

May 3, 2024

Re: BCRSD Management Transition Next Steps

For: Board of Trustees Discussion

Author: Debbie Schnedler

From inception, BCRSD has relied on outside expertise, including BEC, paid consultants, and particular expertise of Board members, relating to administrative and management functions. For the past several years, the Board has encouraged, through the Operations Excellence Committee (OEC) and other means, a transition from District's original engineering-centric focus to recognition of the importance of professional management, administrative and operations expertise within staff. Such change is motivated by several beliefs, including: that long-range planning and related strategic goals should be the responsibility of a competent and professional management; that certain core competencies and skills should reside with staff; and that cost efficiency and a goal of continuous improvement are necessary and worthwhile.

Within the last two years the Board has:

- Updated District By-Laws to more accurately reflect the functions of the Board as proscribed in enabling legislation for the District;
- Approved an updated Mission Statement which includes delivery of cost-effective service to District customers;
- Initiated the identification of critical core functions for District staff and management; and
- Completed the hire of a new Executive Director, to separate responsibility for technical and engineering functions and augment professional expertise in certain areas.

The District has largely operated passively. From a project standpoint, projects and timelines are driven largely by developers or regulatory deadlines. Historically, there has been little drive to measure performance of plants or people. It would be difficult to describe instances of a proactive approach to a potential problem or opportunity. A caretaker mentality exists, making it difficult to implement a philosophy of improvement. There remain significant management, administration and operation issues to be addressed, for example:

- **Personnel Related:** Tasks include finalizing an organization chart and job descriptions; on-going analysis of salary ranges and evaluation of total compensation; development of merit adjustment policies; and development and implementation of retention and key-man succession policies.
- **District Policies:** Although the Personnel Policy has been under review for some time and nears completion, other District policies and related procedures should be reviewed and updated, with concurrence of the Board where necessary or advised.
- **Data Gathering and Management:** Undertaking a transition to digital data has been discussed; much information is only available to and/or utilized on an employee specific basis. Currently, there is no time tracking for employees, making it impossible to determine costs of specific initiatives or projects.
- **Cost of Service:** There is currently no analysis of all-in cost of service related to specific treatment types or vs. wholesale charges paid to City of Columbia.

- **Communications with Customers:** How do we communicate most effectively and proactively with customers about on-going issues or challenges, especially related to their user charges?
- **Board Communications:** The Board receives limited information in monthly meeting packets, generally raw data without critical review, context or recommendations from management. Lack of written materials related to projects or initiatives makes it difficult to track project status over long periods of time.
- **Lack of Strategic Plan:** District has no over-arching business plan or plan to utilize Tier II authority County-wide or even interim goals.
- **Efficient Use of District Assets:** Currently there is no process to prioritize projects to use staff time, cash assets or financing capacity most efficiently.
- **Continuous Improvement Philosophy:** How is such philosophy instilled within the organization?

History has shown that without impetus and involvement from the Board, effectuating change within the organization has been slow and without measurable results. It therefore seems that in order to assure forward movement on this transition, the Board must continue its involvement for the near future. It is reasonable to expect that the transition will be driven by the Executive Director, however, without involvement or concurrence by the Board how is performance toward milestones measured?

Potential methods for continued Board involvement include:

Board Meetings: The current state regarding Board meetings is that the members are generally presented with updates, some raw data, and housekeeping issues requiring some action of the Board. The nature of this format makes the Board reactionary to specific agenda items presented by staff, and does not allow adequate time for discussion relating to big-picture decisions or policy direction. Business as usual with monthly Board meetings will do little to move the District forward to meet its mission.

OEC: The original purpose of the OEC was to provide opportunity for one or more members of the Board to meet periodically with one or more members of staff on a specific set of issues, operational at first and subsequently inclusive of management and administration. This format allowed for give and take discussion of problems, concerns, ideas, mentorship by a member with expertise in a certain area, etc. Work completed through the OEC was critical in identifying shortfalls to be addressed, which would not have occurred if Board/management interaction was limited to monthly meetings. Perhaps the OEC could be used more strategically to move initiatives forward.

Strategic Planning: In the past twenty years, District has had only one strategic planning session, probably seventeen years ago. The District faces many time-sensitive challenges, including update of the area wide management plan (AWMP) and project analysis thereafter; lack of adequate bonding capacity to finance currently projected capital improvements, much less resulting additions; inflation and continued pressure on user charges; competing utilities; inability to analyze true cost of service and relationship of District vs. wholesale service costs, and securing new bonding capacity in the next twelve months. A dedicated strategic planning session could be helpful in developing and implementing a plan to address many of these issues.

Other: Are there other ideas, suggestions, or thoughts on the approach for Board involvement?

Hopefully, there can be discussion at the May Board meeting.

Dks