

POLICY BOOK
of the
Water Utility Board
Madison, Wisconsin

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MASTER AGENDA FOR THE MADISON WATER UTILITY BOARD

Updated April 24, 2012

Month	Mtg. Length	Category	Item	Action
January	2 hours	Monitoring	Water Quality (O-2B)	Review & Accept
		Board	Financial Condition and Activities (EL-2D) Board-Executive Delegation (BED) policies (all)	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)	Review & Accept
		Board	Annual Review of General Manager - Global Executive Constraint (EL-1) - Global Outcomes Policy (O-1)	Approve
April	2 hours	Monitoring	Water Quality (O-2B)	Review & Accept
		Board	Treatment of Consumers (EL-2A) Master Agenda / Annual Calendar Board Education/ Governance Capacity Budget	Approve
May	2 hours	Monitoring	Affordability (O-2D) Sustainability (O-2E) Treatment of Staff (EL-2B)	Review & Accept
		Board	Third Party Review- Board Governance	Review
June	2 hours	Monitoring	Financial Planning/Budgeting (EL-2C) (Capital Budget) Emergency General Manager Succession (EL-2E)	Review & Accept
July	2 hours	Monitoring	Water Quality (O-2B) Financial Condition and Activities (EL-2D)	Review & Accept
August	2 hours	Monitoring	Financial Planning/Budget (EL-2C) (Operating Budget) Asset Protection (EL-2F) Communication and Support to the Board (EL-2H) Annual Third Party Financial Audit	Review & Accept
September	2 hours	Monitoring	Water Quantity (O-2A)	Review & Accept
		Board	Water Utility Board Annual Report Board Process (BP) Policies (all)	Approve Self-Evaluation
October	2 hours	Monitoring	Water Quality (O-2B) Sustainability (O-2E) Financial Condition and Activities (EL-2D)	Review & Accept
		Board	Board Elections	Vote
November	2 hours	Monitoring	Reliability (O-2C) Quality and Performance Improvement (EL-2I)	Review & Accept
		Board	Third Party Review- Board Governance	Evaluation
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:	1 / October 25, 2011

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.

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

Madison Water Utility customers will pay an affordable rate for water, recognizing that this affects investment in infrastructure and water quality improvements.

Accordingly,

1. Water rates will be between the 25th and 75th percentile for Class AB utilities (those serving 4,000 customers or more) in Wisconsin.
2. Water rates will complement economic growth in Madison.

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

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.

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 the goal of a reduction per capita residential use of water by 20% by 2020, which is 58 gallons/capita/day. (Residential is defined as single family and duplex dwellings.)
4. 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. 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
Category:	Executive Limitations
Adopted:	Aug 24, 2010
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
Category:	Executive Limitations
Adopted:	Aug 24, 2010
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
Category:	Executive Limitations
Adopted:	Aug 24, 2010
Revision #/Date:	

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 the full amount established by the board according to the Agenda Planning to Achieve Board Outputs policy ([BP - 2C](#)).

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

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.

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:	1 / October 25, 2011

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. Fail to support annual professional development opportunities for the General Manager and staff that are well focused and appropriate to Outcomes or specifically designed to improve professional skills. The Internal Monitoring Report shall include the percent of the annual operating budget expended for training and development activities.
6. Endanger the utility's public image or credibility.
7. Fail to follow the auditor's recommended internal controls.

Water Utility Board Policy	
Title:	Infrastructure
Policy Number:	EL - 2G
Category:	Executive Limitations
Adopted:	Aug 24, 2010
Revision #/Date:	1 / May 24, 2011

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, or extension of the life of existing systems.
2. Fail to identify and plan for resource and infrastructure needs for the provision of water service to customers consistent with a reasonable planning period for that service.
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:

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.

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.

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: 1 / May 24, 2011

The purpose of the board, on behalf of the residents of Madison (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);
- Avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies);
- And is prepared to continue to provide owner-centered, valued results into the future.

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

The board will govern lawfully with an emphasis on (a) outward vision, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and General Manager roles, (e) collective rather than individual decisions, (f) future orientation, and (g) proactivity rather than reactivity.

