



SANTA CLARA VALLEY  
WATER DISTRICT  
TRANSPARENCY  
COMPLIANCE AUDIT  
AND BENCHMARKING  
REVIEW



**TAP**International

FINAL REPORT

November 2014

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## Section I: Executive Summary

### Why the District Requested the Review

The Santa Clara Valley Water District (District) is the major water resource agency for the Silicon Valley, serving over two million residents and 12 retail organizations and cities. In recent years, the District revamped its management team by hiring professionals to conduct work for watershed management, administration, as well as governance and accountability.

An oversight report, issued in 2009 by an external reviewer, raised issues about budgeting, oversight, governance, civic engagement, reporting, and performance management. While the District had addressed prior audit report findings, the recent changes in its management structure provided an opportunity to assess the status of the District's efforts to become a premier water agency nationally. This current external review provides an opportunity to benchmark the District's current transparency and accountability activities against the leading practices in public management.

It is important to note that this review focused on the administrative and governance functions of the District. However, effective transparency and accountability regarding budgeting, oversight, governance, civic engagement, and performance management is only accomplished through the full cooperation and participation of all Divisions within the District. The recommendations in this report advance the District's public management practices to position the District as a national model of service to the public.

### Review Goals

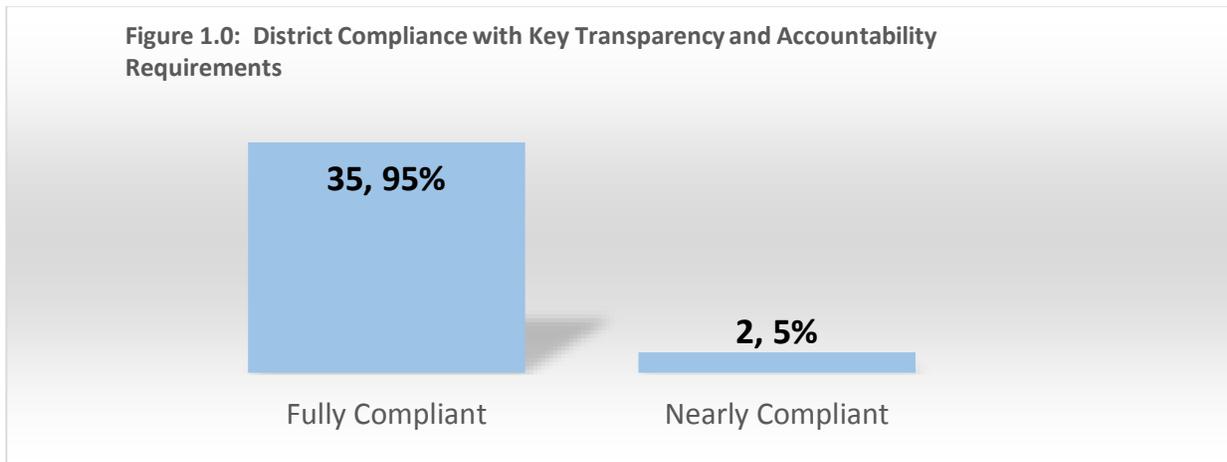
This report (1) assesses the District's compliance with key transparency and accountability requirements mandated by applicable California Government regulations; (2) benchmarks the District's current activities against leading practices for transparency and open government; and, (3) identifies areas for continued improvement and innovation in support of the District's goal in becoming a national leader.

TAP International selected 37 key California regulations and statutory requirements for transparency and accountability to assess the District's level of compliance. Also, TAP International, among other activities, engaged outside experts to publicly discuss leading practices in public management. Thirty-six leading practices were identified and discussed applicable to civic engagement, performance management, budgeting, oversight, and board governance. Among other activities, the principals of TAP International then met with the District's senior leadership and staff (throughout each level of the organization) to identify gaps between the leading practices and current District practices. See page 7 for a detailed description of the activities performed for this review.



## Summary

The District performs exceptionally well in a common component of governance: compliance with key state codes and regulations. As shown in Figure 1.0, the District was in full compliance with 95 percent of the 37 requirements that we examined. In addition, we noted exemplary performance in the District’s implementation of the Public Records Act. See page 14 for additional information.



The results of our benchmarking portion of this review against leading practices among five public management areas show many successes by the District. Leading practices are unique practices applied by leading organizations. When performing benchmarking analysis against leading practices, any gaps between current and leading practices should not be viewed as weaknesses, problems, or any other type of deficit. Instead, the gaps should be viewed as goals for organizations who desire to build great organizations. As shown in Figure 2.0, the District is aligned with 16 leading practices. The successes



of the District in these 16 areas show that the District is poised to implement the remaining 12 leading practices. In the long-term, another eight goals could be considered for full implementation by the District should it choose to develop the required assets for their implementation.

In group discussions, District employees notably embraced the principles of continuous process improvement. This dynamic encourages open dialogue and helps to identify problems as early as possible to break down barriers to change.

The District's alignment with selected leading practices is similar with two other water agencies included in our review.

## Conclusions

The successes of the District in aligning many of its activities with leading practices – and accomplishing a virtually perfect record of compliance – demonstrates that the District is a mature organization that is ready to implement other leading practices that would advance its goal to become a national leader among water agencies. The District is currently implementing efforts to enhance its organizational culture, which is a primary driver of performance and a key factor influencing the District's ultimate success. Because the District has not yet fully developed a culture of performance management and continuous process improvement, the District would need to ensure these areas are a priority among the leadership, management, and staff levels of the organizations.

## Recommendations

To advance to the next generation of transparency and accountability activities, the Board of Directors and Chief Executive Officer (CEO) should consider implementing the following:

### **Structural changes**

1. Transfer all compliance responsibilities, including the Statement of Economic Interests responsibilities, to the Office of Ethics and Corporate Governance. In the transfer, the CEO should delegate proper authority to the Ethics and Corporate Governance Director to affect a change of procedures and processes, as well as to ensure that sufficient resources are available for effective implementation.
2. Reorganize the Internal Audit Unit to formulate a Business Intelligence Unit that includes business intelligence analysis and program evaluation in support of continuous process improvement efforts and performance monitoring. To support business analysis activities, assign at least three additional positions.
3. Integrate the functions of the Office of Government Relations and the Communications Unit to coordinate effective engagement and coordination.



### Strategic changes

4. Update the District's strategic plan with the active engagement of the community, the Board of Directors, District staff, and management. The strategic plan should include the most critical goals and objectives that link directly to the District's mission.
5. Develop a District-wide civic engagement plan that addresses the following:
  - Goals for engagement;
  - Criteria for providing financial sponsorships to organizations that are directly related to the mission of the District;
  - Criteria that would drive decision-making on which events the Board of Directors should attend, connecting the purpose of the event to the mission of the District;
  - Identification of non-traditional locations for outreach;
  - Expansion of opportunities for Board engagement among other local officials, cities, counties, special districts, and school districts to facilitate regional policy management of watersheds, flood control, wildlife, and aesthetics; and,
  - Initiate processes for planning and evaluating the effectiveness of civic engagement efforts.
6. Facilitate a culture of continuous process improvement that encourages employees to discuss problems. Mechanisms to initiate a culture of continuous process improvement include: (a) rewarding employees for problem identification, (b) allowing open discussions of problems, and (c) initiating conversations that rapidly identify problems.
7. Establish protocols for internal meetings that include the discussion of the following questions: (a) What is the District trying to accomplish? (b) How will the District accomplish the activity or goal? (c) How will success be defined? (d) What challenges exist that could potentially hinder success? (e) What are the lessons from recent experiences?
8. Track and monitor the District's key performance measures using software applications available at the District.
9. Develop a District-wide information engagement plan that includes criteria on displaying information and determining the usefulness of information from a customer perspective. Delegate responsibility for preparing the information management plan to a project team comprised of staff from all District divisions.
10. Establish a general fund operating reserve account with an appropriate level of revenues set aside for emergencies, contingencies, or for use for General Fund operations when budgeted revenue receipts fall below initial estimates.



11. Initiate Board level discussions on the merit of reducing the 10-day meeting notice to facilitate timely use of Agency resources.
12. Build budgets around water policy issues agreed upon by community stakeholders and clearly convey in the budget a shared sense of the priorities of the District.
13. Involve the public in budgeting by: (a) holding public discussions on budget priorities; (b) showing the public how to read budgets; and, (c) coordinating informal discussions or meetings to discuss key issues, such as rate setting and how budget priorities are established.
14. Utilize performance data to drive decision-making on allocating resources to accomplish District goals and objectives.
15. Implement strategic activities that directly align with District's goals.

### **Operational changes**

16. Display the District's mission prominently and with clarity on the web site and on all District communication publications.
17. Establish metrics of success for advisory committees that report to the Board, such as timeliness to develop analysis and action plans; outcomes derived from implementing the action plans; and, the percentage of recommendations adopted by the Board.
18. Establish core metrics that link to the District's mission, goals, and objectives. Visibly connect these core metrics with actual expenditures and conduct formal evaluation and monitoring of the metrics.
19. Meet on a quarterly basis with District leadership, mid-level managers, and staff to analyze performance data to assess the District's progress and identify improvements in processes to accomplish the District's key strategic goals.
20. Consider developing mechanisms to facilitate discussion of operational and strategic issues among mid-level managers and staff.

### **Business process improvements**

21. Streamline supervisory signoff on contracts, Board agenda packets, and hiring of staff.
22. Revise the District's claim for reimbursement form to add a description of the purpose of the function attended.

After implementing the above initiatives, the District may consider developing a plan that publishes the District's successful practices in national journals and presentations at national conferences.



## Section II: Background

Santa Clara Valley Water District, with an annual \$471.9 million operating and capital improvement budget, manages an integrated water resources system that includes the supply of clean, safe water, flood protection, and stewardship of streams on behalf of Santa Clara County's 1.8 million residents. The District manages 10 dams and surface water reservoirs, three water treatment plants, an advanced recycled water purification center, a state-of-the-art water quality laboratory, nearly 400 acres of groundwater recharge ponds and more than 275 miles of streams. The District sells water and provides groundwater management to local municipalities and private water retailers who deliver drinking water directly to homes and businesses in Santa Clara County. The cities and towns served by the District include: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale.

The District's highest-level priorities are encompassed in three Board policies: (1) clean, reliable water; (2) natural flood protection; and, (3) healthy creeks and ecosystems.

To support these priorities, the District administers a wide range of programs and public services, including but not limited to:

- Treatment and testing to ensure water quality;
- Water conservation efforts;
- Pipeline reliability;
- Dam storage and safety;
- Flood protection; and,
- Creek cleanup.

Over the next decade, the District will invest approximately \$2 billion on high priority repairs and improvements of District infrastructure.

Three officers appointed by the Board support the District's activities. The officers are the Chief Executive Officer, District Counsel, and the Clerk of the Board. The CEO is supported by the Chief Operating Officer of the Water Utility Division, the Chief Operating Officer of the Watersheds Division, the Chief Administrative Officer of the District, and the Director of Ethics and Corporate Governance. Individuals for three of the seven leadership positions were hired within the last two years. The District's leadership is responsible for 30 business units and 672 full and part-time employees, who provide the required administrative and technical support for the various programs, services, and projects. At the time of our review, the District had 731 authorized positions.

