

POLICY BOOK
of the
Water Utility Board
Madison, Wisconsin

FIRST ADOPTED August 24, 2010
VERSION 20: Revised April 24, 2018

Policy Book Contents

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MASTER AGENDA FOR THE MADISON WATER UTILITY BOARD

Updated April 24, 2018

| Month | Mtg. Length | Category | Item | Action |
|-----------|-------------|---------------------|--|---|
| January | 2 hours | Board | Sustainability (O-2E) Board-Executive Delegation (BED) policies (all) | Review & Accept Self-Evaluation |
| February | 2 hours | Monitoring | Annual Review of General Manager - Global Executive Constraint (EL-1) - Global Outcomes Policy (O-1) | Discuss, Plan |
| March | 2 hours | Monitoring | Infrastructure (EL-2G) Annual Review of General Manager - Global Executive Constraint (EL-1) - Global Outcomes Policy (O-1) | Review & Accept Approve |
| April | 2 hours | Monitoring | Financial Condition and Activities (EL-2D) Water Quality (O-2B) Treatment of Consumers (EL-2A) | Review & Accept Approve |
| | | Board | Master Agenda / Annual Calendar Board Education/ Governance Capacity Budget | |
| May | 2 hours | Monitoring | Affordability (O-2D) Financial Planning/Budgeting (EL-2C) (Capital Budget) | Review & Accept |
| | | Board | Third Party Review- Board Governance | Discuss, Plan |
| June | 2 hours | Monitoring | Treatment of Staff (EL-2B) Emergency General Manager Succession (EL-2E) Quality and Performance Improvement (EL-2I) | Review & Accept |
| | | Board | Third Party Review- Board Governance | Execute |
| July | 2 hours | Monitoring | Sustainability (O-2E) Annual Third Party Financial Audit | Review & Accept |
| August | 2 hours | Monitoring | Financial Condition and Activities (EL-2D) Financial Planning/Budget (EL-2C) (Operating Budget) Asset Protection (EL-2F) Communication and Support to the Board (EL-2H) | Review & Accept |
| September | 2 hours | Monitoring Board | Water Quantity (O-2A) Water Utility Board Annual Report Board Process (BP) Policies (all) | Review & Accept Approve Self-Evaluation |
| October | 2 hours | Monitoring Board | Water Quality (O-2B) Board Elections | Review & Accept Vote |
| November | 2 hours | Monitoring | Financial Condition and Activities (EL-2D) Reliability (O-2C) Workforce Planning (EL-2J) | Review & Accept |
| December | | | No Regular Meeting | |

Outcomes Policies

Expected organizational performance desired by owners, framed in terms of benefits, recipients of those benefits, and their relative worth in cost or priority.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------|------------------|--------------|
| Title: | Global Outcomes Policy | | |
| Policy Number: | O - 1 | Adopted: | May 24, 2011 |
| Category: | Outcomes | Revision #/Date: | |

Madison Water Utility consumers receive an adequate quantity of high quality water for consumption and fire protection at a reasonable financial and environmental cost.

| Water Utility Board Policy | |
|-----------------------------------|-----------------------|
| Title: | Water Quantity |
| Policy Number: O-2A | Adopted: May 24, 2011 |
| Category: Outcomes | Revision #/Date: |

Current and future customers will receive water that meets or exceeds industry-accepted levels of service for fire protection and pressure.

This includes:

1. Water delivered to hydrants at proper flow rates for fire protection.
2. Water delivered to the customer tap at a pressure that meets industry-accepted low, high, and emergency operation criteria.
3. Water used for outdoor irrigation under drought-free conditions.

| Water Utility Board Policy | | | |
|-----------------------------------|----------------------|------------------|------------------|
| Title: | Water Quality | | |
| Policy Number: | O-2B | Adopted: | May 24, 2011 |
| Category: | Outcomes | Revision #/Date: | 2/ July 22, 2014 |

Madison Water Utility consumers will receive high quality water that meets or is better than all primary and secondary drinking water standards, including their public notification requirements, and complies with board-adopted water quality goals, incorporated by attachment.

The Madison Water Utility recognizes that drinking water standards are subject to revision and that new compounds of concern will be determined. This dynamic is a result of health studies being conducted by health organizations and government agencies on the state, national and international level. The technology to quantify compounds at increasingly minute levels is constantly improving.

The Madison Water Utility shall maintain and promulgate a Watch List of compounds of concern by unit well of compounds that are increasing and may approach the primary and secondary drinking water standards. The Watch List shall identify which wells require action.

Please refer to the following Procedural Guidelines:

- [GUIDE 4: Board of Health for Madison and Dane County Fluoridation Policy](#)
- [GUIDE 8: Executive Summary of Water Quality Treatment Policies](#)

| Water Utility Board Policy | |
|-----------------------------------|-----------------------|
| Title: | Reliability |
| Policy Number: O-2C | Adopted: May 24, 2011 |
| Category: Outcomes | Revision #/Date: |

Madison residents will receive water which is consistent in its availability and quality.

Accordingly,

1. Residents will experience minimal unplanned service interruptions.
2. Residents will receive adequate notice of planned service interruptions.
3. Residents will receive adequate notice of planned maintenance work that would significantly reduce water flow or pressure, and/or cause water discoloration.

| Water Utility Board Policy | | | |
|-----------------------------------|----------------------|------------------|-----------------|
| Title: | Affordability | | |
| Policy Number: | O-2D | Adopted: | May 24, 2011 |
| Category: | Outcomes | Revision #/Date: | 2/July 22, 2014 |

Madison Water Utility customers will pay an affordable rate for water, including the financing of necessary replacement of water distribution plant and improvements to water treatment.

With a goal of maintaining affordable water rates and funding necessary improvements to the water supply system, Madison Water Utility shall:

1. Maintain its water rates between the 25th and 75th percentile for Class AB utilities (those serving 4,000 customers or more) in Wisconsin.
2. Apply for a necessary rate increase (subject to the adopted City of Madison Budget) that does not exceed an annualized rate of 9% per year. "Annualized rate increase" is defined as the increase beginning from the time when the last rate increase was fully effective to the estimated date the applied-for rate increase is anticipated to become fully effective, apportioned annually.
3. Generate its authorized return on rate base consumption (defined as per F-23 of the Utility's Annual Report to the PSCW). This sets a reasonable return on investment as determined by an outside party, the PSCW. The allowable return on investment is comparable to that of other publically and privately owned utilities in Wisconsin. By maximizing this return, the utility will have revenue necessary and reasonable for reinvestment in system improvements, and operations and maintenance expenses.
4. Petition for water rates that will complement economic growth in Madison.

| Water Utility Board Policy | | | |
|-----------------------------------|-----------------------|------------------|----------------------|
| Title: | Sustainability | | |
| Policy Number: | O-2E | Adopted: | August 23, 2011 |
| Category: | Outcomes | Revision #/Date: | 2/ January, 31, 2017 |

Madison residents will benefit from a sustainably managed ground water supply to ensure that water is available to protect public health, and to maintain and improve the economy and environment in Madison, now and in the future. Sustainability encompasses many aspects of Utility operations, including the environmental benefits of reducing energy use, preserving groundwater levels, and sustaining flows in lakes, streams, and springs. The financial sustainability of the Water Utility is also a significant consideration: future generations of Utility customers, while benefitting from infrastructure renewal, will bear the cost of incurring long-term debt.

