

Thursday, September 6, 2018

BOARD RETREAT
Board Room
Minnehaha Creek Watershed District Offices
15320 Minnetonka Boulevard
Minnetonka, MN 55345
www.minnehahacreek.org

Board of Managers:

**Sherry White, President; Brian Shekleton, Vice President; Richard Miller, Treasurer;
Kurt Rogness, Secretary; Bill Becker, Manager; Jessica Loftus, Manager; William Olson, Manager**

- 7:00 pm **Board Meeting Call to Order and Roll Call**
- 7:05 pm **Discussion:**
1. Purpose of Governance Policies
 2. Review of current Governance Policies:
 - a. Bylaws
 - b. Governance Policies
 - i. Executive Limitations
 - ii. Governance Process
 - iii. Board – District Administrator Relationship
 - c. Board Liaison Framework
 3. Scope of potential revisions
- 9:00 pm **Adjourn**



MEMORANDUM

To: MCWD Board of Managers

From: James Wisker

Date: September 3, 2018

Re: September 6, 2018 – MCWD Board Retreat – Governance Policies

Purpose:

To frame and provide background material for the September 6, 2018 Minnehaha Creek Watershed District Board of Manager's Retreat – focused on review and update of the District's Governance Policies.

Background:

In 2003, the MCWD Board of Managers developed governance policies, with the help of the Wilder Center for Communities, to give more specific parameters to the operation of the organization and roles and responsibilities of the Board and Executive Director. Between 2003 and 2014, governance policies were revisited inconsistently and revisions made incrementally, resulting in suboptimal clarity.

In 2014, to begin addressing these issues, the Board of Managers adopted a Comprehensive Governance Manual (Resolution 14-099). The 2014 Governance Manual consolidated all prior MCWD governance materials, rescinded adoption of governance documents not included, and committed the Board to an annual review of the incorporated policies.

The 2014 Governance Manual included the following sections:

- Bylaws
- Governance Policies
- Liaison Policies and Procedures
- Investment and Depository Policy
- Debt Management Policy
- Public Purposes Expenditures Policy
- Per Diem Policy
- Policies and Procedures for Public Access to Documents
- Records Retention Schedule
- Media Relations Policy

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Recent review and revisions have primarily focused on Executive Limitations, and the Board-District Administrator Relationship.

In 2015, pursuant to resolution 15-059, the following revisions were made:

- Executive Limitations – Staff Treatment
 - District Administrator may not violate guidelines contained within the ~~Board-approved~~ Employee Handbook.
- Board – District Administrator Relationship – Personnel Management
 - Modified Board role in providing counsel on hiring “director” positions
 - Modified how new full-positions could be created

On April 28, 2016, the Board adopted revisions to the Governance Policies, including:

- Incorporated the revised Vision, Mission, Goals and Guiding Principles
- Executive Limitations – Asset Protection
 - Clarified restrictions on administrative expenditures
- Board – District Administrator Relationship – Personnel Management
 - Modified Board role in providing counsel on hiring “director” positions
 - Modified how new full-time positions could be created

In parallel with these most recent modifications to the District’s governance policies the organization undertook a significant strategic planning effort. In 2015 the MCWD’s strategic planning process evaluated all aspects of the organization. In February 2017, the District adopted a strategic plan which mapped significant organizational change, aimed at producing new levels of organizational clarity, alignment and excellence. The organization has since been working to implement the changes mapped in that planning exercise.

More recently, in February 2018 the Board of Managers and Mr. Wisker engaged in a series of discussions regarding the pending transition of the District Administrator position, culminating in the execution of an employment agreement. Those discussions revolved around, and were rooted in, the value of creating clear mutual expectations in areas of:

- The organization’s current situation
- The role of the District Administrator
- The Board – Administrator relationship
- Administrator accountability
- Direction of organizational culture and structure

While changes were made in 2015 and 2016, since adopting the Comprehensive Governance Manual in 2014, the District has not evaluated its governance framework through the same strategic lens it used to cultivate the new organizational direction and clarity.

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September 6, 2018 Board Retreat:

Accordingly, the September 6, 2018 Board Retreat will facilitate a strategic level discussion of the following subsection* of the District's governance policies:

- Bylaws
- Executive Limitations
- Board Governance Process
- Board – District Administrator Relationship
- Board Liaison Policy and Procedures

*Other sections of the governance manual will be evaluated separately. For example, financial policies will be assessed through the Operation and Program Committee focus for 2018-2019.

Policies within these areas comprise the Board-Administrator interface, outlining expectations and limitations of the Administrator; roles and responsibilities of the Board; the relationship between the Board and Administrator; and how the Board will work with the Administrator outside the organization to maintain relationships.

Together these policies define how the Board and Administrator choose to operate the Minnehaha Creek Watershed District. As such, these policies should clearly reflect the current expectations of the Board and the culture of the organization, align with recent Administrator transition documents, and support the level of excellence desired and the strategy that has been outlined.

Managers are therefore asked to review the attached governance policies and come to the 2018 Retreat prepared to discuss the overarching framework the current policies establish, and any revisions that might be made.

The following questions are offered to facilitate advanced review and consideration of the aforementioned sections of the governance policies

1. How do they align with and support the 2017 Strategic Plan?
 - a. Do the governance policies support the vision, strategy, guiding principles?
2. Do they accurately describe the role of the Board?
 - a. Board role, responsibilities, duties and governing style
 - i. Balancing strategic policy direction and operational accountability
 - b. Role and utility of committees, liaisons, etc.
3. Do they align with the 2018 Administrator Expectation Framework?
 - a. Job of the Administrator, executive limitations, personnel management
4. Do they accurately describe the relationship between the Administrator and Board?
 - a. Do they reflect the desired level of partnership, communication and accountability
5. Do they capture the culture and core values of the District?
 - a. Radical transparency, idea meritocracy, high expectation, high accountability, etc.

