

# General Manager Monitoring Overview

Period from 2/1/2018 to 1/31/2019

The board's monitoring of the General Manager's performance is based on Madison Water Utility's achievement of Outcomes policies and operation within the boundaries of Executive Limitations policies, as established in the [Water Utility Board's Policy Book](#).

## Internal Monitoring

<b>Policy Monitored</b>	<b>Date Accepted by Board</b> <i>(Includes link to report)</i>
Water Quantity (O-2A)	<a href="#">10/23/2018</a>
Water Quality (O-2B)	<a href="#">4/24/2018</a> <a href="#">11/27/2018</a>
Reliability (O-2C)	<a href="#">11/27/2018</a>
Affordability (O-2D)	<a href="#">5/22/2018</a>
Sustainability (O-2E)	<a href="#">7/31/2018</a> <a href="#">2/5/2019</a>
Treatment of Consumers (EL-2A)	<a href="#">4/24/2018</a>
Treatment of Staff (EL-2B)	<a href="#">6/26/2018</a>
Financial Planning/Budgeting (EL-2C)	<a href="#">6/26/2018</a> ( <i>Capital Budget</i> ) <a href="#">7/31/2018</a> ( <i>Operating Budget</i> )
Financial Condition & Activities (EL-2D)	<a href="#">4/24/2018</a> <a href="#">2/5/2019</a>
Emergency General Manager Succession (EL-2E)	<a href="#">6/26/2018</a>
Asset Protection (EL-2F)	<a href="#">10/23/2018</a>
Infrastructure (EL-2G)	<a href="#">5/22/2018</a>
Communication & Support to the Board (EL-2H)	<a href="#">10/23/2018</a>
Quality & Performance Improvement (EL-2I)	<a href="#">2/5/2019</a>
Workforce Planning (EL-2J)	N/A

## External Monitoring

Vicki Hellenbrand, CPA from Baker Tilly presented the 2017 audit and answered questions from the board on July 31, 2018.

- [2017 MWU Audit Communications.PDF](#)
- [2017 MWU Financial Statements.PDF](#)
- [2017 Audit Presentation.pdf](#)

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## Compliance

The General Manager reported compliance with all Outcomes and Executive Limitations policies, with the following exceptions:

**Water Quantity O-2A(1):** Water delivered to hydrants at proper flow rates for fire protection.

*Mitigation projects in progress and scheduled. Achieving compliance more quickly would require rate increases in violation of the board's current Affordability Policy (O-2D) which limits increases to an annualized rate of 9% per year.*

- **Water Quantity O-2A(2):** Water delivered to the customer tap at a pressure that meets industry-accepted low, high, and emergency operation criteria.

*Mitigation projects in progress and scheduled. Achieving compliance more quickly would require rate increases in violation of the board's current Affordability Policy (O-2D) which limits increases to an annualized rate of 9% per year.*

- **Financial Condition and Activities EL-2D(6):** Establish an unrestricted reserve equal to a typical three months' operating expenses.

*MWU is currently not funding its unrestricted reserve and likely will not do so until it completes the repayment of its loan from the City in year 2019. Management is in the process of developing detailed cash reserve policies to address shortfalls in unrestricted cash reserves.*

*Achieving compliance more quickly would require rate increases in violation of the board's current Affordability Policy (O-2D) which limits increases to an annualized rate of 9% per year.*