

**AGENDA
SPECIAL MEETING
OF THE BOARD OF DIRECTORS
LEUCADIA WASTEWATER DISTRICT**
Wednesday, August 4, 2021 – 9:00 a.m.
1960 La Costa Avenue, Carlsbad, CA 92009

(Note: Light breakfast served at 8:30 a.m. program starts at approximately 9:00 a.m.)

1. Call to Order

2. Roll Call

3. Approval of Agenda

In the case of an emergency, items maybe added to the Agenda by the majority vote of the Board of Directors. Also, items that arise after posting of the Agenda may be added, per Government Code Section 54954.2, by a 2/3 or unanimous vote of the Board.

4. Public Comment

Anyone wishing to address the Board or bring an agenda item forward may do so.

5. Strategic Planning Workshop

9:00 a.m. **Welcome/Introductions** (15 minutes)
 - Workshop Expectations

9:15 a.m. **Results of the Board and Staff Interviews** (Pages 3-6)
 - Response and Discussion (90 minutes)

10:45 a.m. BREAK

11:00 a.m. **Lessons Learned from the Pandemic** (Pages 7-9)
 - How Can the Pandemic Experiences Make Us a Better Organization?
 (60 minutes)

12:00 p.m. LUNCH

12:45 p.m. **Future Expectations** (Pages 10-11)
 - What Can We Expect and How Should We Respond? (45 minutes)

1:30 p.m. **Key Areas to Address**
 - Board Committee Assignments (30 minutes)

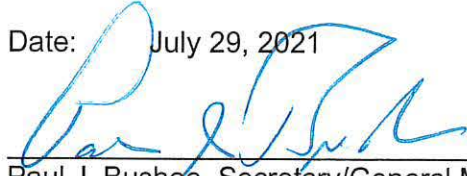
2:00 p.m. **Summation** (20 minutes)

6. Adjournment

AFFIDAVIT OF POSTING

I, Paul J. Bushee, Secretary of the Leucadia Wastewater District, hereby certify that I posted a copy of the foregoing agenda in the lobby of the District office at 1960 La Costa Avenue, Carlsbad, California and on the District website www.lwwd.org at least 72 hours prior to the meeting, in accordance with Govt. Code Section 54954.2(a).

Date: July 29, 2021



Paul J. Bushee, Secretary/General Manager

MEMORANDUM

DATE: July 29, 2021
TO: Board of Directors
FROM: Paul J. Bushee, General Manager
SUBJECT: **Strategic Planning Workshop**



To facilitate the discussion at the upcoming Strategic Planning Workshop, Mr. Jeff Bills of Confidence Consulting has developed some information materials for your review. Attached please find: a summary of the Board and staff interviews; a compilation of lessons learned from the pandemic; and information of what we might expect in the future based on the pandemic.

We look forward to a productive workshop. Please do not hesitate to contact me if you have any questions.

PJB:

RESULTS OF THE BOARD AND STAFF INTERVIEWS

Board Role	Summary of Comments
Clarity of Purpose	<p>All Board members commented on the importance of mission and vision. Some Board members were stronger and more focused than others when it came to articulating the vision and relating it to Governance decisions. There was a strong feeling the mission of LWD had relevance and meaning to the community LWD serves. Board members made comments focused on something bigger than just the inner-workings of the organization.</p> <p>Staff members also both understood and commented on the importance of the mission of the organization. They commented on the fact staff members at LWD were committed to the values of the organization. Leadership team members expressed a high concern for having staff committed to outstanding values and work ethic.</p>
Fiduciary Oversight	<p>Board members felt a strong commitment to the importance of financial stability. Board members recognized their role in making sound financial decisions and planning for long term financial strength. Several Board members commented on the current financial strength of LWD and how this allows for adaptation and flexibility. Board members commented on the decision made to forego a rate increase during the pandemic and how this could have only happened if the organization was financially strong. Board members expressed continued concern as it relates to their role in making sure sound financial decisions are made for the future. Some Board members are much more conservative in spending policy and decisions than others. Financial strength rated as the number one priority for Board members.</p> <p>Staff members expressed the same commitment to sound financial decisions and budgets that reflect a focus on financial strength.</p>
Strategy	<p>All Board members expressed a real concern for making decisions in the best long-term interest of the organization. While some Board members were more versed in strategic concepts than others, the commitment to making decisions that will have long-term effectiveness was shared by all Board members.</p> <p>Interviews with staff indicated they too are focused on making sound strategic decisions and aligning operational goals with strategic initiatives. There was a clear focus from all staff interviews the decisions they make operationally are consistent with Board strategic Initiatives and goals.</p>
Board Competence and Expertise	<p>A majority of Board members recognized their personal areas of strength and expertise. All Board members expressed sincere and serious interest in learning and gaining additional knowledge and</p>

understanding in order to make contributions to Board competence and effectiveness. A majority of Board members commented on the importance of being prepared for Board meetings, doing their homework before meetings and being ready to make decisions.

