's Fundamental Role

- **Board is the District's "Standard Bearer."**
 - **Advocates for the District's policies both inside and outside of the organization.**

- **The Board is the "captain of the ship."**
 - **Sets the ship's course and provides the crew with effective guidance and the tools to safely steer the ship on the course that's been set.**

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Basic Responsibilities of Board

- **Determine the District's mission and purpose.**
- **Put the District's mission first.**
- **Set and ensure implementation of effective policies that reflect the needs and interests of the communities served.**
- **Ensure and oversee the District's fiscal health.**
- **Ensure legal and ethical integrity and maintain accountability.**
- **Select and oversee performance of the GM, Treasurer, Secretary, Auditor, and Legal Counsel.**
- **Support the GM and assess his or her performance.**
- **Promote the District's mission and provide leadership.**

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Board Conduct Standards

“Nearly all men can stand adversity, but if you want to test a man’s character, give him power.” – Abraham Lincoln

- **Be loyal to District’s mission free from other loyalties, including Director’s personal and financial advantage.**
- **Recognize and avoid interests that conflict with public duties.**
- **Follow highest ethical standards.**
- **Act respectfully and deal fairly with public, directors and staff.**
- **Protect confidential information.**
- **Act collectively and support final collective actions in public.**
- **Work collaboratively with the public and other public officials.**

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Results of Proper Board Conduct

- **Promotes public’s respect for Board and District’s mission.**
- **Establishes District as leader in community and industry.**
- **Models proper conduct and leadership for staff.**
- **Promotes public “buy-in” for new programs and difficult decisions.**
- **Promotes public confidence that Board is “doing right.”**

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Responsibilities of Board President

- **Presides at all regular and special Board meetings.**
- **Calls special meetings when necessary.**
- **Establishes committees and appoints directors to serve on committees and as representatives to outside associations.**
- **Assists the GM in preparing meeting agendas.**
- **Serves as the liaison between the GM and Board.**
- **Consults with GM on implementation of Board policy.**
- **Signs contracts on behalf of District, unless Board delegates authority to GM or other officer.**
- **Acts as a spokesperson for District.**

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General Manager's Role and Duties

- **The Board directs the GM, who in turn directs staff to implement the Board's adopted policies.**
- **Reports to the Board as required by law, policy and Board direction.**
- **Directs and oversees day-to-day District operations.**
- **Has authority to hire and discharge all employees.**
- **Fixes and alters the compensation of employees, subject to Board approval.**
- **Reviews and presents proposed budgets to Board.**

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Effective Boards

- **Express clear and consistent vision and direction.**
- **Focus on, communicate and promote strategic goals.**
- **Act collectively and collaboratively.**
- **Act ethically, honestly and objectively.**
- **Treat everyone with dignity and respect.**
- **Apply policies in a non-discriminatory manner, but with flexibility and compassion.**

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Effective Boards (cont'd)

- **Take collective responsibility for the board's performance.**
- **Perceived as trustworthy and as operating in an open and public manner.**
- **Keep an open mind on all issues that come before it.**
- **Support meaningful public involvement and the public's right to know.**

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Meeting Conduct Tips

- Be Attentive and polite to all speakers.
- Act impartially and without apparent bias.
- Not required to respond to comments or engage in extended discussions with public.
- Avoid going "off agenda."
- Not required to act simply because item is on agenda.
- Communicate with staff to make meetings more effective.
- President has right to limit speaking time and enforce rules prohibiting repetitive and offensive conduct.

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"I DON'T LIKE PEOPLE WHO ARE IN POLITICS FOR THEMSELVES AND NOT FOR OTHERS. YOU WANT THAT, YOU CAN GO INTO SHOW BUSINESS."

- ELVIS PRESLEY

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SSWD Regular Board Meeting Agenda

March 30, 2009

Page 2 of 2

Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Sacramento Suburban Water District

Strategic Plan

Adopted: October 17, 2005

Revised: May 19, 2008

Statement of Purpose

The Sacramento Suburban Water District Board of Directors is committed to the long term development of the District and its ability to serve its customers into the future. To this end, the Board has developed a Strategic Plan that aligns the District's activities to its Mission Statement. The Strategic Plan is a description of the District's future direction and thereby its actions. It is the District's vision and philosophy expressed as a plan. The plan takes the vision expressed as a mission statement and values and translates it into broad goals that will guide the formulation of achievable objectives. If successful, the Strategic Plan will focus the resources of the District in a manner that strives to achieve the vision and over time, increase value to its customers.