Accordingly,

1. Aquifers and wells will be monitored and the data evaluated to identify trends in water levels and potential contaminants.
2. Appropriate city, county, state and federal agencies will be called upon to enforce all pollution control and prevention measures within their authority, in order to protect water quality in the well head protection area of each unit well.
3. The adopted Conservation Plan shall be monitored and evaluated regarding progress to fulfill its goals. Plan goals should include reductions in energy use, avoiding the cost of additional wells, and minimizing complications related to over-pumping the groundwater system.
4. Water conservation shall be increased, or the water supply system shall be expanded so that the pumpage from individual unit wells shall not exceed 50% of the annual rated capacity of the unit well.
5. The Utility shall track the carbon footprint of Utility operations using quantitative tools (for example, energy intensity analysis) so that sustainability may be considered in planning for water treatment facilities, distribution system improvements, and other infrastructure projects.
6. Water rates will complement economic growth in Madison (as stated in [O-2D](#)).

Executive Limitations Policies

Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

| Water Utility Board Policy | | | |
|-----------------------------------|------------------------------------|------------------|--------------|
| Title: | Global Executive Constraint | | |
| Policy Number: | EL - 1 | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | |

The General Manager shall not:

- Knowingly cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, unethical, or contrary to commonly accepted public administration principles and professional ethics;
- Jeopardize the health and safety of the public nor sustainable operation of the utility;
- Fail to conduct all endeavors with integrity and mutual respect.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------|------------------|------------------|
| Title: | Treatment of Consumers | | |
| Policy Number: | EL - 2A | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 1 / May 24, 2011 |

With respect to customers and consumers, the General Manager shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, or undignified, or that fail to provide appropriate confidentiality or privacy.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Fail to establish with consumers a clear understanding of their rights and what may be expected from the services offered by the Madison Water Utility.
2. Fail to maintain a process for accessible, fair, efficient and unbiased handling of complaints and issues, including a grievance process for those who believe they have not been accorded a reasonable interpretation of their rights under this policy.
3. Fail to inform and educate consumers and customers about water and water utility services, events, research, or developments (like construction).

| Water Utility Board Policy | | | |
|-----------------------------------|---------------------------|------------------|--------------|
| Title: | Treatment of Staff | | |
| Policy Number: | EL - 2B | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | |

With respect to interactions with staff, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Violate the City's staff treatment policies.
2. Fail to periodically assess the organizational climate.
3. Fail to promote activities that enhance the organizational climate.
4. Discourage staff members from communicating with the board at a scheduled board meeting.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------------|------------------|----------------|
| Title: | Financial Planning/Budgeting | | |
| Policy Number: | EL - 2C | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 3/Nov 28, 2017 |

The General Manager shall not cause or allow financial planning to deviate materially from the board's Outcomes priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Allow budgeting which would risk incurring those situations or conditions described as unacceptable in the Financial Condition and Activities policy ([EL - 2D](#)).
2. Fail to provide to the utility the full amount established by the board for any given activity.
3. Fail to provide the board with an opportunity for one month's deliberation prior to approval of cost increases in excess of 15% of the established budget for a project.
4. Fail to provide the board with an estimated impact on the rate increase for capital projects with the annual presentation of the capital budget.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|-----------------|
| Title: | Financial Condition and Activities | | |
| Policy Number: | EL - 2D | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 1/July 22, 2014 |

With respect to the actual, ongoing financial condition and activities of the Madison Water Utility, the General Manager shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Outcomes policies.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Fail to ensure long-term financial health.
2. Fail to present a balanced annual operating budget and quarterly updates on actual expenditures and income.
3. Exceed total appropriations for the fiscal year, unless directed to do so by the board.
4. Use any dedicated reserves for purposes other than those for which they are designated, unless directed to do so by the board.
5. Undertake a debt without payoff schedule and identification of revenue stream.
6. Fail to establish an unrestricted reserve equal to a typical three months' operating expenses.
7. Fail to inform the board of where the utility stands with any current rate case in progress.
8. Fail to be able to provide a concise summary of the financial condition of the utility at any time.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|--------------|
| Title: | Emergency General Manager Succession | | |
| Policy Number: | EL - 2E | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | |

To protect the board and utility from sudden loss of General Manager services, the General Manager shall not fail to ensure that at least two other identified managers are sufficiently familiar with board and General Manager issues and processes that either would be able to take over with reasonable proficiency as an interim successor.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------|------------------|-------------------|
| Title: | Asset Protection | | |
| Policy Number: | EL – 2F | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 3 / June 28, 2016 |

The General Manager shall not cause or allow utility assets to be unprotected, inadequately maintained, or unnecessarily risked. Utility assets include financial reserves, bond rating, physical infrastructure (such as pumps, pipes, reservoirs and wells), the groundwater supply, and the utility's reputation in the community.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Fail to comply with City policies regarding asset protection.
2. Fail to ensure water availability for future and current customer needs through long-term resource supply and demand analysis, conservation and public education.
3. Fail to ensure adequate water quality for future and current customers through long-term analysis of water quality trends in well head protection areas, and by coordinating with appropriate regulatory and enforcement agencies to pursue prevention and remediation of contaminant sources in well head protection areas.
4. Use or permit the use of water by others outside the Madison Water Utility's existing water service area, unless in compliance with Madison General Ordinances (if applicable) and the City of Madison's Comprehensive Plan.
5. Endanger the utility's public image or credibility.
6. Fail to follow the auditor's recommended internal controls.

| Water Utility Board Policy | | | |
|-----------------------------------|-----------------------|------------------|-------------------|
| Title: | Infrastructure | | |
| Policy Number: | EL - 2G | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 2 / July 22, 2014 |

The General Manager shall 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.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Fail to assure that required rates fund all expenditures for timely and prudent capital improvements to existing utility systems, and that those capital improvements are driven by reliability, operational or regulatory requirements, replacement of aging infrastructure, utility relocations for public works and road projects, extension of the life of existing systems, or customer input.
2. Fail to identify and plan for resource and infrastructure needs for the provision of water service to customers in a timely manner.
3. Fail to coordinate Madison Water Utility activities and policies with the City of Madison's Comprehensive Plan and other relevant guidelines for community development.
4. Fail to consider participation with other governmental or private entities on regional major water infrastructure or water supply planning projects.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|------------------|
| Title: | Communication and Support to the Board | | |
| Policy Number: | EL - 2H | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | 1 / Nov 20, 2012 |

The General Manager shall not cause or allow the board to be uninformed or unsupported in its work.