Board Meetings

A majority of Board members made comment(s) about the tenor and effectiveness of Board meetings. Board members understand how they compose themselves while meeting, with both the staff and public in attendance, reflects on the quality and reputation of the organization. There were strong feelings expressed by Board members about the importance of Board meeting civility and communicating respectfully and effectively with one another. Board members expressed concern over situations where there was or could be conflict or confrontation between Board members.

Staff members interviewed also expressed a level of discomfort when conflict arose between Board members, or a lack of civility was shown between Board members.

Role and Responsibility

All Board members clearly understood their role and responsibilities. Occasionally, during the interviews, Board members would slightly deviate into areas not central to Board role or responsibility, but of personal concern. Often times, these variations centered on a Board member's personal understanding of the situation, or lack of clarity regarding the role of the Board and Management.

Interviews with staff indicated a high level of respect for the role of a Board member and clarity regarding the difference between Board member and staff member roles and responsibilities. Staff members indicated a clear understanding of roles and the need for good communication and relationships between the Board and Management. Staff members all communicated a high desire to meet Board expectations.

Performance Evaluation

All Board members understood their role in evaluating organizational performance and specifically the performance of the General Manager. All Board members expressed positive feelings and appreciation for management and staff.

Staff members also understood the relationship between the Board and Management and the role the Board plays in evaluating organizational performance.

Board and Leadership Succession

Within the confines of the election process, Board members clearly understood the importance of Board members being highly competent, with key expertise and abilities. Board members expressed a clear understanding of the importance of board member orientation and training. Board members with tenure expressed high satisfaction with new additions to the Board and an additional new member in the future. There was differing opinions regarding Board members and Committee Assignments.

Board members also clearly understood the role they play in hiring the General Manager and providing resources for training and development for leadership succession at the management level.

LESSONS LEARNED FROM THE PANDEMIC

The pandemic caused both positive and negative reactions, and good and bad results. Some organizations flourished during the pandemic while others struggled and some failed. The following items have clearly become more important as a result of COVID 19 and the way organizations were able to respond.

Lesson	Significance
Ability to Adapt	The pandemic required organizations to show real agility or the ability to adapt quickly. Those organizations who were already digitally advanced and more flexible were able to adapt quickly to working remotely. Organizations where there was already high trust between the Board and Management were able to use delegation at high levels without losing productivity or quality of service. Organizational agility is key.
Hybrid Work is Essential	Remote working became a necessity during the pandemic. It also highlighted specific needs of the work force, specifically the Millennials, who now make up over 70% of the work force. While remote working is not possible in some organizations, the ability to be more flexible is key if organizations are going to recruit the best talent from the available work-pool. During the Pandemic productivity increases ranged from 1% to 16% in mainstream organizations. Post Pandemic, productivity is decreasing to previous levels.
Work Pool Diminishment	If an organization requires an employee to do things they no longer want to do, the employee will quit their current employer and move to a different employer offering more flexibility. This major shift in individual recruitment will change the size of the work pool currently available to organizations who require on-site working. As a result, the pool is diminished, leaving some organizations with a smaller group of lesser trained or qualified individuals to choose from.
Knowledge of the Work Pool	Organizations found that a lack of understanding about the work pool and the values of generational work groups impeded their ability to adapt to the Pandemic. Knowing your work force and what contributes to work-life balance is now changing employee policies and procedures at every level of all organizations. It is also changing recruitment practices and policies. Certain organizations require certain types of individuals to perform at their best. Organizations who match the best qualities of the generational work pool with their own organizational needs will do much better than others.
Work Life Balance	COVID 19 caused much of the work force to re-examine personal priorities and determine what changes needed to be made to be more self-fulfilled. Long commute times, child-care needs, personal achievement, career goals, and family needs were all looked at differently. Even in organizations where on-site work is required, more flexibility will be needed if organizations are going to access the best from the work force.