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Next Steps:

Pending discussion at the September 6, 2018 Retreat, the Administrator will work in partnership with the Board and legal counsel to develop a package of revisions that ensure the governance policies align with current expectations.

If there are questions in advance of the meeting, please contact James Wisker at Jwisker@minnehahacreek.org or 952.641.4509

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MINNEHAHA CREEK WATERSHED DISTRICT

GOVERNANCE MANUAL

November 20, 2014

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Minnehaha Creek Watershed District

Governance Manual – Introduction

November 20, 2014

The Minnehaha Creek Watershed District is a special purpose unit of government established under Minnesota Statutes chapters 103B and 103D. The Minnehaha Creek Watershed District is governed by a seven-member Board of Managers appointed to staggered terms by the Hennepin County Board of Commissioners (six managers) and the Carver County Board of Commissioners (one manager). The Minnehaha Creek Watershed District staff is led by an administrator, who oversees and directs day-to-day activities and to carry out the MCWD's Comprehensive Water Management Plan.

Existing policies were updated and are incorporated herein to create the **Minnehaha Creek Watershed District Governance Manual**, which was adopted by the Board on November 20, 2014. The manual includes this overview and the general governance policies below, along with specific policy and protocol documents that were revised or drafted to fulfill specific statutory or internal management purposes.

The manual establishes clear written policies, procedures and instructions for the management of District activities and accounts, complete recordkeeping and records management, and responses to requests for data. The manual also should help to ensure that similar transactions are treated consistently, that accounting principles used are appropriate and proper, and that records and reports are produced in forms desired by the managers and state review entities, including the Legislature, the Office of the State Auditor and the Board of Water and Soil Resources.

The manual consists of this document, along with the following policies and protocols adopted by the District:

- **Bylaws** (most recently amended November 20, 2014), including a conflict of interest policy and fulfilling the requirement of Minnesota Statutes section 103D.315, subdivision 11.
- **Governance Policies** (most recently updated and adopted November 20, 2014) providing various policies for the day-to-day administration of the District's business operations.
- **Liaison Policy and Procedures** constitute a prudential policy established by the Board of Managers to foster productive relationships with fellow governmental bodies and other entities (first adopted in 2009 and updated November 2014).
- **Investment and Depository Policy** (most recently amended December 29, 2011) provides terms for investment and collateralization of District funds and the management and administration of District bank accounts.
- **Debt Management Policy** (most recently adopted January 24, 2013) guides District borrowing.
- **Public Purposes Expenditures Policy** (adopted December 29, 2011) includes protocols and requirements to ensure that the District complies with the requirement

in the state constitution (Article X, section 1) that expenditures by government bodies serve public purposes.

- **Per Diem Policy** has been established by the Board of Managers to supplement Minnesota Statutes section 103D.315 by making eligibility for per diem payments clear.
- **Policies and Procedures for Public Access to Documents** (amendments adopted November 20, 2014) fulfills requirements of the state Data Practices Act (Minnesota Statutes chapter 13) applicable to the District. The following auxiliary documents fulfill specific requirements of the Data Practices Act:
 - Security of Not-Public Data and procedures to ensure accuracy and security of data on individuals and to notify data subjects of their rights under the DPA, along with the accompanying Inventory of Not-Public Data on Individuals.
 - Tennessen notices and consent forms, created when needed and tailored for specific circumstances where private or confidential data is collected from individuals, such as new employees, or distributed (Minn. Stat. § 13.04, subd. 2). (The manual includes the District's basic templates.)
- **Records Retention Schedule** allows the District to efficiently manage and, when appropriate, archive its files, and fulfills the requirement of section 138.17, subdivision 7, as well as the Data Practices Act requirement that the District maintain a list of private and confidential data on individuals maintained by the District (section 13.05, subdivision 1). The schedule also includes indication of whether the District stores information electronically or in hard copy form, in compliance with the Uniform Electronic Transactions Act, Minnesota Statutes section 325L.17.
- **Media Relations Policy** provides managers, staff and members of the Citizens Advisory Committee and other committees with policy, protocols and guidance on working with the media.

The manual will be annually reviewed and updated as necessary. The manual will be submitted within 60 days of adoption to the Office of the State Auditor in compliance with Minnesota Statutes section 6.756, as will any revisions and additional policies when adopted.

District staff and contractors are expected to conduct District business in accordance with the manual and to alert the Board of Managers to improvements and additions needed.

**BYLAWS OF THE
MINNEHAHA CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

Adopted August 12, 2004; amended November 20, 2014

These bylaws establish rules governing the conduct of business by the Minnehaha Creek Watershed District Board of Managers.

ARTICLE I: OFFICE

The District will maintain its principal place of business in an office located within the watershed district. The District's official records will be maintained at that location. The Board may change the location of its principal place of business in accordance with Minnesota Statutes section 103D.321, subdivision 2.

ARTICLE II: BOARD OF MANAGERS

Before assuming the duties of the Board, each Board member, at District expense, will obtain and file a bond in accordance with Minnesota Statutes section 103D.315, subdivision 2. The Board, at District expense, will provide for insurance for its members to provide liability protection on such terms and in such amounts as the Board decides.

The Board may elect to compensate its members for attending meetings and performing other duties necessary to proper management of the District. Compensation will be in accordance with Minnesota Statutes section 103D.315, subdivision 8, and policy established by the Board of Managers.

ARTICLE III: OFFICERS

The Board annually will elect from among its members the following officers: President, Vice President, Treasurer and Secretary. The term of office is one year, commencing on the date of election. Election of Officers will be conducted at a meeting of the Board of Managers in the month of January. No member may hold more than one office at a time.

If an officer cannot complete his or her term of office, the Board immediately will elect from among its members an individual to complete the unexpired portion of the term. The individual designated to complete the unexpired term of another officer may not already be serving as an officer of the District. An Officer's term as officer continues until a successor is elected or the officer resigns from the office. The Board, by action at an official meeting, may appoint a Board member as an officer *pro tem* in the event an officer is absent or disabled and action by that officer is required.

