



## American Water Works Association Pacific Northwest Section

### Board of Trustees Strategic Planning Meeting Notes St. Francis School – Bend, Oregon Thursday & Friday, July 12 and 13

Attendees: Chair Mel Damewood, Past Chair Dan Kegley, Chair Elect James Dean, Trustees - Suzanne DeLorenzo, Ronda Farmer, Alex Mofidi, Dan Sleeth, Julie Smitherman, Lynn Stephens, AWWA Directors Kari Duncan and Marshall Thompson, Treasurer Bob Ward, AWWA Past President Brenda Lennox, Executive Director Kyle Kihs, Facilitator Scott Sadler

Chair Damewood welcomed the attendees at 8:30 a.m. on July 12 in the Rambler Ambassador Room. He noted that because trustees serve only two-year terms, the Board turnover rate is high, and this meeting is intended to “jump start” the working relationships of the current Board as well as bringing new members up to speed.

Executive Director Kihs referenced the core value index assessment completed by all Board members in advance of today’s session. He introduced Facilitator Scott Sadler.

Mr. Sadler presented the results of the core value index survey and lead discussion about the different styles of communication. It was agreed that understanding your style and the style of those you interact with helps with quality communication. This information was used to transition to a discussion of how current meeting structure is working.

- Meetings are getting longer.
- Members are talking around topics and not making decisions.
- It is difficult to make a decision if you don’t have a grip on the facts when you arrive at the meeting. Example: if budget is not seen until day of adoption, it is difficult to have a meaningful discussion.
- Meetings start on time but don’t end on time.
  - Set time limits for discussion on each agenda item?
- Fiduciary responsibility is emphasized but Board does not always have facts & understanding.
  - Important to get materials in plenty of time to study.
  - Conference calls prior to meeting would be helpful so questions can be answered early in the process.
- Agendas may be too aggressive

#### Current Meeting Structure.

- Three full Board meetings per year.
  - 30-60 minute executive session.
  - Regular (public) meeting, voting on agenda items.
- Executive Committee meets once a month.

#### Suggestions for Improvement.

- Minutes from Executive Committee meetings provided.
- Extend Executive sessions that take place prior to regular Board meetings to encourage in-depth discussion with all members participating.
- Summary of key topics from Exec Committee meeting could be provided with request for input from other Bd members. No “rubber stamping” of Exec Committee decisions.
- One on one phone calls from Chair have been helpful.

#### Summary:

**The Board is not using our limited board meeting time effectively. Need to maximize time for Board-only working discussions while respecting desire to have members present at public meetings.**

#### Committee reports

- Is it redundant to have committees report in person to Board when they have already submitted written reports?
- Are committee reports a good way for Board engagement with members?
- Board presentations can help members get experience that improves leadership skills.
- Presentations may encourage accountability.

#### Meeting Structure / member involvement

- As a training organization, we need to encourage involvement.
  - Could this be done through developing the Board liaison – Committee meetings?
  - One on one contacts should be emphasized.
- If alternate methods of membership involvement are pursued, business meetings could focus on action items.
  - Committee presentations to Board could focus on ways to improve and engage rather than regurgitate written reports.
- Fall meeting structure needs improvement; Bd members must feel prepared to approve budget.
- Committees should be asked what other resources they need (not just monetary).
- If all committees present for five minutes, it takes an entire day. Need to find a new way for Bd and committees to interact; perhaps more informal, more interactive discussions.
- May be a need to differentiate between Board meetings and membership meetings.
- How to provide opportunities for leadership that members might not normally get – currently done in part through committee reports to Board.
- Potential of a social event that encourages Board/member interaction.
- Discussion regarding expanding meeting time or adding a meeting date to separate Board and committee/membership business.
  - Downside includes expense of another meeting and difficulty of taking additional time off work.
  - Fall meeting is already a full agenda.

- Committee budget needs do not need to be on the Fall agenda as Board already has the information.

**After discussion, there was agreement that no additional in-person Board meetings should be scheduled but that Fall and Winter meetings with committees need to be restructured.**

Budget meeting issues mostly have to do with being prepared; if Board members are prepared the meeting will be more efficient. Agree this could be done with a pre-meeting conference call budget briefing.

**Action item (unanimous agreement): Hold a Conference call budget briefing prior to the Fall Trustee meeting.**

Discussion about meeting structure continued.

- Trustees could present and/or advocate for committees.
- Meetings have different functions and audiences.
- Exercise followed to mapped flow of meetings.