### Scope

TAP International developed a review process specifically for the District, comparing the level of compliance by the District to eight California codes and statutes, convening four national experts for a public discussion that benchmarked agency activities against leading practices regarding: Board



governance, oversight, civic engagement, budgeting, and performance management activities, and conducting individual meetings with over a dozen District managers, directors, and staff; and implemented three focus groups involving the participation of about 30 employees among all levels of the District.

## **Methodology**

### **Compliance Audit**

To examine compliance with selected California Codes, we reviewed documents, analyzed data, and interviewed 10 employees to discuss compliance activities. Detailed activities we performed are shown below:

#### Verified District compliance to California Regulation Code Section 53235 – Ethics Training by:

- Assessing compliance for ethics training for all Board members;
- Reviewing District employee training activities; and,
- Interviewing the Director of Ethics and Corporate Governance.

#### Verified District compliance to California Code Section 6250, the Public Records Act by:

- Obtaining 2013 annual reports to verify timeliness of response to requests for information;
- Submitting public records request to perform spot test on the accuracy of the District's turnaround time report;
- Identifying the existence and availability of key public records on the District's web site;
- Physically observing space available to view public records; and,
- Interviewing the Public Records Unit Manager.

#### Verified District compliance to California Regulation Code Section 54950, 54952 – The Ralph M. Brown Act by:

- Examining all 2014 public agenda and minutes for Board meetings (10), and verifying compliance with five requirements.
- Performing physical observation of posting of meeting notices;
- Reviewing Board policies and other documents for Brown Act policies and procedures; and,
- Interviewing the Clerk of the Board and District management on Brown Act activities.

#### Verified District compliance to California Regulation Code Section 53891, 53892 – Annual Financial Transaction Report by:

- Obtaining the District's 2013 Annual Financial Transaction Report and testing for key compliance activities, (i.e. timeliness, reporting of revenue and expenditures, and obligations as required by State code);
- Verifying submission of the 2012 and 2013 Annual Financial Transaction Reports with the California State Controller's Office;



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- Comparing financial data reported on the Annual Financial Transaction Report to data reported on the Consolidated Annual Financial Report (Audited financial statements); and,
- Interviewing Finance Division managers and staff.

### Verified District compliance to California Regulation Code Section 26909, 12410.6 - Annual Financial Audit by:

- Reviewing financial statements (FY 2010-2013) to determine the data of completion of annual audit;
- Verifying submission of the annual financial audits to State Controller's Office; and,
- Verifying District hiring of an external auditor to conduct its annual financial audit.

### Verified District compliance to California Regulation Code Section 53232.2 (b), 53065.5 – Reimbursements by:

- Verifying eight reimbursement reports for four Board members (randomly selected) for 2013 and 2014 made available on the District's web site to verify compliance for appropriateness in the type of reimbursement, the reasonableness of the expenses, and oversight by the Board Clerk;
- Reviewing Board reimbursement policies to verify compliance with State requirements;
- Interviewing Finance Division staff responsible for processing reimbursement claims; and,
- Interviewing the Clerk of the Board who is responsible for overseeing the collection and review of reimbursement claims submitted by Board members.

### Verified District compliance to California Regulation Code Section 81000 and 82000 - Conflict of Interest/ Form 700 Statement of Economic Interests by:

- Reviewing Board policies and procedures;
- Analyzing system generated reports to identify number of persons who have not complied with annual reporting requirements for 2013;
- Reviewing data on the number of vendors complying with reporting requirements;
- Analyzing positions that completed Statement of Economic Interests with the positions listed on the District's Conflict of Interest code;
- Testing the ability of the system used to submit Statement of Economic Interests to identify incomplete forms;
- Reviewing other agency documentation, correspondence, and workflow maps; and,
- Interviewing the Clerk of the Board staff, procurement, Office of Government Relations, Ethics and Corporate Governance Division, and District Counsel on District implementation activities.

This review compared compliance activities with three other water agencies. These water agencies are the Sonoma County Water Agency, Metropolitan Water District of Southern California, and the San Diego County Water Authority. Where information was available, the results were incorporated into this report.

TAP International conducted the compliance audit from February 2014 through June 2014 in accordance with the formal guidelines of generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Benchmarking Analysis**

To benchmark District activities in key public management areas, TAP International reviewed documentation, analyzed data, interviewed dozens of District employees, conducted three focus groups, and compared agency activities against leading practices described by a panel of public management experts.

Detailed activities TAP International performed are as follows:

- Met with the Audit Committee and District executive management to discuss and identify their concerns for each public management issue;
- Structured the review to address transparency and accountability issues within five key areas: (1) civic engagement (2) performance management (3) budgeting (4) oversight, and (5) Board governance.
- Formulated specific themes identified from the Board member and executive management meetings that would form the basis of subsequent discussion by the Blue Ribbon Panel.

#### Identified District practices and activities in each public management area by:

- Reviewing Board policies and District procedures, reports, newsletters, performance management documents reports, budget reports, correspondence, outreach activities, and publications;
- Interviewing dozens of District staff across multiple units, such as Watershed and Utilities, Communications and Customer Relations Unit, Ethics and Corporate Governance, District Counsel, Clerk of the Board, Finance, Procurement, and Administration on how the District administers each public management area. The areas of discussion variously included:
  - Aligning capital budget process with the operating budget;
  - Performance based budgeting;
  - Translating numbers to impact;
  - Monitoring of organizational trends;
  - Internal audit operations;
  - Performance management frameworks and systems;
  - Performance monitoring;
  - Translating results into managerial decision-making and action;
  - Carver Model of Board Governance;
  - Interagency collaboration and coordination;
  - Public participation in setting priorities; and,
  - Communication and collaboration between advisory groups and the Board;

- Identifying District activities for each public management area; and,
- Summarizing the key facts of District operations to facilitate understanding by public management experts.

Convened a Blue Ribbon Panel Symposium to identify leading practices in five public management areas by:

- Coordinating and facilitating a Blue Ribbon Panel Symposium on leading public agency practices that was held on May 9, 2014. An audio/videotape of the Symposium is posted on the District's web site at valleywater.org; and,
- Selecting four public management experts to serve on the Panel who have extensive experience on the national and/or California stage researching what works and what does not work among each of the public management areas that we reviewed, including water policy and management. Prior to the Symposium, TAP International provided each Panel member with background information and other key agency documents describing the District's structure and activities. The Panel members reviewed the information and evaluated information contained on the District's web site. TAP International also provided additional information about District operations in response to various questions from the expert panelists. Appendix I shows the professional profile of each of the panelists.<sup>1</sup>

Convened a Public Stakeholder Committee by:

- Having the District conduct public outreach to recruit residents interested in serving on the Committee. Of the seven persons who expressed interest, five attended the first meeting to discuss the approach to the benchmarking component of the review. All members were invited to attend the Blue Ribbon Symposiums and subsequent meetings.

Benchmarked District activities to leading practices by:

- Developing a matrix to compare current activities by the District with the leading practices identified by the Blue Ribbon Panel.

Benchmarked District activities to other California water agencies by:

- Reviewing the activities performed for each public management area among three other water agencies: San Diego County Water Authority, Metropolitan Water District of Southern California, and Sonoma County Water Agency. These water agencies were selected because of their known reputation for implementing one or more of notable practices among the five public management areas issues included in our review. A member of the public stakeholder committee disagreed with our selection of water agencies because we excluded agencies that conducted flood control activities. Adding agencies that conduct flood control activities would

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<sup>1</sup> While there are many other leading practices developed among other subject areas, our scope of work involved examining District activities among five public management areas: civic engagement, performance management, oversight, Board governance, and budgeting.

have had no substantial impact on our findings, as the areas TAP International reviewed are common public management functions.

Conducted three focus groups to identify challenges or barriers that would prevent the District from moving forward in becoming a national leader by:

- Identifying employees that had attended the Blue Ribbon Panel Symposium of leading practices;
- Organizing the development of three focus groups with each group representing various positions within the District (leadership, mid-level management, and staff positions); and,
- Asking each focus group to identify successes of the District that align with leading practices suggested by the Blue Ribbon Panel, and to describe challenges that would limit the District in moving forward.

### **Agency Comments**

TAP International invited all District staff who participated in the review to comment on the draft report. Another two meetings, with about 30 District employees in attendance, were held to discuss the draft report in detail. Updates to this report were made upon receiving supporting information to verify the accuracy of the requested change. The Public Records Unit was the one unit that provided the required information to verify suggested updates to the reports.

## Section III: Key Results – Compliance Audit

### 1. The District is in Compliance with Virtually All Transparency and Accountability Requirements

Created as a special district by an act of the California Legislature, the District is subject to statutes and requirements that serve to facilitate fundamental public agency transparency and accountability of operations. Key requirements include the following:

- California Government Code Section 53235 - If a local agency provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all local agency officials shall receive training in ethics.
- Public Records Act, California Government Code Section 6250 – Every person has a right to disclosable records promptly.
- Ralph M. Brown Act, California Government Code Section 54950, 54952 – All meetings of a legislative body shall be open and public with posting of meeting notices at least three days in advance of the meeting.
- California Government Code Section 53891 and 53892 – Each local agency in charge of the financial records shall furnish to the California State Controller a report of all of the financial transactions of the local agency during the preceding year within 110 days after the close of the fiscal year.
- California Government Code Section 26909, 12410.6 – A certified public account or public accountant must perform an annual audit of the accounts and records of the District.
- California Government Code Section 81000 – Each local agency must designate the employees subject to the conflict of interest code within the meaning of California Code section 87200.
- California Government Code Section 87200 – An official or individual hired or leaving a position covered by the District’s conflict of interest code must file Form 700, Statement of Economic Interests with Santa Clara County. Section 87200 applies to individuals who contracts with or whose employer contracts with state or local government agencies and who makes, participates in making, or act in a staff capacity for making governmental decisions. The District, in its Conflict of Interest Code, requires consultants who meet this criteria to file Statement of Economic Interests.
- California Government Code Section 53232.2 (b), 53065.5 – A local agency may compensate members of a legislative body for attendance at the following occurrences: a meeting of the legislative body, a meeting of an advisory body, a conference or organized education activity, or for expenses incurred in the performance of official duties.

The results of the compliance audit show the District was generally in compliance with all eight key statutes. Specifically, the District was in full compliance with 35 of 37 key requirements among the various Government Codes, as shown in Table 3.0. For the remaining two requirements, some of the



District’s employees, contractors, or former employees had not completed Statement of Economic Interests or ethics training although the District was nearly in full-compliance. While the number of employees that failed to comply with requirements was less than 10, the District’s policy requires full compliance with all of the statutes.