The President will:

- (a) Serve as Chair for all meetings, except as delegated under terms of these Bylaws;
- (b) Sign and deliver in the name of the District any contracts, deeds, correspondence or other instruments pertaining to the business of the District;
- (c) Be a signatory to the District's accounts.
- (d) Be a signatory to District documents if the Treasurer or Secretary is absent or disabled, to the same extent as the Treasurer or Secretary.
- (e) Fulfill the duties as described in the Governance Policies of the District, Governance Process Policy #3, President/Acting Chair's Role.

The Vice President will:

- (a) Discharge the President's duties if the President is absent or disabled;
- (b) Be a signatory to instruments and accounts of the District if the President is absent or disabled, to the same extent as the President, or where execution by the Vice President is explicitly required or authorized.

The Treasurer will:

- (a) Develop and maintain the District's financial accounts and records;
- (b) Be a signatory to the District's accounts and financial records;
- (c) Provide the Board with such records as are necessary to describe the financial condition of the District.

The Secretary will:

- (a) Maintain the records of the District;
- (b) Be a signatory to resolutions and other documents certifying and memorializing the proceedings of the District;
- (c) Ensure that minutes of all Board meetings are recorded and made available in a timely manner to the Board, and maintain a file of all approved minutes including corrections and changes;
- (d) Provide for proper public and Board member notice of all meetings.

ARTICLE IV: COMMITTEES AND ADVISORY BODIES

The Board may appoint committees, standing and special, and advisory bodies to assist the Board in performing its duties, which may include persons who are not Board members. Committees and advisory bodies shall operate in a manner consistent with the Board Committee Principles as described in the Governance Policies of the District, Governance Process Policy #5. No member of a committee other than a Board member may offer a motion or vote on a matter put before the Board.

It is the duty of a committee to act promptly and faithfully in all matters referred to it and to make reports at the next Board meeting. A complete and accurate copy of all committee reports shall be made a part of the Board meeting and filed and maintained at the District office.

The Board annually shall appoint a citizens advisory committee in accordance with Minnesota Statutes section 103D.331. The Board shall convene a technical advisory committee in accordance with Minnesota Statutes section 103D.337.

ARTICLE V: MEETINGS

All actions of the Board will be taken in a public meeting noticed and held in accordance with Minnesota Statutes sections 13D.01 *et seq.*

The Board will meet at least annually and periodically may meet to conduct the general business of the District. The frequency, dates, times and locations of regular meetings will be set and published by the Board annually and may be changed at any time by action of the Board, in accordance with Minnesota Statutes section 13D.01 *et seq.*

A special or emergency meeting may be held at any time at the request of the Chair or any two members, and in conformance with Minnesota Statutes section 13D.01 *et seq.* The request will be made in writing to the Secretary, and must include a statement of the purpose of the meeting. Immediately on receipt of a proper request, the Secretary will cause all members of the Board to be notified and cause public notice to be made in accordance with Minnesota Statutes section 13D.01 *et seq.* The Secretary will make all reasonable efforts to provide actual notice of the special or emergency meeting to each Board member.

Attendance. Managers are expected to attend meetings of the Board of Managers. A manager's failure to attend three consecutive meetings may be reported, at the Board's discretion, to the county commission that appointed the manager.

Quorum. At Board meetings, the majority of the members will constitute a quorum to do business. Any action taken by the Board shall be by a majority vote of all members present. No member may appoint a proxy for any vote.

Agenda. Except in the case of emergency meetings, an agenda stating matters to be considered will be made available to Board members and the public at least three business days before the meeting. In its discretion, the Board may consider and act on matters not appearing on the agenda if otherwise in accordance with law. The order of business may be varied by the Chair, but no public hearing shall be closed before the time specified for the hearing in the notice of hearing.

Conduct of meetings. The President will preside at all meetings as Chair, except that the President may delegate that authority to the Vice President for workshop meetings. If the President is absent or disabled, the Vice President will preside. The Chair shall have the same privileges as other members.

At the hour appointed for a meeting, the members will be called to order by the Chair. On the presence of a quorum, the Board will proceed to do business.

The Chair will preserve order and decide questions of order, subject to appeal to the Board. Any manager may appeal to the Board from a ruling of the chair. If the appeal is seconded, the manager may speak once solely on the question involved and the chair may explain his or her ruling, but no other manager will participate in the discussion. The appeal will be sustained if it is approved by a majority of the managers present, exclusive of the chair.

The Chair may make motions, second motions and speak on any question. The Chair may vote in the same manner as other Board members.

Each member, before speaking, will address the Chair and will not proceed until recognized by the Chair. A member called to order immediately will suspend his or her remarks until the point of order is decided by the Chair.

Rules. Board meetings will be governed by the most recent edition of *Robert's Rules of Order Newly Revised*, except that *Robert's Rules* may be temporarily suspended by consent of a majority of the managers.

Every motion, except to adjourn, postpone, reconsider, commit, lay on the table or for the previous question, will be put into writing if the Chair or any member requires it; when made and seconded, it will be stated by the Chair or, if written, be read by the Chair. It may be withdrawn before amendment or any disposition of the question has been made.

Voting. When a question is put by the Chair, every member present shall vote, unless for special reasons the Board member elects to abstain. The "yeas" and "nays" shall be called on the request of the Chair or by any member, in which case the names of the members voting will be recorded in the minutes.

Conflict of interest. The Minnehaha Creek Watershed District seeks to assure public confidence in the integrity of its proceedings because such confidence is essential for effective governance. The citizens affected by Board of Managers proceedings deserve and expect high ethical standards, and the Board of Managers seeks to make its high standards known to citizens in the watershed district. Ensuring that conflicts of interest do not affect Board of Managers proceedings is an essential element of maintaining high ethical standards. To avoid conflict of interest and the appearance thereof, the Board of Managers conducts itself according to the following conflict of interest policy:

- A. Disclosure of potential conflicts: Where the official duties of a manager, including chairing any meeting, participating in any vote, or offering any motion or discussion on any matter, substantially affect the manager's financial or personal interests, unless the effect on the manager is no more than on any other member of the manager's profession, occupation, or business classification, the manager will take the following actions:
 1. Prepare a written statement describing the matter requiring action and the nature of the potential conflict of interest; and

2. Deliver a copy of the statement to the President of the Board of Managers for filing with the Board of Managers within one week of taking the action.