**The meeting was recessed for a break at 10:12 and reconvened at 10:34.**

The structure of current meetings was reviewed and discussed, and format change suggestions were proposed.

Goals for meetings

- Grow executive session (board alone) time.
- Change format of Fall meeting.
- Move from 3 day to 2 day meetings.
- Keep Strategic Planning meeting as is.
- Chair continues one on one monthly calls.
- Make subsection and committee access to Bd members equal.
- Optimize working board meetings.
- Eliminate redundancy.
- Fall meeting – be ready to vote on budget, have more time to work with committees and subsections.
- Combine subsection training with committee training.

**Action item (unanimous agreement): Adopt two-day structure for Fall & Winter meetings**

- Two- day structure basic framework
  - Day 1 8-10 Executive session, 10-5 committee engagement, division meetings member training
  - Day 2 8-12 Board public meeting with actions.
  - Staff and Chair will work out details for each meeting.

**Coaching and Leading Diverse Committees** (facilitated discussion)

Goal: to create trust, empowerment and keep people accountable to the goals of the organization and create sustained motivation.

- Now Divisions have been initiated, Board members need to help different divisions and committees within them communicate.
- To be impactful, need common understanding, agreement about issues.
- Important to be organized.
- Guidance from Chair on what messages should be communicated is desired – ideally a bulleted list; consistency of messaging is critical.
- More pressure on Trustees to get information out and bring back input on budget and other matters on schedule.
- Balance between structure in goals and direction and being able to operate in your own style.
- Boilerplate e-mail structure desirable so everyone understands main points.
- Showing appreciation/validation of service is critical.
- Basics of coaching conversations.
  - A co-creative process – all have same degree of credibility and influence.
  - Safety and security – volunteers should feel safe in conversations and secure in the importance of what they do.
  - Address performance gaps in a non-threatening, non-shaming way.
  - Rephrase questions (after “we don’t need anything” – try “well, if you DID need something, what would it be?”).
  - Use silence.
  - Help frame some standard questions for liaisons to ask committee members, ie, are you getting a good turnout at your committee meetings? What are your goals for the committee this year? What’s working well and what are your challenges?
  - Try to avoid yes/no answers.
  - Coaching conversation and model should be used by committee leadership as well; training and tools.

#### Other challenges

- Committees need to provide training and networking opportunities aside from conference opportunities.
- Get people to stay in leadership role and get others beneath them engaged; how can Trustees help foster this interest.
- Dealing with dodgy leadership; how to light a fire with volunteers.
- On-boarding: need to put forth roles and responsibilities of committee and expectations of the chair.
- Ideally members can move through steps in a succession plan.
- If committee is having trouble, assess whether this is still something the Board feels is important and the membership needs – then strategize getting people involved. If not, get performers into an effective committee.
- Can’t criticize if they don’t know what their responsibilities are.
- Use templates for committee roles and responsibilities. In place but need to execute.
- Deal with non-performers delicately. “How can I help you perform to a higher level? Questions must be supportive.

#### Website

- Great new website, lots of information but very underutilized.
- Develop a promotion, find 3-10 ways of marketing.
  - If someone can come up with something they need that isn't on the site, they get a prize.
  - Signs, stickers: "It's on the website!"

**Follow-up Actions:**

- Develop talking points for Trustees to have coaching conversations to encourage member engagement of committee chairs & section leaders. Executive Director will create.
- Use Trustee-only section of website to post documents.
- Include coaching questions helpful to initiating conversations with documents.

**Chair's Goals for the Year**

- Bring home a balanced budget.
  - Added \$40,000 expense in 2019 for Leadership Symposium, need to analyze pros and cons of including this
  - Need frank conversations about budget items that will affect committees.
- Increase involvement with AWWA
  - Currently have momentum with people in key positions.
  - How to integrate people involved in Association but not Section, need to track and strategize those individuals.
- Start new Division structure.
  - Need feedback & determine if there are ways to consolidate.
  - Want to get committees and subsections to start working together.

**Strategic Plan** doesn't need work this year but would like new Trustees to review.

**Business Plan** – Outline has been created; adopted goals will encourage continuity from Chair to Chair.

Past Chair Kegley reviewed the Strategic Plan PowerPoint.

- How to accomplish Chair's annual goals while keeping the rest of the Plan in mind.
- A few metrics and timelines are identified but these need to be filled in.
- How do we connect and move on to accomplish further Strategic Plan items?
- Create tactics to accomplish goals.
- Self- assessment is important, but metrics are needed to show how effective efforts are.