Trust Between The Board and Management	During the Pandemic, because the ability to meet physically was diminished, and as a result, communication was discontinued until adjustments could be made; trust between the Board and Management became more critical than ever before. In organizations where high trust already existed, there was little problem adjusting and decisions were made without previous approvals and added time. In organizations where trust was lacking, there was confusion about roles and approvals and as a result, both the organization and the people suffered.
Technology is King	The pandemic taught us again that technology always wins. The organizations with the best and advanced technology, whether it was hard equipment, software or intellectual, had a distinct advantage. They could adjust faster, adapt more fluidly and use technology to replace unavailable human resources.
Science can Move Faster than Before	Before the pandemic, and since the year 2000 it took an average of ten years to gain approval on a scientific proposal. In the case of COVID 19, eleven months after the DNA Sequence was published, approval was granted. It is highly likely that this acceleration will continue in a number of areas, especially Health and Human Services.
Managing Unplanned Events	Boards came to understand, during the Pandemic, that the Chief Executive they had hired and his or her ability to manage unplanned events was more important than ever before. Good Boards now understand Leadership Disposition and the ability to handle the unexpected is critical to success. Hiring a Chief Executive who can handle the pressure of a high stakes crisis is vital. Boards also understand that the COVID Pandemic will not be the last and more, different unplanned and potentially like COVID events are likely to come their way. We are already seeing this in the area of Ransomware and Cyberattacks.
Supply Chain Sensitivity	The Pandemic exposed the sensitivity certain industries and businesses have to both supply and labor resources. Disruptions in product availability, product manufacturing and distribution have altered the landscape and, in many cases, we don't know for how long. Organizations with specific and special needs will be required to think much further in advance and more strategically as it relates to purchasing policies and the ability to provide both product and service. Advance purchasing expertise will become a new requirement in Materials Management competency.
Social Policy and Labor Availability	Response to the Pandemic from a social perspective also exposed the sensitive relationship between social policy and labor resources. When labor is not available, lessened product availability has put other dependent organizations at severe risk financially and threatens long term success. Organizations with strong financial resources will need to invest in new pay and benefit policies that can compete at every level. Organizations with poor financial resources will be highly threatened and, in many cases, unable to respond in a timely way.

New Allocation
of Resources

The pandemic has taught many organizations to re-prioritize spending. While digital technology and production capital expenditures remain at the top of the list, many organizations realize that more investment in labor costs to insure a viable work-force and additional allocation of dollars to meet the needs of the work force are essential to recruiting and retaining talent.

External
Challenges

We have learned over the last seventeen months that new challenges are most likely to come at inopportune and awkward times. Organizations going through re-tooling or making changes to the balance sheet are at high levels of exposure should some external challenge come their way.

WHAT CAN WE EXPECT IN THE FUTURE

Issue	Concerns
Labor Resources	Can we recruit and retain outstanding human talent?
Financial Resources	Will our revenue sources be altered? Where do we have risk?
Board Expertise	Do we as a Board have the expertise, talent and skill to affect the right policy and actions? Do we as a Board possess adequate knowledge and training?
Hybrid Work	Have we adapted and given policy direction on labor flexibility?
Agility	Do we have an agile and flexible structure? Especially between the Board and Management?
Technology	Are we advanced technologically? Can we perform with the best tools available?
Leadership	Do we provide adequate resources to our Leadership/Management Team?
Role and Responsibility	Has the Pandemic taken us away from our role? Do we need to make adjustments to better govern? Do we have role stereotypes? Do we have Governance versatility?
Board Dynamics	Do we as a board work together as we should? Are there issues we need to address to make us a better functioning Governing Body? Do we have conflict?
Open Dissent	Can we as a Board have open dissent without compromising our relationships and role?
Performance Evaluation	Do we as a Board evaluate ourselves appropriately and do we ask for others to evaluate us?
Accountability	Do each of us as Board members show accountability in our role? Are we prepared for every Board meeting? Have we done our pre-work? Do we know the issues and can we respond responsibly?
Teamwork	Do we show teamwork amongst each other and with Management?
Trust and Respect	Do we show trust and respect among one another?

NEXT STEPS

What actions steps should we now take as it relates to our Mission, Values and the roles and responsibilities we have as members of the Governing Body?