



July 2, 2009

TO: BOARD OF DIRECTORS  
FROM: MITCH COONEY, INTERIM GENERAL MANAGER *M*  
SUBJECT: Strategic Planning

**President**

Joe Sparks

**Vice-President**

Marshall Ochylski

**Director**

Chuck Cesena  
Maria Kelly  
Steve Senet

The Board of Directors determined at their June, 6, 2009, Strategic Planning meeting that a discussion and vote for "Approval to Develop a Strategic Planning Roadmap" would be placed on the July 2, 2009 agenda.

**General Manager**

**Utilities Manager**

George J. Milanés

**Fire Chief**

Matt Jenkins

Financial Consideration:

Since "Strategic Planning is an on-going, dynamic process it appears prudent to place some financial constraints on the amount of District capital that would be allocated to this process. Staff would like to recommend that an amount not-to-exceed \$7,500 be allocated to complete the entire Strategic Planning process for this fiscal year. If, during the course of discussions at the Board of Directors meeting of July 2, 2009, this amount appears to be insufficient or excessive, it can be modified at that time. The \$7,500 figure gives some framework in which to determine a basis for the process and is offered for discussion purposes only.

Facilitator:

The Board seemed comfortable with the manner in which the session on June 6, 2009 progressed under the direction of Brad Isaacs. To avoid staff venturing into new territory in an attempt to develop a Strategic Planning Roadmap on their own, it is suggested that the District engage Brad Isaacs to assist with this process



**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second and vote to develop a Strategic Planning Roadmap, authorize a budget amount not-to-exceed \$7,500 to be allocated for the expenses associated with Strategic Planning session to be allocated from Budget Unit 100, Administration, Account 7322, Directors Compensation, and authorize the General Manager to enter into a contract with Brad Isaacs to develop the next phase of Strategic Planning.**

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# **Los Osos CSD Board/Staff Retreat Meeting Summary**

**June 6<sup>th</sup> 2009**

## **Background/Context**

Below are the essential items from the CSD's retreat on June 6<sup>th</sup> 2009. Maria Kelly, Steve Senet, Mitch Cooney and Brad Isaacs developed the agenda for this retreat. The main goals were to begin to establish a long-term vision for the Board, assess the Board's transition over the past 6 months and to explore the value of entering a more in-depth strategic planning process. Brad Isaacs contacted all the other Board members who weren't on the retreat planning team to review the proposed agenda and get feedback and high-level agreement to proceed with what was proposed.

## **Key Outputs & Outcomes**

### **Establishment of Ground Rules**

After reviewing the agenda the group spend some good time answering the question "What would make today go well...what ways of treating each other for example." The group then brainstormed and agreed to the following ground rules and/or aspirations:

1. Have an open mind
2. Share thoughts candidly
3. Don't take things personally – don't be defensive by giving the benefit of the doubt
4. Focus on the issues not the people
5. Be curious
6. See "failure" as progress – don't be afraid of it

We also had a more in-depth conversation about curiosity. The group agreed that the most productive type of curiosity is that which is approached with a truly open mind, without pre-judgment and wonder of what is possible.

### **Establishing Our Greatest hopes**

Next the group shifted their conversation into a strategic one. The question posed was simple yet powerful. As you look forward over the next 24-month, what are your greatest hopes for what you can accomplish as a Board? Each member of the retreat was given time to write down their answers to that. Then participants were paired off to discuss the answers and "dig" for detail. The interviewers were given specific instructions to act like an "objective reporter" to help the interviewee find their "core" hopes. After the paired discussions each participant shared their most compelling hopes. Members of the public were also asked to share some of their greatest hopes. The group then clustered the hopes and after that titled each cluster. After discussion the group was asked could each of them support the hopes that were articulated. The answer was yes. It was a great accomplishment for the group. The following table captures a summary of the groups Greatest Hopes. The top hopes are in bold with supporting hopes bulleted below.

## Los Osos CSC Board/Staff Greatest Hopes

<b>Identify &amp; Develop Water Master Plan</b>	<b>Build respectful, healthy relationship</b>	<b>Create a Long-Range Plan that gets us Alignment &amp; Focus</b>	<b>Achieve even more efficient and effective organization and operations</b>	<b>Get a great new permanent General Manager</b>
<ul style="list-style-type: none"> <li>• Protect our water supply</li> </ul>	<ul style="list-style-type: none"> <li>• Develop functional relationships based upon personal &amp; mutual respect</li> <li>• Operate &amp; decision make in such a way that there is overall buy-in from the Board, Staff, &amp; public as to what decisions are being made</li> <li>• Healthy decision making</li> <li>• Have a functional &amp; respectful Board</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a strategic plan for the District to provide guidance to allocation of resources</li> <li>• Create a stable financial plan; situation plan; and accounting for the district</li> </ul>	<ul style="list-style-type: none"> <li>• Streamline District operations/organization for maximum efficiency</li> <li>• Develop an effective operating organization wherein every individual understands their role and performs it effectively</li> <li>• A well functioning &amp; properly staffed District staff</li> </ul>	<ul style="list-style-type: none"> <li>• Hire a competent, permanent, long-term General Manager</li> <li>• Have a general manager that is a great leader</li> </ul>

