



Board & Trustee DEVELOPMENT

BROUGHT TO YOU BY **MWUA**

Board & Trustee Guide





About

This Board and Trustee Guide is intended to provide a general overview of the responsibilities of board members for public water utilities in the state of Maine. It does not pretend to be exhaustive. In its reach for generality, the text treats summarily many important details. These omissions are intentional. In order to broaden the book's appeal and usefulness, we chose to emphasize those aspects of board member responsibility that apply to most utilities. In this manner, we hope to provide a firm foundation for understanding the nature and intended purpose of the State's regulatory regime. This guide is informational and should not be relied on as legal advice. Anyone seeking specific guidance on a question of Maine utility law and board member responsibility should seek the advice of a qualified attorney.



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So, You Have Become A Board Member

Congratulations! You have become a board member of a Maine water utility. As a board member of a water utility, you have the opportunity to impact your community in powerful ways. You may have been elected or appointed to your position, and now that you are a board member you have a responsibility to your community.

Whether you are on the board of a drinking water utility, which provides clean and safe drinking water, or if you are on the board of a wastewater treatment utility protecting the environment and health by providing effective wastewater treatment options - what you do makes a difference!

Why Are There Boards?

Board Responsibilities

Boards play a critical role in water utilities. Board members oversee the administration of the entity and have an especially important job description.

Three of the principal areas of responsibility for board members are:

Guidance Board members are keepers of the mission, vision, and values and point the organization in the right direction. A board helps their utility to be well equipped with competent staff, financials and operations that are monitored for effectiveness. A board also works to ensure that the utility maintains or achieves a positive standing in the community.

Governance Board members watch over the actions and ethics of the utility. Boards ensure that the obligations of the utility are met.

Future Planning Future planning, ensuring that the utility is positioned for what is to come with well-maintained systems/equipment and minimized risk.

But That's Not All! Additional Board Member Responsibilities

In addition to the three major responsibilities for water utility boards, there are other areas to add to the board member job description.



Boards have a responsibility for developing and adopting policies for the organization – of course working in partnership with the general manager and/or superintendent. This policy creation is largely related to providing safe drinking water/effective wastewater treatment.

However, boards will also help develop and adopt policies related to human resources and operational procedure. Your water utility is only as strong as your people, so a focus on human capital investments and compliance is key! In utilities most of the focus is on managing pipes and ensuring clean water, but utilities must also be in the people business. Human resources is a very important aspect of successfully carrying out the mission of your organization. We will cover human resources and personnel compliance throughout this board guidebook.

Boards also are responsible for developing bylaws for the regulation of its affairs and the way its business is conducted. It is important for board members that they understand how business is carried out. For example, do we have a policy or guidance on how a main extension is done? The Public Utilities Commission (PUC) regulation may come into play in these situations, but it is important that the board is involved in these policies.

Boards are also involved in the approval of utility budgets/contracts, holding public meetings for rates and property management of the utility's assets. As you can see, the responsibility of a water utility board member is quite extensive. Whether you are a new board member or have been on the board for some time now, you make a difference.

Value of Being a Board Member

There are many benefits of serving as a board member for a water utility. You have the chance to give back to your community. A community is better when people participate and get involved. Board members also can impart their knowledge and skill set to the water utility. All backgrounds are helpful as a board member. If you have a background in finance, consider what an asset your knowledge is to the financial management oversight of the organization. If you are a leader of another organization, consider helping to develop and implement a strategic plan for the entity.

Note and Action Item: Completing a strategic analysis and plan for your utility is a best practice. This should be re-evaluated each year.



Impact of a Board Member

As a board member of a water/wastewater utility, the main two areas of impact are to the environment and to your rate payers/community. The decisions you make often impact both areas. For instance, if you need to replace aging infrastructure, that not only influences the environment but also the rate payers. Keeping both your rate payers and the environment in mind when making decisions will help you remain focused on the right priorities!

If you are the chair of a board, you may have additional affects by being ready and willing to ask the tough questions that others are afraid of. For instance, raising issues regarding rate impact and asking if expenditures are really needed are all tough questions. The board chair has a responsibility to draw out ideas or questions that need to be heard.

Your Commitment

Boards are only as successful as its members and their commitment to the success of the utility. It is important that as a board member, you commit the time that is necessary. Committed board members are:

1. Engaged
 - a. When you are at board meetings, it is important to be fully present and participate in the discussions. Side conversations and out of turn jokes are a distraction that are unhelpful. The outcome is better when full participation exists. Ask questions. Be engaged.
 - b. Engaged board members also embrace the institutional knowledge that exists in the utility. They dive into the history of the organization and learn from others. This has historically been a challenge on boards – try to seek out opportunities to learn about your utility.
 - c. Do a regular check to determine how are you engaging. Offering advice? Asking questions? Reviewing the manager? Strategic planning?
2. Prepared
 - a. As a board member you must be prepared and well advised of what you are discussing. Engage with the agenda packet prior to the meeting by reading through all the information and be ready with questions/insight. If you are a board chair, you can ask involved parties to review the agenda before they come to a board meeting. It can be a challenge, but it is important.
 - b. When a new trustee comes onto the board team, the board chair should sit with them to share areas of knowledge and history. Let them



know they need to be prepared. But also let them know if they don't understand, they should ask questions. There are no bad questions.

- c. If there is a non-prepared, non-engaged board member, the board chair is responsible for addressing this issue.

3. Willing To Share Knowledge

- a. Bring your own experience. Everyone has their own unique skill sets (finance, engineering, etc.). Your skill sets are relevant to the team no matter what your experience is. You are a valued member of the team.

Question:

How do you move a board into being board led vs utility led? In a smaller community, it can be a challenge to encourage people to volunteer on the board, let alone read a large packet of information.

Answer:

One way to help the board take more ownership, is for the board to create the agenda in conjunction with the superintendent. You may see some relief on others being more involved and taking ownership.



Board Member Questionnaire - Collective Evaluation

As an existing or new board member, completing a simple internal audit of the current status of the board can be a useful tool to determine what strengths and weaknesses exist. The below tool is a helpful way to start thinking about the performance of your board.

Review each statement and determine whether the board as a group is functioning well.

	Disagree	Neither Agree Nor Disagree	Agree
Board members understand the role of a board member and are committed to serving the utility.			
The board has strong communication with the superintendent.			
The board and superintendent work collaboratively for the betterment of the utility.			
Board members have specific roles, and clarity exists about what each member contributes.			
The board members ensure they are educated about the priorities of the utility and understand the needs of the community it serves.			
Board members operate in a collaborative manner with each other.			
Board members are committed to not only attend board meetings but are engaged during our meetings.			
Board members are respectful of one another, even when opinions differ, during board meetings.			
We do not have a gap in necessary board member skills and abilities.			
Our board chairperson is engaged and leads effectively.			



Board Member Questionnaire – Self-Evaluation

In addition to a collective evaluation of the group of board members, it is helpful for board members to complete a self-evaluation or audit of their own personal experience with the board.

	Yes	No	Unsure
Do I understand the mission, vision, and values of the utility?			
Am I invested in the mission of the utility and the district that is served?			
Do I understand the main priorities and current projects of the utility?			
Do I keep up with the newest trends and changes in the water utility industry?			
Do I serve on committees on the board (if applicable)?			
Do I regularly attend board meetings, fully engaging in the meetings?			
Do I read and understand the audit reports and financial reports for the utility?			
Do I find serving as a board member to be satisfying?			
Do I consider myself as being able to work with other board members and am I part of the team?			
Do I feel comfortable stating my opinion at board meetings?			



Board & Utility Performance Quick Evaluation

	Yes	No	Unsure
Does the utility have an up-to-date vision, mission, and values?			
Does the board engage in a performance review process with the superintendent, at a minimum annually?			
Has the utility completed a human resources audit in the recent past, or is the board sure that processes are up-to-date and in compliance?			
Does the utility have up-to-date crisis management plans that are clearly outlined?			
Does the utility have financial policies clearly outlined, and are these policies audited by an external firm?			
Does the utility have a budget that is reviewed by the board on a regular basis?			
Does the utility evaluate rate changes, investments and levels of service regularly?			
Does the board follow a process for its meetings staying in compliance with the Maine Freedom of Access laws?			
Does the utility engage with the community to create relationships and to educate?			
Does the utility have an up-to-date emergency response plan?			
Does the utility have a cyber-security preparedness plan in the case of a cyber-attack?			



Your Role

Board Member's "Job Description"

Prior to a board member's appointment or election, board members should review the job description for this position. Clear expectations are critical to a mutually successful appointment. If you do not have a board job description for your utility, creating one will be helpful.

Board members should be forward thinking and strategic. They also must be willing to fulfill the legal and fiduciary responsibilities that exist with their position. We recommend speaking with your utility's attorney to get more specific legal and fiduciary responsibilities, but some include looking at rates monthly and having the annual meeting on time. As previously stated, coming to board meetings prepared is also part of the board member's job description.

As a board member, you also have the responsibility for hiring and overseeing the superintendent or general manager (GM) for the utility. It is important that you manage, them, but not micro-manage them. They were hired for a job, and they need to be allowed to do their job. The board has one employee which is the superintendent/GM and this should be respected. Empowering the utility leader to do their job while upholding what you expect is the goal!

In general, board members should not be managing every employee, looking at every invoice, etc. However, as a board you should be reviewing financial statements every month, conducting performance reviews for the utility leader, etc. Board members must be confident to determine and outline what is their role vs not.

Ask Yourself

Are we listening to the recommendations of the person we hired?
And if not, what is that person there for?

When a Board Operates the System

Some small systems do not have the full-time employees to operate the system. Therefore, the board members perform the job duties required of the system. Hence, the board member(s) are also the system's employee. If this is the case, the board determines who will be in charge of each of the facility's operational tasks. Consequently, the superintendent or operator may be in charge of everything from trash pickup to water quality. An alternative for smaller systems would be to share the administrative or operational duties with another system. This possible solution may



save each system valuable time and money. Seeking partners to support day-to-day responsibilities may be the key to managing the future of your system.

Specific Roles of Individual Board Members

Each board member performs certain official duties and also sets an example for the other members. In addition, a prepared job description of each board position will assist in board recruitment and success. Below are examples of the various responsibilities of each board member.

- **Chairman**
 - Officiates the meeting.
 - Ensures that all agenda items are addressed.
 - Keeps discussions on topic.
 - Manages time.
 - Includes all members in the board discussions.
 - Prepares the meeting agenda with the superintendent's assistance.
 - May be the spokesperson for board matter.
- **Vice-chairman**
 - Carries out the chairman's duties in their absence.
 - Is the chairman in training.
- **Secretary**
 - Fulfills the legal requirements by recording, amending, and maintaining meeting minutes.
 - Sends draft minutes from the previous meeting out to members with the upcoming agenda.
 - They should be aware of bylaws, rules/regulations, and applicable legislation.
 - Takes meeting notes (written, shorthand, or recorded).
- **Treasurer**
 - Keeps financial records of money received/disbursed.
 - Reviews statements and signs appropriate documents.
 - Ensures that funds are used legally and as required.
 - This position may be a paid position and may or may not be a board member.
 - System employees may perform this role.

It is important for each board member to ensure that quality service is being provided to the consumer and that they are serving the board and community at their best potential.



Respecting Your Position & Other Board Members

As a board member, you are part of the team. Respecting all board members regardless of the outcome of a board vote goes a long way. Very rarely is the board going to have a unanimous outcome when voting. It is important for the future of the organization to move forward with mutual respect, even if a difference in opinion exists.

At times, in a heated situation, you may have to ask another board member to leave the room and then come back and be kind. Remember the platinum rule - *treat others as THEY would want to be treated*.

Personal Satisfaction of being a Board Member

If you live in the community, it is important to participate in the community. Being a board member makes a difference and improves the community you live in. You may also gain satisfaction in ensuring employees are being treated correctly and that you are part of making that happen. Keep the good of the community as your focus, and leave your community better than you found it

Position your Utility for the Future

To position your utility for the future, raise the bar of the board, but do not micro-manage the system. There are many issues presently that boards are facing. Consider solutions by researching options (locally, regionally, statewide) and keeping abreast of regulatory changes. If you want to plan for the future, invest in the future, and do the maintenance required. The utility will keep the value of its water system intact. Also, be proactive in advocating at the board level to comment on possible new regulations at the local, state, or federal level.

Major issues presently:

1. How do you stabilize rates? Groups like Maine Water Utilities Association, trustees and others advocate for the utilities. Look at neighboring systems - can others help you with those issues?
2. Human resources is important. Trustees can't do it all. It is expensive to do it right, but it is an important investment.
3. Use and invest in technology wisely
4. Look for continuous improvement opportunities - water utilities are a 24/7 operation.

Real Life Example

One way that the Greater Augusta Utility District prepares for the future is with an annual strategic planning session. Every fall (October normally), they hold a strategic planning session with multiple stakeholders at the table. Some of these groups are management, the town/city, trustees, and town/city council. They follow an agenda and talk about the coming year. They seek input from the Department of Transportation (DOT) and Public Works of the towns/cities they serve. This strategy helped them to get away from board micromanagement and instead helped them to better advocate for their community and utility.