**Action item (unanimous agreement):**

**Ad hoc subcommittee will be formed to formulate tactics and metrics for Strategic Plan goals for Board to discuss at Winter meeting. Vice Chair Dean will chair the committee and assign members.**

**The meeting was recessed at 2:30 p.m. until July 13 at 8:30 a.m.**

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## **Friday, July 13**

The meeting began at 8:30. Suzanne DeLorenzo was excused, Kari Duncan excused early.

Discussion of the 2019 budget continued.

- Could institution of shorter meetings offset costs of Leadership Symposium?
- Implementation timeline for meetings change: we are contracted three years out for meetings and five years for conference. If implementation starts earlier, we may lose some money due to cancellations.
- Budget timeline – about 14 of 40 committees have submitted budget requests to date. Final deadline is end of July. If requests are not received by then, notify chair that assumption is no funding request will be made for 2019.
- Review of past budget practices and current status
  - Conference planner is a new position and expense.
  - General Fund reserve is set by policy.
  - All committees are subsidized in the aggregate; we have consciously decided to largely subsidize certain committees and should re-assess.
  - SAC travel budget is large, last year \$26,000 for travel to ACE
  - If committees are subsidized by about \$150,000, we need to think about this as a single allocation and distribute it equitably.
  - New budgeting concept could be to assign a total for committees and then allocate funds as needed (more like municipal model). Potentially use Training Coordination Committee to approve requests.
    - Could incentivize committees to perform.
    - Could allocate by division and then to committees within the division.
- Professional staff and Executive Director should have a central role – common practice is to task the ED to formulate a balanced budget draft and present it to the Board/ With limited Trustee and officer terms, this is a way of maintaining budget consistency for the long term.
  - Board should set policy, not “nickel and dime” every line item.
  - Board can adopt a policy that requires a balanced budget to be drafted.
- Discussion about level of detail presented to Board/ transparency.
  - Board takes a higher-level look, then guides and directs.
  - Board members can review line items if they desire.
  - Transparency is maintained since all budget information is available upon request.
  - Consider forming a Budget Committee of Trustees.
  - Board has fiduciary responsibility, but all members do not have time or background to look at details. Delegation would allow this to be a more strategic board.

- Budget should include percentages; this allows some internal control and is an easy way to look at big picture.
- Board can also review trending, dashboard with five-year trends is desirable.

**Recess – meeting was recessed for the purpose of a break from 9:45 to 9:55.**

**Action (unanimous approval): Assign the Executive Director, in conjunction with a Finance Committee, to be responsible for preparing a draft annual budget for the Board’s review.**

**Action (unanimous approval): Finance Committee will consist of the Executive Director, Treasurer, Incoming Chair, and Budget Committee Chair.**

**Action (unanimous approval): Direct the Executive Director to bring forward a balanced budget to the Board every year in alignment with current Strategic Plan and mission and values of the organization.**

### **Education and Training (E&T) Fund**

Trustees received an overview of the Education and Training Fund, including the recent revisions to the charter and funding policy. The E&T Fund consists of principal (cannot be touched) retained earnings (interest) and dedicated scholarships. The principal cannot be touched; retained earnings provide scholarships. During an economic downturn, an agreement was made to contribute \$100 per vendor booth (approximately \$10,000) at the annual conference to the E&T principal. This has helped grow the fund and is part of the E&T strategic plan. The only flexibility the Board currently has in regard to E&T funding is the distribution of vendor booth contribution. Contributions are an unwritten practice, not included in the funding policy the Board voted on, so allocation is currently a year to year decision. Guidance should be provided to the Executive Director in advance of annual budget preparation.

**Action (unanimous approval):**

**Current \$10,000 contribution to Education and Training Fund from vendor booths will become a flexible discretionary amount included as part of the Executive Director’s recommendation for annual budget.**

### **ACE Expenses**

Currently the Section allocates funding of \$10,000 to host a meet and greet at the annual ACE conference.

- Depending on the venue, contributions from vendors may be \$3,000 - \$7,000 in addition to the \$10,000 from the Section budget.
- Event has changed over the years from a meeting place for people to network to a kind of competition to have the best event.
- Other events can be used for networking.

- The meeting and greet is about 50% of money that goes to ACE; other expenses include travel support.
- SAC travel to ACE was \$26,000 last year with Director travel about \$10,000.