**Table 3.0: District Compliance with Key Transparency and Accountability Statutes**

Area	Number of Requirements Examined for Compliance	Number of Requirements in Full Compliance	Number of Requirements in Partial Compliance	Number of Requirements Not in Compliance
California Public Records Act	4	4	0	0
Ralph M. Brown Act	11	11	0	0
Reimbursements	3	3	0	0
Conflict of Interest Code	3	3		
Annual Statement of Economic Interests	3	2	1*	0
Annual Financial Transactions Report	4	4	0	0
Annual Financial Audit of Operations	3	3	0	0
Ethics training	6	5	1**	0
<b>Total</b>	<b>37</b>	<b>35</b>	<b>2</b>	<b>0</b>

\*One employee did not file the required Statement of Economic Interests in 2013 upon departure from the District.

\*\*Less than 1 percent of eligible employees did not receive training in 2010. The District is in process of meeting 2014 requirements for ethics training.

## 2. Public Records Act Implementation is Exemplary

### a. The District Responds to Requests Quickly

The District responds to requests for public records and information in about half of the time required by the policy of 10 days. Of the 382 public records requests received in 2013, the District required about five days, on average, to respond to the request. Our own testing showed that the District beat its own average by responding to our request for information in less than 24 hours. The response time was quicker than the response time by three other water agencies that received the same type of request.

About 77 percent of 382 requests received were for technical data and for documents related to transparency, such as financial documents and other governance documents.

The remaining 23 percent of the requests were for information and documents maintained by other public agencies. For these requests, District staff provided information to the requester on how and where to obtain the needed information, providing customer service that is not required by State regulation.

The Public Records Unit receives many requests for bid documents, rankings, agreements, and award information. Occasionally, these types of public record requests lead to response delays by the District because the requests for information are generally received during the year-end financial closing period. As a result, the Records Units staff, who do not have direct access to detailed bid and contract information, must wait for the procurement division to compile the information. Although the delays have not adversely affected overall performance, the Records Unit continues to work with the Procurement Division to develop a means to expedite responses to these types of requests.

**b. The Records Management Unit Applies Performance Management Principles**

A key component of an effective performance management system is robust monitoring and evaluation of service delivery. Using a myriad of performance reports, the Records Management Unit routinely monitors performance trends on timeliness and on the type of information requested by the public. The Unit uses the analysis to re-allocate resources to accommodate changing workload levels and to ensure timely response to the requestor. In addition, the Records Unit uses the performance reports to identify commonly requested information so that steps could be taken to provide access to the documents on the District's web page. Moreover, the Unit has set up different processes to respond to various types of requests, which also facilitates a timely response.

**c. The Records Unit's Success Can be Attributed to the Skill Set of the Manager and Staff and the Support of Executive Leadership**

Other key features of an effective performance management system are to delegate authority and responsibility for service delivery to managers and to have top-level support of necessary changes. With an advanced degree in Library Sciences, the Manager of the Public Records Unit reported she was delegated authority to determine how best to organize and retrieve information. While the Records Manager acknowledged her educational background has contributed to the success of the Unit, she explained through staff efforts and District executive management support, processes were changed that led to other efficient ways to deliver performance.

### 3. Execution of Some Compliance Activities Can Be Enhanced

#### a. **Although in Compliance, the District Has Over-Formalized Ralph M. Brown Act Related Processes**

Accountability is the guiding principle that defines effective governance by: assigning ownership to business processes and service delivery and, how we measure and report our progress, including how we interact when discussing issues and problems. When accountability is implemented inappropriately, it can undermine an organization's ability to achieve its desired results. In some cases, the more an organization creates accountability, the less accountable is the organization. When this occurs, employees react against the procedures set-up to accomplish accountability because compliance takes too much time or energy. Effective accountability reduces the time and energy that employees spend on business processes and service delivery.

The Ralph M. Brown Act (Brown Act) was created by the California Legislature to facilitate both transparency and accountability. Specifically, the Brown Act requires a minimum of three days advance notice to the public about upcoming meetings of elected officials. At the District, the Board meets bi-monthly to discuss and make decisions concerning matters affecting, among other things, District policies and operations. In preparation of the Board meetings, the District's policy under EL 7.10 is to require 10 days advance notice to the public. The District opted for the 10-day advance notice because of its desire to be transparent to the citizens served by the District. The 10-day notice exceeds state notification requirements, including notice requirements implemented among the other water agencies we reviewed. In addition, the 10-day notice requirement exceeds the six day minimum notice requirement established by Assembly Bill 466 and approved by the Governor in October 1999. The six day minimum notice applies to public Board meetings except for reports related to contracts, reports recommending Board action regarding meeting a legal deadline, reports from a public committee, or meetings to address urgent health, safety, or financial matters.

TAP International found:

- ◆ While the intent of the 10-day meeting notice is noteworthy, the policy has had an adverse effect on operational performance. To meet the 10-day notice requirement, District staff must have agency documents, memos, and other reports ready for the agenda within the same time period. Because of the time required to prepare some documents, the Clerk of the Board does not always receive the required documents for the agenda items, leading to modification of Board agendas and the updating of meeting notices. From January to March 2014, the Clerk of the Board modified 18 of the 24 meeting agendas originally posted within 10 days of the meetings. The Clerk of the Board explained that agenda revisions occur because staff does not submit information on time. According to District staff, the 10-day lead time is difficult to work with because the memos and reports required for the agenda packet are not always completed that far in advance. With so



many modifications, the accountability and transparency sought by the District is not fully effective.

- ◆ The District over-formalizes the review of meeting agendas. When the District finalizes the Board meeting monthly agenda, a key requirement includes the review and approval of the agenda by nine management officials. While the intent may be to increase accountability of the content and accuracy of the information submitted to the Board, the level of signatures required has had an opposite effect. For example, one senior management explained that although many of the signatures are present, he continues to find needed corrections to the information submitted in the Board packet because, while other officials have signed off on the agenda packet, it does not necessarily mean that officials have reviewed the materials. The panel of public management experts agreed that proper accountability is to have one person, the CEO, review and provide approval of the agenda.

**b. Reviewing for Accountability Could be Made  
Easier in Reviewing Claims for Reimbursements**

California Government Code Section 53232.2(b) states that Board members can submit claims for reimbursement of expenses incurred while acting in official capacity, which includes attending meetings, conferences and educational activities. A key requirement on whether or not expenses are reimbursable is the determination of whether the expense is necessary to the performance of the Board member's official duties. Per the District's policies, the types of expenses that are necessary and generally submitted for reimbursements are mileage, meals, airfare, lodging, conference registration, and car rental expenses.

TAP International:

- ◆ In contrast to the three other water agencies, the District provides excellent transparency in posting the reimbursement reports of each Board member on its web site.
- ◆ The District's enabling legislation requires that when Board members attend events, those events must be related to the mission of the District. However, we could not determine the extent that Board members complied with the requirement because the purpose of the event attended by the Board member is not clearly described on the reimbursement form. Having this type of detail recorded on the reimbursement forms would strengthen accountability regarding Board members' representation at community meetings, and would more closely align with California Government Code 53232.3 (b), which states that those requesting reimbursement must show that their request falls within the parameters for use of public resources.

**c. Form 700 Filings Could Benefit from Added Clarity**

California Government Code Section 81000 through 91015 of the Political Reform Act 7200 establishes a set of duties that public officials must perform to ensure that public management is properly conducted regarding issues involving some type of economic interest. Public officials who act or make decisions that have financial impact on the organization, including contractors, are required to complete a Statement of Economic Interest. The Statement must be filed when assuming the position, annually, and then again upon leaving the position. The filing official of the District, who resides in the Clerk of the Board office, is responsible for ensuring compliance with the filing requirements. The filing requirements, such as who within the District are required to file and the extent of financial disclosure needed, is described in the District's Conflict of Interest Code. At the time of our review, the Code delegated about 90 types of District positions (including consultant positions) to file a Statement of Economic Interest. The Political Reform Act prescribes that no official, at any level of organization, shall make, participate in making, or in any way attempt to use the official's position to influence a decision when the official knows or has reason to know that the official has a financial interest in the decision. An "official" is defined as a member, officer, employee or consultant. A "decision" is defined as making a final determination, compelling or preventing a governmental decision, or making a recommendations. A "consultant" is any individual who provides, under contract, information, advice, recommendation, or counsel to the District.

TAP International found:

- ◆ In 2013 and 2014, nearly all of the 240 District employees who are required to file, submitted a Statement of Economic Interest. According to the District's filing official, the largest challenge is the timely filing of departing and newly hired employees. To facilitate timely filings, the District now requires personal contact information for employees leaving the agency.
- ◆ The District could benefit from consistently applying its Conflict of Interest Code regarding consultants. The District requires consultants to file a Statement of Economic Interest (Form 700). Under the District's Form 700 filing policy, a "consultant" means a contracted individual who: (a) makes a governmental decision or (b) provides services in a staff capacity with the agency and in that capacity participates in making a governmental decision. To assist District employees in making a filing determination for consultants, program managers must complete forms that assess and verify independence. However, general confusion exists among program managers serving as contract analysts on the interpretation of the criteria regarding governmental decisions. Procurement officials, who have no authority requiring District staff to submit Form 700s for consultants, explained that some District divisions do not believe consultants should be required to file. In other divisions, managers interpret District policies more broadly and require consultants to file.
- ◆ The general confusion about consulting filings have led to:



- *Requiring consultants to file who may not necessarily have to file.* The filing official reported that under the current implementation of the District's policy, consultants are asked to file but are not necessarily subject to filing. For example, consultants hired to perform stakeholder outreach on the Groundwater Charge Zone Study were asked to file by their contract managers, but according to the filing official, these consultants may not have been subject to the requirement. Some District managers and contract liaisons believe that all consultants are required to file, while others interpret the requirement differently. Other liaisons are not sure how to implement the policies.
- *Exempting consultants from filing against the opinion of the filing official.* For example, the District Counsel allowed the exemption of a contractor who engaged in lobbying activities on behalf of the District. Although the Office of Government Relations explained that the lobbyist works at their direction, one of the District's criteria that trigger filing is whether the consultant influences decision. The District Counsel's office ruled that because the contractor had a relationship with the District for less than one year, an exemption was acceptable. The filing official explained that past decisions by the Fair Political Practices Commission were relied upon as the basis for the District Counsel's office decision. According to the District Counsel's office, the consultant would need to be serving for one year or more to be considered acting in a staff capacity.
- *Consultant filings are not reviewed for potential conflicts of interest.* Procurement unit management explained that their staff, or staff from other component units, does not have the experience or expertise with FPPC rules and regulations to perform the review activity.

As of August 2014, the District's filing official and the Procurement unit continued to work on the District's procedures for consultant filings<sup>2</sup> to address general confusion and to streamline the current size of the filing packet.

To fully resolve outstanding issues and concerns, the District will need to consolidate leadership over Form 700 compliance and clearly establish decision-making authority. At the time of our review, the District fragmented authority for two statutory requirements, whose outcomes are driven by the other requirement. Specifically, the District's Conflict of Interest Code stipulates requirements for filing Statement of Economic Interests and the District's procedures for filing Statement of Economic Interests are influenced by requirements contained in the Conflict of Interest Code, particularly the types of filings to be performed by employees and consultants. However, Form 700 work instructions designates the Clerk of the Board as the primary administrator for the filings, and the Deputy Director of the Office of Corporate Governance and Ethics as the official responsible for ensuring compliance with the Conflict of Interest Code. Dividing responsibility for implementing and complying with two

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<sup>2</sup> The District's filing officials and procurement staff should be commended for their efforts to implement and address Form 700 filing requirements, especially in ensuring that consultants file. In March 2014, 13 consultants had filed and, by August 2014, all consultants required to file since the District's adoption of the Form 700 filing requirements have filed (47). Consultants on contract with the District prior to the adoption of District's filing procedures have not been required to file.

related requirements among two separate units adds complexity to an already cumbersome process. The Los Angeles Metropolitan Water District consolidated these compliance activities under the agency's Ethics Officer.