The Board's Mission, Vision & Values

Mission, Vision, and Values Overview

As a board member, your role is the keeper of the mission, vision, and values of your specific organization. Utilities are faced with the reality of a rapidly changing world, regulatory demands, aging infrastructures, workforce, customers, and stakeholders. Utilities are tasked with providing an essential set of services and to protect public health and the environment. A clear and written game plan for how the utility is going to navigate this is key. In this section of the board guide, we will cover what mission, vision, and values are and are not, and we will share some techniques for creating them if your organization has not yet identified them. With permission, we are pleased to share one example of a Maine water utility's mission, vision, and values.

EXAMPLE: MISSION, VISION & VALUES KENNEBEC WATER DISTRICT

VISION

To become a recognized leader in the community, known for providing dependable services that are vital to our region.

MISSION

To provide high quality water to our customers and communities for the protection of public health and safety.

VALUES

Accountability

We take ownership of our actions regardless of the outcome.

Respect

We value the thoughts and beliefs of others and treat everyone with kindness.

Trust

We build relationships of trust by being open, honest, supportive, and by helping all to succeed.

Continuous Improvement

We strive to always find a better way.

Quality Focused

We seek to exceed expectations and provide exceptional service to all.

Reasonable Rates

While maintaining a focus on high quality, we will manage our assets and resources to ensure our rates are reasonable.



Vision or Vision Statement - To Be

The vision for an organization is the expression of what the organization strives to become, be recognized for, and be known for in the future. A compelling vision attracts commitment and energizes people, creates meaning in employees' lives, establishes a standard of excellence, and bridges the present and the future.*

Your role is to understand the vision, be able to communicate it, and stretch/grow the organization to see if the vision is viable and agile.

The vision must be

- Realistic - Based on reality
- Credible - Must be believable
- Attractive - Must attract
- Future - Not where you presently are

*Source: *Visionary Leadership: Creating a Compelling Sense of Direction for Your Organization.* Nanus, Burt

Mission - To Do

The mission of an organization is an explanation of the fundamental purpose of the organization. This is the WHY of your organization's existence - what purpose or role do you have in serving the community.

Your mission should guide, inspire, energize, and describe the importance of what your organization is doing. Your mission could be a single tag line as simple as "One Payroll at a Time".

Your role is to insist on a strong mission statement, and then keep it fresh and at the heart of what you do. Your mission, along with your vision and values should permeate your culture, be communicated to the community, be communicated in your recruiting efforts, be incorporated into your handbook and performance appraisals, and be visible in your facility.

Vision Planning

- 1 What impact will we have as an organization?

What is our current external environment and what will the future environment look like in our field? Will trends change? Governmental requirements?
- 2
- 3 What energizes our organization? What energizes me?
- 4 What will our employees say about our organization?
- 5 What will our customers say about our organization?
- 6 What is our reputation in our community?
- 7 What newspaper headlines will be written about us?
- 8 What successful outcomes indicate that we have achieved our vision?



As a board member, a large part of your responsibility is also to be a “keeper of the mission”. Given that challenge, you need to understand the concept of mission AND know what the mission of your organization is!

Note and Action Item: Once you create your vision, mission, and values, identify which areas of your operation need to be updated based on them. That way it becomes an exercise that had maximum impact.

One way to determine the mission of your organization, is to come together with your employees (or representatives of various groups of employees if you have a very large organization) and walk through a mission identification exercise.

Split employees up into small groups and ask them to identify the following items

1. What is our specialization?
2. Who are our customers?
3. Why do we exist?
4. What is the core purpose and focus of the organization?

Using flip charts or another method, have groups share what they determined.

Action Item: If your team decides to use flip charts, it is best to give one flip chart to each group to use. Each group will add the four questions above to the top of its own page and take notes below. They will use these note pages to share with the larger group.

See what commonalities apply and add to a new list. Then, all groups will answer together:

- What do you think the mission of ___ organization is?

Values - Hold Up An Organization

Values are deeply held beliefs that guide the organization’s decisions, programs, and more. Values can be characteristics, traits, or attributes – such as “Customer Service Oriented”, “Loyal” or “Accountable”. They drive the mission and vision.

Values are also high on the list of board member responsibilities. Your role as a board member is to be the champion and guardian of the values of the organization. If the organization starts to stray from the established values, bring them back to their core – all programs must convey and align with the organization’s values. In order to do this, you must be able to articulate the values when you are facilitating decisions, making



presentations, and participating in utility matters. You must know, understand, and support the values of the organization.

Impact of Values on Your Organization



Championing the Mission, Vision, and Values as a Board Member

It is key to get the mission, vision, and values out to rate payers to get their input. Engaging with the community builds relationships and partnerships. Some ways to do this would be by sending out community brochures or having a website where people can go and provide comment on what they want to know about the utility. Transparency is key!

When a rate increase is coming, having your goals, vision, and mission in front of your customers is very helpful as you are presenting why you need a rate increase.

Success Story:

One utility that has had a strong mission statement for a long time, reads the mission statement at every public meeting. Public participation expands when you become more transparent. The community is truly concerned about their water/wastewater and they want to keep it intact.



Water Utility Charters & Bylaws

Governing Law for Water Utilities

There are multiple laws that govern water utilities. Some things that govern utilities are general laws such as the federal Safe Drinking Water Act (SDWA) or the state Drinking Water Program (DWP), Maine Public Utilities Commission (MPUC), Right to Know, and Tort Claims.

Additional governing laws for water utilities involve:

- Legislative Charter
 - Creation of a “body politic and corporate”
 - Water Rights
- Municipal Charter
- Utility Policies
 - Bylaws
 - Rules/Operating Procedures
- PUC Filings
 - Terms and Conditions
 - Rate Sheets

Maine Legislature Overview

Water districts are formed by Maine Legislature. If you spend time around the halls of the Maine Legislature, there are debates about new water systems being formed and sometimes about existing systems that are in front of EUT - Education in Unorganized Territory (if changing their charter or forming a new charter).

The Maine Legislature has 186 members and is a citizen legislature, with professional staff and agencies. There is about 35-40% turnover every two years. The Legislature is a public process so anyone can testify in hearings - from vendors to customers. This creates uncertainty if people testify you had not anticipated. There are no rules of evidence, and the rules of process can change - they are not set in stone. Do your best, but keep in mind that anything can happen.

When going into the State Legislature, package items together and gather all the people that you need to testify. There are many stakeholders as it relates to water, so having all the sources you need to testify will help. The simpler and clearer the approach, the better.



Charter Overview

A charter is a private and special law. Every system has a unique grouping of rules. There are common elements from system to system, but each charter is a bit different. Charters convey water rights or enforcement - even private water companies had charters in the 1800's from the Legislature, although this does not happen anymore.

Water districts are created by statute. If you want to engage in an activity, it is wise to ask, "what does your charter say". If your charter is silent or has no general authority, you probably can't do it. Water districts are limited purpose which is different than a municipality.

Charter limits

Water districts are local entities which provide limited services to its customers. If an activity is not in your charter or general law, you probably can't do it. If it is prohibited, then the action can most definitely not be done. If it conflicts with general law, then general law trumps.

It is important to watch out for the magic word: *Notwithstanding XYZ...* That means you cannot do something.

A charter is a private & special law with limited scope - defined by geographical boundary. If broad authority exists (water districts) have broad authority to deliver clean and safe drinking water to a specific geographical area), there may be flexibility to set rules and terms and conditions that meet other laws. If it's ambiguous, get help. But normally every system has a unique set of rules - they could be 100 years old or older.

Common charter provisions

- **Body Politic and Corporate**
 - A water district is a political subdivision of state
 - Quasi-municipal or special purpose district
 - Important because there are a range of laws like the Freedom of Access law or the Maine Torte Claims Act where being a political subdivision of the state is important for what laws apply (like taxation)
- **Governing Body**
 - Election or appointment (up to each charter)
 - Terms, removal, elected, when are they elected, etc.
- **Territory (Could be coterminous with municipal boundaries)**
 - Some portion of the district called corporate limits
 - Where governance occurs normally tax exempt



- Broader area called service territory that some districts have
 - Even though people live there and are being served, they may not be contributing to the governance
- **Other Common Charter Provisions**
 - Debt limit
 - Trustee compensation, if not set by the Legislature
 - Lien authority
 - Taxability of property
 - Treasurer Surety Bond
 - Water extraction rights
 - Hot political topic where there are proposals that will change the way water rights are allocated. There are concerns because they rely on their water rights to serve the public.

Charter Changes

Can our utility's charter change? The answer is, yes, but not easily. Charter changes require going to the Legislature. Examples of charter changes are:

- **Selection of trustees**
 - Elected vs Appointed
 - Who votes or appoints?
 - Election dates
 - Elections can be at odd times or no specific times to create certainty
- **Debt limit increase**
 - Or by referendum
- **Change tax exempt status**
 - Maine Constitution and Tax Code
- **Expansion of Corporate Limits or Service Territory**
 - Or by MPUC order

An additional charter change legislation is the *Standard Water District Charter* which has been in place for about 25 years. This came into effect because there was a desire to develop a standard process, a menu of options that water districts can select from. It shortens the length of a charter and simplifies the process for new districts (Title 35-A, Chapter 64). The Standard Water District Charter preserves prior charters and applicable laws. For standard districts, the EUT Committee must get local input prior to a charter change.



An additional legislation is the **Omnibus Legislation of the EUT Committee** (Title 30-A, Chapter 120). Rather than have every water district come with its own bill, the legislation has a provision that allows them to be all lumped into one bill. This is almost never used even though it is a law.

Omnibus Legislation Details:

- Charter revision - majority approval of board, affected municipalities, followed by local referendum
- Charter amendment - unanimous approval of board

Different Systems, Different Rules

What is a **water utility**? The simplest definition is a plant or facility that provides drinking water service and it is available for “public use”. The term public use is not clearly defined anywhere but has been built up by years of case law.

There are several types of water utilities including private water companies, quasi-municipal water districts, water associations (nonprofits that provide water services), and municipal water departments.

Municipal water departments do not have a state charter for the most part, but it is part of the general laws of municipalities that can include water systems.

What About Water Departments

Municipalities are “general purpose” political subdivisions and have broad home rule authorities - basically anything that isn’t expressly prohibited by state law. They can decide that they are going to be in the water business or the wastewater business, etc., and typically their charters are broad enough to allow them to do that.

Governance over the water departments is provided by the local governing body (local city or town council, or a board within the municipality).

Municipalities can adopt their own charters, subject to state law, defining how they are governed.

- Power is limited to a geographic area, unless Legislature says otherwise (case by case).
- Can the city step in and take over if the district if it is not governing at that time?
 - Yes, but it would have to be an act of the Legislature. Often, if they no longer have confidence in the district, then they will transfer the assets of the district to the city.



Private Water Companies

Private water companies do not need a legislative charter to operate but may need water rights - a legal access to a water supply source. A private company can provide management services to a water district or department, but are then subject to the rules of that district or department because it is still a public system.

Bylaws vs Charters

Your charter sets broad limits on how you operate, and bylaws, govern how you operate within your charter.

Bylaws can cover things like how meetings are run, meeting rules of order, who can call a meeting, how meeting notice is given, how public comment is received, and other board policies may be included (e.g., conflicts of interest, nepotism, remote meetings).

Utility policies once established become guiding principles, bylaws and/or filings at the PUC. If you have a process, follow the process - a simple but not so simple guideline! If you have a situation arise, and you are asked by the media if you had thought about that issue in advance, it is helpful if a policy previously existed and that you followed the policy. The opposite is of course more problematic - either no policy or procedure exists, or the policy was not followed.

Bylaws do not need PUC or legislative approval, but they must be consistent with the law or your charter, including any approved terms and conditions.

Bylaws and policies should be reviewed on a regular basis to ensure they are current. Even though you have flexibility, the more policies you create, the more you need to track. Every time the law changes, you have to be prepared to update any affected policies.



Public Utilities Commission Governance & Regulatory Agencies

Maine Public Utilities Commission (PUC) is an independent quasi-judicial agency of state government. The PUC operates like a court - cases are handled like court cases with dockets and the three commissioners act like judges (listen to testimony and make decisions).

Monopoly Regulation

The PUC regulates several monopolies in the state including:

- Electric Utilities
- Natural Gas Utilities
- Telecommunication Utilities
 - The PUC does not regulate private phone companies, however they do regulate providers of last resort, where no cell phone coverage exists. There are still a few thousand locations in Maine that take advantage of this.
- Water Utilities
- Casco Bay Island Transit District (Ferries)
- Dig Safe Program in Maine
- 911 program for emergency phone calls

Why Regulate Monopolies

Generally, monopolies are not allowed - competition is encouraged. However, for utilities regulated by the Commission, a single service makes sense. For example, it makes sense for only one water pipe to be in the ground vs multiple competing lines. How many telephone poles does the community want lining the city roads? Probably only one set. This is why a monopoly makes more sense.

Additionally, these organizations utilize public right of ways to provide service to - water/wastewater mains that are in the public way to get to and from our homes.

The mission of utilities is to provide safe and reliable services at fair and reasonable prices. Since there is no competition to ensure the prices remain reasonable, the PUC is required.



How Does The PUC Regulate Monopolies?