Mission Statement

To deliver a high quality, reliable supply of water and superior customer service at a reasonable price.

Values

- Respect customers and pursue public service through open and transparent operations and communications.
- Practice the highest ethical standards and maintain integrity at all levels of the organization.
- Ensure public health and safety by conducting operations in strict accordance with all statutory and regulatory requirements.
- Achieve high levels of staff professionalism through career development, including training opportunities, and retention of skilled staff with competitive compensation.
- Support sustainable resource management through cost effective business practices.
- Emphasize internal and external collaboration in pursuing objectives and resolving issues.
- Provide leadership and vision in regional water management issues.

Goals and Principles

1. Water Supply

Goal¹: Assure a safe and reliable supply of quality water in an environmentally responsible manner to District customers².

Principles³

- A. Protect public health and the environment through compliance with all applicable federal, state and local regulations.
- B. Provide for the future needs of the District through prudent planning that will ensure sufficient capacity to serve all customers.
- C. Continue to implement and support demand management strategies that comply with federal, state and regional⁴ programs; support Water Forum Agreement⁵ goals and efficiently meet the needs of the District customers.
- D. Manage the District's groundwater supply to ensure its quality and quantity.
- E. Ensure the safety and security of the water system.

2. Facilities and Operations

Goal: Plan, construct, operate and maintain and upgrade the District water system facilities embracing sustainable practices to provide reliable delivery of safe water and service.

Principles

- A. The District will utilize appropriate planning tools, identify financial resources necessary, and prioritize system requirements to protect and maintain District assets and attain water resource objectives incorporating resource sustainability into the framework.
- B. Monitor and improve the District's efficiencies in operating and maintaining system infrastructure.
- C. Develop cost-effective strategies utilizing appropriate technology and other available resources to achieve optimization in delivery of water and enhance service.
- D. Manage assets by implementing protective, preventive and predictive maintenance programs on all District assets to extend their life and reduce service interruptions.
- E. Provide information technology systems that will facilitate the availability of information providing timely and necessary in information and enabling provision of high quality service.
- F. Maintain up-to-date emergency response plans in conjunction with other public service organizations.

3. Customer Service

Goal: Assure high quality customer service.

Principles

- A. Operate in an open and public manner.
- B. Attract and retain a well-qualified staff with competitive compensation, effective training, and professional development to ensure safe, efficient and effective job performance.
- C. Assure appropriate staffing at all levels consistent with service goals.
- D. Provide effective customer and community relations by communicating, educating, and providing information on District operations, drinking water issues, resource sustainability and environmental stewardship.
- E. Solicit and respond to customer and community concerns.
- F. Monitor and benchmark⁶ customer service (e.g. programs, convenience, response times) to ensure that District customers' needs are met.

4. Finance

Goal: Use District financial resources legally, prudently and responsibly.

Principles

- A. Monitor District operations to ensure cost effective and competitive performance.
- B. Provide rates and connection fees that are fair, simple to understand, logical and meet the revenue requirements of the District.
- C. Combine sound and efficient business procedures with regular and simple reporting, ensuring proper handling and reporting of all District financial processes.
- D. Pay authorized District financial obligations in a timely manner.
- E. Provide regular, clear and accessible financial reports to the Board and the public that explain the financial status and expenditures of the District.
- F. Provide responsible cash management and investments through forecasting and other prudent financial practices in order to maintain sufficient reserves within District policies.
- G. Maintain internal controls, documentation and process sufficient to allow for outside audits to provide the District with unqualified audit opinions.

5. Leadership

Goal: Provide leadership on regional water management issues that affect the District.

Principles

- A. Engage in legislative affairs on issues affecting the District.
- B. Engage with professional water industry groups (e.g. ACWA, AWWA, SAWWA) to enhance proficiency in technical and policy matters.
- C. Participate in regional water management partnerships (e.g. RWA, SGA).
- D. Interact with the community in a positive and progressive manner for the mutual benefit of the area (service groups, adjacent water purveyors, county/city/local government).