**d. Annual Financial Transaction Report Filing Provides an Opportunity to Enhance Business Processes**

Under California Government Code Section 53891 and 53892, the District must furnish to the State Controller an electronic report of all its financial transactions within 110 days after the close of the fiscal year. Although not a State requirement, it is expected that public agencies file the reports accurately.

We found:

- ◆ Although the District filed timely reports for FY 2012 through FY 2013, the latest report was not filed as accurately as it should have been because the District had used unaudited financial data to prepare the report. The District relied on unaudited financial data because its financial audit begins 90 days after year-end closing allowing insufficient time to use audited financial data in preparation of the Annual Financial Transaction Report.<sup>3</sup> As a result, for the upcoming FY 2014 filing, the District will need to make a material adjustment of \$2.9 million in the General Fund balance shown on the FY 2013 report, offset by corresponding increases in the fund balances of all the other funds. While filing on time provides for one component of accountability, it is not effective accountability or transparency when the reports do not fully represent the financial activities of the District. Finance staff explained that using audited financial data is not a state requirement and that under reported amount is small in comparison to the District's total budget.
- ◆ In contrast to the District, many public agencies, including large agencies, use the public accounting firms they have hired to perform their financial statement audit to submit the required financial transactions report to the State Controller. This way, the contracted firm is accountable for submitting timely and accurate reports to the State of California. If

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<sup>3</sup> The District's fiscal year-end close out process allows vendors to submit invoices for the fiscal year-end through July 25th. By having a deadline of June 30<sup>th</sup> or shortly thereafter for invoice submissions, organizations eliminate a delay in the close-out process and can generally begin the financial audit earlier, leading to more accurate filings. Finance office staff explained that, generally, accounting standards require the recording of all June invoices for the same fiscal year incurred and that changing the deadline for June invoices from vendors is not possible because it will require up to four accounting entries. According to Finance staff, the District would have to capture these invoices as accruals rather than actual expenses. Other large agencies notify vendors in March to submit June invoices on June 30 or shortly thereafter to accomplish timely fiscal year close out processes. For these agencies, no accrual entries are required because the vendors have submitted the invoices.

the public accounting firm is late on the filings, the vendor can be liable for late penalties. Presently, the District is at risk of financial penalties should it fail to file, or file late.

**e. Policy Gaps Can Be Closed Regarding Ethics Training**

Under California Government Code Section 53235, the District must provide ethics training to employees subject to the Conflict of Interest Code. According to the Institute of Local Government, ethics is what one ought to do – the kind of behaviors that would make the world a better place – especially if everyone engaged in them. Ethics is particularly important in public service. The public’s trust and confidence in its leaders and public agencies is vital to its success.<sup>4</sup> Ethics training provides a mechanism to practice good ethics and to create better working environments for employees. Creating an ethical culture is one of introspective thinking, calling for on-going reflection and examination, to ensure that when individual employees engage in business activities, the individual has determined that the activity is aligned with the core values of the District.

TAP International found:

- ◆ While the District conducts ethics training for all persons subject to Statement of Economic Interests filing requirements, the training is not customized to the operations of the District. As a result, it may be difficult for employees to recognize potential or actual conflicts of interest upon their occurrence. Having a training program customized to the District’s environment allows the District to be clearer on what ethics means as it applies to the District operations, including how to resolve ethical dilemmas that could arise in an employee’s day-to-day activities, especially among those positions that routinely engage with external stakeholders. A customized training program also allows the District to set its sights on strengthening a culture of ethics around behavior, which would be higher than the minimum requirements of the law. For example, a customized training program would incorporate past experiences at the District and explain how to address those where making the wrong decisions could come at a personal cost, adversely affecting working relationships with colleagues, or adversely impacting the District. The training program could also explain how to work through a situation when there is no “wrong” decision, but how one decision may be better aligned with the District’s core values than the other.
- ◆ In 2012, the District exempted 31 employees from ethics training, including Finance and Government Relations employees who are in positions that require the highest level of government ethics. District policies and procedures do not include criteria for allowing exemptions to ethics training.

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<sup>4</sup> Understand the Basics of Public Service Ethics, Promoting Personal and Organizational Ethics, Institute of Local Government, 2009.

## Principal Results – Benchmarking Analysis

### 4. The District is Positioned to Build on Current Successes to Advance Management Practices through Additional Transparency and Accountability

Transparency builds accountability both internally and externally. In turn, increased accountability improves organizational performance. The road to transparency is through public participation and collaboration. Open access to information and public involvement in government decision-making facilitates public trust and promotes efficiency and effectiveness in government.

Accountability guides effective public management. Accountability is the process of taking ownership and responsibility for activities, measuring and reporting on results, and responding to problems. Thus, the ability to execute and deliver results is directly linked to accountability practices, organizational culture, and other systems in place. If these components are not working effectively, then performance improvement will be adversely affected.

The Blue Ribbon Panel discussion, as well as, research on high performing public sector organizations, consistently finds improved accountability creates improved performance. The relationship is illustrated in Figure 4.0:

**Figure 4.0: Transparency Relationship**



The Blue Ribbon Panel that we convened for this review had three charges:

1. Identify leading public management practices in transparency and accountability potentially applicable to the District’s operations, management, and strategy;
2. Share insights in a public discussion setting as a way to invite on-going discussion; and,
3. Offer suggestions that District staff, managers, executives, and Directors could discuss and implement to accomplish the District’s goal of becoming a national leader among water agencies.

The Blue Ribbon Panel convened for a half-day public discussion, with attendance of members of the Board, District executives, managers, staff, and the public. The Panel consisted of four experts, chosen for their considerable and long-standing professional experience, practice, and research on transparency and accountability at the national, state, special district, and local government levels. In the weeks prior to the Panel's public discussion, each Panel member was provided fact sheets specifically focused on each of the five public management areas. The background information and the Panel member's professional knowledge of the issue areas facilitated the discussion of leading practices. There was not an expectation among Panel members to comment on the operational intricacies of District operations.

The Blue Ribbon Panel members' discussion found consensus on a range of leading practices in each of the five public management areas chosen as focus areas by the district.

#### **A. *Civic Engagement: The District Can Do More to Align with Leading Practices***

Civic engagement is a process of inclusion and collaboration with key stakeholders, including the general public. Civic engagement is designed to obtain information from the public on issues and concerns, to consult with the public on matters concerning operations and service delivery, and to solicit input for deliberating and informing decision-making. Sustained and effective engagement can improve a public agency's effectiveness, the quality of its decisions, as well as build public trust in all areas of public management. The Blue Ribbon Panel highlighted the importance of civic engagement for the District given the complexity of water policy issues, including the limited supply of water resources coupled with increased demand. Panel members also discussed experiences where collectively working with stakeholders and the public can build the trust needed for public support and response in a time of crisis. Engagement activities that provide the highest level of impact involve collaboration and empowerment and reach beyond the usual participants and special interests to include all stakeholders. These impacts can be in the form of avoiding mistakes in decision-making and facilitating greater public support for final decision-making.

#### **Leading Civic Engagement Practices Suggested by the Blue Ribbon Panel**

The Blue Ribbon Panel emphasized there is no one-size-that-fits-all for leading practices in civic engagement. Rather, the most effective tools and actions for civic engagement differ according to the level of uncertainty and potential risk in the organization's decisions. To determine the best approach, the organization must consider the issue at-hand, demographics of the community, the means in which the civic engagement take places, and how the public agency officials will use the results in their decision-making. This "sensitivity to context" provides a model for meaningful engagement across a wide range of issues and across varied communities and the changing demographics of California. Effective engagement does not tout engagement for engagement sake, but ties the engagement directly to the mission and strategic goals of the District, including a detailed statement of the ways in which transparency, participation and collaboration can help the District achieve its results. In fact, effective engagement on one set of issues can build civic capacity that translates into other action areas.

Asking a series of established questions provides a powerful mechanism for identifying the type of tools and practices to be used in each civic engagement. Discussing each question could also help build a culture of effective dialogue. Panel members suggested developing the following checklist of key questions when planning civic engagement:

- What is the goal to be accomplished?
- What is the purpose?
- What are the ground rules?
- What is the risk?
- Who is making the decision?
- What resources are available?
- What are the set of actions to implement?
- How will results be communicated back to stakeholders?

The Blue Ribbon Panel also described the following leading practices for effective civic engagement:

1. Collectively, the public, Board of Directors and the organization's staff, develop a consensus on organization-wide goals to advance an agency's mission.
2. Identify and communicate to the participants – in advance – the purpose of each civic engagement as one the following: informational, advisory, or consulting.
3. Administer civic engagement activities strategically to link directly to an agency's goals and objectives.
4. Invite the general public to be part of the decision making process at a deliberative level on policies that affect the residents, and provide notification of when and how information will be shared with the public.
5. Build civic capacity on one issue to build capacity on other issues, and use that participatory network and process for future issues.
6. Facilitate involvement of future generations.
7. Anticipate crisis by identifying appropriate linkages to questions on current information, for issues on the horizon, and policy developments external to the organization's environment.
8. Provide financial sponsorships to organizations that clearly link to the organization's mission.
9. View civic engagement as a journey and an on-going process to build public trust.
10. Build trust with a forthrightness of information.