B. Abstention: Managers will abstain from chairing any meeting, participating in any vote, or offering any motion or discussion on any matter that substantially affects the manager's financial or personal interests.

"Personal interest," as used in this policy, means a material financial interest of the member, a family member or a close associate. The member's action will be noted in the minutes.

Resolutions. A resolution will be presented in writing or the preparation of a resolution reflecting Board action may be delegated to staff, provided the material terms of the resolution are stated in the motion adopting it. A resolution presented in writing will be read in full before a vote on the question, but reading in full may be dispensed with by unanimous consent. All written communications addressed to the Board, other materials included in the meeting packet, and all documents submitted to the record in the course of the meeting will be filed with the minutes in the District office.

Each resolution and rule passed by the Board will be signed by the Secretary and filed in the official actions of the District maintained at the District office. Proof of publication of a rule will be attached to and filed with the rule.

Minutes. The minutes of each meeting shall be reduced to writing. At the next regular Board meeting following preparation of the draft minutes, the Board will consider approval of the minutes. The minutes need not be read aloud, but the Chair will call for additions and corrections. If there is no objection to a proposed addition or objection, it is deemed made without a Board vote. If there is an objection, the Board shall vote on the addition or correction. If there are no additions or corrections, the minutes will stand approved. On approval, the Secretary will sign the minutes and file them in the official records of the District at the District office.

Recording. An audio recording will be made of each Board business meeting. The Board will maintain or arrange for adequate recording equipment for this purpose. A failure to make an audio recording will not invalidate any action taken at the meeting. The reason for a failure to make an audio recording shall be noted in the minutes, if known. But no closed session of a meeting of the Board of Managers will be conducted unless it is recorded, in accordance with Minnesota Statutes section 13D.05, except that a meeting closed to preserve the attorney-client privilege will not be recorded.

ARTICLE VI: FISCAL PROCEDURES

The fiscal year of the District will be from January 1 to December 31.

Annually, the Board will provide for a financial audit, approve a budget for the following year, and approve and certify a property tax levy in accordance with applicable statutes and rules.

Checks issued by the District for payments for any purpose will bear two authorized signatures for an amount greater than five thousand dollars (\$5,000), but may bear one authorized signature for any amount less than five thousand dollars (\$5,000).

All District expenditures will be made in a manner consistent with the Governance Policies of the District, Executive Limitations Policies #5 and #6.

All purchases of goods and services by the District will have the prior approval of the Board, except that the Board by resolution may delegate to the Administrator the authority, with countersignature, to bind the District to a purchase of goods or services, or to enter into a contract for same, when the cost thereof does not exceed \$5,000, or under other specified conditions.

The Treasurer will issue serial numbered receipts for all monies received, with duplicates retained. If the District has more than one account, the receipt will indicate the account credited. A receipt form erroneously completed will be retained. The original and duplicate will be marked "Void" and this fact recorded in the general ledger or register of receipts. The District will make all payments by check, with records kept thereof.

Board members will prepare and submit claim forms for *per diem* and expenses in accordance with the Manager Per Diem and Expense Policy, approved as may be amended.

The Treasurer will keep a record of receipts and disbursements, and will report on all financial transactions at meetings of the Board.

ARTICLE VII: MISCELLANY

At the first regular Board meeting in January of each year, the Board will: (1) designate the depository or depositories of Board funds; (2) designate the depository for financial assurance instruments submitted to the District; and (3) designate the official newspapers of the District.

All references in these bylaws to statutes, rules and policies are to the section or sections as they may be amended.

ARTICLE IX: BYLAWS

Any provision of these Bylaws may be suspended temporarily by a majority vote of the Board, except a provision adopted in order to preserve the right of an absent member. The Board may amend or repeal these Bylaws at any meeting, provided that 30 days' written notice of the proposed change has been given to each Board member. An amendment to these Bylaws must be approved by a three-quarters majority of the Board.

These Bylaws are intended to be consistent with applicable provisions of Minnesota Statutes Chapters 103B and 103D and other governing law. In the event of a conflict, that governing law will control.

The purpose of these Bylaws is to establish rules to govern the performance of District business by the Board. They should not be permitted to divert or hinder the express intent and desire of the Board. Informal compliance and substantial performance will be sufficient under the foregoing rules in the absence of an objection seasonably taken. Objections are not seasonably taken as to any procedural matters provided for herein if a manager present at the meeting in question fails to object during the meeting and request compliance with these rules. Objections to be seasonably taken by an absent manager must be taken at the next regular meeting of the Board.

These Bylaws are for internal use only and neither create nor elucidate the rights of any Board member in a personal capacity or the rights of any third party.

Adopted by the Board of Managers of the Minnehaha Creek Watershed District on the 20th day of November, 2014.

Date:

Jeff Casale, Secretary

MINNEHAHA CREEK
WATERSHED DISTRICT
GOVERNANCE POLICIES

The Minnehaha Creek Watershed District Board of Managers developed these policies, with the help of the Wilder Center for Communities, to give more specific parameters to the operations of the organization and the roles and responsibilities of the Board and Executive Director.

At all times, the District's bylaws and relevant statutes will supersede these policies.

ADOPTED BY THE BOARD OF MANAGERS
APRIL 24, 2003

*Amended: October 9, 2003
 October 23, 2003
 March 1, 2007
 October 18, 2007
 January 28, 2010
 March 22, 2012
 January 24, 2013
 November 20, 2014
 April 28, 2016*

Minnehaha Creek Watershed District

Vision, Mission, Guiding Principles, and Goals Adopted 01/28/16

Vision

A landscape of vibrant communities where the natural and build environments in balance create value and enjoyment.