Accordingly, the General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Fail to submit monitoring data required by the board (see [Board-Executive Delegation policies](#)) in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored, and including General Manager interpretations consistent with the Board-Executive Delegation policies.
2. Allow the board to be unaware of any actual or anticipated noncompliance with any Outcomes or Executive Limitations policy of the board regardless of the board's monitoring schedule.
3. Allow the board to be without such information as may be required periodically for fully informed board deliberations and choices, including internal and external data as well as staff and external opinions and points of view.
4. Allow the board to be unaware of any significant incidental information it requires including
 - a. relevant trends
 - b. anticipated adverse media coverage
 - c. significant public reaction
 - d. anticipated or pending lawsuits
 - e. unusual or exceptional purchases
 - f. directives or instructions from the Common Council or Mayor
 - g. material internal and external changes, particularly those that affect the assumptions on which previous board policies have been established
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among three information types (as defined in the Policy Governance context):
 - a. monitoring – includes regularly scheduled monitoring data as well as notices of actual or anticipated noncompliance with Outcomes or Executive Limitations policies
 - b. decision preparation – includes information required for fully informed board deliberations
 - c. other – includes significant incidental information as outlined above
6. Fail to submit to the board a consent agenda containing items delegated to the General Manager yet required by law, regulation, or contract to be board-approved, along with such monitoring assurance as may be relevant.
7. Fail to provide, or delay the provision of, negative information regarding the utility's performance, staff, or image.

8. Fail to advise the board if, in the General Manager's opinion, the board is not in compliance with its own policies on Board Process and Board-Executive Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the General Manager.
9. Fail to deal with the board as a whole.
10. Fail to provide a workable mechanism for official board, officer, or committee communications.
11. Allow the board to be without such information required for fully informed decisions regarding consultant selection.
 - a. Prior to soliciting consultant proposals in excess of \$25,000, the General Manager shall submit the following information to the board for approval:
 - A tentative scope of services and estimate of cost.
 - Verification that staff is unavailable to perform the work or is not qualified to perform by education or experience without retaining the services of another who is qualified.
 - Verification that the contemplated work is necessary to fulfill the mission of the Water Utility.
 - b. In the case of projects determined by the board to be controversial, the approval of the Common Council should be obtained prior to advertising for proposals.
 - c. After evaluating consultant proposals, the General Manager shall submit a recommendation, including documentation, to the Water Utility Board for approval.

| Water Utility Board Policy | | | |
|-----------------------------------|--|------------------|--------------|
| Title: | Quality and Performance Improvement | | |
| Policy Number: | EL - 2I | Adopted: | Aug 24, 2010 |
| Category: | Executive Limitations | Revision #/Date: | |

In all aspects of utility performance, the General Manager shall not fail to demonstrate continuous monitoring and needed improvement.

| Water Utility Board Policy | | | |
|-----------------------------------|---------------------------|------------------|-----------------|
| Title: | Workforce Planning | | |
| Policy Number: | EL - 2J | Adopted: | August 26, 2014 |
| Category: | Executive Limitations | Revision #/Date: | 2/Mar 27, 2018 |

The General Manager shall not cause or allow conditions, procedures, or decisions that:

1. Add staff without review of existing resources and potential reassignment.
2. Utilize consultants for work more economically and appropriately done by utility staff, considering normal workload levels.
3. Fail to support employee and professional development opportunities for the General Manager and staff that are well focused and appropriate to Outcomes or specifically designed to improve employee skills.
4. Fail to provide a sufficient training budget, maintain costs within that budget, and provide an annual report to the board.

The General Manager shall maintain a list of projects and their costs that required contracting out during the previous three years. This list will be used to determine if additional utility staff is needed to meet these requirements.

Board Process Policies

Specification of how the board conceives, carries out, monitors, and ensures long-term competence in its own tasks.

| Water Utility Board Policy | | | |
|-----------------------------------|------------------------------------|------------------|------------------|
| Title: | Global Board Process Policy | | |
| Policy Number: | BP - 1 | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 4 / Nov 24, 2015 |

The purpose of the board, on behalf of the ownership, is to see to it that the Madison Water Utility:

- Achieves appropriate results for appropriate persons for an appropriate cost (as specified in board Outcomes policies);
- Complies with the board's Executive Limitations policies;
- And is prepared to continue to provide owner-centered, valued results into the future.

The board strives to gather input from staff, the public and owners, respond to concerns, and explain and interpret the process and rationale by which the board and utility develop policies, plans and projects.

| Water Utility Board Policy | | | |
|-----------------------------------|------------------------|------------------|----------------|
| Title: | Governing Style | | |
| Policy Number: | BP - 2A | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 3/Nov 24, 2015 |

The board will strive for (a) outward vision, (b) free expression of viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and General Manager roles, (e) collective rather than individual decisions, and (f) future orientation.

1. The board will adopt and hold to the highest standards of ethical conduct in all aspects of its leadership of the Madison Water Utility.
2. The board will cultivate a sense of group responsibility. The board will work in partnership with the General Manager. The board will initiate policy, not merely react to staff initiatives.
3. The board will lead the Madison Water Utility through policies that focus on long-term outcomes, not on administrative or programmatic means of attaining its goals.
4. The board will govern with excellence. This self-discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuity of governance capacity.
5. Board development will include ongoing education regarding the board's governance process, water resources, and rate making trends. The board periodically will discuss and evaluate its process and performance to assure continuous improvement.
6. The board will monitor its performance by comparing actual activity and discipline to policies in the Board Process and Board-Executive Delegation categories.

| Water Utility Board Policy | | | |
|-----------------------------------|------------------------------|------------------|-----------------|
| Title: | Board Job Description | | |
| Policy Number: | BP - 2B | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 1/ Nov 24, 2015 |

Specific job activities of the board as an informed agent of the Madison Water Utility's ownership are those that ensure appropriate performance of the Madison Water Utility. These are:

1. To be a credible and authoritative linkage between the ownership and the Madison Water Utility.
2. To write governing policies that realistically address the broadest levels of all organizational decisions and situations.
 - a. Outcomes: Expected organizational performance desired by owners framed in terms of benefits, recipients of those benefits, and their relative worth in cost or priority.
 - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. Board-Executive Delegation: How power is delegated and its proper use monitored; the General Manager's role, authority, and accountability.
 - d. Board Process: Specification of how the board conceives, carries out, monitors, and ensures long-term competence in its own tasks.
3. To assure successful performance of the Madison Water Utility on Outcomes and Executive Limitations.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|----------------|
| Title: | Agenda Planning to Achieve Board Outputs | | |
| Policy Number: | BP - 2C | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 3/Nov 24, 2015 |

To accomplish its goals, the board will follow an annual agenda that (a) reviews all policies annually, (b) updates policies as needed, and (c) continually improves board performance through education, rich input, and deliberation.