Approval is required for borrowing funds and issuing securities and bonds. The PUC does not look and see what utilities are borrowing the money for, but they are looking to ensure that due diligence is done. The PUC will check to ensure the utility is getting a reasonable rate and looking out for best interest of the rate payers. Right now, there is no minimum amount for the threshold of borrowing that requires approval, so you must have approval for leasing a new truck. As of early 2022, there is discussion about this changing, but it has not yet happened.

The PUC also regulates the disposal of property that can have an impact to provide your service. If you are going to lease or sell a piece of land or have other major disposals occurring, their approval is required.

An exemption does exist if you determine the property does not impact the ability to provide water service. There is a provision for the utility to not look for approval but to certify with the commission that your decision is correct. However, if the utility has any questions at all, go to the PUC to get the certification so you do not make a mistake. If the utility disposes of the property and then the PUC later determines the land was required to deliver adequate service, the statute allows the PUC to undo the transaction, even several years later.

Customer Complaints

The Public Utilities Commission handles complaints from consumers. Most complaints are related to electricity, but some are due to water service. The Consumer Assistance and Safety Division handles complaints that are brought to the PUC. They rely heavily on the system's terms and conditions (T&Cs) and if the action taken was consistent with those T&Cs.

Terms and Conditions

Terms and conditions must be approved by the Commission - they're a contract with your customers. They define the responsibilities of your utility, and the requirements for being a customer. It is recommended that the terms and conditions are looked at regularly and are approved by the PUC. Some examples of terms and conditions are:

- Charges for establishing service
- Charges for jobbing (if a customer asks a utility to do work that would be done by a plumber normally)
- Limiting service to conserve water
- Ensuring you are treating all customers in a non-discriminatory way.



Rate Regulation

Rates must be approved by the Commission. The district will propose the rates and then submit that information. These are 6104 cases and very straightforward. The approval can take a few months (due to public notice, public hearing, and time constraints). Rate cases are called 6104 cases because the requirements are found in Title 35 - A section 6104.

For investor-owned companies also making a profit, these cases are less straight forward. For water districts and departments, the process is more straight forward.

The goal is safe and reliable service at fair and reasonable rates. How much revenue do you need to do this? If your utility has not raised rates in 10 years, there are things that should be done that are not getting done. Costs have gone up over time. Every three to five years could be more common for rate increases.

Infrastructure surcharge is a mechanism for recovering investments paid for by a water utility. Capital reserve accounts are a way for water utilities to collect funds for needed upgrades and investments in advance

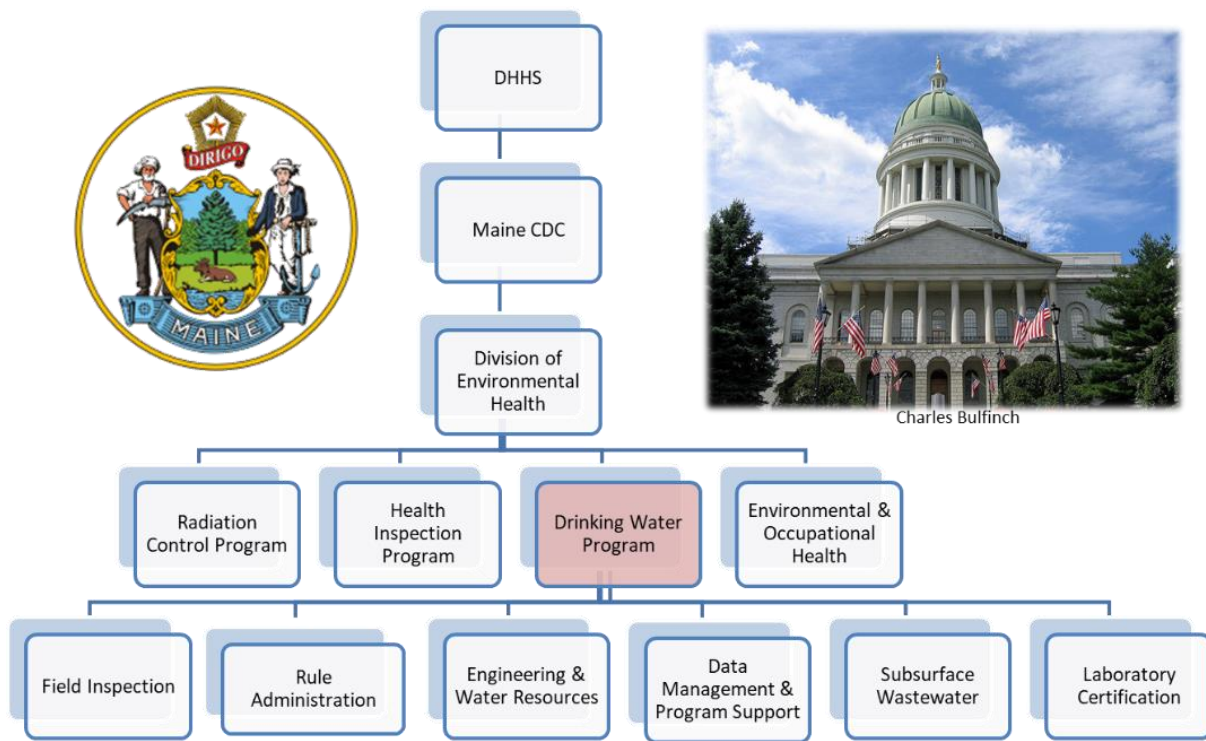


Maine CDC Drinking Water Program

Maine Drinking Water Program Mission

The Drinking Water Program works to ensure safe drinking water in Maine, to protect public health, by administering and enforcing drinking water and subsurface wastewater regulations, providing education, and technical and financial assistance.

Maine Drinking Water Program Organization Overview



What is the Maine Drinking Water Program?

Even though safe, clean drinking water is essential to maintaining and protecting the health of the public, it is often taken for granted. The Maine Drinking Water Program strives to ensure that public drinking water systems in Maine are well managed, monitored, treated accordingly, and protected from harm. All public water systems are overseen and regulated by the Drinking Water Program through administration of the Federal Safe Drinking Water Act and the Maine Rules Relating to Drinking Water. Working with over 1,900 public water systems in Maine, the Drinking Water Program ensures that over 750,000 individuals across the state are provided safe, secure, and reliable drinking water. Additionally, the Subsurface Wastewater Team exists within



the Drinking Water Program to enforce and administer the Subsurface Wastewater Disposal Rules and regulate on-site sewage disposal around Maine.

Drinking Water Program Priorities

The drinking water priorities for each year are many! The main priority of the Drinking Water Program is to implement the Safe Drinking Water Act in accordance with the Federal act and the organization's own regulations.

The Drinking Water Program is given primacy over the public water systems in the state. Additional priorities of the Drinking Water Program involve:

- Technical Assistance
- Compliance/Enforcement
- Inventory/Database
- Funding Sources
- Emerging Contaminants, etc. (PFAS, Lead, Copper, etc.)
- Program Resources

The Safe Drinking Water Act

The Environmental Protection Agency (EPA) has set requirements that states and public water systems must follow when providing drinking water. Over 90 contaminants have been identified and standards have been developed to protect public health by means of water testing and the setting of legal limits for identified contaminants. The EPA's rule page can be accessed by clicking [here](#) and has been broken down into categories by contaminant type. Chemical, microbial, and unregulated contaminants can be reviewed along with any applicable regulations that have been created. The EPA uses the Unregulated Contaminant Monitoring program to gather information on contaminants in drinking water that do not have health-based standards set under the Safe Drinking Water Act. These unregulated contaminants are reviewed every five years.

Additionally, the Right-to-Know rules are outlined on this webpage because they have been set up so that the public is informed on the water they're provided. The Right-to-Know rules have been broken down into two sections: the Consumer Confidence Report rule and the Public Notification rule.

On September 18, 1998, the Consumer Confidence Report (CCR) requirement of the Safe Drinking Water Act was signed into law. It mandated that all community water systems create and distribute annual water quality reports to all of their customers. These reports contain information about consumers' drinking water and provides educational materials so that the consumers are able to make informed decisions related to the water they're being supplied. The Maine Drinking Water Program outlines the requirements that community water systems must meet in their CCRs [here](#).



The Public Notification rule was created because water quality is not always constant. The rule guarantees that consumers will know if a problem with their drinking water occurs. The notifications alert customers if:

- there's a risk to public health,
- the water does not meet drinking water standards,
- the water system fails to test its water,
- the system has been granted a variance (use of less costly technology), or
- the system has been granted an exemption.

Public notification has been divided into three tiers based on severity and time requirements for distribution of the notification. Tier one is the most critical and requires immediate notification. Tier two is less critical and simply requires notification as soon as possible. Tier three is the least critical and only requires annual notification. Guidance on the Public Notification rule and associated tiers can be found [here](#).

While the EPA has set legal limits on more than 90 contaminants for drinking water, the Safe Drinking Water Act allows individual states the opportunity to set and enforce their own standards. These standards must be at a minimum as stringent as those that have been set nationally. The standards that the state of Maine and its DWP have determined have been outlined [here](#), on their Rules, Regulated Contaminants, and Policies webpage. It has been broken down into individual sections for ease of use.

Sanitary Surveys

Sanitary surveys are the primary point of contact between the state primacy agency and standard water systems. There is always ongoing sampling and oversight of other regulations, but sanitary surveys are when it all hits the ground.

There are many inspectors that have varying sized territories. Some inspectors cover the entire state, some cover groupings of the larger municipal systems, and then several work with the smaller systems.

The EPA requires a sanitary survey every three years for Community Water Systems (CWS). Typically, it takes about a day for the survey on site. However, now they are doing a lot of prep via Zoom/online in advance to get paperwork done to minimize onsite time.

Sanitary surveys evaluate several elements:

- source,
- treatment,
- distribution system,
- finished water storage pumps that are moving the water,



- monitoring & reporting,
- management & operation, and
- operator compliance to ensure that the proper licensing exists.

This is a thorough analysis and discussion with the operator on site and whomever else the system designates to be there. What comes from that is a report with deficiencies and/or recommendations. These should already have been discussed on site - the goal is to have no surprises in the report.

Deficiencies must be corrected, or enforcement can proceed from there. Communication is key to ensuring the whole process works very well. The program is not out to impose anything that is not a requirement. The Drinking Water Program is there to work with the system. A common goal exists to produce safe water. Great cooperation and discussion are best.

The Maine Drinking Water Program's Primacy

As mentioned previously, the Safe Drinking Water Act mandates that the EPA set and enforce standards that all public water systems must follow. These include maximum contaminant levels or treatment techniques and requirements for monitoring and reporting. The EPA delegates its primacy or primary enforcement responsibility to states (e.g., The Drinking Water Program in Maine) and Indian Tribes if they meet certain requirements outlined by 40CFR142, Subpart B.



Walking The Tightrope

As a board member, you are wearing a different hat than you would be as a part of the management team of the organization. As a leader in your community, organization, or other entity, it can be easy to jump into management instead of board leadership. This section of our Board and Trustee Guide will cover how to navigate this and “walk the tightrope”.

Governing vs Managing

Some of the differences you may experience as a board member vs a manager are highlighted below:

Governing (Board Members)

- Adopting employment policies
- Providing direction regarding rates, debt
- Hiring and overseeing the general manager

Managing (superintendent/General Manager)

- Supervising employees
- Providing water service
- Working with regulators

Job Description of Board Members

The job description of board members can be summarized in four areas: guidance, governance, an equipped utility, and future planning.

The Board's Job Description





Managing the superintendent

Managing the superintendent/Utility Manager

As the board's one employee, the board is responsible for providing support to and managing the superintendent or utility manager. There are several areas of human resources management to consider in this endeavor. The three main areas that this guide will cover include:

- Talent acquisition
- Performance management
- Development

Talent Acquisition

Recruitment is one of the most challenging aspects of management. With labor shortages increasing, many employers are struggling to find talented employees to fill their open positions.

The time to fill an executive or managerial position often takes longer than filling other positions. Therefore, the talent acquisition process for a superintendent will likely be a lengthier process. Boards should consider several strategies to prepare for transition and to find the best candidate successfully and rapidly.

First, succession planning is key! Succession planning is the process of developing internal employees to have the skill, knowledge, and abilities to transition into open positions when a current employee leaves or retires. This can also be called replacement planning or "building your bench" of talent.

Succession planning is key to ensure smooth transitions as key employees leave. It also reduces the amount of knowledge that is lost upon employee transition. Succession planning allows existing employees to take on additional work and have development opportunities to further their career. The following model offers a framework for introducing or sustaining succession planning at your organization.



Succession Planning Model



Understanding your demographics is an important first step in creating a succession planning program:

- Focus on employees eligible to retire. With advance notice of the transition of these employees, organizations can get a head start on their planning.
 - Age
 - Years of service
 - Retirement eligibility
- Promotions from within.
- Turnover rate.
 - Percentage of employees leaving within a certain period of time
 - Measure voluntary vs involuntary turnover
 - Conducting exit interviews to determine the reasons for leaving

Critical Positions

Many organizations start their succession planning with their executive staff. However, mission critical positions may not be just employees on the executive staff. Think about what positions keep you up at night. If those people were to leave, what



would the organization do? For example, technical experts may be critical to the organization. Think of the talented IT analyst who is developing your asset management program, or a lab specialist who is the only one that can run a vital test. It is important to focus on these key positions.