Mission

We collaborate with public and private partners to protect and improve land and water for current and future generations.

Guiding Principles

Partnership - We seek to understand the goals of others so that we can meaningfully integrate our work to add broader value to the community.

Innovation - We are flexible and creative in our approach and strive for continuous improvement.

Excellence - We commit to work that achieves outstanding results and honors our partners.

Sound Science - We are a trusted source of scientific data and analyses that provide the foundation for wise decisions.

Service - We are responsive and accountable to our communities and careful stewards of public funds.

Goals

Water Quality – To preserve and improve the quality of surface and ground waters.

Water Quantity – To manage the volume and flow of stormwater runoff to minimize the impacts of land use change on surface and ground waters.

Ecological Integrity – To restore, maintain, and improve the health of ecological systems.

Thriving Communities – To promote and enhance the value of water resources in creating successful, sustainable communities.

Minnehaha Creek Watershed District

POLICY #1: EXECUTIVE LIMITATIONS

GENERAL EXECUTIVE CONSTRAINT

The District Administrator shall not cause or allow any practice, activity, decision or organizational circumstance which is either imprudent or in violation of commonly accepted business and professional ethics.

Minnehaha Creek Watershed District

POLICY #2: EXECUTIVE LIMITATIONS

STAFF TREATMENT

With respect to treatment of paid and volunteer staff, the District Administrator may not cause or allow conditions, which are illegal, inhumane, unfair, or undignified.

Accordingly, s/he may not:

1. Violate the guidelines contained within the *Employee Handbook*.
2. Prevent staff from appealing to the MCWD board when internal grievance procedures have been exhausted, if the employee alleges that he/she has been harmed because:
 - a. board policy has not been followed or
 - b. board policy does not adequately protect his/her human rights.

Minnehaha Creek Watershed District

POLICY #3: EXECUTIVE LIMITATIONS

COMPENSATION AND BENEFITS

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the District Administrator may not jeopardize MCWD's fiscal integrity or public image.

Accordingly, s/he may not:

1. Change his/her own compensation and benefits as established by the MCWD board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits which:
 - a. Deviate materially from comparable positions in the geographic or professional market.
 - b. Obligate MCWD beyond the annual budget.
4. Establish deferred or long-term compensation and benefits which:
 - a. Commit MCWD to unfunded liabilities or unpredictable future costs.
 - b. Provide less than a competitive level of benefits to all employees in accordance with the board approved budget.
 - c. Allow any employee to lose benefits already accrued.

Minnehaha Creek Watershed District

POLICY #4: EXECUTIVE LIMITATIONS

FINANCIAL PLANNING

With respect to financial planning (budgeting for all or any remaining part of a fiscal period), the District Administrator may not jeopardize MCWD's programmatic or fiscal integrity.

Accordingly, s/he may not cause or allow budgeting which:

1. Is not detailed enough to provide:
 - a. projections of revenues and expenses,
 - b. separation of capital and long-term planning projects, district programs and operational items, and
 - c. cash flow statements and projections.
2. Expend more funds than provided for in board-approved budget.
3. Deviates materially from board-stated priorities (see *Strategic Plan and annual goals*).

Minnehaha Creek Watershed District

POLICY #5: EXECUTIVE LIMITATIONS

FINANCIAL CONDITION

With respect to the actual, ongoing condition of MCWD's financial health, the District Administrator may not expend funds outside of Board approved budgets or otherwise jeopardize MCWD's fiscal integrity.

Accordingly, s/he may not:

1. Reallocate monies of an amount more than ten (10) percent of the total project/program fund or \$25,000, whichever is less, from one fund to another.
2. Deviate from the MCWD Investment and Depository Policy or Debt Management Policy without prior approval from the Board of Managers.
3. Transfer budgeted funds that cannot be repaid within 90 days or violate any contracts or grants.
4. Allow cash and liquid assets to drop below the amount needed to settle payroll and incurred expenses.
5. Allow reserve fund level to fall below six (6) months' operating expenses.
6. Allow petty cash expenditures to exceed \$1,000 per month.
7. Reimburse surety prior to completion of project for which surety is being held or without proper documentation.
8. Release any checks, other than petty cash and surety, without board resolution.
9. Allow actual expenditures to deviate materially from board approved annual budget.

POLICY #6: EXECUTIVE LIMITATIONS

ASSET PROTECTION

With respect to proper stewardship of MCWD's assets, the District Administrator may not risk losses beyond those necessary in the normal course of business. Accordingly, s/he may not:

1. Fail to insure against theft and casualty losses to at least 80 percent replacement value.
2. Fail to insure against liability losses to MCWD, its board members, or its paid or volunteer staff beyond commonly accepted practice.
3. Fail to maintain a current written inventory of assets, at least quarterly, verified by an annual physical inventory.
4. Subject property and equipment to improper wear and tear or insufficient maintenance.
5. Fail to properly protect valuable data in accordance with board-approved plan.
6. Dispose of any assets valued over \$1,000 unless authorized by the MCWD Board of Managers.
7. Buy or sell any goods or services (other than employment) from or to employees.
8. Unnecessarily expose MCWD, its board or staff to claims of liability.
9. Purchase any real estate or easements on real estate unless authorized by the MCWD Board of Managers.
10. Make any purchase greater than \$10,000 without the signature of the Board President, or any purchase greater than \$5,000 on the administrator's signature alone.
11. Fail to establish and maintain controls that meet the board-appointed auditor's standards for receiving, processing or disbursing funds.
12. Exceed designated limits for per diems and other expenses as defined in the *Employee Handbook*, Manager Per Diem and Expense Policy and Public Purposes Expenditures Policy.
13. Fail to invest operating capital in compliance with applicable state law and the MCWD Investment and Depository Policy.
14. Award purchases or other contracts to family members or significant others, business associates, or board members (or organizations associated with family members or significant others, business associates, or board members), without notice and prior approval of the MCWD board.
15. Make any capital purchase over \$25,000 without obtaining written quotes or competitive bids or purchase any professional service in excess of \$25,000 without obtaining written quotes or bids or without utilizing a Qualification Based Selection process.