**Potential accomplishments upon alignment to leading practices**

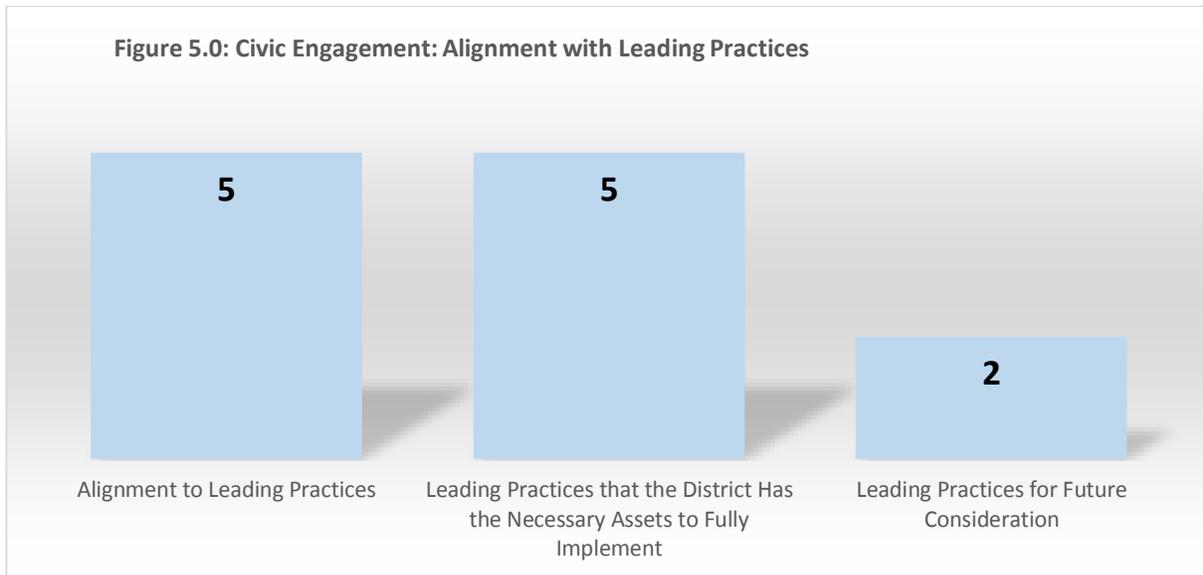
- ✓ Enhanced relationships that facilitate organizational success.
- ✓ Greater ability to address future complex challenges.
- ✓ Building of greater trust among staff, the public, and key stakeholders by implementing meaningful dialogue.
- ✓ Effectively adjust to the changing cultural and demographics of California.
- ✓ Providing the public a clearer understanding of the District's mission, goals, and accomplishments and new initiatives.



11. Conduct information engagement with clarity through web sites, media, and other tools.
12. Implement an expansive web site search capacity.

### Benchmarking Analysis

As shown in Figure 5.0, the District aligns with five leading practices and has the assets to fully implement another five practices. Assets are defined as tools, processes, staff, and structure. The District could consider implementing two other leading practices in the long-term.



### Five Areas of Alignment

#### Involving future generations

- ◆ The District sponsors educational outreach programs, including poster and video contests, on the value of water conservation and watershed management. To date, 20,000 children have received education and information.

#### Engaging the public at a deliberative level

- ◆ The District allows public participation in all open meetings and encourages the public to respond and comment on Board agendas and documents through the District’s web site.

#### Building civic capacity



- ◆ The District's Communications and Customer Relations Unit is central to its outreach activities and implements a substantial number of activities, such as:
  - media relations;
  - the District's external web site and intranet;
  - social media;
  - e-news streaming;
  - marketing campaigns;
  - community engagement plans for each project;
  - surveys;
  - community meetings and open houses;
  - focus groups; and,
  - mailings, and neighborhood notices.

The information disseminated by the Communications and Customer Relations Unit relates to the goals of the District, especially in the area of conservation. For example, to support one of the District's goals (to conserve water resources), the District recently engaged the community to report on water wasters through a new smart phone application.

#### Web site search capacity

- ◆ The District's web site provides users a robust search capacity, allowing users multiple options to search for information using key words.

#### Issues on the horizon

- ◆ The District is looked to as a leader in the State on providing current information about the drought issues affecting the State. The District is also tracking state water resources management policy for the Bay Delta as a key water resource, and provides information on the aqua.gov web site on future challenges regarding water supply, natural flood protection, and water resources stewardship. These challenges include: whether projected water supply demand exceeds current supplies; the increasing costs of maintaining and managing assets necessary to treat, distribute, and store water; the vulnerability of the quality, quantity, and availability of local and imported water supplies to factors external to the District; and, climate change affecting flooding.

### **Five Leading Practices that the District has the Assets to Fully Implement**

#### Agreement on organizational-wide goals

- ◆ The District is in the process of developing an operational strategic plan. At the time of issuance of this report, the content of the preliminary plan is a step in the right direction. The process to



develop District-wide strategic goals for the plan generally involves the participation of the Board of Directors and considers the input of the public and staff.

#### Purpose of engagement

- ◆ The District administers a substantial level of engagement activities. For example, Board members attended 562 events in 2013 upon request and/or invitations by the public. Since 2011, the number of meetings, outreach events, and presentations carried out by the Board increased by 36 percent, contributing to the transparency of the District. In other areas, the Communications and Customer Relations Unit and Office of Government Relations continuously implement a myriad of communication activities for advocacy, training, informational, or outreach purposes. However, the Office of Government Relations and the Communication Unit generally implement activities independently. For example, the Office of Government Relations recently sponsored and promoted staff development regarding communication skills, an area of expertise by the Communication Unit. Strategic coordination of this wide range of district activities with the public creates the opportunity for developing a comprehensive strategy that leverages each of those activities into a measurable set of significant outcomes.

#### Engagement as journey to facilitate trust

- ◆ The District implemented a substantial level of public engagement in the last election that led to a high level of public support for water rate increases. While the results provide an indicator of public trust, the leading practice focuses on sustained engagement and transparency in all areas of District activities. A particular opportunity for the District is to enhance the effectiveness of engagement surrounding capital project planning and construction projects. The results of the mid-level manager focus groups show that the District could strategically and openly share information with the Board of Directors on capital project issues, challenges, schedule changes, and updated plans.

#### Forthrightness of information

- ◆ The District disseminates considerable information on its web sites and requests feedback from the general public. The District also provides a substantial level of information on capital improvement projects on its web site. Members of the Public Stakeholder Committee suggested that the District could provide more detailed information on project successes and failures and also prepare detailed responses to frequently asked questions (FAQs). Committee members explained that the District's responses to FAQs posted on the District's valleywater.org web-site do not generally answer the question. In another area, mid-level managers who participated in a focus group generally agreed that trust is not built when staff do not fully report to the Board on the circumstances of delays or challenges with District projects.

#### Conduct information engagement with clarity through web sites, media, and other tools



- ◆ The District administers multiple information engagement activities. A key information engagement activity, responding to requests, is administered by the Public Records Unit and is performed by that Unit in an exemplary manner. Other key information engagement activities are administered through the District's web site, social media, media relations, and mobile applications. While the District's web site (valleywater.org) provides a substantial amount of information, transparency is not fully accomplished if the information can be found only by searching the entire website. Organizing information from the perspective of the public, external user versus for use by an internal staff person (especially for the most frequently sought information) can, in a larger context, make sure the District is effectively utilizing its web site as an information sharing tool. The District has plans to revamp its website.

The District can do more to use other technologies to re-define relationships with local jurisdictions, citizens, and to change expectations about their services. For example, although the District is a wholesaler of water to local jurisdictions, it could use remote and satellite sensing to better track water usage among local jurisdictions so that District can use the results to develop new ways to engage the general public on water conversation initiatives and programs.

## Two Leading Practices for Future Consideration

### Strategic and effective engagement

- ◆ The District does not consistently track information about the effectiveness of its engagement activities. By implementing quantitative-based ways to evaluate the effectiveness of its current civic engagements, the District could use the results of the studies and place its focus on those cost-effective engagement strategies that best advance District goals and objectives. Having this information also could help strategic decision-making on allocating resources among the most effective of engagement activities. Formal measurement of the success of each civic engagement activity will provide the District a means to learn from their experience and a way to better leverage financial resources on engagement activities that lead to the best impact for the dollars invested.

There are many types of civic engagement outcomes that can be reviewed, such as:

- ✓ Measuring the District's success to administer sustained engagement activities for soliciting public input and recommendation;
- ✓ Monitoring changes in the level of direct public involvement in advancing the District's mission and goals;
- ✓ Determining how the Board's decisions were influenced by community input and feedback and the impact on the decisions made;
- ✓ Measuring efficiency in the engagement design and process regarding specific programs or issues; and,
- ✓ Formally assessing the level of satisfaction of internal and external stakeholders with civic engagement activities.

It should be noted that, to date, few agencies routinely assess the effectiveness of their civic engagement programs, so this could be an opportunity for the District to become a leader among public agencies in this area.



Financial sponsorships

- ◆ The Blue Ribbon Panel emphasized that any financial sponsorships provided by the District to community groups or events should be directly related to the mission of the District: water resources. The District has available funding for sponsorships of events and community organizations and has provided sponsorships to organizations in accordance with established District policy for promoting inclusion and diversity efforts, but there were no District reports available showing whether such contributions have had an impact on them. Members of the Board and District staff questioned whether sponsorships awarded to local community groups are directly linked to the mission and goals of the District. The District could develop additional policy and practices to explicitly link and evaluate sponsorships in advancing the mission and measurable goals of the District.

***B. Performance Management: The District Can Advance to the Next Level of Public Management through Additional Clarity and Impact by Narrowing Key Indicators and Metrics***

The fundamental premise of performance measures is to provide information to determine how organizations can perform better. It is not focused on how the organization *is* performing. If an organization measures the right things, and measured these correctly, the results will tell management where the organization is in comparison to where it wants to be. A performance-based management system also responds to customer expectations and is developed in the context of strategic planning. Strategic planning involves the development of the organization's framework, which includes the mission, vision, values, and the goals that will direct all organizational activities covered during the timeframe of the plan. This component of strategic planning almost always involves the Board of Directors, the CEO, key staff and other internal and external stakeholders. Another component of strategic planning involves developing operational strategies that describe how strategic goals will be accomplished. Each key unit of the District could also develop its own operational strategic plan that links to the District's overall strategic goals and objectives. Operational strategy plans are used in the budgeting process to ensure appropriate staff and financial resources are in place to accomplish these goals. Finally, strategic planning involves identifying performance measures to evaluate the organization's progress in goal accomplishment.

A performance management model has the following key components: clear and measurable goals and objectives; performance measures linked to the goals and objectives; systems and processes for data collection and analysis; delegated authority to affect change when change is needed; and, routine reporting of performance to stakeholders. While there are no established benchmarks for the number of performance measures to track, leading organizations establish a set of a "critical few" measures that directly link to the organization's strategic goals and objectives.

The aim of performance management models is to implement continuous process improvement activities as a result of routine measurement of performance, acting on areas that need improved performance, and reporting on the results of agency spending. Figure 6.0 below illustrates one type of performance-based management model that is used in the public sector.

**Figure 6.0: Performance Management Model**



### **Leading Performance Management Practices Discussed by the Panel**

The blue ribbon panel described five leading practices for performance management. These practices include:

1. Establish a clear mission for the organization and develop equally as clear goals based on their value to the community.
2. Implement a culture of performance management by:
  - Developing metrics that define success and link the metrics to the goals;
  - Providing authority within the organization to affect change;
  - Implementing data systems to monitor performance;
  - Unpacking problems through metrics to determine what is needed to accomplish the goal; and,
  - Day-to-day managerial decisions that are driven by the organization’s missions and goals.
3. Remain committed to performance management, but exercising flexibility as conditions and circumstances evolve.
4. Allow for evolution of the performance management model over time.

5. Drive budget decisions based on achievement of benchmarks and targets agreed upon by both the Board and management.

The Blue Ribbon Panel emphasized that the actual goals of the organization are less important than how they affect managerial day-to-day decisions.