Members of the public contributed the following “Greatest Hopes” as well:

- Mediate the sewer issue “get both sides together & find common ground
- Enact outreach program of H2O conservation & education

## Evaluating the Transition to the Current Board

Next the group shifted its focus on evaluating how it was doing on its transition from the previous make up before the most recent election to now. Brad set the context for this conversation by sharing a model developed by William Bridges about the difference between change and transition. The objective of this section was to help the Board make and or complete this transition in a healthy and productive way. Each Board member was asked to think about 4 specific questions/ideas:

1. What do I want to let go of?
2. What do we (as a Board) need to let go of?
3. What do I want to bring forward?
4. I think we should bring forward

After each participant had time to articulate these ideas they were asked to share them with the group. The focus of this section was really to seek understanding of what each participant shared and to NOT be concerned with agreement or disagreement.

Below is what participants shared:

Let Go		Bring Forward	
<i>I</i>	<i>WE</i>	<i>I</i>	<i>WE</i>
Mistrust	That we have to “fix it (the past)” – time to move ahead	Acknowledge the uniqueness of the Community	The “passion” that inspired participation
The anxiety of working with “New Board members”	We need to let go of blaming	The prime issues that face the District we currently and will be dealing with	The prime issues and the emerging issues
My judgments regarding others motives	We need to let go of judgments about prior Board decisions	Greater transparency in decision-making	Greater transparency
Nothing	Nothing (after wracking my brain)	Drainage capital planning	Water master planning
		Assistance to help others achieve the best they can be	A stronger working relationship with each other, the staff and the public
Pre-conceived notions	The Past – We need to close the door & move on into the future. “We” as the Board	All the “GOOD” things from the past! (Efficient & cost-effective services)	Same as my “I what to Bring Forward” - - See: ‘All the GOOD ...’

The group did a great job of listening to each other and asking question for clarification (versus focusing on agreement or disagreement). Based on the level of sharing and the

feel in the room as we were doing this and after, I would say that this conversation helped people understand each other better and contributed to helping the Board make a more healthy transition to its “new” configuration.

### **Exploring the Value of a More In-depth Strategic Planning Process**

Next the group explored strategic planning: its definition, its purpose and its values.

Brad presented two main questions to the group to get the dialogue going:

- What does strategic planning mean to you?
- Why would you want to do it?

Below are the group’s responses to ‘What does strategic planning mean?’

1. Strategic Planning (SP) increases the return on investment. In a competitive situation it answers, “How can we do it better than them?” [And in our case is how can we do it our best]. It is also about the steps to get to that better place.
2. SP is a practical way to manage – it gives you direction
3. SP allows us to be more efficient
  - Gives you a benchmark to compare your performance against
  - Helps you make decisions at the appropriate times
  - Tool to help you prioritize
4. SP gives you options to choose from
5. SP shows you where the risks are
6. SP gives you cost-benefit data
7. SP is a blueprint based on a group’s best judgment – it is the culmination of a shared vision

Brad pushed the group to really be “clear eyed” about approaching strategic planning. He reminded the group that it would be helpful to approach the decision openly – not having a pre-determined bias of weather to do it or not. That way, after fully exploring it, they could feel good about either direction they take as a group.

Brad presented a slide set called “Exploring the Benefits of Strategic Planning” which talked about different options at different levels: Motivational; Alignment; and Process.

After briefly discussing the different levels and the options within those levels the group was ready to outline its next steps that are below.

## Next Steps & Agreements

At a high level, the next steps to which the group agreed had two parts:

1. Agreeing to Explore Strategic Planning Further (if yes then...)
2. Creating a proposal for a more in-depth strategic planning process.

So in detail the steps that were agreed to are:

1. Put the summary of this meeting onto the June 18<sup>th</sup> CSD Board Meeting agenda and give a report on this day.
2. Also at the June 18<sup>th</sup> meeting the Ad Hoc committee would put an item for the NEXT meeting (July 2) for discussion and vote: "Approval to Develop a Strategic Planning Roadmap"
  - o The proposal would be to allow The Board to hire someone to develop a Roadmap for moving forward with Strategic Planning. A consultant would interview each Board member and the General Manager and use their input to craft a plan for moving forward and present it back to the full Board for approval. Included in the proposal would be the cost to develop the Roadmap.
3. At the July 2<sup>nd</sup> the Board would vote as to whether or not they want a Roadmap developed

If the Board voted to move forward to develop the Roadmap

4. A small contract would be let and a consultant hired.
5. The consultant would schedule interviews with the Board members and General Manager
6. The Consultant would develop the "Roadmap"
7. The Consultant then would present the Roadmap at a future Board Meeting for discussion and vote.