Minnehaha Creek Watershed District

POLICY #7: EXECUTIVE LIMITATIONS

COMMUNICATION AND ADVICE TO AND FROM THE BOARD

With respect to providing information and advice to the MCWD board, the District Administrator may not knowingly cause or allow the MCWD board to be uninformed or misinformed.

Accordingly s/he may not:

1. Let the board be unaware of relevant changes to Strategic Plan, annual goals and budget, public events of MCWD, emergencies related to District resources or any significant changes affecting board policy.
2. Fail to submit the monitoring data required by the board policy *Monitoring District Administrator Performance* in a timely, accurate and understandable fashion, directly addressing provisions of the board policies.
3. Fail to investigate and present as many staff and external points of view, issues, and options as requested by the MCWD board, including the views and recommendations of Department Heads.
4. Present information in unnecessarily complex or lengthy form.
5. Fail to include correspondence determined to be “public” under the Data Practice Act and associated MCWD policy that is addressed to the board or to an individual board member as Information Items/Correspondence on the next meeting or workshop agenda after receipt.
6. Fail to communicate board decisions and actions to staff in an accurate, complete, and timely manner, and take all necessary further steps to ensure the effective delegation of policies, strategies and tasks to staff.

Minnehaha Creek Watershed District

POLICY #1: GOVERNANCE PROCESS

GOVERNING STYLE

The MCWD board will approach its task with a style which emphasizes strategic leadership more than administrative detail, clear distinction of board and staff roles, future rather than past or present perspective, and proactively rather than reactively.

In this spirit, the board will:

1. Focus chiefly on MCWD's intended long-term impacts (*Strategic Plan and annual goals*), not on the administrative activities (management of staff, volunteers, consultants, money, facilities and equipment of MCWD) or the implementation of programs/projects.
2. Direct, control and inspire MCWD through the careful establishment of the broadest organizational values and perspectives (policies). Policies will address a) *Strategic Plan, annual goals and budget*: what benefits for which needs at what cost, b) *Executive Limitations*: boundaries of prudence and ethics to be observed by staff, c) *Governance Process*: board role and responsibilities and d) *Board-District Administrator Relationship*: linkage between board and staff.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, only speaking when recognized at board meetings or workshops, policymaking principles, respect of clarified roles, speaking with one voice and self-policing of any tendency to stray from governance adopted in board policies.
4. Be accountable to the watershed's residents, communities and taxpayers for competent, conscientious and effective accomplishment of the mission. It will allow no officer, individual or committee of the board to usurp this role or hinder this discipline.
5. Monitor and regularly discuss the board's own process and performance. In order to accomplish this, maintain necessary plans, policies, and monitoring records.
6. Board actions will only be taken at board meetings where adequate public notice has been provided.
7. Be an initiator of policy, not merely a reactor to staff initiatives. The MCWD board, not the staff, will be responsible for board performance.
8. Endeavor to come prepared to Board meetings. If a Board member would like clarification on an item on the Consent Agenda, that Board member will contact staff prior to the Board meeting to have his/her question(s) answered.

Minnehaha Creek Watershed District

POLICY #2: GOVERNANCE PROCESS

BOARD RESPONSIBILITIES

The job of the board is to lead MCWD toward the desired goals and assure that they occur. The board's specific responsibilities are *unique* to its stewardship role and *necessary* for proper governance and management.

Consequently, the job of the MCWD board shall be:

1. To provide the link between MCWD and those to whom it is accountable.
2. To create written governing policies which, at the broadest levels, address:
 - a. *Strategic Plan, annual goals and budget*: Establishes vision (what is different in the world because MCWD exists) and organizational outcomes (what good, for which needs, for whom, at what cost).
 - b. *District Administrator Limitations*: Defines constraints on District Administrator authority that establish prudent and ethical boundaries within which the Administrator will make decisions and provide direction.
 - c. *Governance Process*: Specifies how the board conceives, carries out and monitors its own tasks.
 - d. *District Administrator-Board Relationship*: Clarifies how the board delegates power and monitors its proper use.
3. To evaluate the executive's performance against policies 2A and 2B (above).

Minnehaha Creek Watershed District

POLICY #3: GOVERNANCE PROCESS

PRESIDENT/ACTING CHAIR'S ROLE

The job of the President/Acting Chair is to ensure the integrity of the MCWD board's process and the efficient and professional conduct of Board of Managers meetings. The President (and not the Acting Chair) is the only person authorized to speak for MCWD except for the District Administrator, other than in rare and specifically authorized instances.

1. The job of the President/Acting Chair is to ensure that the board behaves consistent with its own rules and those imposed on it by state law.
 - a. Meeting discussion content will only be those issues that, according to board policy, clearly belong to the board to decide, not the District Administrator.
 - b. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
 - c. Assure compliance with all applicable statutes and rules requiring Board of Managers' action.
 - d. Foster an environment in which members of the public feel welcome at meetings, and encourage and direct comments from the public at appropriate and productive times.

2. The President has the authority to take actions consistent with board policies on *Governance Process* and on the *Board-District Administrator Relationship*.
 - a. The President is empowered to chair board meetings with all the commonly accepted power of that position, e.g., setting agenda, ruling, recognizing.
 - b. The President will ensure board representation at District sponsored events and other events requiring a manager to be present.
 - c. The President has the power to nominate managers as delegates to task forces and as committee members, subject to approval of the board.
 - d. The President is empowered to represent the board to the legislature and media.
 - e. Presidential authority does not extend to making decisions regarding implementation of *Strategic Plan, annual goals and budget* and *District Administrator Limitations* policy areas, each of which is within the purview of the District Administrator.
 - f. Presidential authority does not extend to supervising or otherwise directing the District Administrator. Only the full board can interpret the meaning of its policies.