Critical Tasks

There are several ways to capture critical tasks for the organization. Creating standard operating procedures for key processes is one way to start. This is very helpful when turnover occurs. New employees will understand how to carry out a process with minimal training.

Employees can also engage in job shadowing and cross training to capture knowledge. Job shadowing can involve:

- Observing the work of a co-worker
- Learning more about the organization
- Participate in a “ride along”
 - Example: Customer service reps spending time with field meter technicians to see what is involved in reading and repairing meters.

Leadership Development

Leadership development is a great way to invest in employees and allow them to have the opportunity to enhance their career development. Leadership development efforts create a mutually beneficial relationship between succession planning and career enhancements to employees. Mentoring, coaching, and training all help in developing leaders.

Creating mentoring partners by pairing a more experienced employee with one who is less experienced will advance their career and develop leadership potential. A mentor will offer opportunities, guidance, and suggestions. Mentors should create a safe and warm environment, act as a sounding board, introduce career opportunities, and maintain confidentiality. Mentoring programs often have a great return on investment (ROI) because the cost of the program is so low to implement. Mentoring programs are a visible sign that an organization cares about grooming employees for future promotion. Mentoring programs can be more involved but can also be as simple as identifying a match between mentors/mentees and then conducting an orientation to get them started. Normally, a human resources department will manage this process.

Coaching helps employees achieve goals through listening, asking great questions, and helping the coachee to answer their questions on their own. Coaching is a process to help others succeed and often occurs in one-on-one conversation that



focuses on goals, skill development, and problem solving. In coaching, it is critical to not offer advice, but to ask questions to allow the coachee to come to their own conclusions.

Employees may experience coaching from their manager, or it can also happen with a coach external to the organization. If an external coach is selected, ensure that the coach is certified.

If coaching is occurring internally within the organization, a helpful coaching model is the GROW Model. The GROW acronym is explained below, along with helpful coaching questions to use:

- **G - Goal - Clarify the goal**
 - What is your goal or focus?
 - What would you like to achieve by the end of our time together?
 - Why is this goal/focus important to you?
 - Describe what success looks like.
 - So, your goal is...? (Paraphrase and confirm)
- **R - Reality**
 - What is preventing you from achieving it?
 - What have you tried so far?
 - What has worked/not worked?
 - What thoughts or beliefs may be holding you back?
 - What would happen if you did not achieve your goal?
- **O - Options**
 - What actions can you do to bring you closer to your goal?
 - What else can you do?
 - What patterns or habits may be holding you back?
 - What positive words could you say or write?
 - What is a small step you can take towards reaching your goal?
 - What will you do to stay focused?
- **W - Way Forward**
 - What are you going to do?
 - When are you going to do it?
 - How will the action help you meet your goal?
 - What obstacles might you encounter along the way?



Retention Strategies

While the utility is formulating succession planning strategies, retention of current employees is also very important. An engaged workforce will often be a workforce with little turnover. Some strategies that an organization can employ to retain its employees are:

- Offering professional development. The investments in mentoring and coaching details above are considered professional development offerings. Also offering additional training opportunities and tuition reimbursement programs are helpful retention strategies.
- Individual Development Plans (IDPs) are formal documents between employees and supervisors that clarify where an employee is and where they want to go. Later in this Board & Trustee Guide, an IDP template is shared.
- Clear career paths are key to employees understanding what is next for them and will help them understand that there are opportunities for advancement. Employees will not have to leave to find the next opportunity. Employees may need to meet certain requirements to move into these roles (written tests, certifications, practical demonstration, etc.), however the career path will outline the requirements.
- While compensation is normally not the reason an employee leaves an organization, compensation is part of the decision. Pay for performance is a process in which performance during annual appraisals or performance ratings are linked to salary increases. Pay for performance programs show employees that they have the ability to increase their compensation through hard work.



Succession Planning Assessment Template

The purpose of this assessment is to identify and prioritize the succession planning components that are most important to your organization. **Instructions:** 1) Rate the level of importance (scale of 1-5) for each succession planning component. 2) For components with high ratings, identify actions and time frames. 3) Take action.

Succession Planning Components	Level of Importance (1 is low, 5 is high)	Actions	Timeframe
DEMOGRAPHICS Retirement eligibility Turnover rate Promotion from within	1...2...3...4...5 1...2...3...4...5 1...2...3...4...5		
CRITICAL POSITIONS Executive Technical positions High critical, highly vulnerable positions	1...2...3...4...5 1...2...3...4...5 1...2...3...4...5		
CRITICAL TASKS Determine critical knowledge Standard Operating Procedures (SOP) Cross training Job shadowing	1...2...3...4...5 1...2...3...4...5 1...2...3...4...5 1...2...3...4...5		
LEADERSHIP DEVELOPMENT Mentoring Coaching Training	1...2...3...4...5 1...2...3...4...5 1...2...3...4...5		
RETENTION STRATEGIES Creating an engaged workforce Career path planning Pay for performance Certification training Individual Development Plans (IDP)	1...2...3...4...5 1...2...3...4...5 1...2...3...4...5 1...2...3...4...5 1...2...3...4...5		

Source: Starfish Consulting, Margie Hamner, CEO



In addition to building strong succession plans, one of the key aspects of talent acquisition is to start recruitment processes early. The earlier the better! It is also critical to build a positive professional relationship with candidates for the superintendent position. Building a relationship makes the recruitment process more meaningful and effective.

As you are evaluating talent, consider using a multi-pronged approach. It is key to have multiple data points and a consistent interview process in the talent acquisition process.

The impact of a poor hire is felt, but the impact of a great hire is significant for the positive trajectory of an organization. Some areas impacted include:

- Increased performance and productivity
- Reduce turnover and increase retention
- Attract talent - top performers attract top performers
- Improved employee engagement and team morale
- Better fit for culture and values = reduced employee relations issues

It is important that the interview process for each candidate be similar in order to ensure candidates are being compared in a similar manner. Interview questions can be detailed in an interview guide based on the job description for the position, the values and mission of the organization and the competencies required for the role.

Prior experience is the best indicator of future performance. Behavioral based questions ask for specific examples of how potential employees have performed in the past. Questions are based on competencies that are key for the position. An example is: "Tell me about a time that you had a project with a tight deadline. What did you do to meet the deadline?" Later in this guide, we offer a guide to behavioral based interview questions, based on competency.

It is also important to ask open-ended questions vs closed questions to get more than yes or no answers.

Example of an open-ended question: "Tell me about a time that you worked in a difficult environment or in inclement weather"

Example of a closed question: "Are you okay working in a wastewater treatment plant or are you okay with working in the cold and snow?"



Additionally, candidates must not only have the required experience and skills, but should align with the mission, vision, and values of the organization.

VALUES

- Think about your values as an organization.
- Ask questions that tie back to past experiences they have had related to your values.
- If they are not living your organization's values, that may be an issue.

VISION/MISSION

- Be clear on your team or organization vision and mission. Consider asking candidates - what are your short- and long-term goals?
- Look at the candidate's personality in addition to their skill set. Does their attitude line up with your vision/mission? They must connect with your vision and mission, so it is not just a "job."

Before the interview:

Before the interview, the hiring manager should define the job not the person. Understand the job description fully and clarify the expectations up front. Determine the competencies and skills needed for the position based on the job description. Identify questions that align with each competency and **ask them consistently** to each candidate. Get familiar with the candidate's resume or application before the interview.

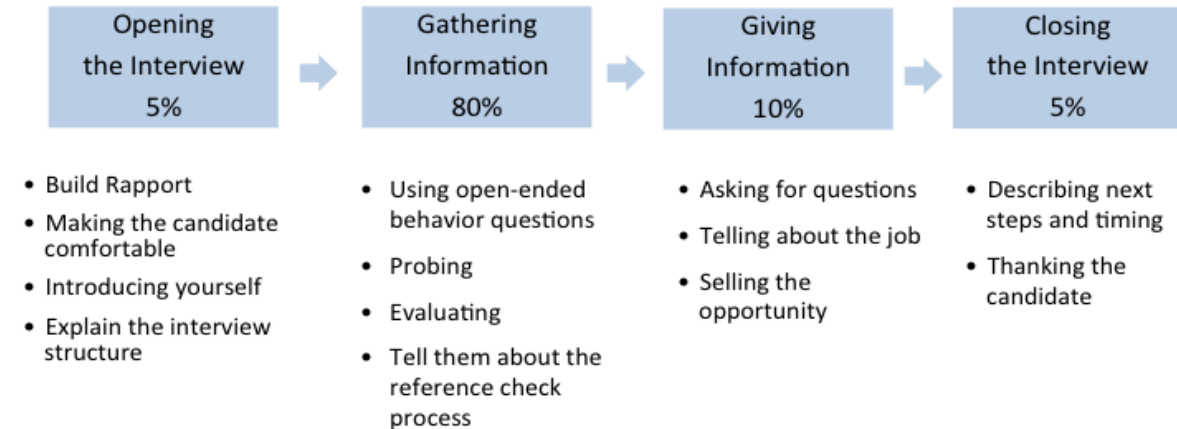
During the interview:

During the interview create a welcoming environment for the candidate. Avoid questions that are illegal or a "slippery slope" leading down a path that is inappropriate. Consider asking just a few rapport building questions. Rapport building questions to ask before the behavioral questions:

- How did you hear about this role? What made you apply?
- How does your experience meet the criteria on the job ad?
- What is your familiarity with our organization/market?



The interview structure should mirror the guide below. Too often, there is too much time spent talking by the interviewer and not enough time spent talking by the interviewee.



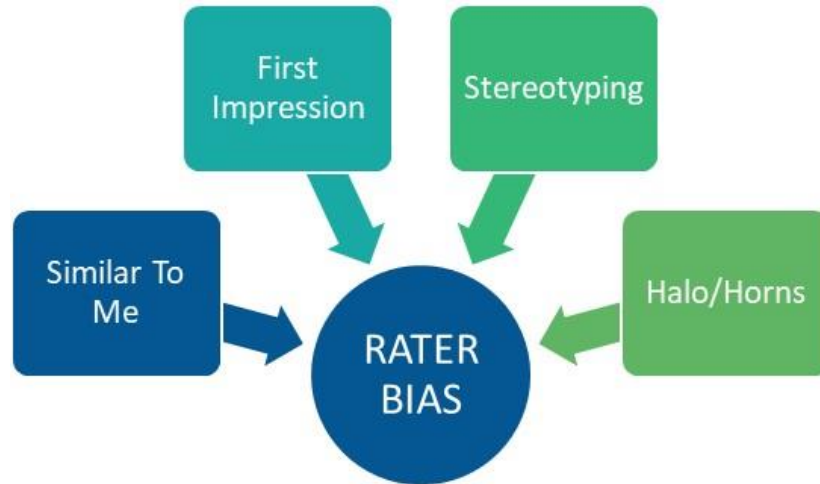
There are many questions that should always be avoided because they may reveal confidential information per the Civil Rights Act of 1964 or other federal and state laws. The bottom line is that, if it is not job related, then do not ask it! Remember that any written document can be entered as evidence in a legal situation. Also do not hug or touch the candidate in any way except to shake their hand. Sample inappropriate questions are:

- How old are you?
- What is your sexual orientation?
- Any health or medical issues?
- Any life balance issues?
- What is your faith?
- Are you pregnant?
- You look like you struggled to sit down, do you have a back problem? Or will you go lift that tire that is 35 pounds over there?

After the Interview:

Ensure that all interviews are documented and never write on the candidate's resume. It is recommended that you also keep separate job files for each position that you are hiring for.

There are several types of biases that are important to be aware of as board members are considering the candidate that will be best for the position they are hiring for. The graphic below outlines several of these rater biases.



Similar To Me

The Similar to Me effect is when hiring managers pick candidates based on characteristics or experiences that they have in common. For example, if a candidate walks into a hiring manager's office and they see a degree from the college that they also attended and they spend most of the interview discussing their college experiences. They really did not have time to talk about anything job related, but the hiring manager has a great "gut feeling" about the candidate.

Halo/Horn Effect

The halo or horn effect is when the hiring manager focuses in on one particular trait - whether it was good or bad. They ignore the rest of the interview and experience that the candidate has because of the one trait. An example is that the employee was 2 minutes late for the interview because the bus was late. The hiring manager has already made up their mind that this employee is not responsible even though the entire interview was stellar.

Stereotyping

Stereotyping is when an interviewer makes a generic opinion of a person because of a protected class. For example, if a hiring manager believes that a woman would not be interested in a construction superintendent role because he/she feels that women would not be suited for that type of role.

First Impression

First Impression bias is when a hiring manager makes a snap impression and then forms his or her opinion based on that.