**Action (unanimous approval):**

**No Section funding will be allocated for ACE Meet and Greet in 2019**

**Action (unanimous approval):**

**Funding allocations for other ACE activities shall be delegated to the Finance Committee to discuss and make recommendations for inclusion in the annual budget.**

**Member Engagement Committee**

- Membership, 20/20 and Young Professional (YP) committees all focus on membership engagement, could possibly be combined into a Member Engagement Committee.
- Funding for these committees could be used for Leadership Symposium costs this year.
- After discussion, agreement was reached that Membership and 20/20 could be combined but YP committee has a unique role and needs to maintain momentum.
- These committees are in one division. Concern expressed that separate committees could be competing for funds and could be making redundant requests – if treated as an aggregate in one division, the allocation could be made to the division and distributed as needed determined by liaison and committee representatives.
- Responsibility of Trustee to guide their committees into equitable funding distribution.
- Continue to pursue revenue producing opportunities.

**Action (approved unanimously): In 2019, combine Membership and 20/20 Committees into Membership Engagement Committee (leave YPs a separate committee).**

**Action (approved unanimously):**

**Allocate Divisional (rather than Committee) budgets for 2019**

**Trustee Meetings**

- Annual budget of \$90,000 includes Subsection officer travel.
- Trustees support their own travel unless their entity cannot fund.
- Should Subsections receive an allotment from \$165,00 total subsection funds.
- Subsections vary in terms of financial health
- No definition of how many people should attend from a subsection
- Noted that subsection officers are subsidized for travel, but Committee officers are not.
- Consider a hard limit on number of Subsection officers who attend.

**Action (approved unanimously):**



**Give Finance Committee authority to come up with Trustee meeting budget allocation within policy guidance (will impact 2019 meetings). The Committee may bring alternatives for Board to consider and will separate travel from other costs.**

**Conference registration fees:**

- Other industry associations charge \$70 - \$100 more than we do for general registration (not students/YP).
- The only raises in recent years have been limited adjustments for inflation.
- Consistently bringing in \$100,00 from conference.
- If registration fee is raised, would need to explain to membership.
- Potential change in length of conference would not affect CEUs – only difference is moving the Trustee meeting from Tuesday to Thursday.
- Would prefer no comparison to other associations as we do not know all details; raise fees according to our own perceived need.

**Action (approved unanimously):**

**Give Finance Committee ability to recommend conference fee increase if needed for a balanced budget**

**Adjust conference agenda – put on hot topics for Fall**

**Regional Meeting of Section Officers Sitka**

- Attending: Damewood, Farmer, Duncan, Kegley, Lennox
- Executive Director can provide talking points

**Takeaways from Today's Meeting**

- Thoughtful discussions, safe communications, effective meeting.
- Values test was useful for helping shift perspectives.
- Liked balance between efficiency and effectiveness; heard all perspectives.
- First time the Board has expressed their role as high level responsibility; today recognized that and are now willing to let staff and members do their jobs.
- Many decisions are “legacy” decisions which will affect Boards to come.
- Good to be transitioning to a strategic board, not day to day managers.

**Upcoming Schedule**

- Plan to distribute full preliminary budget to all Board members by beginning of September
- Discuss adjustments to conference agenda at Fall Executive Session.

### **Questions still on the table for future discussion**

- How to set committees up for success with good communication about budget and bring them up to speed so all are on the same page.
- How will high level bucket or allocation for all committees be split equitably among committees.
- Need general discussion regarding Subsections: policy, practice, funding.
- Review conference structure (big picture) for possible implementation 2020 in Spokane.

### **Adjourn**

There being no further business the meeting was adjourned at 11:45 a.m.

## **Action Items Approved Unanimously at 2018 Strategic Planning Meeting**

Hold a Conference call budget briefing one month prior to the Fall Trustee meeting.

Adopt two-day structure for Fall & Winter meetings.

Ad hoc subcommittee will be formed to formulate tactics and metrics for Strategic Plan goals for Board to discuss at Winter meeting. Vice Chair Dean will chair the committee and assign members.

Assign the Executive Director, in conjunction with a Finance Committee, to be responsible for preparing a draft annual budget for the Board's review prior to September 1.

Finance Committee will consist of the Executive Director, Treasurer, Incoming Chair and Budget Committee Chair.

Direct the Executive Director to bring forward a balanced budget to the Board every year in alignment with current Strategic Plan and mission and values of the organization.

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Allocate Divisional (rather than Committee) budgets for 2019.

Give Finance Committee authority to come up with Trustee meeting budget allocation within policy guidance (will impact 2019 meetings). The Committee may bring alternatives for Board to consider and will separate travel from other costs.

Give Finance Committee ability to recommend conference fee increase if needed for a balanced budget.