1. The annual cycle will start each year in April with the board's development of a [master agenda](#) intended to guide the board throughout the next year. This master agenda will include a provisional plan for gaining ownership input and a provisional schedule for governance education and education related to Outcomes determination (presentations by demographers, advocacy groups, staff, and so on). The Board President's final adjustments to each meeting agenda before publication will provide flexibility to respond to emerging issues, requests from individual board members, and required public comment periods.
2. The cycle will conclude each year on the last day of March so administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Outcomes. The board will establish its governance training budget for the next fiscal year during the month of April.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. General Manager monitoring will be on the agenda if reports have been received since the previous meeting.
5. An annual review of the General Manager's performance based on monitoring reports received in the last year will be conducted as soon as practical during the first quarter. The results of this review will be forwarded to the Mayor's office for consideration.
6. Agendas will be planned so items of public interest or items with guest presenters, consultants, or special staff present are taken up early in the meeting.
7. Each agenda will provide the public with a link or other instruction on how to submit written comments prior to a board meeting.
8. The board chair will generally limit meetings to no more than two hours.
9. At the board's discretion, major public comment items will be moved to the head of a meeting agenda.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------|------------------|-----------------|
| Title: | Board Members' Conduct | | |
| Policy Number: | BP - 2D | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 1/ Mar 25, 2013 |

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members. The board shall have the authority and responsibility to interpret and apply these standards of conduct.

1. Members shall represent the interests of the ownership of the Madison Water Utility. This accountability supersedes any conflicting loyalty to other advocacy or interest groups, and membership on other boards or staffs. It also supersedes the personal interest of any board member who is also a Madison Water Utility customer or stakeholder. When their duty as alders has the potential to conflict with their loyalty to the ownership of the Madison Water Utility, alders will conduct themselves consistent with the section on Alders Serving on the Water Utility Board in the adopted Expectations of Board Members, retained as an attachment to these policies.
2. Members must avoid any conflict of interest with respect to their fiduciary responsibility.
3. Members shall not attempt to exercise individual authority over the Madison Water Utility except as explicitly set forth in board policies.
 - a. Members' interactions with the General Manager and staff must recognize the lack of authority vested in any individual board member to give direction or become involved in operational issues except when explicitly authorized by the board.
 - b. Members' interactions with the public, the press, or other entities must recognize this same limitation and the lack of authority of any board member to speak for the board except to repeat explicitly stated board decisions.
 - c. Members shall not publicly make or express individual judgments about General Manager or staff performance. Judgments of General Manager performance will be made only through board deliberation about whether the General Manager has achieved any reasonable interpretation of board policy.
4. Members will maintain the confidentiality of those issues of a sensitive nature, consistent with the open meeting statutes and ordinances.
5. Members will properly prepare themselves for board deliberation. Written statements regarding proposed policies and issues are encouraged.
6. Members will conduct themselves consistent with adopted [Expectations of Board Members](#), retained as an attachment to these policies.
7. Members will conduct board business openly, transparently, and with maximum opportunity for public involvement and participation. Consistent with this desire, at any board meeting with only four members present, if two members have discussed an agenda item outside of a publicly noticed meeting, that item should be referred for the next meeting.

8. Board members will use email principally to transmit information one-way to the entire body. Electronic mail is easily forwarded beyond the initial recipients, and such messages potentially create a situation of private debate and discussion on matters of interest to the public. Therefore,
 - a. Members will refrain from emailing a subset of board members.
 - b. When members are emailing the board, they will remind recipients to honor a “one-way” communication and refrain from forwarding, replying, or replying to all.
9. Nothing in this section is intended to limit board members’ freedom of expression and ability to serve as champions of the water utility and advocates for water quality.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------|------------------|--------------|
| Title: | President's Role | | |
| Policy Number: | BP - 2E | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | |

The President of the board is responsible for ensuring the integrity of the board's process and, secondarily, representing the board as needed to outside parties.

1. The President shall ensure that the board behaves consistently with the board's policies in the Board Process and Board-Executive Delegation categories and those rules legitimately imposed upon it from outside the organization.
2. The President will chair board meetings with the commonly accepted powers of that position (for example, preparing agendas, ruling, recognizing) and:
 - a. Ensure that meeting discussions consists solely of issues that, according to board policy, clearly belong to the board (not the General Manager) to decide or to monitor.
 - b. Ensure that deliberations are fair, open, and thorough, but also timely, orderly, and kept to the point.
 - c. Ensure that there is an opportunity for input from individuals and organizations, including staff and affiliated organizations, that have expertise and interests specifically related to board decisions and board policies.
3. The President represents the board to outside parties in announcing board-stated positions and in stating the President's decisions and interpretations in the area delegated to him or her.
4. The President has no authority to make decisions about policies created by the board within the Outcomes and Executive Limitations areas and, therefore, have no authority to supervise or direct the General Manager.
5. The President may use any reasonable interpretation of the provisions in these policies.
6. The President may delegate any part of this authority while remaining accountable for its use.

| Water Utility Board Policy | | | |
|-----------------------------------|------------------------------|------------------|--------------|
| Title: | Vice-President's Role | | |
| Policy Number: | BP - 2F | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | |

The Vice-President shall serve in the absence of the President and perform such other duties as may be assigned by the President or the board.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------|------------------|-----------------|
| Title: | Secretary's Role | | |
| Policy Number: | BP - 2G | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 2/ Sep 26, 2017 |

The Secretary's purpose is to serve in the absence of the President and Vice-President, and perform such other duties as may be assigned by the President or the board.

| Water Utility Board Policy | | | |
|-----------------------------------|--------------------------------------|------------------|------------------|
| Title: | Board Subcommittee Principles | | |
| Policy Number: | BP - 2H | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 2/ July 22, 2014 |

Board subcommittees, when used, will be assigned so as to reinforce the wholeness of the board's job, not to interfere with delegation from board to General Manager.

1. Board subcommittees are to help the board do its job, never to direct staff. Subcommittees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees normally will not be involved with staff operations.
2. Board subcommittees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the General Manager.
3. Board subcommittees cannot exercise authority over staff. Because the General Manager works for the full board, she or he will not be required to obtain approval of a board committee before an executive action.
4. Board subcommittees will not be used to monitor organizational performance.
5. Board subcommittees will be used sparingly and ordinarily in an ad hoc capacity.
6. This policy applies to any group that is formed by board action, whether it is called a committee or not and whether the group includes board members or not. It does not apply to committees formed under the authority of the General Manager.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------------|------------------|----------------|
| Title: | Board Subcommittee Structure | | |
| Policy Number: | BP - 2I | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | 2/Nov 24, 2015 |

At this time the board authorizes no standing subcommittees. Should the board create subcommittees in the future, the board will create policies for each subcommittee specifying the product(s) each subcommittee is to produce and the authority (in terms of organizational resources) each subcommittee is granted.

| Water Utility Board Policy | | | |
|-----------------------------------|----------------------------|------------------|--------------|
| Title: | Governance Capacity | | |
| Policy Number: | BP - 2J | Adopted: | Aug 24, 2010 |
| Category: | Board Process | Revision #/Date: | |

Because poor governance costs more than learning to govern well, the board will invest sufficient resources in leadership development for its members and fulfillment of its governance charge. The board will regularly plan and monitor the participation of board members in self-education, outreach, and other activities associated with governance, including the cost of such activities.

| Water Utility Board Policy | | | |
|-----------------------------------|-------------------------------|------------------|----------------|
| Title: | Linking with Ownership | | |
| Policy Number: | BP-2K | Adopted: | July 26, 2011 |
| Category: | Board Process | Revision #/Date: | 3/Jan 26, 2015 |

The board will pursue input from Madison residents (the ownership) on an affirmative basis, not waiting for input to be initiated by owners.