1. The board will adopt and hold to the highest standards of ethical conduct in applying due diligence in all aspects of its guidance of, decision-making for, and 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 be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the understanding of the board as a body, but will not substitute individual judgments for the board’s collective decisions.
3. The board will lead and inspire the Madison Water Utility through the careful establishment of broad written policies reflecting the ownership’s values and perspectives. The board’s major policy focus will be on intended long-term benefits (as stated in Outcomes policies) and the limitation of risk (through Executive Limitations policies), not on administrative or programmatic means of attaining those effects.
4. The board will hold itself accountable to 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. The board will not allow any officer, individual, or committee of the board to hinder the fulfillment of its commitments or be an excuse for not fulfilling those commitments.
6. Board development will include ongoing education for existing and new members regarding the board’s governance process. The board periodically will discuss and evaluate its process and performance to assure continuous improvement.
7. Although the board can change its Board Process and Board–Executive Delegation policies at any time, it will observe them scrupulously while in force. 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
Category:	Board Process
Adopted:	Aug 24, 2010
Revision #/Date:	

Specific job outputs 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. A credible and authoritative linkage between the ownership and the Madison Water Utility.
2. Written 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. Assurance of 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:

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (a) completes a re-exploration of Outcomes policies annually, (b) updates Executive Limitations policies as needed to ensure sufficient protection from risk, and (c) continually improves board performance through board 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 capacity 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.

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

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 should demonstrate unconflicted loyalty to 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 alder 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 appropriate to issues of a sensitive nature, respectful of applicable public body open meeting requirements.
5. Members will properly prepare themselves for board deliberation.
6. Members will support the legitimacy and authority of the final determination of the board on any matter, without regard to the member's personal position on the result.
7. Members will conduct themselves consistent with adopted [Expectations of Board Members](#), retained as an attachment to these policies.
8. 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.

9. 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.
10. Nothing in this section is intended to limit board members’ 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
Category:	Board Process
Adopted:	Aug 24, 2010
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
Category:	Board Process
Adopted:	Aug 24, 2010
Revision #/Date:	

The Secretary's purpose is to ensure the integrity of the board's documents.

1. In seeing to it that all board documents and filings are accurate and timely, the Secretary will:
 - a. Ensure that all policies are current in their reflection of board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or board member recognitions, need not be placed in policy.
 - b. Ensure that policies rigorously follow Policy Governance principles.
 - c. Make known to the board all Madison General Ordinances and other elements necessary for legal compliance and for consistency with the principles of Policy Governance.
 - d. Make known to the General Manager all requirements for format, brevity, and accuracy of board minutes.

2. The Secretary may delegate any part of this authority while remaining accountable for its use.

Water Utility Board Policy	
Title:	Board Committee Principles
Policy Number: BP - 2H	Adopted: Aug 24, 2010
Category: Board Process	Revision #/Date:

Board committees, 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 committees are to help the board do its job, never to help or advise the staff. Committees 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 committees 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 committees 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 committees will not be used to monitor organizational performance.
5. Board committees 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 Committee Structure
Policy Number:	BP - 2I
Category:	Board Process
Adopted:	Aug 24, 2010
Revision #/Date:	

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

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

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. Every three years, the board will use a survey designed to determine what the values of the ownership are with respect to utility outcomes.
2. Board members will be expected to annually attend, present, and listen at one service organization and/or neighborhood association meeting outside their own neighborhood. The purpose of the meeting is to:
3. Educate owners about how the board functions.
4. Educate residents that they are owners of the utility, and what the responsibilities of that ownership are (want owner input, not consumer input).
5. Discuss what benefits for whom have what relative and absolute worth.
6. 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. Other boards
7. 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.
8. The board will incorporate Citizen Advisory Panel discussions as an opportunity for owner input.

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:

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

9. 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.
10. The General Manager retains the authority to refuse requests from individual board members or committees for information or assistance made without specific board authorization.

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
Category:	Board-Executive Delegation
Adopted:	Aug 24, 2010
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
Category:	Procedural Guideline
Adopted:	Aug 24, 2010
Revision #/Date:	

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.