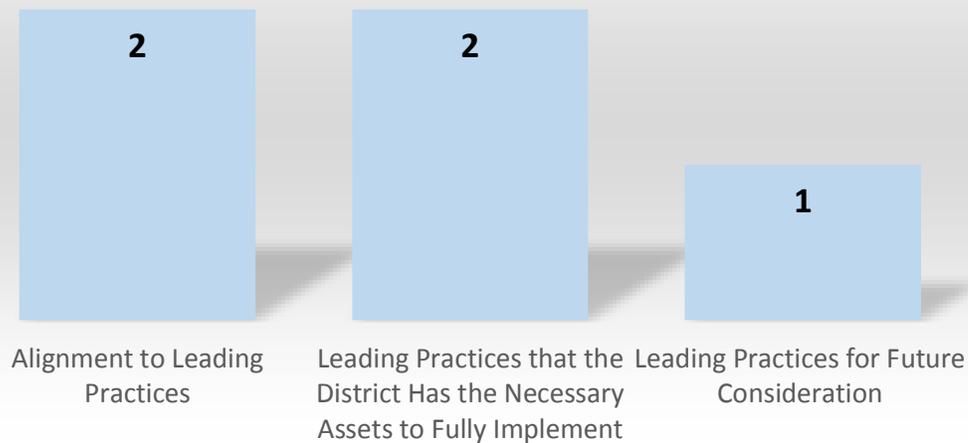
**Benchmarking Analysis**

As shown in Figure 7.0, the District aligns with two leading practices for performance management and has the assets to implement another two leading practices. Assets are defined as tools, processes, staff, and structure. The District could consider implementing another leading practice in the future.

**Potential accomplishments upon alignment to leading practices**

- ✓ Increased cost effectiveness in expenditures.
- ✓ Improved management performance on current projects and policies.
- ✓ Increased management capacity to address future complex challenges.
- ✓ Greater visible accountability for goals through increased transparency to the Board, staff, and the public.
- ✓ Better clarity, focus, and co-ownership of District goals and activities through engaging the public and staff on discussions of effective measures.

**Figure 7.0: Performance Management: Alignment with Leading Practices**



**Two Areas of Alignment**

Performance model evolving over time

- ◆ The Malcolm Baldrige Model of Performance was the District's first performance management model implemented in the 1990s. The District's model has since evolved, incorporating over 180 measures tracked and monitored by the Office of the CEO Support. The District presently has plans to expand the performance management model to the staff level, linking agency performance to employee performance expectations.

#### Commitment to performance management

- ◆ In spite of multiple changes at the CEO position and, although the performance management model has changed over time, the District's Board remains committed to implementing performance management.

### **Two Leading Practices that the District has the Assets to Fully Implement**

#### Clear mission and goals

- ◆ The enabling legislation of the District calls for the control and conservation of flood and storm waters and the protection of watercourses, watersheds, public highways, life and property from damage or destruction from such waters; to provide for the acquisition, retention, and reclaiming of drainage, storm, flood, and other waters; and, to save, conserve, and distribute such waters for beneficial use. The District has used the enabling legislation to formulate a clear mission statement -- provide Silicon Valley with safe, clean water for a healthy life, environment and economy. The mission statement is shown on the web site, on budget documents, and is described on the District's latest strategic planning effort. Where the District deviates from leading practices is tracking and reporting on over 700 milestones linked to over 180 measures, which are tied back to the 31 goals of the District. Managers, directors, and staff reported that the level of performance measurement tracked has led to the lack of clarity on goals and general confusion about the priorities of the District.

#### Culture of performance management

- ◆ The District has all of the elements in place to establish a culture of performance management. Concerns exist about the value of tracking many measures and the challenges of drawing meaningful conclusions from them. Many District employees (at all levels) generally agreed that more could be done to monitor metrics that define the success of the District, starting with utilizing the existing performance management database that has a capability of performing trend analysis, which would identify areas for change. We noted that not all District units routinely unpack problems through the analysis of metrics nor consistently use performance management to drive day-to-day managerial decisions that are linked to the agency's missions and goals. In those Units that do implement performance management, the activities are exemplary. We previously described in this report the noteworthy performance management environment administered by the Public Records Unit.



## Another Leading Practice for Future Consideration

### Budget decisions and benchmarks

- ◆ The budget documents used by the District describe outputs of the District's many activities, such as the number of tons removed from creeks and streams, and the number of soil tests performed. Members of the Board raised the issue that the District could do more to link the measures used by the District to direct outcomes on whether the activities have met strategic goals. The results of the mid-level staff focus group explained that the District needs to improve upon the information shared with the Board for decision-making when describing the District's performance on projects.

### ***C. Budgeting: The District Prepares a Comprehensive Set of Budget Documents That Provides an Opportunity for Increased Transparency by Facilitating Fiscal Fluency***

According to the Government Finance Officers Association (GFOA), the budgeting process is one area of finance that in many jurisdictions needs additional guidance. There is a nationally accepted set of recommended practices for budgeting which links the budget process with the political, managerial, planning, communication, and financial activities of the agency. These recommended practices also link budgeting practices with the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies, and plans.

The use of performance information in budget formulation provides critical data to support resource allocation decisions. The overall benefit of utilizing performance data is to improve mission accomplishment for the program, agency, or administration by ensuring that resources are allocated in the most efficient and effective manner. The most fundamental goal in budget formulation and decision making is determining the best allocation of scarce government resources in order to maximize outcomes. One process is to measure the desired outcome followed by measuring the resources, activities, and tools necessary to produce the outcome. Unfortunately, implementing the guidance does not necessarily result in budgeting effectiveness. An effective budgeting process goes beyond traditional budget formulation by describing the impact that resources, activities, and tools have on outcomes. An effective budget process also evaluates the longer-term impact of budget decisions and their consequences over a multi-year horizon, including assessing the financial sustainability of programs and services.

The leading practices described below are designed to enhance the quality of decision making by encouraging practices that illuminate the key priorities and issues facing a community.



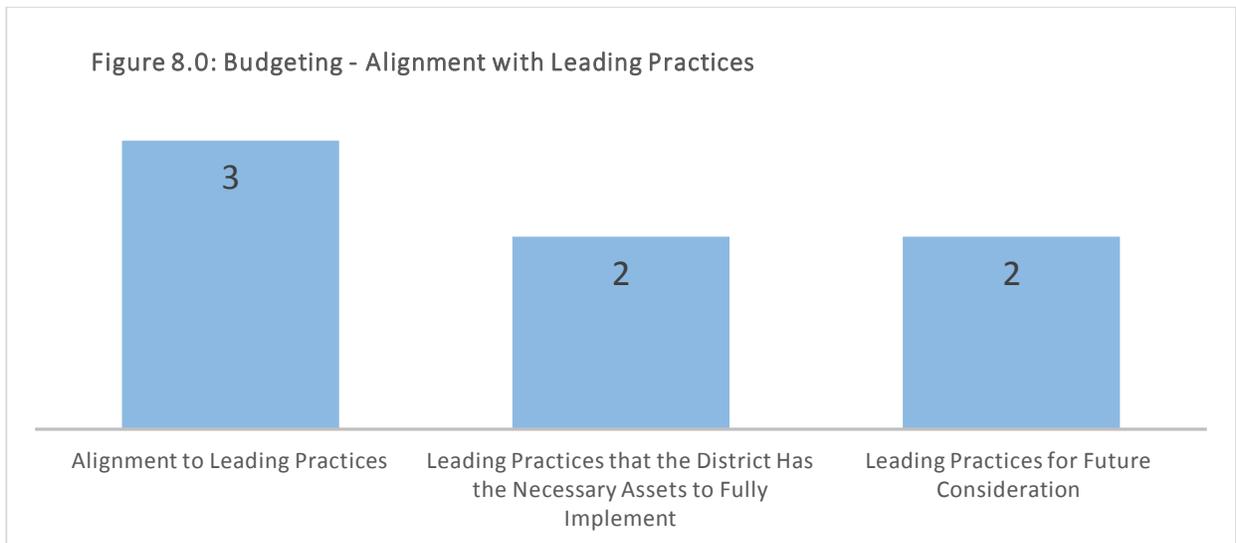
### Leading Budget Practices Discussed by the Blue Ribbon Panel

The Blue Ribbon Panel’s discussion echoed GFOA practices and emphasized the following advancements in budgeting:

1. All agency spending, including staffing, projects, or sponsorships, should reflect the goals and aspiration of the agency.
2. Fiscal fluency is established as a process that ensures understanding among all key stakeholders and the public of the budgeting processes and budgetary decisions.
3. Formal budgeting processes that have clarity and focus lead to timely budgeting processes.
4. External engagement establishes budget priorities and promotes transparency in the budgeting process.
5. The budget should be built around water policy issues agreed upon by community stakeholders, and should consider interactive on-line conversations with the community.
6. Budget priorities are communicated back to stakeholders to facilitate accountability.
7. Short and clear budget summaries are prepared.

### Benchmarking Analysis

As shown in Figure 8.0, the District aligns with three leading practices for budgeting and has the assets to implement another two leading practices. Assets are defined as tools, processes, staff, and structure. The District could consider implementing two other leading practices in the future.



### Three Areas of Alignment

Developing short and clear budget summaries

- ◆ The District generally provides short and clear budget summaries with sufficient information about spending on District goals and objectives and planned activities for their accomplishment.

#### External engagement to establish budget priorities

- ◆ The District outreaches to all local jurisdictions annually to identify and discuss needed capital improvement projects. Also, the District's Board convenes meetings in other jurisdictions in efforts to accomplish greater public participation in the budgeting process.

#### Communicating budget priorities back to stakeholders to facilitate accountability

- ◆ The District disseminates budget briefs to the community that effectively presents budgetary priorities, including providing data on the level of spending across 31 goals.

### **Two Leading Practices that the District has the Assets to Fully Implement**

#### Spending that reflects the agency's organizational-wide goals and aspirations

- ◆ The District prepares budgets that allocate spending for conservation, water storage, and flood control. If the District took steps to ensure that the spending explicitly supported its mission and strategic goals, especially in the area of community sponsorships, performance monitoring, and external engagement activities, then fiscal alignment to District goals is accomplished.

#### Fiscal fluency

- ◆ The District's Board implements considerable efforts to increase public participation in the budget process. Activities implemented include conducting outreach to the community, convening Board meetings in other localities, and inviting the public to budget workshops. The District also conducted comprehensive presentations on the budget. However, the District has not yet prepared or presented information on how to read or understand the budget. With greater knowledge about how to read budgets, greater interest of the public could be accomplished.

### **Other Leading Practices for Future Consideration**

#### Timely budgeting process

- ◆ The District has a nine-month preparation process to prepare the annual operating budget and capital budget even though agency utilizes incremental budgeting. Incremental budgeting involving adding across-the-board increases to prior year budget line items and should provide an opportunity to reduce the time required to prepare the final budget. According to the Finance



staff, a longer timeframe is needed because so many stakeholders are involved in reviewing the budget. Others explained that the Office must wait to receive information from other units regarding the capital budget. Other public agencies with large capital improvement projects do not generally require a nine-month budgeting processes. Generally, a four to six month process is utilized.