Accordingly:

1. The board will periodically survey Madison residents to gather feedback, engage owners, and obtain diverse viewpoints.
2. Board members should annually attend at least one public event that the utility sponsors or participates in, such as a Water Wagon event, neighborhood meeting, or facility open house. The purpose of board member participation in such events is to gain direct understanding of residents' and rate payers' expectations and concerns related to the Madison's water supply. The General Manager (or his/her designee) will periodically notify board members of upcoming events.
3. For each policy or ordinance change, the board will review the impact through the lens of the owner in terms of relative and absolute worth.
4. The board will establish "board-to-board" communication, which could include communication with:
 - a. City Council
 - b. Public Health of Madison and Dane County
 - c. City Engineering/Public Works
 - d. Committee on the Environment
 - e. Other boards
5. The board will submit an annual report, per MGO 13.01(3), to the Mayor and City Council and post it on the utility web page for the entire ownership to see.
6. The board will hold public hearings at key decision points for policies and projects that fall under the purview of the utility's Citizen Advisory Process. These hearings will take place during each of the following phases:
 - a. PHASE 1 – Establish Public Outreach Budget, Public Notification, and Project Plan
 - b. PHASE 2 – Site Selection (if applicable)
 - c. PHASE 3 – Facility Design (if applicable)
7. To assure full and adequate participation and decision making, the board may choose to deliberate over certain policies or projects for more than one meeting before taking action.

Board-Executive Delegation Policies

How power is delegated and its proper use monitored; the General Manager's role, authority, and accountability.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|--------------|
| Title: | Global Board-Executive Delegation Policy | | |
| Policy Number: | BED - 1 | Adopted: | Aug 24, 2010 |
| Category: | Board-Executive Delegation | Revision #/Date: | |

Pursuant to Madison General Ordinance 13.01 and subject to the discrete and relative authority of the Mayor and Common Council, the Water Utility Board is charged with management and operation of the Madison Water Utility.

All authority and accountability delegated by the Water Utility Board to the staff of the Madison Water Utility shall be delegated through the General Manager.

| Water Utility Board Policy | | | |
|-----------------------------------|----------------------------|------------------|------------------|
| Title: | Unity of Control | | |
| Policy Number: | BED - 2A | Adopted: | Aug 24, 2010 |
| Category: | Board-Executive Delegation | Revision #/Date: | 1 / May 28, 2013 |

Only decisions of the board acting as a body are binding on the General Manager.

1. Decisions or instructions of individual board members, officers or committees are not binding on the General Manager unless the full board has authorized the exercise of such authority.
2. The General Manager retains the authority to refuse requests from individual board members or committees for information or assistance made without specific board authorization. The General Manager will inform the full board of these requests and their responses.

| Water Utility Board Policy | | | |
|-----------------------------------|--|------------------|--------------|
| Title: | Accountability of the General Manager | | |
| Policy Number: | BED - 2B | Adopted: | Aug 24, 2010 |
| Category: | Board-Executive Delegation | Revision #/Date: | |

The General Manager is the board's only link to the utility's achievement and conduct. Thus, as far as the board is concerned, all authority and accountability of staff is the authority and accountability of the General Manager.

Accordingly:

1. Neither the board as a body nor individual board members will give instructions to persons who report directly or indirectly to the General Manager.
2. The board as a body and individual board members will refrain from evaluating (formally or informally) the overall job performance of any staff other than the General Manager.

| Water Utility Board Policy | | | |
|----------------------------|-----------------------------------|------------------|--------------|
| Title: | Delegation to the General Manager | | |
| Policy Number: | BED - 2C | Adopted: | Aug 24, 2010 |
| Category: | Board-Executive Delegation | Revision #/Date: | |

The board will instruct the General Manager through written policies that prescribe desired organizational Outcomes and describe situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

Accordingly:

1. The board will develop policies instructing the General Manager to achieve certain results for certain recipients at specified costs. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Outcomes policies.
2. The board will develop policies that limit the latitude the General Manager may exercise in choosing organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Executive Limitations policies.
3. Upon receipt of any new or modified board-approved Outcomes policy or Executive Limitations policy, the General Manager will submit his or her initial written interpretation of that policy for board approval.
4. As long as the General Manager makes any *reasonable interpretation* of the board's Outcomes and Executive Limitations policies, the General Manager is authorized to make all decisions, take all actions, establish all practices, and develop all activities for the successful achievement of the board's Outcomes policies within the boundaries of its Executive Limitations policies.
5. The board may change its Outcomes and Executive Limitations policies, thereby shifting the boundary between board and General Manager domains. By doing so, the board changes the latitude of choice given to the General Manager, but as long as any particular policy is in place, the board will respect and support the General Manager's choices.

| Water Utility Board Policy | | | |
|-----------------------------------|---|------------------|--------------|
| Title: | Monitoring the General Manager's Performance | | |
| Policy Number: | BED - 2D | Adopted: | Aug 24, 2010 |
| Category: | Board-Executive Delegation | Revision #/Date: | |

The board's systematic and rigorous monitoring of the General Manager's performance will be based solely on the utility's achievement of Outcomes policies and operation within the boundaries of Executive Limitations policies.

Accordingly:

1. Monitoring data are simply those data used to determine the degree to which board policies are being met. Other types of data the board may review to develop policy or increase knowledge regarding the utility will not be considered monitoring data.
2. The board will acquire monitoring data by one or more of three methods:
 - a. By internal report, in which the General Manager discloses compliance information to the board
 - b. By external report, in which an external, disinterested third party selected by the board assesses compliance with board policies (includes reports from the City Auditor)
 - c. By direct board inspection, in which a member or members of the board delegated by formal action of the board assess compliance with appropriate policy criteria
3. All policies that instruct the General Manager will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Procedural Guidelines

| Water Utility Board Procedural Guideline | | | |
|--|--|------------------|-----------------|
| Title: | GUIDE 1 – Expectations for Board Members | | |
| Policy Number: | Relates to BP – 2D | Adopted: | Aug 24, 2010 |
| Category: | Procedural Guideline | Revision #/Date: | 1/ Mar 25, 2013 |

The following expectations are not Board Process policies. They comprise a key part of the board job description and are incorporated into policy by reference.

