

Date: February 22, 2011

To: Water Utility Board
Tom Heikkinen

From: Greg Harrington

Re: February 23 board meeting

We received our "homework" at the January 11 workshop, so this note will define expectations for tomorrow's meeting. An itemized list:

- I intend this meeting to be our first to shift from 3-hour meetings to 2-hour meetings. We have done a significant amount of work and I see the reduction in meeting time as reward for this.
- The annual calendar is moved to the parking lot until we develop our outcomes policies. The draft calendar is attached.
 - Our annual calendar now includes the following items:
 - Executive limitations policies (we will go through these one-by-one, determining how often we want a manager report, and if there is a specific month(s) in which we want to hear the report)
 - Board process policies
 - Board-executive limitations policies
 - Annual review of the general manager
 - Election of water board officers
 - We will need to add the following items at a later meeting.
 - Ends/outcomes policies
 - Approval of annual report to city council
 - Other items as brought up by board members
- We will use most of the meeting time to continue our development of ends/outcomes (3rd agenda item). My suggested sequence of discussion, getting to what we can, is:
 - What did each of us take away from the January 11 workshop? Go around the table on this.
 - Revisit the provisionally-adopted global outcomes policy in light of the January 11 workshop. Amy Robb has put together some documents for us and I will walk us through them. These are attached for your review.
 - Move to our homework from the January 11 workshop, working with the global outcomes policy (which is a variation of the line we used to generate our homework assignments at the January 11 workshop)
 - See if we can come up with some Level 2 outcomes statements from our homework
 - Revisit our work from 10/2010, 11/2010, and 12/2010 to see what's been covered by our Level 2 outcomes; determine if we want remainder in executive limitations
- At 6:15 pm, finish the meeting with self-monitoring and future agenda items. Everyone has had a turn with self-monitoring. If we go through the same order as before, it is Madeline's turn unless someone wants to volunteer.

MASTER AGENDA FOR THE MADISON WATER UTILITY BOARD

January 25, 2011 Draft

(pending addition of outcomes/ends policies and discussion of the board's annual report)

Month	Meeting Length	Category	Item	Action
January	2 hours	Monitoring	Financial Condition and Activities (EL-2D)	Review & Accept
		Policy	Board-Executive Delegation (BED) policies (all)	Review
February	2 hours	Monitoring	Annual Review of General Manager	Discuss, Plan
			- Global Executive Restraint (EL-1)	
			- Global Outcomes Policy (O-1)*	
	Board	Third Party Review- Board Governance	Review	
March	2 hours	Monitoring	Annual Review of General Manager	Approve
			- Global Executive Restraint (EL-1)	
			- Global Outcomes Policy (O-1)*	
April	2 hours	Monitoring	Financial Condition and Activities (EL-2D)	Review & Accept
			Treatment of Consumers (EL-2A)	Review & Accept
		Board	Master Agenda / Annual Calendar	Approve
May	2 hours	Monitoring	Infrastructure (EL-2G)	Review & Accept
			Treatment of Staff (EL-2B)	Review & Accept
		Board	Third Party Review- Board Governance	Review
June	2 hours	Monitoring	Financial Planning/Budgeting (EL-2C)	Review & Accept
			- Capital Budget	Approve
			Emergency General Manager Succession (EL-2E)	Review & Accept
July	2 hours	Monitoring	Financial Condition and Activities (EL-2D)	Review & Accept
			Asset Protection (EL-2F)	Review & Accept
August	2 hours	Monitoring	Financial Planning/Budget (EL-2C)	Review & Accept
			- Operating Budget	Approve
			Communication and Support to the Board (EL-2H)	Review & Accept
			Annual Third Party Financial Audit	Review
		Board	Third Party Review- Board Governance	Review
September	2 hours	Policy	Board Process (BP) Policies (all)	Review & Revise
October	2 hours	Monitoring	Financial Condition and Activities (EL-2D)	Review & Accept
		Board	Board Elections	Vote
			5-year term begins for one member of the board	Welcome
November	2 hours	Monitoring	Infrastructure (EL-2G)	Review & Accept
			Quality and Performance Improvement (EL-2I)	Review & Accept
		Board	Third Party Review- Board Governance	Review
December			No Meeting?	

*Placeholder, a Global Outcomes Policy has not been formally adopted.

Draft Outcomes Policies for 2/23/2011 Meeting

Outcomes Policy formula

The recipient (choose one)

- Madison residents
- Current and future customers
- Customers
- A sub-set of the ownership: _____
- ___% of residents
-

The benefit to that recipient:

- Receive (or other verb) _____

The acceptable cost to achieve that benefit.