Behavioral Based Interview Questions - Sorted by Competency/Skill

STRATEGY & INTELLECT
Aptitude
<ul style="list-style-type: none"> • Tell me about a time that you had to learn a new process very quickly. How did you do this? • What types of process improvements do you look for as you are trying to become more efficient in your role? Give me an example. • Tell me about a time that you were faced with a difficult problem to solve? How did you go about solving it? • What do you do to ensure quality in the work that you deliver?
Innovation and Creativity
<ul style="list-style-type: none"> • What are the best examples of your creativity in solving customer needs? • Do you consider yourself a better visionary or do-er of other's vision, and why?
Strategy
<ul style="list-style-type: none"> • In the past year, what specifically have you done to remain knowledgeable about your industry? • How do you look towards the future when planning your work and goals?
Judgment/Decision Making
<ul style="list-style-type: none"> • What is your process for making tough decisions? • Is it easy for you to make decisions or do you struggle to make them? • What are a couple of the most difficult or challenging decisions you have made in recent years?
Taking Risks
<ul style="list-style-type: none"> • What are the biggest risks you have taken? Include ones that have worked out well and not so well. • What is your comfort level with taking risk? Give an example of a time you have taken a risk.
Education and Drive
<ul style="list-style-type: none"> • How have you learned about and applied best practices in our industry? • What would your manager say about your technical expertise? • What type of seminars and trainings have you attended?
Responsibility
<ul style="list-style-type: none"> • Give an example of a time that you made a mistake AND openly admitted it. What happened? • What is the worst work-related decision you ever made? Describe what happened after you made it.



CHARACTERISTICS
Integrity and Ethics
<ul style="list-style-type: none"> • Describe a time when you were asked or tempted to compromise your integrity. What happened? • What is the most courageous action you have ever taken at work? • Who is your professional role model for ethics and integrity? Why do you look up to them?
Initiative/Self Starter
<ul style="list-style-type: none"> • What would your first month look like after you join our organization? How would you get up to speed? • Give an example of a time you were expected to go beyond what was expected for the better of the organization.
Reliable
<ul style="list-style-type: none"> • How do you stay organized? • When was the last time you missed a significant deadline? <i>(Be careful if people say they never missed a deadline)</i> • What are the kinds of things that you procrastinate on? Why? • How do you manage your inbox? How do you prioritize your time?
Stress Management
<ul style="list-style-type: none"> • What do you do when you're stressed out? • What sorts of things irritate you the most or cause you to have a bad day?
Personal Introspection and Ability to Receive Feedback
<ul style="list-style-type: none"> • How much feedback do you like to get from people you report to? • Tell me about a time that you received negative or hard to hear feedback? • How do you address your development opportunities? What are they?
Change
<ul style="list-style-type: none"> • Tell me about a time that you had to change your style at work, leadership, personal communication, etc.. • What type of change at work is most difficult to accept?
Respect
<ul style="list-style-type: none"> • Tell me about a time when you had to resolve a difference of opinion with a co-worker or supervisor. How do you feel you showed respect? • Tell me about a time when you needed to give feedback to an employee or customer with emotional or sensitive problems. How did you deliver the feedback? What was the employee's reaction?



ENGAGING WITH OTHERS
Listening
<ul style="list-style-type: none">• Please provide an example of how you have used excellent active listening skills in a workplace setting.• Hypothetically, if we were to meet with one of your team members, what would they say about your listening skills?
Customer Service
<ul style="list-style-type: none">• Give examples of your going beyond what was expected to help a customer.• What are your methods for identifying customer needs?• Tell me about the most upset or disappointed customer you have had. How did you help the customer to calm down or solve their problem?
Excellent Team Player
<ul style="list-style-type: none">• Tell me about the best team you were ever a part of. What role did you play? What made the team function so well together?• Tell me about a time you had to navigate a difficult team situation. What did you do?• How have you lifted up other struggling team members in the past?
Communication
<ul style="list-style-type: none">• Tell me about the best presentation that you have given. What was the scenario, how did you do it?• Tell me about a time that you had to communicate with someone in either a difficult situation or with someone that you did not personally like.• Give me an example of a time that you had to communicate difficult news to another person. How did you manage this?• What obstacles or difficulties have you ever faced in communicating your ideas to a manager?• Do you prefer to communicate verbally or in writing?



EXECUTIVE SKILLS - FOR LEADERSHIP POSITIONS
Developing Others
<ul style="list-style-type: none"> • How would team members you have had in recent years describe your approaches to training and developing them? • Tell me about a time that you took another employee as a mentee or were able to support them as they onboarded with the organization • How do you create a development plan for your team members?
Vision and Goals
<ul style="list-style-type: none"> • What is your process for setting goals? • What is your leadership philosophy? • Describe a time when you cast vision for a team. What was your process? • How do you share your priorities and expectations for your team?
Performance Appraisal
<ul style="list-style-type: none"> • What is your approach to performance management and giving performance feedback? Give me an example of a time you implemented it. • Give me an example of a time that an employee did not meet your set performance expectation. What did you do? • What is your method for giving negative feedback? • How do you document performance? Give me an example.
Team Building
<ul style="list-style-type: none"> • Describe the level of teamwork you have experienced in recent years, with your direct reports. • Give me an example of a time you were able to remove barriers between team members to make the team more effective. • Describe an example of the best team you have been a part of. What made it work?
Diversity & Inclusion
<ul style="list-style-type: none"> • How do you encourage diversity and inclusion on your team? • Give me an example of a time you confronted disrespectful behavior because of diversity or inclusion in the workplace. • Give me an example of a time that you advocated for diversity and inclusion. What was the outcome? • What have you done specifically on your team to ensure everyone feels included?
Team Meetings
<ul style="list-style-type: none"> • How do you ensure your team meetings are productive? • How do you connect with your team members individually on a regular basis?
Empowerment
<ul style="list-style-type: none"> • If we were to sit down and talk to your team, how would they describe your management style?



Board & Trustee DEVELOPMENT

BROUGHT TO YOU BY **MWUA**

Board & Trustee Guide

- Has anyone called you a “micromanager” in the past? If so when and why?
- Give me an example of a time you empowered a team member.



Sample Interview Guide Creation Worksheet

Position Title: _____

- Use the position job description to identify at least three competencies you want to ask questions about during the interview. What knowledge skills and abilities are truly important for this position? List the competencies in the first column below.
- Pick at least one question for each competency and write it in your Interview Guide below in Column(s) 2 and 3.

	Question 1	Question 2
Competency 1:		
Competency 2:		
Competency 3:		

Any additional favorite interview questions that have proven to be successful?



Sample Candidate Interview Template

Hiring Manager		Applicant Name	
Position		Date of Interview	
Utility Name		Type of Interview (Phone/In Person)	

How did you hear about this role? Why are you seeking this opportunity with us?

Please describe the utility/organization that you last worked in. Specifically, what was your position? Who did you report to?

How does your experience match the job ad?

Can you please provide an example of a time that you went beyond the call of duty for a customer or team member?



Competency 1:

Question:

Competency 2:

Question:

Competency 3:

Question:

Additional questions or discussion during interview.



Performance Management

The board is ultimately responsible for the performance of the superintendent. Even though the board has oversight and responsibility for the performance management of the superintendent, board members should exercise caution with micromanagement. Offering support, guidance, and governance is different than managing every move that the superintendent makes. Micro-management will often lead to resentment and frustration on the part of an employee. While it is important to inspect what is expected, also allow the superintendent to do the job they were hired to do.

As the foundation of performance management, the board should offer clear goals and priorities that are reviewed regularly. A collaborative goal identification process between the board and the superintendent will help to facilitate buy in from both sides and to ensure goals are realistic. Goals are typically set annually in alignment with the performance management process, but organizations are encouraged to review the annual goals more frequently to be sure progress is on track.

Goals vs Priorities

- Goals can also be considered outcomes, or where you want to be.
- Priorities are the who, what, and when behind those goals to ensure they are met.

Goals should be considered "SMART" Goals

SPECIFIC - Clear expectations and what is the desired outcome.

MEASURABLE - It is clear HOW the goal will be met - in numbers, etc.

ATTAINABLE - Goals can be challenging but not so far out of the range of achievement.

RELEVANT - How will these goals make a difference?

TIME BOUND - By what date must the goal be achieved?

Once goals are set, priorities can be determined:

- What tasks must the employee accomplish in order to reach the goal that was set?
- Outline the timeline for accomplishing each priority.
- What resources will the employee need, if any, to accomplish their goals?
- When will performance be reviewed again?

Measuring Performance

Performance should be reviewed formally by the board at least annually, however performance conversations should happen throughout the year. Traditional appraisals can be used, but 360 processes where feedback is obtained from a variety of sources, can be particularly helpful. A 360 evaluation is a performance appraisal



technique that allows employees to receive feedback from not only the board but also employees, peers, second level managers, customers, and others.

360 evaluations can be done either electronically or on paper. Having deep feedback from multiple sources will give a well-rounded perspective of the superintendent's performance.

Performance Gap

If a performance gap is identified, either throughout the year or during the annual performance appraisal, be clear and up front with the superintendent about the performance issue. In these interactions it is key to act in sincerity, communicate face to face, and create a safe atmosphere. It should be very clear what the objectives are moving forward and the accountability that must take place.

Board members must ensure that all performance appraisals and conversations are documented. These performance documents are often entered into a court of law. It is recommended that the board engage with its attorney to navigate performance gaps. Due to the Maine Freedom of Access law, these performance discussions may occur in an executive session.

Discussing Performance - FIRR Technique

When the board is having a tough performance conversation with the superintendent, the FIRR technique may be a helpful tool for outlining the conversation.

The FIRR technique is a strategy that makes having tough performance conversations easier and removes the emotion from the equation. It breaks down the issue or gap into a structure that makes it easier to explain.

F: Fact

- Describe the gap between what you expected and what happened.
- The facts must be observable and specific.

I: Impact

- Tell how the "fact" impacts board/team/community.
- The impact could be fact, emotional, or both.

R: Respect

- Convey their importance. Empower them to change. Boost their confidence.

R: Request

- Start with "We would like..."
- Must be: Measurable, Specific, Realistic.
- Finish with some form of "Can you agree to this?" Get their buy in.



The FIRR model can be used in an ongoing coaching and performance discipline. However, if performance has continued to suffer, action must be taken to move to the next step in the process of performance management.

The next step considered might be a performance improvement plan (PIP). A PIP is a more formal process that will allow the board to modify and evaluate struggling performance. PIPs last for a set period, typically 30-90 days, but 30 days is the minimum length. PIPs can be extended if performance needs to be further evaluated and employees on a PIP may still be terminated for cause.

This proven concept allows the open dialogue to be present and will allow the board and superintendent to partner together to work towards success. However, if a contract exists for the superintendent's employment, the PIP must be acceptable per the contract. This is a situation where it is good to involve an attorney.

Several performance improvement plan documents are included on the following pages.



Performance Feedback Quick Reference Guide

BEFORE	Facts	What to say
	<ul style="list-style-type: none"> • Step back from the situation • Review your documentation • Identify the gap • Schedule a private meeting 	<p>"I noticed that you did not review the various RFPs that were submitted for a project on the deadline that we had established."</p>
DURING	Impact	What to say
	<ul style="list-style-type: none"> • Get straight to the point • Describe the issue or concern clearly and confidently • Explain how the issue or concern impacts you/team/company • The impact could be fact, emotional or both 	<p>"Since this deadline has been missed, the construction is going to be delayed and we may miss the construction window that we have to complete the project."</p>
	Respect	What to say
	<ul style="list-style-type: none"> • Ask open-ended questions to better understand their perspective • Listen actively • Acknowledge emotion: empathize • Restate, rephrase, paraphrase, and summarize • Convey their importance • Empower them to change 	<p>"You are the leader of this organization, and your leadership is critical to its success. Your work directly impacts our ability to provide clean and safe water to our community."</p> <p>"So, what I hear you saying is that you are feeling overwhelmed with responsibility and were unable to complete the RFP review?"</p>
AFTER	Request	What to say
	<ul style="list-style-type: none"> • Start with "I would like..." • Ask them for a solution • Reach agreement • Clarify measurable deadlines/expectations • Be firm • Build trust 	<p>"In the future, if you can see that you are overwhelmed, inform us with as much advanced notice as possible. Also, please engage with and empower your team to enable them to help you."</p> <p>"How might you manage your workload or team to ensure no future deadlines are missed?"</p> <p>"Do you agree to this?"</p>
	<ul style="list-style-type: none"> • Document the meeting and agreements • Email employee summarizing expectations • Follow-up and recognize improvement 	<p>"Thank you for attending the meeting. How did it go?"</p>



Sample Performance Improvement Plan (PIP) Initiation Letter

(Date)

(Employee Name)

Dear *(Employee Name)*:

As we have discussed previously, your performance *(during the period...3mos, 6mos, year)* was unsatisfactory. Specifically, you *(quick description of performance deficiencies i.e. failed to deliver...did not exercise...failed to demonstrate...etc.)*

Based on our conversation *(earlier today/yesterday)*, effective immediately you will be placed on a performance improvement plan. The goal of this plan is to bring your performance to a level that is fully satisfactory. The key measurements of the plan are set forth on the attached document and include:

(List expectations of performance, timeliness quality, customer service, etc....with clear milestones. Where appropriate, also list interpersonal skills that must be improved. Use the PIP form to provide more specific details about what improvement is required/actions required and target dates. It is critical that you meet with the employee at each stated milestone to deliver feedback regarding the milestone- if they are meeting your expectations or not)

The duration of the performance improvement plan will be *(30 days, 60 days, or 90 days)*. We will have *(weekly, bi-weekly, other)* reviews to measure your progress on this plan. At each of these reviews, you will be expected to provide an overview of your progress on each element of the plan. The scheduled dates for these reviews will be *(list dates)*

The completion date for this plan is *(date)*, at which time I will assess your progress in meeting the objectives of the plan and make a final determination as to what further action, if any, is appropriate. If you are successful in meeting the goals and objectives of the plan, you will be expected to sustain that level of satisfactory performance in the future. If you fail to do so, you may be subject to immediate termination based on your performance.