ORIENT TO THE UNIQUE ROLE OF A BOARD MEMBER

1. **Think upward and outward more than downward and inward.** You are not a board member to listen to routine reports or tackle short-term, concrete matters. You are a board member to make governance decisions. There will be great temptation to focus on what goes on with management and staff instead of what benefit the utility should make in the city and in the lives of its residents. The latter is a daunting task for which no one feels really qualified, yet it is the board member's job to tackle these more complex issues. In many cases, these big decisions are made by default through board inaction.
2. Do not tolerate the making of big decisions by the timid action of not making them. **Keep the conversation about benefits, beneficiaries, and costs of the benefits alive at all times.** Converse with staff, other board members, and the public about these matters. Ask questions, consider options, and otherwise fill most of the board consciousness with issues of outcomes/ends.
3. You may tend to understand and personally identify with one or more constituencies more than others. That provincial streak is natural in everyone, but your civic trusteeship obligation is to rise above it. If you are a teacher, you are not on the board to represent teachers. If you are a private businessperson, you are not there to represent that interest. **You are a board member for the broad public purpose served.** There is no way that the board can be big enough to have a spokesperson for every legitimate interest, so in a moral sense you must stand for them all. Think of yourself as being from a constituency, but not representing only it.
4. **Use your special expertise to inform the board's wisdom, but never to substitute for it.** If you work in accounting, law, construction, or another field, be careful not to take your colleagues off the hook with respect to board decisions about such matters. To illustrate, an accountant board member shouldn't assume personal responsibility for assuring fiscal soundness. She or he may, however, help board members understand what fiscal jeopardy looks like or what indices of fiscal health to watch carefully. With that knowledge, the board can pool its human values about risk, brinkmanship, overextension, and so forth, in the creation of fiscal policies.
5. Even if your expertise and comfort lie in some subpart of the Madison Water Utility's challenge, the subpart is not your job as a board member. Do not expect agendas to be built around these areas or interests. **Agendas will be carefully constructed to accomplish the board's job of governing.**
6. No matter how considerable your expertise or how well you can do a staff job, as a board member you are not there to do it or even to advise on it. You may offer your individual expertise to the General Manager, should he or she wish to use it. But in such a role, accept that you are being a volunteer consultant and leave your board member hat at home.

BE RESPONSIBLE FOR GROUP BEHAVIOR AND PRODUCTIVITY

7. **Be prepared to participate responsibly.** Do your homework, come prepared to work (sometimes the work is to listen), engage with curiosity and a commitment to understanding diverse points of view, agree and disagree as your values dictate, and accept the group decision as legitimate even if not – in your opinion – correct.
8. **Register your honest opinion on issues the board takes up.** Consider this an obligation of board service that applies to you and each of your colleagues. To foster this essential exchange of ideas, speak for yourself and listen with resilience. Encourage your colleagues to express their opinions without allowing your own to be submerged by louder or more insistent voices. Avoid making grand pronouncements or characterizing the views of others in a critical spirit. Ask clarifying questions to check your assumptions. Don't try to represent a whole group or ask others to represent, defend or explain an entire group.
9. While doing your own job as an individual board member is important, it does not complete your responsibility. **You must shoulder the potentially unfamiliar burden of being responsible for the group.** That is, if you are part of a group that does not get its job done, that meddles in administration, or that breaks its own rules, you are culpable. Regular evaluation and improvement of actual board activities compared to the board's Governance Process and Board-Management Relationship policies is an essential component of fulfilling this accountability.
10. Although the board as a whole is responsible for its own discipline, it will have charged the chair with a special role in the group's confronting its own process. **Support the chair in board discipline.** Don't make the chair's job harder; rather ask what you can do to make it easier.
11. While diversity and dialog are essential to the process of policy development and adjustment, once a policy is in place every board member and the General Manager should not undermine it. This obligation doesn't mean you must pretend to agree with that choice; you may certainly maintain the integrity of your dissent even after the vote, including your civil right to petition the Mayor, Common Council, relevant Boards and Commissions and oversight agencies.
12. Your own values count when the board is creating policies. But when the General Manager's performance is monitored, you must refer only to the criteria the board decided, not your opinion about those criteria. In other words, the General Manager must be held accountable to the board's decisions and in fairness cannot be judged against your opinion. You should present any opinion you may have about amending the policies, of course, but not so as to contaminate the monitoring process.

ALDERS SERVING ON THE WATER UTILITY BOARD

The Water Utility Board has, by ordinance, up to two seats assigned to alders. As eyes and ears of the Council and constituent representatives, alder board members may be called upon to deviate from the standard board member expectations.

The following expectations of alder board members are designed to address those situations.

13. **Alert the board when you are changing roles during board deliberations.** In board meetings, always assume the role of a board member first. If you experience the need to reach beyond the non-alder board role during a board meeting, announce to the board that you are about to step out of the standard board role and assume your role as alder.
14. **Be clear about staff interactions.** If an issue before the board requires further conversation from an aldermanic standpoint, inform the board that you will be pursuing details at a meeting with relevant water utility staff.

| Water Utility Board Procedural Guideline | | | |
|---|--|------------------|-----------------|
| Title: | GUIDE 4 - Water Utility Board Fluoridation Policy | | |
| Policy Number: | Relates to EL - 2A | Adopted: | Dec 17, 2009 |
| Category: | Procedural Guideline | Revision #/Date: | 1/ Oct 28, 2014 |

The benefits and safety of community water fluoridation are endorsed by Public Health Madison and Dane County, the American Water Works Association (AWWA), World Health Organization (WHO), American Medical Association (AMA), Centers for Disease Control (CDC), American Dental Association (ADA), and other professional organizations in the medical community.

The Madison Water Utility Board supports water fluoridation in a responsible, effective, and reliable manner. This includes monitoring and control of fluoride levels to meet the target levels recommended by Public Health Madison and Dane County (currently 0.7 mg/L) and to comply with all applicable state and/or federal laws.

The Water Utility Board is committed to regular reviews of the most current research on fluoride. At minimum, the board will review its fluoridation policy every ten years.

| Water Utility Board Procedural Guideline | | |
|---|---|------------------|
| Title: | GUIDE 5 – Board Self-Monitoring | |
| Policy Number: | Relates to BP-2A.7 | Adopted: |
| Category: | Procedural Guideline | Revision #/Date: |

Self-evaluation is not extraneous to the job of governing. It is the handiest and most powerful tool available to maintain and continually improve excellence in governing. This approach calls for every agenda to include a discussion of some aspect of board discipline or job performance.

THE BOARD OBSERVER

The board observer is an individual, typically a board member, assigned to monitor the board’s activity over the course of a meeting. At the end of the meeting, this person shares observations and facilitates learning.

The board observer assesses board performance not from her or his individual perspective, but based on the board’s own policies and its interpretation and implementation of Policy Governance.

At the end of the meeting, the board observer simply points out where the board is not functioning in the way that it said that it would – without judgment or admonishment. The board observer’s job is not to render a report card, but to increase awareness and enable the board to maintain and improve the quality of its collective leadership. By engaging in these learning conversations at the end of each board meeting and taking actions consistent with what emerges, the board will continue to develop its capacity to govern well.

SELF-EVALUATION CHECKLIST

The board may wish to use a checklist like the one on the following page to guide its self-evaluation. The board observer could use this checklist to focus her or his attention on specific activities or behaviors during the meeting and to guide discussion about where additional learning and growth would be useful.