Minnehaha Creek Watershed District

POLICY #4: GOVERNANCE PROCESS

BOARD MEMBERS' CODE OF CONDUCT

The MCWD board expects of itself and its members ethical and businesslike conduct. This commitment includes proper use of authority and appropriate decorum when acting as board members.

1. Board members must be loyal to the interests of the District's constituents. This accountability supersedes:
 - a. Any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs
 - b. The personal interests of any Manager
2. At meetings of the Board of Managers, board members will:
 - a. Conduct the business of the MCWD with order, courtesy, professionalism, fairness and respect for fellow members, staff, presenters and members of the public;
 - b. Speak only when recognized by the chair and neither delay nor interrupt the proceedings nor another member by extraneous conversation or otherwise;
 - c. Refrain from using telephones or other personal electronic devices for unrelated purposes;
 - d. Adhere to the directions and rulings of the chair;
 - e. Confine remarks to the matter under consideration;
3. Board members must not use their positions to obtain for themselves, family members, significant others, business associates, or other board members employment within MCWD. Any conduct of private business between any manager and MCWD requires proper disclosure and unanimous approval by the board.
4. Should a Manager be considered for employment by MCWD, s/he must first resign from the board.
5. Board members may not exercise individual authority over MCWD except as explicitly set forth in board policies.
 - a. Board members' interaction with the District Administrator or with staff must recognize that only the board acting as a whole can govern and give direction to the District Administrator.
 - b. Board members' interaction with the public, press or other entities must recognize the role of the board-designated spokesperson.

Minnehaha Creek Watershed District

- c. Board members will monitor and evaluate the District Administrator or staff performance consistent with explicit board policies.
- 6. All board members have equal rights, privileges and obligations to the MCWD, and the rights of the minority on a particular matter will be respected.
- 7. All board members have the right to timely access to complete and accurate MCWD information, and the right to adequate explanation of information related to matters before the board.

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POLICY #5: GOVERNANCE PROCESS

BOARD COMMITTEE PRINCIPLES

The board may establish committees to help carry out its responsibilities. Committees will be used to support the board in carrying out its job and must not interfere with delegation from the board to the District Administrator.

1. Committees may not act for the board except when formally given such authority.
2. Committees are not to be created by the board to supervise or direct staff.
3. Committee members will be approved by the board.
4. Committees will consist of at least three (3) members but are open to all Managers with equivalent status to committee members.
5. Committees are subject to requirements of the Open Meeting Law, Minnesota Statutes chapter 13D.
6. The board will establish committees as required by the board policy on *Monitoring District Administrator Performance*.

Minnehaha Creek Watershed District

POLICY #1: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP

DELEGATION TO THE DISTRICT ADMINISTRATOR

The MCWD board's job is generally confined to establishing broad policies, leaving implementation and internal management policy development to the District Administrator. *Strategic Plan, annual goals and budget* policies direct the District Administrator to achieve certain results; *Executive Limitations* policies constrain the District Administrator to act within acceptable boundaries. All board authority delegated to staff is delegated through the District Administrator.

1. The District Administrator is authorized to establish all further policies, make all decisions, take all actions and develop all activities that are true to the board's policies. The board may, by extending its policies, "undelegate" areas of the District Administrator's authority, but will respect the District Administrator's decisions in all other cases. This does not prevent the board from obtaining information about activities in the delegated areas.
2. All consultants to the District work under the direction of the District Administrator or his/her designee, except for auditors and legal counsel. Auditors and legal counsel's primary responsibility is to the board except when providing administrative or project/program support.
3. No individual board member, officer, or committee has authority over the District Administrator. Information may be requested by individuals but if such request, in the District Administrator's judgment, requires a material amount of staff effort or cannot be met within the time requested, it may be refused and referred to the board. Only the full board can require reports from the District Administrator.
4. The District Administrator may not perform, allow or cause to be performed any act that is contrary to explicit board constraints (see *District Administrator Limitations* policies).
5. Should the District Administrator deem it necessary to violate board policy, s/he shall inform an officer of the board. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Officer response, either approving or disapproving, does not exempt the District Administrator from subsequent board judgment of the action nor does it impede any Administrator decision.

Minnehaha Creek Watershed District

POLICY #2: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP

JOB OF THE DISTRICT ADMINISTRATOR

As the board's link to MCWD's operations, the District Administrator is accountable for all organizational performance and exercises all authority delegated by the board. District Administrator performance will be considered to be synonymous with organizational performance.

Consequently, the board will evaluate the District Administrator's job performance in two areas:

1. Organizational accomplishment of the *Strategic Plan, annual goals and budget*.
2. Organization operation within the boundaries established in board policies on *Executive Limitations*.

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POLICY #3: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP

MONITORING DISTRICT ADMINISTRATOR PERFORMANCE

Monitoring District Administrator performance is synonymous with monitoring organizational performance against board policies on *Strategic Plan and annual goals* and on *Executive Limitations*. Monitoring will be as automatic as possible, using a minimum of board meeting time so that meetings can be used to create the future rather than review the past.

1. The purpose of monitoring is to determine the degree to which board policies are being fulfilled.
2. A given policy may be monitored in one or more of three ways:
 - a. **DISTRICT ADMINISTRATOR REPORT:** Disclosure by the District Administrator to the board.
 - b. **MANAGER(S) INSPECTION:** Any individual board member at any meeting may request discovery by the MCWD board or a board-designated Manager or committee, including inspection of printed and electronic documents, activities, or circumstances.
 - c. **EXTERNAL AUDIT/REPORT:** Discovery by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the MCWD board. Such reports must assess District Administrator performance only against board policies, unless the board identifies other standards.
3. The board can decide to monitor any policy by any method at any time. However, the board designates the following monitoring schedule for *Strategic Plan, annual goals and budget* and *District Administrator Limitations* policies.
 - a. Monthly reports: Financial condition, District Administrator's report, project status reports.
 - b. Quarterly: Communication and advice, implementation calendar.
 - c. Annual reports: Annual goals and budget, all governance policies, compensation and benefits, asset protection, financial condition, staff treatment, financial planning.
 - d. Biannual: Compensation and benefits, Strategic Plan.