Moreover, the *(30 days, 60 days, or 90 days)* period of this plan should not be considered a guarantee of employment. Should your job performance deteriorate further, or should business conditions warrant, your employment may be terminated prior to the expiration of the *(30 days, 60 days, or 90 days)* PIP period.

(Employee first name), please feel free to call on me if you have further questions about what is required of you in connection with the plan or if there is anything I can do help you succeed.

Sincerely,

(Manager/Leader name)



Performance Improvement Plan Template

<i>Performance Improvement Plan</i>			
Improvement/ Development Needed	Action Steps	Target Date	Progress Reviews
What specific improvements or development needs have been identified?	What improvements or development actions are to be taken and by whom? What other support is needed?	When should each action be completed?	How often to meet?
1.			<i>Once per week (minimum)</i>
2.			
3.			
4.			

Employee Name

Date

Board Chair

Date



Sample Performance Improvement Plan Success Letter

(Date)

(Employee Name)

Dear *(Employee Name)*:

On *(month/day/year)*, you were placed on a performance improvement plan to address performance issues that were identified *(in your performance appraisal, by me, by your customers, etc.)*. The completion date of the plan was *(month/day/year)*. I have reviewed your performance under the plan and have determined that you have successfully met the objectives of the plan.

Although you are no longer on a performance plan, you must consistently maintain the level of performance you have achieved under the plan. If you do not do so, you may be subject to immediate termination based on your performance or to being placed on another performance plan in the future.

(Board name)

(Title)

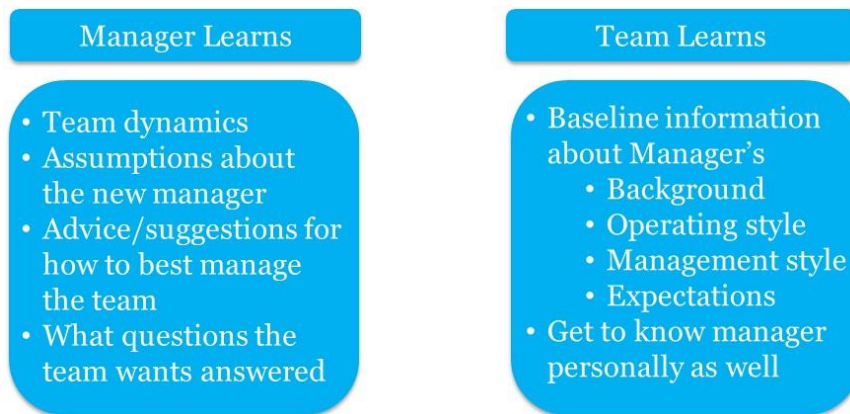


Workforce Development

Invest in your superintendent to develop them and offer them growth opportunities. Offering development opportunities is mutually beneficial for all involved and is often considered a strong retention tool.

New Manager Assimilation

A New Manager Assimilation (NMA) is a facilitated meeting which intends to aid in the rapid development of a strong positive relationship between the superintendent and their existing staff. Upon hiring a new superintendent, a New Manager Assimilation (NMA) should be held no sooner than 90 days post hire. At the 90-day mark, employees have had a chance to see the way that the superintendent works and an impactful dialogue between the two groups can occur.



The New Manager Assimilation requires several parties to attend:

- The new superintendent
- The team members that report to this person
- A facilitator (often an HR representative, but it can be another party if HR does not exist)

Prior to the New Manager Assimilation meeting, the facilitator has several roles:

- Invite the new superintendent to the meeting as well as discuss the flow of the meeting. The facilitator will answer any questions and encourage the superintendent to be open, transparent and be willing to accept feedback.
- Invite the team to the meeting (a template for this invitation is shared in the following pages).
- Reserve a private meetings space for the day.



New Manager Assimilation Meeting Structure:

1. Introduction - meeting between new superintendent, team, and facilitator.
 - a. After the introduction to the group occurs, the superintendent will leave.
2. The facilitator presents the process and the rationale for undertaking the assimilation process.
3. Then the facilitator moves into the question period, and asks the team the questions below using a method to show the answers that are being written (flip charts, projection from a computer, etc.).
 - What should the superintendent know about us as a team?
 - What do we already know about the superintendent?
 - What don't we know, but would like to know?
 - What are the critical success factors for the superintendent (what has worked well before, what hasn't...)?
 - What do we want most from our new superintendent?
 - What concerns/questions do we have about the superintendent becoming our leader?
 - What challenges will the superintendent /our team be facing?
 - What suggestions do we have for overcoming those challenges?
4. Normally the group will break for lunch or a longer period of time (minimum 1 hour). The facilitator will review the data recorded (above) with the new superintendent ensuring that the superintendent understands the points raised and partners with the superintendent to prepare for session.
 - A ground rule is that the superintendent's staff are operating from a "safe haven" and so no names are provided as to who raised a particular point, etc.
 - The facilitator may, if appropriate, suggest responses or a thought process to respond to some of the points raised.
5. The superintendent will then meet with their team to present back the responses on the same day, but a maximum of 24 hours after feedback is given. The facilitator will be present during this session too.

The meeting should have the following sort of sequence:

- The superintendent broadly presents the data provided to them by the facilitator. This validates the accuracy of points (in a non-confrontational manner) and this forms the agenda of the meeting itself.
- The superintendent then either responds to the points in sequence or may group them and respond to them in themes.



- The process works best if the superintendent assures that it is a 2-way exchange, not a monologue.
- It is suggested that the meeting should result in a set of action items, as a result of the discussions that have occurred.

New Manager Assimilation Schedule (Total time minimum 4 hours, 45 minutes)

Part	Participants	Lead	Time
Introduction	All	Facilitator superintendent	15 Minutes
Generate Feedback	HR/Team	Facilitator	1 hour, 45 minutes
Response Preparation	Facilitator superintendent	Facilitator	1 hour, 15 minutes
Response	All	superintendent	1 hour, 30 minutes



Template: Team Invitation To New Manager Assimilation

Subject: You are invited to a New Manager Assimilation!

You are invited to participate in a **New Manager Assimilation** session for **manager name** on *date* from *start time* to *end time* in the *location*.

This session is designed to reduce the time it takes for a new manager and their team to get to know each other. To get you thinking about the upcoming session, I've included a sample list questions teams often like to ask their new managers. Please take some time before our session to think about your questions for *manager name*.

We will also discuss some of the key issues and challenges that you think the team needs to address and reach some agreements about future actions. If you have any questions, please contact me.

Frequently Asked Questions

Priorities

- What are your top priorities for the team?
- What do you want the team to accomplish?

Background

- What did you do prior to becoming our team leader?
- What are a few key events in your career?
- What are your personal career goals?

Performance

- What do you expect of us?
- How will we (I) know if we are (I am) performing well?
- How will you assess our (my) performance?

Risks and Innovation

- What do you do when someone makes a mistake?
- What should we do when we make a mistake?
- Should we check with you before trying something new?

Communication

- How do you want us to communicate with you? How frequently? By what means (e.g., e-mail, meetings, cell phone, stop by your office)?
- Do you expect written status reports (paper, e-mail)?



- When do you prefer to receive information? What time of day?
- Should we make appointments to see you or just stop by?
- When, if ever, should we call you at home? (On your cell phone?)
- Are there any people or groups you would rather we not communicate with directly? Should we check with you prior to talking with someone? Who?

Decision Making

- How far down do you intend to push decision-making? Who will make decisions about X?
- When will we be involved in decisions? When do you like to involve others?
- What do you want me to do if I think you are making a mistake?
- Are your decisions “final” after you make them? Is it okay to approach you if I disagree with a decision?

Leadership Style

- How often do you want updates and information?
- How do you handle conflict between team members?
- How do you want me to respond if you become angry?
- What are your own “strengths” and “less strong” points?
- Do you have any “quirks” or idiosyncrasies that we should know about?

Individual Development Plans (IDP)

Consider creating an Individual Development Plan (IDP) for the superintendent. Find out what they consider to be their development needs and personal development goals.

A template IDP is on the following page. These IDPs can be reviewed regularly with the superintendent, either once a quarter or every six months.



Individual Development Plan (IDP) Template

Employee name:		Supervisor name:		
Date:		Proposed position:		
Leadership Competency	Development Methods	Resources	Deadline	Criteria for measuring success
<i>EXAMPLE: Confidence</i>	<i>6 months of Executive coaching. Run monthly staff meetings.</i>	<i>Cost of coaching</i>	<i>Date</i>	<i>Ability to comfortably speak in front of small and large groups. Ability to verbally state and defend position.</i>
1.				
2.				
3.				
4.				

The completion of this form does not guarantee a promotion, only the development of leadership skills and abilities needed to compete for the position.



General Public Communications

Excellent communication with the community and customers is key. Strong, consistent, and organized communication builds trust and earns support from the community for investments in the water service. Water utilities should communicate regularly through a variety of channels. This will allow the community to get to know your team and engage. Utilities can engage with their community by sharing social media posts with photos of team members in action, volunteering in the community or engaging with schools, and asking for feedback from the community.

Roles In Communication

- **Role of the Board**
 - Work with superintendent to ensure the community has notice of and access to all meetings.
 - To work with the superintendent as a resource for questions related to challenging topics and the community.
 - Governance over utility ensuring communication is happening regularly and correctly.
- **Role of the Superintendent**
 - Lead responsibility for communication with the community and related agencies, utilities, and organizations.

Larger organizations can consider selecting an employee/consultant to handle day-to-day communications.

Types of Media

There are a variety of options for communicating with the areas that are served. The type of media that should be employed can vary based on the situation. Several scenarios are listed below.

Time-sensitive information - includes water contamination, scheduled down-time/repairs notification, boil water order, etc.

- Social media - Facebook, Instagram, and Twitter. (Twitter is especially helpful as the media often finds stories on Twitter and your story can be covered by several media outlets with just one tweet)
- Email
- Website (pop-ups are best to ensure visibility)
- Press releases - local radio and local television news station
- Email signature line (see example below)
- Door to door knocking with flyers



Industry information - includes rate increases, change in leadership, planned construction etc.

- Direct mail
- Email
- Website
- Local publications (newspaper, community guides, etc.)
- Industry blogs
- Local television news station

Event information - includes local events, job fairs, facility tours, etc.

- Social media
- Website
- Local radio
- Email
- Local publications (newspaper, community guides, etc.)

Crisis Management and PR

Crisis management coordinates the mitigation preparedness, response, and recovery from emergencies and disasters.

Water utilities must provide safe and adequate service of water to their communities. In a disaster, it is important to act in a spirit of cooperation with other utilities and public works to keep roads clear. Utilities should coordinate with Maine Emergency Management Agency (MEMA) and your specific county and town. MEMA's mission is to assist organizations in their efforts to provide protection to citizens and property and increase resiliency in the face of disaster.



Maine Emergency Management Agency
800-452-8735 (toll-free, in-state only)
207-624-4400
<https://www.maine.gov/mema/home>

As a board member, ensuring that your utility has a crisis management plan or emergency response plan is key. Before a crisis can be managed, it must be determined if an incident is a crisis. This should be part of the utility's crisis management plan. Do floods, snowstorms, tornados, cyber-attacks, and/or pandemics count as crises in your utility's crisis management plan? Who is the responsible party for determining this?

As part of the crisis management plan, all systems and infrastructure must be evaluated to determine what is at risk. For example, consider areas of water service and related factors that may be affected: water that is undrinkable, an inability to communicate with customers (downed phone lines, internet inaccessible), damage to the facility, or an inability to access water lines due to closed roads.

Crisis management plans should be detailed and comprehensive and should also include public relation (PR) considerations. As board members, engaging with professionals that have a deep understanding of crisis management plans will help the utility to develop effective plans.

These plans can include press releases, guidance on what to communicate and when, and who will be in charge of using the communication. Often, this person will be the chosen spokesperson, or the Public Information Officer and they work directly with the Emergency Response Lead to relay factual and pertinent information in a timely manner to the public. We recommend accessing Maine Water Utilities Public Relations Guide for more content on Public Relations.

In addition to planning for crises and emergencies, it is critical to ensure that the system's staff are trained on the procedures and plans developed to mitigate these events. At a minimum, staff should be aware of their roles/responsibilities during crises, but a robust understanding of the entire plan is much better. Training activities can include orientation sessions, tabletop exercises, functional exercises, full scale drills, or Incident Command System (ICS) and National Incident Management System (NIMS) training.

The Maine DWP has provided resources and templates for emergency planning and training [here](#).



Conducting Successful Board Meetings

Participation in board meetings is one of the key duties of a water utility board member. Board meetings are the avenue for boards to conduct business, engage with the community, and make decisions that will impact the water service provided for the area that the utility services. Boards that are successful more than likely hold regular meetings that are well attended and well run, covering all required business. The following content covers best practices and legal requirements for public utility board meetings in Maine.