Building budgets around water policy issues agreed upon by the public

- ◆ Externally, there is the opportunity to connect the budget to a shared sense of the District’s mission and Board End Policies through expanding public participation on water policy discussions. This discussion can explore options and tools for involving the public in the budgeting process, and reporting back to the community with discussions of priorities. Current efforts focus primarily on including interested stakeholders, other special districts, city and counties. Public meetings are generally held to inform and to respond to issues and concerns regarding planning capital improvement projects.

***D. Oversight: The Board of Director’s and CEO’s Commitment to Transparency and Accountability Presents an Opportunity to do More to Establish an Organizational Culture of Continuous Process Improvement and Innovation***

Oversight processes operationalize accountability and transparency in public agencies. Monitoring of government activities for efficiency and effectiveness, compliance to laws and regulations, and checking for conflicts of interests achieve a more effective, accountable, open and ethical government. Mechanisms for conducting oversight can occur at the Board level, through external watchdog agencies, and internally, through a culture of performance and accountability and with an internal audit function.

Continuous improvement is an ongoing effort to improve products, services or processes. Improvement can occur all at once, or in a series of incremental improvements. The process can also include the questioning of whether to continue, streamline, or eliminate certain processes as they relate to an organization’s strategic or operational goals. A culture of continuous process improvement allows for learning from failures with a goal of identifying needed improvements early on.

**What are the key elements of Continuous Quality Improvement?**

- Accountability
- Driven by good management...not crisis
- Driven by input from all levels of staff and stakeholders
- Teamwork
- Continuous review of progress



### **What are the internal and external benefits of Continuous Quality Improvement?**

- Improved accountability
- Improved staff morale
- Refined service delivery process
- Flexibility to meet service need changes
- Enhances information management, client tracking & documentation
- Means to determine & track program integrity and effectiveness
- Lends itself to design of new programs & program components
- Allows creative/innovative solutions

### **Who is involved in Continuous Quality Improvement?**

- Citizens served
- Employees, volunteers & consultants
- Members of boards
- Consumer advocates
- All levels of agency staff

### **What are the steps in the Continuous Quality Improvement process?**

1. Identify a need/issue/problem and develop a problem statement.
2. Define the current situation - break down problem into component parts, identify major problem areas, develop a target improvement goal.
3. Analyze the problem - identify the root causes of the problem and use charts and diagrams as needed.
4. Develop an action plan - outline ways to correct the root causes of the problem, specific actions to be taken, identify who, what, when and where.
5. Look at the results - confirm that the problem and its root causes have decreased, identify if the target has been met and display results in graphic format before and after the change.
6. Start over - go back to the first step and use the same process for the next problem.

### **Leading Oversight Practices Discussed by the Blue Ribbon Panel**

The Blue Ribbon Panel outlined the following leading practices to accomplish effective oversight.

1. Structure continuous process improvement around ethics and governance.
2. Adopt a culture of continuous process improvement activities and engagement. The activities and subsequent engagement among staff include pragmatic business practices to ensure follow-up on corrective actions.
3. Engage across functions to build commonality and capacity for shared action.



### Benchmarking Analysis

As shown in Figure 9.0, the District aligns with two leading practices for oversight activities and has the assets to implement another leading practice. Assets are defined as tools, processes, staff, and structure.

#### Potential accomplishments upon alignment to leading practices

- ✓ Pragmatic business practices that will ensure appropriate follow-up on needed corrective actions.
- ✓ Organizational outcomes and effective use of resources becomes everyone's responsibility, with the capacity for organizational learning to facilitate success quickly.

Figure 9.0: Oversight - Alignment with Leading Practices



### Two Areas of Alignment

#### Structuring Oversight within an Office of Ethics and Corporate Governance

- ◆ To foster a culture of accountability, the CEO established the Office of Ethics and Corporate Governance (OECG), which was well received by many District staff. The OECG is charged with administering and managing the Office of CEO support, internal audits, external communications, governmental relations, diversity, inclusion, ethics, and equal opportunity. Many members participating in the mid-management level focus group believe that the OECG should have greater autonomy to address organizational culture and conflicts of interest issues at the District, including having the authority to affect change.

#### Engage across functions to build commonality and capacity for shared action

- ◆ The OECG has initiated efforts to implement a series of engagement activities with staff, such as improving cultural diversity and inclusion, sponsoring the Blue Ribbon Panel Symposium that led to subsequent District dialogue, and coordinating the focus groups conducted as part of this review to build commonality and capacity for shared action.

## One Leading Practice that the District has the Assets to Fully Implement

### Culture for continuous process improvement

- ◆ Presently, the District has an audit function staffed with one FTE. The audit function performs statutory and discretionary audits. The District also implements ISO 9001:2008, a process of continuous process improvement. The process is implemented within the Watershed and Water Utilities Division, but the administrative support divisions have questioned its applicability to support services. The District's two mechanisms for continuous process improvement have not yet led to a culture of continuous process improvement.

Mid-level managers and directors generally agree that the District's culture needs change to align the District's activities with the leading practice. District staff explained that the District could benefit from comprehensive engagement of inclusion across different areas of operation. While the District has communication processes in place, such as weekly leadership meetings, mid-level managers and staff reported that District culture has too many independently operating silos and focused too much on a culture of "success at all costs." These aspects of its culture are in direct contrast to a culture of continuous process improvement. A culture of continuous process improvement allows for learning from failures with a goal of identifying needed improvements early on.

An example of how the District has not yet established a culture of continuous process improvement is evidenced by the absence of a formal General fund operating reserve account for the District. The audited financial statement for FY 2012-13 and the District's budget do not identify a general fund operating reserve account. In the absence of such fund, the Board of Directors or the public cannot identify the amount of revenue set aside for emergencies, unanticipated expenditures, and to support operations when revenue receipts are lower than anticipated. While the Chief Administrative Officer has attempted to change this practice by establishing a Reserve Fund, the culture of the District of relying on past practices has hindered implementation of such changes.

### ***E. Board Governance: A Sustained Focus on Governance Processes to Facilitate Transparency and Accountability is Present***

A key attribute of effective governance is trust. A key factor that drives trust is effective communication and established routines for interaction between elected officials, the public and management. Good communication processes occur from the development of a governance structure that enhances both the Board's and District staff's ability to meet the strategic, operational, and financial challenges of the District, as well as increasing public confidence. A driving factor of effective Board governance is obtaining quality information that is relevant and timely information and takes into account various alternative approaches to address issues.

### Leading Board Governance Practices Discussed by the Blue Ribbon Panel

The Blue Ribbon Panel outlined the following leading practices in accomplishing effective Board governance.

1. Build communication processes between District staff and governing Board members that allow each to obtain clarity and discuss questions and, avoiding over-formulation of communication processes and unilateral direction between the Board and District staff.
2. An agency's Chief Executive Officer should be informed of Board service requests to monitor current issues and/or public concerns. This should involve the inclusion of the Chief Executive Officer on all communication with the Board to ensure District staff follow-up in a timely and accurate fashion.
3. Establish common ground for effective collective action that creates and adds value. This common ground is found in clear statements of mission, goals, and performance measures.
4. Ensure the fundamentals of Board governance by:
  - a. Centralizing authority over the Board agenda;
  - b. Implementing annual Board calendar;
  - c. Agreeing on criteria for the consent calendar; and,
  - d. Facilitating transparency through the use of webcasts.
5. Implement discipline to do the things that have to be done rather than what would be nice to do.
6. Provide timely, clear, and effectively presented information and reports to the Board.
7. Board members expand relationships with Boards from other jurisdictions.
8. All governance discussions are framed around the following questions: What are the ecological systems that you are managing in? (e.g. global climate change, global economic competition) How are demographics changing? How can added value be created?
9. The Board should directly outreach to the community on the budget.

#### Potential accomplishments upon alignment to leading practices

- ✓ Positive alignment of all levels of staff with overall policy and goals.
- ✓ Time and attention to continue to build Board relationships.
- ✓ More effectively use the Board and staff time.
- ✓ Advance the goals of the district more cost effectively.

### Benchmarking Analysis

As shown in Figure 10.0, the District aligns with four leading practices for Board governance and the assets to fully implement other two leading practices. Assets are defined as tools, processes, staff, and structure. The District could consider implementing three other leading practices in the future.



#### **Four Areas of Alignment**

##### Outreach to the community on the budget

- ◆ The Board has outreached to the community by holding Board meetings in other municipalities. Outreach to non-traditional venues, such as libraries, can be expanded.

##### Outreach to governing Boards in other jurisdictions

- ◆ The Board has outreached to Boards in other jurisdictions regarding water resources policies.

##### The CEO should be informed of Board service requests to monitor current issues and/or public concerns

- ◆ The Clerk of the Board routinely tracks Board service requests, which are available to the CEO for review.

##### Governance discussions around global environmental issues

- ◆ The District conducts activities to identify and inventory greenhouse gas emissions and creates various means to reduce the District's carbon footprint. Efforts are also underway to better understand potential global climate change impacts and develop guidelines to respond to future challenges such as sea level rise.

## Two Leading Practices that the District has the Assets to Fully Implement

### Communication processes between District staff and Board members

- ◆ Currently, the CEO meets with individual Board members at least monthly to discuss the matters of the District. The CEO communicates Board priorities to executive leadership management and staff through regular meetings, bulletins and intranet-based communications. District staff at the mid-managers and staff levels reported that allowing open and direct communication with the Board provides an opportunity to clarify issues and ask questions about Board priorities. Presently, deputy directors and directors generally respond directly to Board of Director inquiries and promptly notify the District's CEO. Nevertheless, without open communication among other staff levels, the District is not in the best position to provide early identification of issues and concerns.

### Effective reporting to the Board of Directors

- ◆ The District prepares and presents quarterly performance reports of a comprehensive list of District activities, including providing data on hundreds of performance measures. District staff generally agree that more can be done to provide better reports by selecting and reporting on core goals and measures.

## Three Other Leading Practices for Future Consideration

### Common ground for effective collective action

- ◆ The District is in the process of updating its strategic plan, which, if designed well, will provide clarity on the District's mission, goals and objectives, and performance measures. However, TAP International could not determine – based on available data – whether Board members and the public will be involved. Excluding stakeholder involvement could hinder the District's ability to establish common ground for collective action.

### Streamlining authority over the Board agenda

- ◆ The Clerk of the Board administers a process to prepare the Board agenda and packet that requires up to nine signatures by executive management, which consequently necessitates a large lead time, continuous monitoring, and repeated follow-up to ensure completion of the packet.



Improving fundamentals of Board governance in this area by having only the CEO review and approve the agenda enhances accountability.

#### Organizational discipline

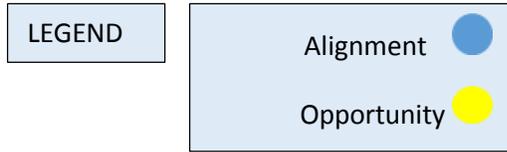
- ◆ District staff (among all levels of the organization, including the mid-level manager focus group) explained that the District performs a wide variety of services and activities internally and externally, such as providing financial sponsorships to community groups that do not clearly link to the mission of the District. For example, District staff cited implementing activities beyond the scope of projects to ensure the protection of wildlife, and modifying capital projects to ensure the homeowner views of vistas are maintained. The District will also administer new initiatives at the request of the CEO. While the District strives to provide excellent public service, clearly aligning – so that the purpose is transparent to District staff and the public – all activities to its core mission leveraging resources to the maximum extent possible is critical.