WATER UTILITY BOARD SELF-MONITORING CHECKLIST

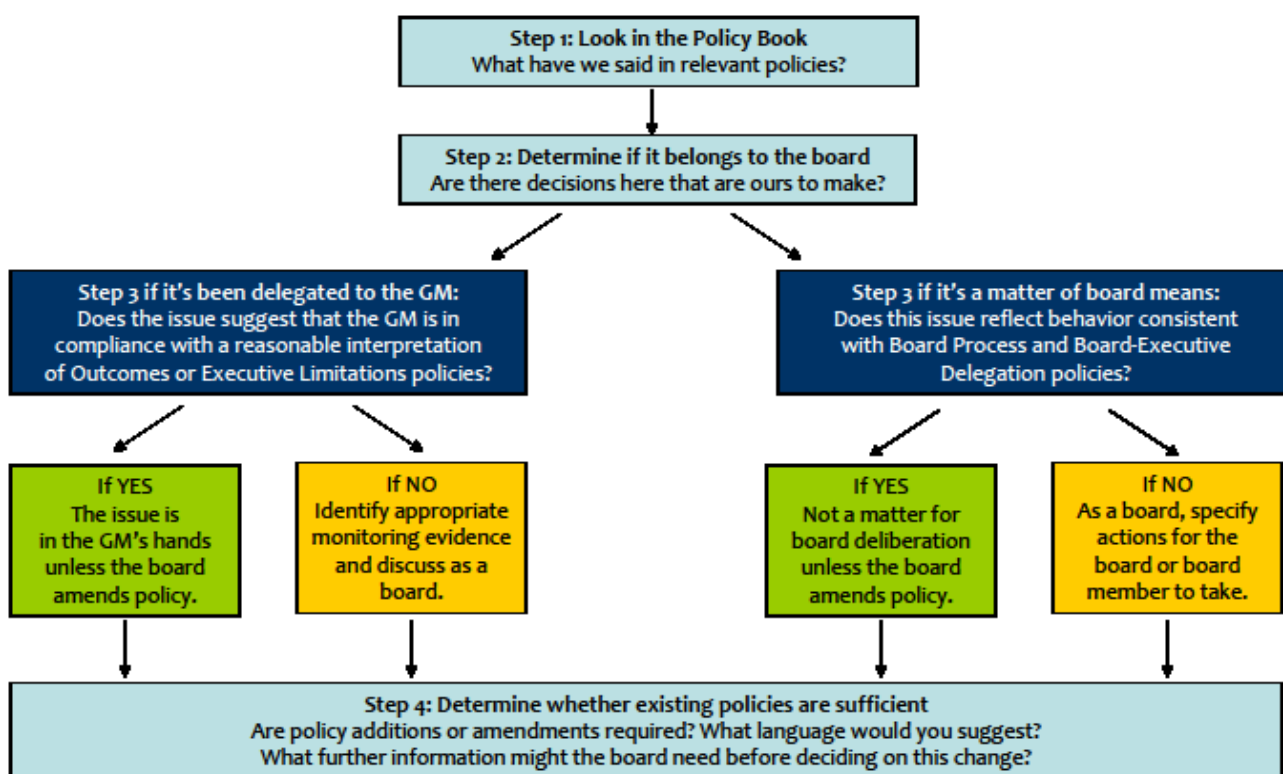
| Board observer name: | | | | | Meeting date: | |
|--------------------------------------|---|----------|------|----|---------------|--|
| Policy | Promised behavior or activity | Observed | | | Notes | |
| | | Yes | Some | No | | |
| GOVERNANCE PRINCIPLES | | | | | | |
| BP-2A.2 | Initiate policy instead of merely reacting to staff initiatives. | | | | | |
| Guide-1.4 | Avoid substituting individual judgments for the board's collective decisions. | | | | | |
| BP-2B.1 | Establish and maintain a credible linkage between the ownership and the Madison Water Utility. | | | | | |
| BP-2A.3 & BP-2B.2 | Focus on long-term outcomes, not on administrative or programmatic means of attaining these goals. | | | | | |
| BP-2J | Regularly plan and participate in self-education, outreach, and other activities associated with governance. | | | | | |
| Guide-1.1 | Think upward and outward more than downward and inward. | | | | | |
| Guide-1.2 | Keep the conversation about benefits, beneficiaries, and costs of the benefits alive at all times. | | | | | |
| BP-2K | Pursue input from Madison residents on an affirmative basis instead of waiting for input to be initiated by owners. | | | | | |
| MONITORING | | | | | | |
| BP-2B | Assure successful performance of the MWU on Outcomes and Executive Limitations. | | | | | |
| BED-2D | Evaluate monitoring reports based only on policy and board-adopted criteria | | | | | |
| BP-2D.3 | Only bind the GM to decisions of the board acting as a body. | | | | | |
| DELEGATION TO GENERAL MANAGER | | | | | | |
| BED-2B | Do not give instructions to persons who report to the GM; delegate authority and accountability only through the GM | | | | | |
| BED-2C.4 | Support the General Manager's decisions and choices as long as they are within the boundaries of established policies. | | | | | |
| BED-2C.5 | Revise Outcomes and Executive Limitations policies instead of prescribing individual General Manager actions and decisions. | | | | | |

WATER UTILITY BOARD SELF-MONITORING CHECKLIST

| Board observer name: | | | | |
|-----------------------------|--|----------|------|----|
| Policy | Promised behavior or activity | Observed | | |
| | | Yes | Some | No |
| CONDUCT & ETHICS | | | | |
| BP-2D.7 | Conduct board business openly, transparently, and with opportunity for public involvement and participation. | | | |
| BP-2A.2 | Cultivate a sense of group responsibility. | | | |
| BP-2D.1 | Demonstrate unconflicted loyalty to the MWU's ownership. | | | |
| BP-2D.3 | Avoid exercising individual authority over the MWU with respect to GM, staff, public, press, etc. | | | |
| BP-2D.1 & Guide-1.3 | Serve the broad public purpose. Be <i>from</i> a constituency, not representing only it. | | | |
| Guide-1.6 | Assume role of volunteer, not a board member, when offering individual expertise to the GM or staff. | | | |
| Guide-1.8 | Register your honest opinion. Listen with resilience to other perspectives. | | | |
| Guide-1.13 | Alders: Alert the board when changing roles during board deliberations. | | | |
| EFFICIENT MEETINGS | | | | |
| BP-2C.3 | Attend to consent agenda items as expeditiously as possible. | | | |
| Guide-1.5 | Build board agendas to accomplish the board's job of governing. | | | |
| BP-2D.5 & Guide-1.7 | Be prepared to participate responsibly in board deliberation. | | | |
| Guide-1.10 | Support the chair in board discipline. | | | |

| Water Utility Board Procedural Guideline | | |
|--|-----------------------------------|------------------|
| Title: | GUIDE 6 – Decision Tree | |
| Policy Number: | Relates to BED-2C | Adopted: |
| Category: | Procedural Guideline | Revision #/Date: |

Is the issue here an issue for the board?
Addressing that question through the Policy Governance lens



| Water Utility Board Procedural Guideline | | | |
|---|--|------------------|--------------|
| Title: | GUIDE 8 – Executive Summary of Water Quality Treatment Policies | | |
| Policy Number: | Relates to O-2B | Adopted: | Mar 24, 2015 |
| Category: | Procedural Guideline | Revision #/Date: | |

Note: A complete copy of the Water Quality Treatment Policies adopted by the board on January 27, 2015 is [available online](#).