Meeting Scheduling & Attendance

To develop consistent board meetings, they should be scheduled for the same week/day during each month. Of course, there may be times that the date needs to be moved due to a holiday or other circumstances, but on a regular basis a regular date should be selected – for example the second Tuesday of every month. Reminders of meetings should be sent out to board members regardless of the date, the same time each month.

Board members should have clear expectations for attendance. It is critical that board members are committed to the organization and regularly attend board meetings. There are major implications if board meetings do not have attendance that allows them to make decisions with a legal quorum.

Meeting Public Notification

Maine public utilities are subject to a statute called Freedom of Access. This statute requires boards to adhere to several legal requirements for their meetings. If the Freedom of Access statute is not adhered to, there can be serious legal ramifications for the utility board. The Freedom of Access statute can be found at: *Maine Legislature Statutes: Title 1, Chapter 13 Subchapter 1: Freedom of Access*, [here](#).

Public notice must be given for public proceedings if they are a meeting of a body or agency that consists of 3+ people. The notice should be disseminated with ample time to allow public attendance. Notices should be posted at locations that the community would be able to view them such as newspapers, community newsletters, post offices, libraries, the utility website, utility social media, and other commonly used areas, etc.

If the meeting is an emergency, local media representatives shall be notified if practical. Notifications must include date, time, and location of the meeting. The notification must also occur using the same or faster means than those that were used to notify members of the agency conducting the public proceeding.



Public Notification and Access

Sunshine Laws are types of laws that require certain proceedings of public utilities to be open and available to the public. Water utility board meetings fall under these types of access requirements. Due to these requirements, even casual meetings or gatherings (like lunch or coffee) where a legal quorum exists, and board business is discussed can become a legal board meeting. This type of gathering is a violation of the Freedom of Access law because the public did not have access to the meeting and there was no notification of the meeting.

The public also has the right to access meeting minutes and records if requested.

Additionally, boards must adhere to the Americans with Disabilities Act of 1990 or ADA and ensure accessibility to all. It is important that the room where board meetings are held is accessible and ADA compliant. For example, if the board meeting is held on the second floor of a building and there is no elevator or ramp, this would not follow the ADA regulations. These requirements also are applicable to online accessibility through an online platform for remote meetings.

We recommend checking with legal counsel for specific requirements and to ensure compliance.

Remote Meetings

In the last few years, the need to hold remote meetings has increased. The Maine Legislature has created guidance via a statute for remote methods of participation in public proceedings - Maine Legislature S.P. 40 - L.D. 32.

Remote meetings may be held via telephone, video technology, or other means if necessary for reasonable accommodations. Meetings held solely via text/chat as the sole means of remote meeting is prohibited.

The board must adopt a written policy regarding remote participation. The policy must provide that members of the body are expected to be physically present for public proceedings except when being physically present is not practicable. There are several reasons not to be physically present: existence of an emergency, urgent issue, illness, physical condition, significant distance to travel for a public body with a statewide membership, etc. The policy adopted must provide members of the public a meaningful opportunity to attend remotely. If an opportunity for public input exists, the members of the body and the public must be given an effective way to communicate.



All documents and other materials must be made available in the same extent customary to members who attend in person if additional costs are not incurred by the public body.

Executive Sessions of the Board

An executive session is a meeting that visitors and the media are excluded from. Executive sessions are regulated under Maine Law (Title 1: General Provisions, Chapter 13, Public Records and Proceedings, Subchapter 1: Freedom of Access, Section 405 - Executive Sessions).

An executive session may be called only by a public, recorded vote of 3/5 of the members, present and voting, of such bodies or agencies. Some reasons for executive sessions include human resources related topics or hearing of complaints, topics of conversations with attorney-client privilege, property acquisition discussions, and discussions of labor contract negotiations.

Rules for Board Meetings

Rules and policies for board meetings should be written and followed at each meeting. It is also important to understand where your rules originate.

At a minimum, board rules should include:

- The procedure for scheduling meetings and notifying board members and the public,
- What items are to be included in the written agenda,
- The process for minutes and recording,
- The rules for making motions,
- Any other rules that will make doing business easier.

Meeting Management

It is important for the board chair to keep the meeting on track by bringing others that have moved off topic, back to the discussion at hand. Respecting the time of others is key in board meeting management - the time of board members and the community that is in attendance. The board chair should use the agenda to keep the meeting on track.

Agenda

The agenda covers the business to be discussed during the board meeting. The agenda should be sent to board members prior to the board meeting for review. Early preparation is key! If the meeting is via Zoom, provide dial in details or list the location if in person.



As a best practice, the more you can involve the community and customers in creating what should be on the agenda the better. Gaining input from them as to what would be helpful will create authenticity and trust in the relationship.

Suggested agenda items include:

- Call to order and proof of quorum,
- Evidence of notices of when the meeting is held,
- Read and acceptance of the previous meeting's minutes,
- Board office, committee, financial, and manager/operator reports,
- Election and voting results (if applicable),
- Unfinished business (if applicable),
- New business,
- Adjournment.

Consent Agendas

Consent agendas are a way to speed up moving through the overall agenda of a board meeting. Items that don't require additional discussion but need to be voted on, can be grouped together in the portion of a consent agenda. Approval of meeting minutes, volunteer appointments, and other items that do not require discussion can be included in consent agendas.

It is key that board members have reviewed any and all documents and attachments that are related to consent agenda items prior to the board meeting. Otherwise, items can be approved without the board fully understanding what was approved.

Legal Quorum

A Legal Quorum is the number of board members needed to pass a law, judgement, or business decision. In some situations, a legal quorum is a simple majority. In other situations, it is more than a majority. It is important for your board to know what the legal quorum is for the board. If the board is historically having issues reaching the quorum, it must review why and take steps to ensure it is reached.

Having open and honest discussions with board members is key to determine what an underlying issue is if they are unable to fully participate in board meetings. Potentially a board member may be removed involuntarily if they do not participate causing the board to not be able to reach a quorum regularly.

The board is only as strong as its members. Not only being physically/remotely present to have a quorum is key but being engaged and prepared is also critical. Side conversations and inappropriate jokes or lack of participation must be stopped to



have a fruitful board meeting. All members should be heard and allowed to speak - no one personality should dominate everyone else. Ethics should always be upheld in all aspects of the board meeting.

Committees vs Task Forces

Committees

Consistently working on ongoing areas such as finance, diversity and inclusion or recruiting new board members. These teams are normally defined in an organizations bylaws. Examples: Finance Committee, Diversity, Equity & Inclusion Committee, Governance Committee.

Task Forces

Groups that tackle a very specific project or task with a start and finish. Normally members have an area of expertise in the topic. Examples: Reviewing bylaws, customer pulse survey

Robert's Rules of Order

Many boards use "Robert's Rules of Order" to guide their board meetings. Robert's Rules offers a structure and guide for meetings of any type but is especially helpful for boards. Some boards follow Robert's Rules of Order exactly, and other boards follow it more loosely. Whether you follow Robert's Rules of Order or another set of rules for the board meeting process, you must have a defined process and follow it each time you meet.

Sample Robert's Rules of Order Content

- Presiding officer/board chair calls the meeting to order,
- Secretary reads the minutes of the previous meeting and the presiding officer asks if there are any corrections,
- Reports of officers,
- Reports of committees,
- Discussion of special orders,
- Unfinished business and general orders,
- New business.



Importance of Minutes

The minutes for a board meeting are the legal record for board actions during the board meeting. It is key that a board member is tasked with taking the minutes for the board. This person should understand that taking accurate minutes is incredibly important. Copies should be distributed to board members following the meeting, but always prior to the following meeting.

After meeting minutes are accepted and finalized, send them back out to the board.

Minutes should include:

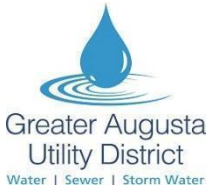
- Name of the organization,
- Call to order,
- The purpose of the meeting,
- The type of meeting,
- Time, date, and location of the meeting,
- Roll call - names of board members in attendance and names of those absent,
- Items discussed and any action that was taken,
- Precise wording of the motions made,
- Who made the motions and who seconded them,
- Count of votes associated with each board member,
- Time, date, and location of the next meeting,
- Time the meeting was adjourned,

Board Members Collaboration

In conclusion, board members should work together as a team, actively listening to one another and understanding one another's perspectives. Every member brings experience, skill sets, and knowledge. It is rare that a board will have 100% agreement in decision making every time. Even if board members are not in agreement, they must have mutual respect for one another.

Templates on following page:

- Greater Augusta Utility District Board Agenda
- General manager's Report
- Greater Augusta Utility District Board Minutes



Greater Augusta Utility District Board Agenda

Monday, May 17, 2021, 6:00 PM

Zoom meeting - remote

1. Agenda additions
2. Public comment
3. Old Business
 - a. Approve meeting minutes - **Motion 1** - pages 10 - 15
 - b. Central Maine Water Council update
 - c. Legislative committee update
 - d. Rate committee update - **Motion 2**
 - e. Project updates – pages 5 -7
 - f. General Manager’s report – pages 8 - 9
 - g. Carleton Pond watershed committee
 - h. PFOA / PFAS “forever chemicals” discussion
4. New business
 - a. Review financial statements – pages 16 -18
 - b. Review liens - **Motion 3**
 - c. Discuss Trunkline pump issue - page 19
 - d. Replace General Manager’s truck w/ electric vehicle
 - e. Public relations update - page 20 - 26
 - f. HR update
 - g. Public comment
5. Adjourn - **Motion 4**

Monday, May 31, 2021	Memorial Day	Holiday
Monday, June 21, 2021	Regular meeting	Online meeting
Monday, July 5, 2021	Independence Day	Holiday
Monday, July 19, 2021	Regular meeting	Online meeting
Monday, August 16, 2021	Regular meeting	Online meeting
Monday, September 6, 2021	Labor Day	Holiday
Monday, September 20, 2021	Regular meeting	Online meeting

Attendees:

<input type="checkbox"/>	Knight – Chair	<input type="checkbox"/>	Colwell	<input type="checkbox"/>	Sawyer	<input type="checkbox"/>	Begin
<input type="checkbox"/>	Paradis – Clerk	<input type="checkbox"/>	Hebert	<input type="checkbox"/>	Warren	<input type="checkbox"/>	Kenney
<input type="checkbox"/>	Corey – Treasurer	<input type="checkbox"/>	Munson	<input type="checkbox"/>	Luke	<input type="checkbox"/>	Tarbuck

A quorum consists of 4 voting Trustees.

Guests:

- _____
- _____
- _____

Executive sessions are described in [MRS Title 1 Section 405](#). Executive sessions may only be called by a public recorded vote of 3/5 of the members, present and voting.

Motions: Remote meetings must record all votes by roll call.

1. Agenda additions
2. Public comment
3. Old business
 - a. Approve meeting minutes - **Motion 1**

Motion 1: I move to accept the Board meeting minutes for April 26, 2021, May 5, 2021, and May 11, 2021.			
M	2nd	For	Against
Call the roll: Paradis Corey Warren Hebert Munson Sawyer Knight			

- b. Central Maine Water Council update

A letter was sent to nearby utilities to gauge interest in joining the Council. Many are interested. We will schedule a meeting soon and invite interested parties.
- c. Legislative (Hebert, Paradis, Colwell and Sawyer) committee update

The committee didn't meet. However, Charlotte, Kirsten and Brad can provide further details about this legislative session at the meeting. Topics will include PFOA / PFAS and other legislation relating to GAUD.

d. Rate committee update (Corey, Hebert, Munson) - Motion

The rate committee met on Thursday, May 6, to review the next steps required to set the drinking water and fire protection rates in motion.

There will be a bill stuffer in the July 9th bills that customers will receive to explain the new rates.

The motion below is very similar to the annual recertification of rates that you vote on every December. The language has been changed to refer to the adjusted drinking water rates. Sewer and stormwater rates are unchanged.

Motion 2: I move that we certify and approve the revised schedule of rates for drinking water service, fire protection service, sewer service and stormwater service, which has been presented to this meeting and recorded with the minutes, to go into effect on or about July 1, 2021, and continuing until such time as the schedule of rates is modified by vote of the Trustees. I further move that the Assistant Treasurer, in addition to the Treasurer, be authorized and directed to apply the schedule of rates, along with all fees and charges otherwise authorized by the District or by State statute, to all persons, entities and property receiving services from the District, and to thereafter collect the sums due from said persons and entities and to take all appropriate action related to the collection of said sums, including the preparation and filing of notices and liens and allowed by the District's Charter and State law.			
M	2nd	For	Against
Call the roll: Paradis Corey Warren Hebert Munson Sawyer Knight			

e. Project updates

Andy will provide updates regarding the District's capital improvement projects.

f. General Manager's report

Brian will provide updates not otherwise covered in this report.

g. Carleton Pond Watershed committee (Colwell, Munson, Paradis, Sawyer)

The watershed committee has not met since the February Board meeting. A RFP is being created to help determine the value of the watershed properties and the water treatment plant.

h. PFOA / PFAS "forever chemicals" discussion

We received the results of PFAS testing on the five drinking water wells used for water supply:

A conversation with KKW Water District revealed that we should conduct more testing as their data was quite variable and additional routine testing should be conducted. They also suggested a less costly laboratory. KKW has invested over \$1.9M in treatment to date with good results. Andy and Brian visited their site on May 12 to learn more.