### **5. The District Is On Par With Implementing Leading Practices in Comparison to Other Water Agencies**

A key goal of the District is to become a national leader among water agencies. To assess the progress of the District in accomplishing this goal, we analyzed the District's progress at becoming a state-wide leader by comparing alignment of leading practices between the District's activities and three other California water agencies: Metropolitan Water District of Southern California (MWD), Sonoma County Water Agency, and the San Diego County Water Authority. The comparative analysis focused on seven selected leading practices described in Figure 11.0 below.



**Figure 11.0: Comparative Peer Analysis of Other Selected Leading Practices**



Leading Practices	Sonoma County Water Agency	Metropolitan Water District of Southern California	San Diego County Water Authority	District
<b>Alignment with Leading Practices</b>				
<b>A - Civic Engagement</b>				
Conduct information engagement with clarity through web sites, media, and other mechanisms.				
Implement an expansive search capacity on the web site.				
The public is part of the decision-making process at a deliberative level.				
<b>B - Performance Management (insufficient data available to draw comparisons)</b>				
--				
<b>C - Budgeting</b>				
Spending, whether through budgeting or with financial sponsorships, should explicitly reflect and advance the goals and aspirations of the agency.				
Formal budgeting processes should be in place, with clarity and focus resulting in a timely budgeting process.	--	--		
<b>D - Oversight</b>				
Structure the organization around ethics and governance.				
Adopt a culture of continuous process improvement.				

**The District has comparable leading practices to two other water agencies**

Overall, the District and two agencies’ activities align with three of the seven leading practices that we examined.

- Both the District and Metropolitan Water District of Southern California (MWD) had management structures for oversight of their ethics operations, but MWD’s policy delegates greater responsibility to their Ethics Officer for insuring Board compliance with reimbursable

expenses, business travel, filings, vehicle use, sexual harassment policies, and requirements for running for and holding office.

- Both the District and the San Diego County Water Authority (SDCWA) allow the public to be involved in deliberative decision making. SDCWA allows electronic feedback on public documents, including Board documents available on its web site.

For one other leading practice examined -- conducting an information engagement with clarity -- the District's activities were not at the level of the other water agencies. The District's web site contains information on many areas, but certain information cannot be easily found, such as financial information, and other information is not structured or organized in a clear manner. In contrast, San Diego County Water Authority's web site aligns with leading practices by implementing information engagement principles effectively. The information on the web site is well-organized, clear, and easily found without the use of the "search" feature.

For the remaining three leading practices -- having the agency's budget reflect the goals and aspiration of the agency, having a timely budgeting process, and adopting a culture of continuous process improvement -- the activities of the four agencies reviewed did not align with the leading practice. The District's activities in these areas were previously described in this report.

## 6. Public Stakeholder Committee Provides Input on Leading Practices

The Public Stakeholder Committee convened for participation in this review described 10 key areas that it considers important from a public perspective. All of the areas align with the practices suggested by the Blue Ribbon Panel.

### Civic Engagement Expectations

#### 1. Conduct authentic discussions

- ◆ Public Stakeholder Committee members suggested that the District could better answer questions posed by the general public on the valleywater.org web site. For example, the Frequency Asked Questions (FAQs) section of the District's web site does not sufficiently address the original inquiries, and some links on the District's web site were not functioning at the time the web site was utilized. In addition, sometimes documents referred to within the text were not present or readily available.

#### 2. Enhance efforts to view the public as a partner

- ◆ Public Stakeholder Committee members suggested that the District could be strategic in its methods of sharing information, suggesting use of the District's web site as a "home-base" for information, and enhance its use of other channels to "engage" the public.

### Performance Management

**3. Increase the use of trend analysis**

- ◆ Public Stakeholder Committee members would like to see the District use more graphical display of information to explain trends in performance and to show successes of the District.

**4. Add use of effectiveness studies**

- ◆ Public Stakeholder Committee members would like the District to incorporate the results of cost effectiveness evaluations in its Board and District performance reports.

### Budgeting

**5. Use best practices in budgeting**

- ◆ Public Stakeholder Committee members suggested that the District should simplify its budget materials to facilitate fiscal fluency and to adopt suggested budgeting principles and practices described in Government Financial Officers Association's *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*.

**6. Address future issues**

- ◆ Public Stakeholder Committee members would like the District to further consider the public's voice on issues affecting future water management and policy.

**7. Report success**

- ◆ Public Stakeholder Committee members would like to see examples of effective spending among the programs and services to better facilitate public trust.

### Oversight

**8. Honesty and transparency**

- ◆ Public Stakeholder Committee members conveyed the importance of openly sharing information and encouraged the District to be proactive in disclosing project activities. Through the continuous process improvement processes, the Public Stakeholder Committee would like to see the District change its culture from avoiding failure to identifying and implementing lessons learned.

### Board Governance

**9. Greater leadership on influencing water management and policy**

- ◆ Public Stakeholder Committee members requested that the District increase its efforts to lead water resources and management policy issues at the State level.

**10. Transparency on Board activities**



- ◆ Public Stakeholder Committee members suggested that the general public would be interested in the types of efforts and activities implemented by the Board of Directors.



## Appendix I: Professional Profiles - Blue Ribbon Panel of Experts

### Gloria Rubio Cortez, MS

National Civic League (NCL) President Gloria Rubio-Cortés is also the Executive Editor of NCL's award-winning journal *National Civic Review*. She has held leadership positions in business, philanthropy, and non-profit organizations in California (Southern and Northern) and Colorado over the past 35 years, specializing in civic engagement, social change, and civil rights. At philanthropic foundations, she was a senior manager at Levi Strauss Foundation and ZeroDivide. She plays many roles at NCL including strategic planner, facilitator, researcher, and writer. She has facilitated and co-facilitated a wide variety of meetings in her professional life. She is co-author of the Civic Index, 2nd Edition and many articles on civic engagement. She serves on the Denver Public Library Commission (Secretary), Urban Libraries Council Board, Latino Community Foundation of Colorado Advisory Board, Mile High United Way Board of Trustees, and others. A member of the National Academy for Public Administration, she is a co-principal investigator on NCL's Fiscal Sustainability Case Investigations Project with colleagues at the University of Southern California and the University of San Francisco. Awards include the Disability Funders Network Bill Diaz Award for grant making. She earned an M.S. in journalism from Columbia University and a B.S. from the University of Colorado at Boulder.

### John Kirlin, PhD

A California court appointed expert on water policy, John Kirlin is an elected fellow of the National Academy of Public Administrator. He has four decades of professional work experience in analyzing and engaging complex public policy problems, especially at the California and national level with extensive work on natural resources policies, public finances, and regional governance. John authored or co-authored roughly 100 articles, chapters and monographs and 13 books. He specializes in launching and managing public processes to address stalemates in public policy making and/or implementation. Formerly an Executive Director at Delta Vision Foundation, John has consulted the State of California on matters ranging from species protection, to oversight of local government debt, and the interface of energy and environmental policies. He has worked with the League of California Cities and the California State Association of Counties on state-local fiscal policy and strategic thinking regarding the future of those local governments. Through the National Academy of Public Administration, John has served as an advisor on environmental policy to the United States Congress and to the United States Environmental Protection Agency. John received his Doctorate in Political Science at the University of California, Los Angeles and his Bachelor Degree in Political Science and Government at the University of Notre Dame.

### James P. Mayer, MPA

James Mayer is President and CEO of California Forward, an endowed organization responsible for moving California forward in the performance of government. Through his efforts at California Forward, Jim has spearheaded efforts to develop and implement budget reforms, including performance-based budgeting, as well as programs in enhance transparency and accountability across local and state public agencies. Notable efforts include developing a framework for civic engagement,



a handbook of leading practices on strategic planning, a model for government that provides a stable and results-oriented budget process, encourages cooperation among local governments, and performance management.

Previously, Jim was the founding executive director of the New California Network (NCN), a nonpartisan project to improve the state's fiscal decision-making. Prior to joining NCN, Jim was the executive director of the Little Hoover Commission, an independent and bipartisan state panel that reviews state programs and policies for efficiency and effectiveness. Jim joined the Commission's staff in 1994 as a project manager and served as deputy executive director prior to his appointment as executive director of the Commission in January 1999.

Jim has an associate of arts degree from Diablo Valley College, a bachelor's degree in journalism from California Polytechnic State University, San Luis Obispo and a master's degree from the graduate program in public policy administration at California State University, Sacramento. He was a mid-career fellow at the schools of Communications and Natural Resources at the University of Michigan.

Jim serves on the board of the Yolo County Flood Control and Water Conservation District and is an associate director of the Yolo County Resource Conservation District.

JoAnne Speers, JD, MPP

At the time of the Blue Ribbon Panel Symposium, JoAnne Speers was the Executive Director and Ethics Program Director for California's Institute of Local Government (now retired). At the Institute of Local Government, JoAnne provided strategic direction for the California State Association of Counties' and the League of California Cities' 501(c) (3) research arm. She conducted research on leading practices in public engagement, public service ethics, sustainability, intergovernmental collaboration, and was responsible for numerous publications on these topics. JoAnne is a frequent speaker throughout California on public management issues and in 2009, received the American Association of Public Administration's Public Integrity Award for the Institute's Ethics Program.

JoAnne has worked with local officials for over 20 years through both her work with the Institute and by having served as chief legal advisor to the League of California Cities. Previously, JoAnne served as General Counsel and Assistant Director at the League of California Cities. The California State Bar's Public Law Section named her "Public Lawyer of the Year". JoAnne received her JD, MPP, BA, Law, Public Policy, and Political Science from the University of California, Berkeley.

Richard Callahan, DPA (Panel Facilitator)

Richard Callahan is an Associate Professor at the University of San Francisco's (USF) School of Management, teaching graduate courses in strategy, public administration, and leadership. Formerly, a city administrator and LA County Deputy Supervisor, Richard brings 25 years of government experience teaching and guiding agency officials on a myriad of issues from how to address difficult organizational management issues to developing and maintaining a culture of performance management. At USF, he is the Faculty Chair of the School of Management's Strategic Planning Committee and serves as the Faculty representative to the USF Board of Trustees. Richard, noted for his thought leadership on governance and performance management, has authored and co-authored over 20 publications written for The National Civic Review, Public Administration Review, Public



Management Review, Public Manager, Journal of Public Administration Review and Theory, and American Review of Public Administration. He has collaborated on projects for the U.S. Office of the Vice-President, the U.S. Air Force, and multiple state and local agencies across health care, transportation, environmental protection, and general government sectors. He has designed and taught in international, national, and regional leadership programs, most notably the National Conference of State Legislatures for experienced legislative staff across the United States, the California Leadership Institute for State Executives, and the Global Leadership Institute in Turkey, as well as leadership programs in Mexico. Richard earned his BA degree in from Georgetown University, 1982. He earned his MPA and Doctor of Public Administration (DPA) degree from the University of Southern California. Richard is a principal of TAP International, Inc.