- worth a reasonable cost
- worth ___% of all resources
- worth a _____ (dominant, first, second, etc.) priority
- worth an efficient use of (water, energy, financial) resources
-

Draft Outcomes Policies for 2/23/2011 Meeting

From *Reinventing Your Board* by John Carver:

The Global outcomes policy should be:

- Brief, but including all three ends components
- Doable, not merely a wish or unattainable goal
- Clear, but not having to bear the burden of being snappy like a slogan
- Expansive enough to embrace the fullness of your intent
- Narrow enough to distinguish your organization from the larger world

Water Utility Board Policy		
Title:	Global Outcomes Policy	
Policy Number:	O-1	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Madison residents receive an adequate quantity of high quality water at a reasonable cost.

Is this statement sufficiently broad to cover most if all the desired outcomes for the water utility? Does it have sufficient integrity and inclusiveness to support subsidiary policies?

If not, check one or more (or none) of these options, or write in your own draft policy below:

- ~~Madison residents~~ **Madison Water Utility customers** receive an adequate quantity of high quality water at a reasonable cost.
- Madison residents **reliably** receive an adequate quantity of high quality water at a reasonable cost.
- Madison residents receive an adequate quantity of **consistently** high quality water at a reasonable cost.
- Madison residents receive an adequate quantity of high quality water **for consumption and fire protection** at a reasonable cost.
- Madison residents receive an adequate quantity of high quality water at a reasonable **financial and environmental** cost.
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Draft Outcomes Policies for 2/23/2011 Meeting

Water Quantity

Recall that the General Manager is already bound by EL-2F (Asset Protection) to “ensure water availability for future and current customer needs” and by EL-2G (Infrastructure) to “identify and plan for resource and infrastructure needs for the provision of water service to customers within the City of Madison and the Madison Water Utility’s service areas consistent with a reasonable planning period for that service.”

Water Utility Board Policy		
Title:	Water Quantity	
Policy Number:	O-2a	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Current and future customers will receive water that meets or exceeds industry-accepted requirements for flow rate, fire protection, and pressure worth an efficient use of resources.

- This includes:
 - Water delivered to hydrants at proper flow rates for fire protection.
 - Water delivered to the customer tap at a pressure that meets industry-accepted low, high, and emergency operation criteria.
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Draft Outcomes Policies for 2/23/2011 Meeting

Water Quality

Recall that the General Manager is already bound by EL-1 (Global Executive Restraint) to not “jeopardize the health and safety of the public” and by EL-2A (Treatment of Consumers) to “comply with state and federal primary drinking water regulations and associated public notification requirements” and “achieve board-adopted water quality goals, incorporated by attachment.”

Water Utility Board Policy		
Title:	Water Quality	
Policy Number:	O-2b	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Madison residents will receive high quality water worth a cost that balances health, aesthetic, and economic concerns.

- High quality water is defined by the following:
 - Water meets or exceeds all primary and secondary maximum concentration standards specified by the U.S. Environmental Protection Agency and the Wisconsin Department of Natural Resources.
 - Water has reduced concentrations of regulated and unregulated constituents of concern.
 - Water meets or exceeds aesthetic standards specified by the U.S. Environmental Protection Agency.
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Draft Outcomes Policies for 2/23/2011 Meeting

Reliability

Water Utility Board Policy		
Title:	Reliability	
Policy Number:	O-2c	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Madison residents will receive water which is consistent in its availability, quality, and cost worth an efficient use of resources.

- Accordingly,
 - Residents will experience minimal unplanned service interruptions.
 - Residents will receive adequate notice of planned service interruptions.
 - Residents will receive adequate notice of planned maintenance work that would significantly reduce water flow or pressure, and/or cause water discoloration.
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Draft Outcomes Policies for 2/23/2011 Meeting

Moral Ownership

Water Utility Board Policy		
Title:	Moral Ownership	
Policy Number:	O-2d	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

The moral ownership is all the residents of the City of Madison.

Draft Outcomes Policies for 2/23/2011 Meeting

Reasonable Cost

Recall that the General Manager is already bound by EL-2C (Financial Planning/Budgeting) and EL-2D (Financial Condition and Activities). EL-2G (Infrastructure) also requires that the General Manager “assure that required rates fund all expenditures for timely and prudent capital improvements to existing utility systems”.

Water Utility Board Policy		
Title:	Cost of Water	
Policy Number:	O-2e	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Madison Water Utility customers will pay an affordable rate for water worth a limit to the achievement of other outcomes.

- Accordingly,
 - Water rates will be at or below the median in Wisconsin.
 - Water rates will not deter economic growth in Madison.
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Draft Outcomes Policies for 2/23/2011 Meeting

Conservation/ Sustainability

Recall that EL-2F (Asset Protection) requires the General Manager to “ensure water availability for future and current customer needs through long-term resource supply and demand analysis, conservation and public education.” EL-2G (Infrastructure) also requires that the General Manager “not cause or allow conditions, procedures, or decisions that prevent the Madison Water Utility from meeting its obligation to serve current and future generations of customers within the City of Madison and its authorized service areas.”

Water Utility Board Policy		
Title:	Sustainability	
Policy Number:	O-2f	Provisionally Adopted:
Category:	Outcomes	Revision #/Date:

Madison residents will experience a more sustainable future worth a reasonable cost.