¹ Broadly conceived targets or ends that allow the organization to achieve its mission.

² A SSWD District customer is inclusive of the following: someone who receives a SSWD water statement, residents in the District's service area, internal and external stakeholders and owners of property connected to the water system.

³ Guidelines and approaches used in pursuing goals, i.e., the manner in which the District will pursue the goal; strategies.

⁴ Encompassing the general area of North Sacramento County.

⁵ An agreement reached in 2000 by the Water Forum (a group of businesses interest, agricultural leader, citizens groups, environmentalists, water managers and local governments in Sacramento County), which formalized principles to guide development of a regional solution to water issues.

⁶ Data is collected to develop a standard by which services may be measured, evaluated and compared to improve performance.

Attachment C

Mission Statements

Citrus Heights Water District

"It is the mission of the Citrus Heights Water District to furnish a dependable supply of safe, quality water delivered to its customers in an efficient, responsive, and affordable manner."

East Bay MUD

"To manage the natural resources with which the District is entrusted; to provide reliable, high quality water and wastewater services at fair and reasonable rates for the people of the East Bay; and to preserve and protect the environment for future generations."

El Dorado Irrigation District

"We are a public agency dedicated to providing high quality water, wastewater treatment, recycled water, hydropower, and recreation services in an environmentally and fiscally responsible manner."

Elk Grove Water Service

"Continually committed to outstanding customer service along with supplying our customers with excellent, safe, affordable water for current and future generations."

Fair Oaks Water District

"The mission of Fair Oaks Water District is to provide our community with an adequate and reliable supply of water, exceeding all drinking water standards, at the lowest practicable cost."

City of Folsom

"The City of Folsom will provide a safe, healthy, and vibrant community through innovative, responsive, and effective delivery of services to maintain and enhance the quality of life of our residents."

Natomas Central Mutual Water Co

"Committed to providing water services and local resource management that meet the evolving, beneficial uses of shareholders, preserve our agricultural heritage and extend the region's economic and environmental well-being through the protection of historic water rights."

Rancho Murieta Community Services District

"The mission of Rancho Murieta Community Services District is to take a leadership role in responding to the needs of the residents. The District will deliver superior community services efficiently and professionally at a reasonable cost while responding to and sustaining the enhanced quality of life the community desires."

RWA

"To serve and represent regional water supply interest and assist regional water authority member with protecting and enhancing the reliability, availability, affordability and quality of water resources."

San Juan Water District

“Our mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs.”

South Lake Tahoe Public Utility District

“Furnish our customers with reliable water and wastewater services, and provide these services safely, efficiently, and cost effectively”.

Nevada Irrigation District

“The Nevada Irrigation District will provide a dependable, quality water supply, strive to be good stewards of the watersheds and conserve the available resources.”

American States Water Co

“American States Water Company is a holding company dedicated to increasing value through excellence in managing utility assets and services.”

Sacramento Area Flood Control Agency

“To reduce flood risk, thereby minimizing the impacts of floods on human safety, health, and welfare; and, consistent with these flood risk reduction goals, to preserve and enhance the environmental and aesthetic values that floodways and floodplains contribute to the quality of life in the Sacramento region.”

California Municipal Utilities Association

“The mission of the California Municipal Utilities Association is to advance the interests of its member agencies through:

- Monitoring legislative bodies and governmental agencies on issues of concern to member agencies - representing and advocating municipal utility interests on those issues.
- Encouraging and facilitating exchange of information, innovation and productivity improvements to increase the overall efficiency and effectiveness of publicly owned utilities.
- Assisting publicly owned utilities and their customers to prepare for and take advantage of future change.
- Promoting a positive image and enhancing public confidence in publicly owned utilities.”

California Rural Water Association

“To meet the needs of member water and wastewater systems by providing quality information, training and technical assistance and legislative representation, and assist them in maintaining a high standard of service to their communities.”

California Urban Water Agencies

“To provide a forum for combining the expertise and resources of its member agencies to study and promote need for a reliable, high-quality water supply for the state’s current and future urban water needs.”