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POLICY #4: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP

PERSONNEL MANAGEMENT, ADDING FULL-TIME POSITIONS AND HIRING OF DISTRICT STAFF

The District administrator manages personnel and the human resources function of the organization. New full-time equivalent positions usually will be created and hired pursuant to a departmental work plan and budget that have been reviewed and approved by the Board of Managers. New full-time equivalent positions may be created and hired outside of the workplan-approval process only with the approval of the Board of Managers. The administrator is responsible for hiring individuals to fill existing and new staff positions, except that the following procedures shall be used to hire for director positions:

1. The Board of Managers Executive Committee shall be notified of director vacancies.
2. The Executive Committee will advise the administrator on whether a director position should be filled through promotion or transfer of current staff or posted. The administrator will consider and respond to the Executive Committee's comments prior to filling a director position by promotion or transfer of current staff.
3. When a director position is posted, the following procedure will be followed:
 - The position will be posted on web sites and/or in publications with wide distribution.
 - The District Administrator and/or personnel consultant shall review all applications and conduct preliminary interviews of qualified candidates.
 - The Executive Committee will interview the top three or four candidates recommended by the District Administrator and/or consultant and will make a recommendation to the Board of Managers on appropriate steps and the appropriate forum for further consideration of candidates.
 - The District Administrator will consider the recommendation of the Executive Committee and board interviews, application materials, etc. and forward an offer to the candidate that he or she determines best qualified and suited to the position.
 - The successful candidate will be introduced to the Board at the first possible Board meeting after hiring.

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POLICY	METHOD	FREQUENCY	By When	WHO
All Governance Policies	Manager(s) Inspection	Annually		Full board (led by President)
Staff Treatment (<i>Executive Limitations Policy #2</i>)	Manager(s) Inspection	Annually		Executive Committee
Compensation & Benefits (<i>Executive Limitations Policy #3</i>)	External Audit/Report Manager(s) Inspection	Biannually Annually		Personnel Consultant Executive Committee
Financial Planning – Budget (<i>Executive Limitations Policy #4</i>)	Manager(s) Inspection	Annually		Executive Committee
Financial Condition (<i>Executive Limitations Policy #5</i>)	Manager(s) Inspection External Audit	Monthly Quarterly		Treasurer or Treasurer-designated Manager Executive Committee
Asset Protection (<i>Executive Limitations Policy #6</i>)	External Audit Manager(s) Inspection	Annually Annually		Auditor, Counsel and Risk Manager Executive Committee
Communication & Advice (<i>Executive Limitations Policy #7</i>)	Manager(s) Inspection	Quarterly		President
Program Outcomes – Goals <i>Strategic Plan</i> <i>Implementation Calendar</i>	Manager(s) Inspection Manager(s) Inspection	Biannually Quarterly		Vice President Vice President

Any other policy shall be monitored by internal report each calendar quarter.

**MINNEHAHA CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

Liaison Policy and Procedures

Adopted November, 2009; amended November 20, 2014

The Board of Managers establishes the following policy and procedures to establish relationships and provide Board representation as needed with outside entities to foster improved communications and relationships to help further the District's efforts to protect and improve the water resources under its jurisdiction. Examples of where liaisons might be appointed include liaisons to other governmental units or special groups, such as neighborhood associations, critical resource groups, elected officials or nonprofits in geographical areas where the MCWD has defined projects or programs as established by approved annual work plans or by direction of the Board of Managers.

Goals:

To improve communications with outside entities that have the potential to impact the mission and water resource goals of the MCWD.

To develop or improve relationships with elected officials and facilitate communication about District activities and programs and their implications, help ensure the success of specific projects and programs, and generally garner support for the District's efforts.

To monitor the progress of mutually beneficial programs and partnerships, and provide input and active support as needed.

To enable the early identification of problems or concerns raised by liaison entities and foster proactive and effective discussions and actions to resolve such issues and avoid more serious implications that might otherwise result.

To foster the early identification of developments or opportunities where timely action by the MCWD could benefit the goals of the MCWD.

To represent the District in other situations determined the Board of Managers to warrant dedication of a board liaison.

Procedures and Restrictions:

1. Requests to establish a liaison relationship with an outside entity must be submitted to the Board President and may originate as a request from an outside entity, a member of the Board of Managers, a standing Board committee or MCWD staff. Requests must demonstrate need and at minimum should include the following:

What/Who is the other entity, what does it do, and what is the nature of the relationship suggested?

What are the potential benefits of the proposed relationship to the MCWD and the accomplishment of its goals?

What MCWD activities might be affected by the relationship and to what end?

- Is there a risk of negative impacts to the MCWD and its programs?
- What are the expectations and timeframe of the liaison relationship?
- What costs and obligations would be incurred by the MCWD?

2. In general, liaison appointments will be made at the same time appointments are made by the Board President to committees, but may be made at other times of the year. Any Manager may propose a liaison assignment at any time by presenting to the entire Board the reasons for the liaison and the goals for the assignment. District staff should consider the need for a Board liaisons when developing work plans and make recommendations for programs and projects where Board representation may enhance the development and outcomes of a project relative to District's mission and goals.

- a. Ultimately, the Board of Managers will determine if a Manager, or more than one Manager, should be assigned, whether an alternate is desirable, and what the goals and restrictions of the assignment should be.
- b. On a decision to appoint by the Board of Managers, The President will appoint a liaison or liaisons.

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3. All liaisons will be responsible for reporting their activities and all pertinent information and outcomes to the Board at the next regularly scheduled Board meeting following their participation in liaison activities.

4. Liaisons will not represent positions of the Board, unless they have been formally acted upon in the form of a resolution approved by a majority of the Board at a regularly scheduled meeting.