SPEAK WITH ONE VOICE

11. Support the board's final choice. While diversity and dialog are essential to the process of policy development and adjustment, once a policy is in place every board member must support and not undermine it. **No matter which way you voted, you are obligated to support the board's choice.** 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. What you must support is the legitimacy of the choice that you still don't agree with. For example, you must support without reservation that the General Manager follows the formal board decision, not yours, and you must not speak publicly in a way that undermines the legitimacy of the board's decision.
12. **Squelch your individual points of view during monitoring.** 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. Request time to provide an explanation and allow other board members to discuss any concerns. Limit these occasions as much as possible without compromising your duty as an alder.
14. **Be clear about staff interactions.** If an issue before the board requires further conversation from an aldermanic standpoint (for example, if it concerns your district), inform the board that you will be pursuing details at a meeting with relevant water utility staff. When interacting with staff outside of board meetings, clarify that you are acting as an alder, not a board member.
15. **Be clear with the media.** When approached by the media about a board issue or action, unless you are the board president, be clear with the media representative that you are speaking as an alder, not a board member.

Water Utility Board Procedural Guideline	
Title:	GUIDE 2 - Policy on Testing for Pharmaceuticals and Endocrine Disrupting Compounds (Legistar Number 15150)
Policy Number:	Relates to O-2B
Category:	Procedural Guideline
Adopted:	Jun 23, 2009
Revision #/Date:	

If any of the following conditions were to occur, it might trigger the Water Utility to initiate testing for pharmaceuticals and endocrine disrupting compounds. They include:

1. Studies on deep, groundwater wells that document the detection of pharmaceuticals and/or endocrine disruptors at significant levels,
2. Evidence suggesting significant contamination of Madison deep wells from leaking sewers or faulty well construction,
3. New information shows potential human health effects at ultra-trace levels, or concentrations below one part per trillion, or
4. The establishment of a new federal or state health-based standard.

The decision whether or not to test for these substances should be reviewed annually.

Water Utility Board Procedural Guideline	
Title:	GUIDE 3 - Resolution to Establish Water Quality and Treatment Policies for Iron and Manganese (Legistar Number 15129)
Policy Number:	Relates to O-2B
Category:	Procedural Guideline
Adopted:	Aug 25, 2009
Revision #/Date:	

WHEREAS, the Madison Water Utility Board is authorized under Section 13.01(3) of the Madison General Ordinances (MGO) to make rules and regulations for the Water Utility; and

WHEREAS, the Madison Water Utility Board desires to provide the customers of the Water Utility with the highest quality drinking water; and

WHEREAS, the U.S. EPA has established National Secondary Drinking Water Regulations to “assist public water systems in managing their drinking water for aesthetic considerations”; and

WHEREAS, the U.S. EPA encourages the general public to “support rate increases for your local water supplier, where necessary, to upgrade your supplier's treatment facilities to meet drinking water standards”, including secondary standards; and

WHEREAS, the elements iron (Fe) and manganese (Mn) are present to varying degrees in the utility’s source water, and contribute to discolored water events, laundry staining, and dissatisfaction with water quality for some customers,

NOW THEREFORE BE IT RESOLVED that the Madison Water Utility Board adopts the following water quality and treatment policies:

1. The Madison Water Utility, under normal operating conditions, shall provide water that contains less than the National Secondary Drinking Water Standard for Fe (currently 0.3 mg/L) and Mn (currently 0.05 mg/L) at the customer’s tap.
2. When annual flushing of water mains is not sufficient to achieve water quality policy no. 1, treatment or other management of the source water shall be provided.
3. For new wells, treatment shall be provided when production well test data indicate levels of Fe greater than 0.1 mg/L or levels of Mn greater than 0.02 mg/L, as recommended by the American Water Works Association and the American Society of Civil Engineers.
4. The Water Utility Board shall recommend and support a capital improvement program and the water rate increases necessary to meet these objectives.

Water Utility Board Procedural Guideline	
Title:	GUIDE 4 - Board of Health for Madison and Dane County Fluoridation Policy (Resolution # 2009-22)
Policy Number:	Relates to EL - 2A
Category:	Procedural Guideline
Adopted:	Dec 17, 2009
Revision #/Date:	

The Board of Health Madison and Dane County, based on the review of the body of accepted scientific research and conclusions by national and international bodies charged with ensuring and advancing public health and safety, and staff analysis of the safety and effectiveness of fluoridating the public water supply to promote dental health, adopts the policy developed by Public Health Madison and Dane County (dated). The Board further directs a review and report to the Board every five years to make necessary changes or re-affirm the policy.

