

# Executive Limitations Policies

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



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

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).

<b>Water Utility Board Policy</b>	
Title:	<b>Treatment of Staff</b>
Policy Number:	<b>EL - 2B</b>
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: <b>Financial Planning/Budgeting</b>	
Policy Number: <b>EL - 2C</b>	Adopted: <b>Aug 24, 2010</b>
Category: <b>Executive Limitations</b>	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](#)).

<b>Water Utility Board Policy</b>	
Title:	<b>Financial Condition and Activities</b>
Policy Number:	<b>EL - 2D</b>
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: <b>Emergency General Manager Succession</b>	
Policy Number: <b>EL - 2E</b>	Adopted: <b>Aug 24, 2010</b>
Category: <b>Executive Limitations</b>	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.

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

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.

<b>Water Utility Board Policy</b>	
Title:	<b>Communication and Support to the Board</b>
Policy Number: <b>EL - 2H</b>	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.

<b>Water Utility Board Policy</b>	
Title:	<b>Quality and Performance Improvement</b>
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.