Attachment D

**Sacramento Suburban Water District
2009 Committee and Liaison Assignments**

Committees (date of last appointment)

Facilities and Operations Committee (12/15/08).....Steve Hanson, Chair
(Standing: no regularly assigned meeting time)Ken Decio
.....Staff Contact: Ed Formosa

Finance and Audit Committee (12/15/08)Neil Schild, Chair
(Standing: no regularly assigned meeting time)Tom Fellenz
.....Staff Contact: Dan Bills

General Manager Performance Review Committee (12/15/08)Neil Schild, Chair
(Standing: no regularly assigned meeting time)Ken Decio

Ad Hoc Conjunctive Use Planning Committee (12/15/08)Neil Schild, Chair
.....Tom Fellenz

Ad Hoc CalPERS Committee (12/15/08)Neil Schild, Chair
.....Steve Hanson
.....Staff Contact: Rob Roscoe

Ad Hoc Water Master Plan Committee (12/15/08)Tom Fellenz, Chair
.....Neil Schild

Liaison Assignments (date of last appointment)

ACWA/JPIA (12/15/08)Neil Schild
.....Alt Rep: Robert Roscoe

ACWA Federal Affairs Committee (12/15/08)Neil Schild

ACWA General Election voting delegate (12/15/08)Robert Roscoe

ACWA Groundwater Committee (12/15/08)Robert Roscoe

ACWA Water Management Committee (12/15/08)Tom Fellenz

California Special District Association (12/15/08)Steve Hanson

CSDA Special Task Forces Committee (12/15/08)Steve Hanson

LAFCo Special District Advisory Committee (12/15/08)Frederick Gayle

Regional Water Authority (02/23/09).....Tom Fellenz
.....Robert Roscoe
.....Neil Schild, Alternate

Sacramento Groundwater Authority (12/15/08).....Neil Schild
.....Steve Hanson, Alternate
.....Robert Roscoe, 2nd Alternate

Sacramento Water Forum Successor Effort (12/15/08).....Staff Rep: Robert Roscoe
.....Ken Decio
.....Frederick Gayle

San Juan Water District Executive Committee (12/15/08).....Ed Formosa

Sacramento Suburban Water District

**Board Planning Workshop
Meeting Outline
Monday, March 30, 2009**

- 6:00 – 6:10 Call to Order / Roll Call/ Intros/ Ground Rules/ Public Comment
- 6:10 –7:00 District Governance Module (Attachment A)
Best-practices approach to board governance, including board roles and responsibilities (making and approving district policy; community leadership, strategic thinking). Includes the roles and responsibilities of Board Members, the Board President, the General Manager, and guidance on conducting public meetings.
- 7:00 – 7:40 Issues Concerning SSWD
The purpose of this section is to present key issues to participants as a precursor to presentation of the current Strategic Plan. Participants should cross check SSWD's key issues with the Strategic Plan to determine the plan's continuing relevance. Developing the Board's vision, purpose and philosophy. Long range planning topics include, but not limited to:
1. Water Supply Issues
 - a. Surface water
 - i. PCWA source
 - ii. City source
 - iii. Exchange agreements
 - b. Groundwater
 - i. Accounting framework
 - ii. Groundwater banking and exchange
 - iii. Groundwater contamination
 2. Operations Issues
 - a. Facility consolidation
 - b. Asset management
 - c. Fluoridation of NSA
 - d. Replacement well property
 3. Governance Issues
 - a. Arden-Arcade cityhood versus annexation versus status quo
 - b. Succession planning
 4. Finance Issues
 - a. Debt structure and investments
 - b. Rates

7:40 – 8:00 Strategic Plan Review (Attachments B and C)
Refresh on the purpose of a strategic plan; what it does and how is it used. The current Strategic Plan will be reviewed, including mission statement, values, goals and principles. Discuss potential revisions, modifications and/or edits

8:00 – 8:15 Staff Reporting to the Board and Public
Discuss internal and external District communications.

1. Board Reporting
2. Board Committees (Attachment D)
3. Customer Communication

8:15 – 8:30 Wrap Up/ Next Steps

Adjournment