The Board further directs the Madison Water Utility to add, control and monitor fluoride in the public water supply within the US Environmental Protection Association recommended range of 0.7 - 1.2 parts per million to maintain optimum levels for dental health.

The Board does not recommend by the Madison Water Utility or Public Health Madison and Dane County the issuance of health warnings to the general or special populations when fluoride levels are maintained at the recommended levels. The Board supports the Madison Water Utility's public notification guidelines detailed in its standard operating procedures for fluoridation. These guidelines currently require notification whenever fluoride is detected in the distribution system at a level above 4 parts per million or if the running annual average at any entry point exceeds 2 parts per million.

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		
GROUP EXPECTATIONS						
BP-2A.2.	Act as initiator of policy, not merely reactor to staff initiatives.					
BP-2A.2. & Guide-1.4.	Use expertise of individuals to enhance understanding of the board as a body without substituting individual judgments for the board's collective decisions.					
BP-2A.5.	Avoid allowing any officer, individual or committee of the board to hinder the fulfillment of board commitments.					
BP-2A.6.	Provide ongoing education for existing and new board members regarding governance process.					
BP-2B.1.	Establish and maintain a credible linkage between the ownership and the Madison Water Utility.					
BP-2B.2. & BP-2A.3. & BED-2C.1.	Produce written Outcomes policies reflecting the ownership's values and perspectives, focusing on long-term benefits.					
BP-2B.2. & BP-2A.3. & BED-2C.2.	Avoid dictating administrative or programmatic means of attaining desired Outcomes. (Instead use Executive Limitations policies to proscribe certain means and limit risk.)					
BP-2B.3. & BP-2C.4 & BED-2D. & Guide-1.12.	Assure successful performance of the MWU on Outcomes and Executive Limitations. Establish monitoring requirements. Monitor GM performance using monitoring reports received since the previous meeting. Evaluate only based on board-adopted criteria.					
BP-2C.3.	Attend to consent agenda items as expeditiously as possible.					
BP-2J.	Regularly plan and participate in self-education, outreach, and other activities associated with governance.					
BED-2A.	Only bind the GM to decisions of the board acting as a body.					
BED-2B.	Delegate authority and accountability only through the GM.					
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.					
Guide-1.5.	Build board agendas to accomplish the board's job of governing.					

WATER UTILITY BOARD SELF-MONITORING CHECKLIST

Board observer name:				Meeting date:		
Policy	Promised behavior or activity	Observed			Notes	
		Yes	Some	No		
INDIVIDUAL EXPECTATIONS						
BP-2A.4.	Maintain attendance consistent with governance excellence.					
BP-2A.4. & BP-2D.5. & Guide-1.7.	Be prepared to participate responsibly.					
BP-2D.1. & BP-2D.2. & Guide-1	Demonstrate unconflicted loyalty to the MWU's ownership. Avoid any conflict of interest with respect to fiduciary responsibility.					
BP-2D.3.	Avoid exercising individual authority over the MWU with respect to GM, staff, public, press, etc.					
BP-2D.4.	Maintain appropriate confidentiality.					
BP-2D.6. & Guide-1.11.	Support the legitimacy and authority of the board's final determination on any matter, regardless of your personal position on the result.					
Guide-1.3.	Serve the broad public purpose. Be from a constituency, not representing only it.					
Guide-1.6.	Offer individual expertise to the GM or staff only if requested from the GM or staff. Assume role of volunteer, not board member, when doing so.					
Guide-1.8.	Register your honest opinion. Consider this an obligation of board service. Speak for yourself and listen with resilience to other perspectives.					
Guide-1.9. & Guide-1.10.	Be responsible for the board's performance. Support the chair in board discipline.					
Guide-1.13.	Alders: Alert the board when changing roles during board deliberations.					
Guide-1.14.	Alders: Be clear about role during staff interactions.					
Guide-1.15.	Alders: Be clear about role when interacting with the media.					

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**