1. Volatile and Synthetic Organic Compounds with a primary Maximum Contaminant Level (MCL) or an Enforcement Standard:

As required by NR 809, quarterly monitoring shall occur if any regulated VOC is detected at a level that exceeds 0.0005 mg/L. When four consecutive quarterly samples exceed a concentration equivalent to 50% of the MCL or ES, utility staff shall begin an investigation into feasibility of wellhead treatment, best available technologies [BATs] for VOC reduction, and the source and extent of contamination if not known or previously investigated. At the 80% threshold, staff shall begin a planning process to design and construct a treatment plant to reduce the contaminant level or begin the process to identify a new supply point, free of contamination.

2. Inorganic compounds with a primary MCL or an Enforcement Standard:

Quarterly monitoring shall occur following detections above one half the MCL or ES. When four consecutive quarterly samples exceed this benchmark, an investigation into the contaminant source, causes of the elevated concentration, and alternative strategies for contaminant reductions shall begin. Triggers for an investigation will be based on concentrations at the well rather than in the distribution system. Action shall be taken to reduce the contaminant level if it consistently exceeds 80% of the MCL or ES.

3. Radionuclides with a primary MCL:

Monitor gross alpha, radium, and uranium according to the requirements established by Wisconsin DNR. Detections of any radionuclide above 50 % of the MCL shall trigger quarterly monitoring. If four consecutive quarterly samples exceed this benchmark, staff shall investigate alternatives for contaminant reductions including wellhead treatment, well modifications, and changes to well operations. Source reduction shall be considered if contaminant levels consistently exceed 80% of the MCL.

4. Inorganic compounds with a secondary MCL:

Confirmed detections of an inorganic contaminant above one half the SMCL shall trigger an investigation into the contamination source, causes of the elevated concentration, and alternative strategies for reductions. Triggers for an investigation shall be based on concentrations at the well rather than in the distribution system. If the contaminant consistently exceeds 80% of the SMCL, action shall be taken to reduce the contaminant level through wellhead treatment, operations, or source abandonment/new supply.

5. Unregulated contaminants of concern: sodium

Detection of sodium above 30 mg/L at any source shall result in additional monitoring – monthly testing for a period of one year. If the average monthly sodium level is above 30 mg/L, it shall trigger an investigation into the sources and alternative strategies that can reduce the sodium level. If the level exceeds 48 mg/L, staff shall begin the planning process to design and construct a treatment plant, modify the well to seal off the upper aquifer, or identify a new supply point.

6. Unregulated contaminants of concern: hexavalent chromium

Continue monitoring hexavalent chromium at all wells twice per year through 2015. Then, reduce to annual monitoring at wells where hexavalent chromium exceeds 1 µg/L – a level that corresponds to one tenth the recently adopted California MCL. All wells shall be tested at least once every three years for hexavalent chromium. Any detection above 5 µg/L shall trigger an investigation into the causes of the elevated concentration and alternative strategies for reductions including operational changes and wellhead treatment. Action may be taken to reduce the contaminant level if it exceeds 8 µg/L.

7. Other unregulated or emerging contaminants

The utility shall maintain a budget to accommodate the unexpected need to test for new or emerging contaminants. The Water Quality Manager shall consult with the Water Quality Technical Advisory Committee to discuss potential contaminants and the frequency of testing.

Policy Book Revision History

Version 1: First adopted August 24, 2010

Version 2: May 24, 2011

- New Policies: Water Quantity (O-2A), Water Quality (O-2B), Reliability (O-2C), Affordability (O-2D)
- Policy Revisions: Global Outcomes Policy (O-1), Treatment of Consumers (EL-2A), Infrastructure (EL-2G), Global Board Process Policy (BP-1)
- Master Agenda added

Version 3: July 26, 2011

- New Policy: Linking with Ownership (BP-2K)
- Procedural Guidelines Added: Board Self-Monitoring (GUIDE 5), Decision Tree (GUIDE 6)

Version 4: August 23, 2011

- New Policy: Sustainability (O-2E)

Version 5: October 25, 2011

- Policy Revisions: Water Quality (O-2B), Asset Protection (EL-2F)
- Master Agenda Updated

Version 6: April 24, 2012

- Master Agenda Updated

Version 7: November 20, 2012

- Policy Revision: Communication and Support to the Board (EL-2H)

Version 8: March 25, 2013

- Policy Revisions: Governing Style (BP-2A), Agenda Planning to Achieve Board Outputs (BP-2C), Board Members' Conduct (BP-2D), Secretary's Role (BP-2G), Board Committee Principles (BP-2H), Linking with Ownership (BP-2K)
- Procedural Guideline Revision: Expectations for Board Members (GUIDE 1)

Version 9: May 28, 2013

- Policy Revisions: Unity of Control (BED-2A)

Version 10: November 26, 2013

- Policy Revision: Affordability Policy

Version 11: August 26, 2014

- New Policy: Workforce Planning (EL-2J)
- Policy Revision: Asset Protection (EL-2F)

Version 12: October 28, 2014

- Procedural Guideline Revision: Water Utility Board Fluoridation Policy (GUIDE 4)

Version 13: March 24, 2015

- New Procedural Guideline: Water Quality Treatment Policies(GUIDE 8)
- Procedural Guidelines Rescinded: Policy on Testing for Pharmaceuticals and Endocrine Disrupting Compounds (GUIDE 2), Resolution to Establish Water Quality and Treatment Policies for Iron and Manganese (GUIDE 3), Sodium Chloride Policy (GUIDE 7)

Version 14: April 28, 2015

- Master Agenda Updated
- Policy Revision: Financial Planning/Budgeting (EL-2C)

Version 15: February 24, 2016

- Policy Revisions: Sustainability (O-2E), Global Board Process Policy (BP-1), Governing Style (BP-2A), Board Job Description (BP-2B), Agenda Planning to Achieve Board Outputs (BP-2C), Board Subcommittee Principles (BP-2H), Board Subcommittee Structure (BP-2I) Linking with Ownership (BP-2K)

Version 16: June 28, 2016

- Policy Revisions: Asset Protection (EL-2F), Workforce Planning (EL-2J)

Version 17: January 31, 2017

- Policy Revision: Sustainability (O-2E)

Version 18: September 26, 2017

- Master Agenda Updated
- Policy Revision: Secretary's Role (BP-2G)

Version 19: November 28, 2017

- Policy Revision: Financial Planning/Budgeting (EL-2C)

Version 20: April 24, 2018

- Master Agenda Updated
- Policy Revision: Workforce Planning (EL-2J)