4. New business

a. Review financial statements

Sherry will review financial statements for April, 2021 and discuss a recent customer satisfaction report from our online billing provider.

b. Review liens - **Motion 3**

There are seven liens to review.

Management recommends **waiving automatic foreclosure** for each of the properties below:

- a. 102 Northern Avenue is owned by the City of Augusta. Water has been disconnected. The lien is for \$143.69 and the total account balance is \$638.24. This is a tax foreclosed property.

- b. 20 Florence Street is owned by the City of Augusta. Water has been disconnected. The lien is for \$114.44 and the total account balance is \$677.86. This is a tax foreclosed property.
- c. 31 Westwood Road is owned by the heir of Mary Garcekon. Water has been disconnected. The lien is for \$199.04 and the total account balance is \$848.10. There is a reverse mortgage on this account held by the Federal National Mortgage Association.
- d. 44 New England Road is owned by Cody Gallagher. The lien is for \$207.28 and the total account balance is \$1,057.18. Water has been disconnected. Freedom Mortgage is the mortgage holder.
- e. 25 Patterson Street is owned by Tara McCure. The lien is for \$107.64 and the total account balance is \$711.46. The water is disconnected. No mortgage holder.
- f. 34 Fairview Avenue is owned by Erika Rodrigue. The lien is for \$197.96 and the total account balance is \$540.25. This account is in bankruptcy. Kennebec Savings Bank is the mortgage holder.
- g. 23 Greenville Street in Hallowell is owned by Amy Simoni. The lien is for \$138.68 and the total account balance is \$1,296.29. Quicken Loans is the mortgage holder.

Motion 3: I move to waive automatic foreclosure at the following locations:

- 1. 102 Northern Avenue, Augusta
- 2. 20 Florence Street, Augusta
- 3. 31 Westwood Road, Augusta
- 4. 44 New England Road, Augusta
- 5. 25 Patterson Street, Augusta
- 6. 34 Fairview Avenue, Augusta
- 7. 23 Greenville Street in Hallowell

M	2nd	For	Against
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Call the roll: Knight Paradis Corey Warren Hebert Munson Sawyer

- c. Discuss Trunkline pump issue

The so-called “Trunkline 3” pump station located on Route 202 in Winthrop was newly rebuilt a couple of years ago. It has three submersible pumps. Each of these pumps has had a catastrophic failure of the pump shaft. This is an exceedingly rare condition. We have been working with the vendor on remedies.

The Trunkline group of utilities (Winthrop Utilities District, Manchester Sanitary District and Monmouth Sanitary District) would like some sort of action beyond what has been taken to date to effect a more reliable solution for this station.

Per the letter attached to this month’s information you can get a feel for their frustration.

We will review some of the history at the meeting along with next steps toward a solution.

I think it would be appropriate to have a joint meeting of the Trunkline and GAUD boards in June.

- d. Replace General Manager’s truck w/ electric vehicle

Our mechanic has identified another pickup that will need significant work to pass state inspection next year. We believe we can sell it this year for about \$7k and avoid costs needed to pass inspection next year. This is the beginning of a shift that I’d like to make in how we manage our vehicles. Typically, we have been running them

until they get rusty, then we patch them up, then run them until they're nearly worthless. I'd like to shorten the replacement interval to about 10 years. We don't spend a lot on trucks as we buy with a significant fleet discount. For example, a Ram truck costs us about \$27k. The same truck bought off the lot stickers for the low to mid \$40k range.

Efficiency Maine has a \$12,000 municipal rebate for battery electric vehicles. The math on that works out very favorably to acquire a new electric vehicle (about \$17k after \$12k Efficiency Maine rebate) versus the 4WD Ram (\$27,386) assigned to me now. This experience will help us identify pros and cons of day to day EV use. It will also substantially reduce the amount of carbon emissions compared to the Ram.

Based on this I'm planning to proceed to acquire an electric vehicle to take advantage of the discount and maximize the value of our used truck while demand for used vehicles is high.

e. Public relations update - Meredith Strang Burgess

f. HR update - Alan Burton

Resumes for the Finance Director position have been received and interviews have been scheduled for Monday, May 17. We hope to find a qualified and compatible candidate and make a selection as soon as Friday, May 21. Sherry is planning to take July off but has offered to help on-board the new Finance Director as needed both before and after July. We will create a job description for a Staff Accountant and make plans to hire an Accounts Payable clerk.

We are reviewing other critical positions to determine our vulnerabilities and how we can minimize disruption if these positions were to separate from the District.

g. Public comment

5. Adjourn – **Motion 4**

Motion 4: I move that this body stand adjourned			
M	2nd	For	Against
Call the roll: Paradis Corey Warren Hebert Munson Sawyer Knight			

Summary of Capital Improvement Projects

17001 - Eastside Sewer Siphon - \$804,663

Status: The major permits have been submitted. This may delay the project to 2022. Design is at 95% and will be completed when we understand the permitting conditions for the work.

Scope: Replace the failed 8" cast iron siphon with new 16" HDPE pipe

Purpose: Replace failed infrastructure, then rehabilitate the existing 20" cast iron pipe.

Budget: \$300,000 permitting and engineering. Construction will likely exceed \$2 million.

Schedule: Construction anticipated August - October 2021.

19047 - Redundant River Crossing, Water Main - \$77,549

Status: This project is part of 17001.

17024 - Dewatering Improvements - \$1,932,261

Status: Wright-Pierce is 80% complete with evaluating odor control, heating, and ventilation options for the updated space. We are painting the sludge truck bay to freshen things up.

Purpose: Improve dewatering efficiency to reduce O&M and sludge disposal costs by creating drier sludge.

Budget: \$2.0 million

Schedule: Currently online.

20049 - Upgrade Wildwood Sewer Pump Station - \$131,924

Status: Construction starts this week with the placement of the wetwells, vault, pumps and piping.

Scope: Add a second wetwell with twin pumps that will allow the current station to be bypassed, with future installation of a Channel Monster (a version of the beloved Muffin Monster).

Purpose: Upgrade pumping systems. Existing pumps are failing and they are difficult to maintain. Confined space limits safe access for maintenance.

Budget: \$390,000 sewer/storm

Schedule: Q2 2021 Pending Bid Results.

20011 - East Crescent & Gage St. Sewer Upgrade - \$123,141

Status: The final service connections have been completed.

Scope: Add 400 feet of 8" PVC sewer.

Purpose: Eliminate illicit sewer discharge to the storm system.

Budget: \$105,885 sewer

Schedule: Q1 2021

19012 - Highland Avenue Water, Sewer, Storm Upgrades and Road Reconstruction - \$14,509

Status: Survey and Preliminary Design. Pending CIP budget approval for construction. The City's road design contract won't be complete until July of 2021. This project will be constructed in 2022.

Scope: Replace 1,600 feet of 12" sewer and 2,100 feet of 12" water main over two years.

Purpose: Replace aging infrastructure with City of Augusta road rebuild.

Budget: \$747,500 water, \$555,360 sewer

Schedule: Planned for Q2 2021 - Q4 2022

21005- Howard/Sturgis Street Cross Country Sewer - \$5,473

Status: We are currently bidding this project. Bids are due on 5/19/21.

Scope: Replace/Rehabilitate 400' of 8" clay sewer

Purpose: Failing sewer services and mainline in disrepair.

Budget: \$110,500

Schedule: Finish by Q4, 2021.

21020- Wastewater Treatment Facility Coating Sludge Holding Tank - \$

Status: G&G Waterproofing is scheduled to start this work this week.

Scope: Seal and recoat Sludge holding tank number 1.

Purpose: Extend the useful life of the concrete tank, 1963 vintage.

Budget: \$28,000

Schedule: Finish by Q2, 2021.

21023- Fairview Avenue Storm - \$ 1,328

Status: Design Complete. Waiting to see what the City wants to do.

Scope: Add 200 feet of 6" pipe and 2 new catch basins.

Purpose: Request from the City to resolve ponding water in the Street.

Budget: Not on Original CIP. Cost sharing with the City.

Schedule: Finish by Q3, 2021

21007- Mill Street Place Sewer Improvements - \$ 976

Status: Preliminary Design.

Scope: Replace 200 feet of clay pipe with new PVC.

Purpose: Resolved impaired sewers.

Budget: \$76,700

Schedule: Finish by Q4, 2021

General Manager's Report

- Eight people have hiring anniversaries in May:
 - Michael Morey, Engineering Services Supervisor; 32 years of service
 - Peter Godfrey, Operations Mechanic (part time); 9 years of service
 - Timothy Wade, Operations Manager; 7 years of service
 - Bruce Plourd, Utility Worker 2; 4 years of service
 - Julie Weston, Office Assistant; 4 years of service
 - Shawn Morang, Distribution Operator; 4 years of service
 - Wes (James) Pittman, Shift Operator; 2 years of service
 - Codey Bell, Utility Worker; 12 **days** of service
- Goals update
 - Q1 meetings, dates needed for the following:
 - Manchester 202 redundant pipeline (Charlotte) - Tuesday, April 20th
 - Central Maine Water Council - met on Wednesday, April 7th
 - GAUD Board / Trunkline - will schedule for May GAUD board meeting
 - The long range plan for the Trunkline is ongoing. GIS has been recently updated, UNH is completing an odor study this spring, Andy and I met with Wright-Pierce for an enhanced odor study.
 - The solar project in Brooks has been delayed until receipt of a connection estimate and timeframe from CMP. This project may not even happen in 2022 at this rate. This has been a disappointing process.
 - Finances and rate discussions are ongoing.

Years	Count	Percent
YOS >30	4	10%
YOS >20 <30	4	10%
YOS >10 <20	9	22%
YOS >0 <10	24	59%
Age	Count	Percent
Age > 60	2	5%
Age >50 <60	17	41%
Age >40 <50	10	24%
Age >30 <40	10	24%
Age >20 <30	2	5%
Age > 45	24	59%

We have 41 people that work here. Here are some demographics based on years of service and age.

The blue table shows years of service. The green table shows employees by age. The final line shows that 59% of our employees are over 45. 59% of our employees also have 10 years or less of service.

We will see some significant changes in our workforce over the next five to ten years unless we just convince people not to retire. This is a demographic we're mindful of and will take steps to reduce the risk of catastrophic knowledge loss as people move on.

- Grants
 - MMA Workers Compensation Fund provided a grant reimbursement check for \$1,866.67 to GAUD to purchase two SCBA Bottles.
 - The Drinking Water Program provided a security grant for up to \$10,000 to update video surveillance equipment at critical drinking water infrastructure.
 - Maine DEP provided "principal forgiveness" of up to \$1M for the sewer siphon project.
- We have sent in a letter of interest for a grant from the [Northern Border Regional Commission](#) to help pay for the siphon, water pipe and fiber optic conduit beneath the river. Grants from this program range from \$350k to \$1M. We don't know if any of the money flowing out of Washington DC will come to these programs directly but we want to be ready if it does. The grant application to NBRC has to be submitted by May 14, 2021.

- The UNH and UMaine capstone projects will wrap up soon. When they do we'll share their reports with you.
- The Governor released the [Maine Jobs and Recovery Plan](#) to explain how the State will spend money it will receive from recent federal funding initiatives. Of the \$1.1B earmarked for Maine, \$50M (\$4.5%) is slated for drinking water and wastewater. We have submitted applications for projects to both the DEP and DWP.

Ensure the Safety of Drinking Water: \$25M

The need for critical infrastructure improvements, such as upgrades to water treatment plants, storage reservoirs, pipe distribution systems exceeds the State's current funding capacity. Through the State Revolving Fund (SRF) and the CDC drinking water program, these funds will address significant backlog of drinking water projects and help municipalities leverage further ARP funds. These investments improve public health, provide community benefits, reduce the burden for local rate payers, and support construction jobs.

Repair Wastewater Infrastructure: \$25M

This investment will provide \$22M for municipal wastewater and infrastructure projects, help leverage local ARP funds and accelerate the timeline of these essential local projects that protect public health, provide community benefits, reduce the burden for local ratepayers, and support construction jobs. Additionally, this provides \$3M for the Small Community Grant Program, which supports septic repair and replacement projects, supporting water quality and public health for communities, water bodies, and fisheries.

- A customer emailed Andy to state that he was unhappy with how the District has been managed. He questioned the rationale of installing a new water pipe at the same time we are installing a new sewer pipe beneath the river and suggested that not installing the water pipe would save money. He also suggested sliplining the existing 20" sewer siphon and reusing the 8" while the 20" was sliplined.

We are on record as having considered all of these options and determined that the risk of having a sliplining operation fail beneath the river and compromise our ability to move wastewater reliably was not worth the risk. 45 degree bends located in the river ultimately made that option a non starter. Further, the flow might overwhelm the 8" pipe (assuming it could be fully rehabilitated) and cause sanitary sewer overflows. The cost of the river work is primarily in the permitting process so assuming at some point the 1937 vintage drinking water pipe beneath the river fails this will be a long lasting alternative. This also serves to meet our long range goals of improving drinking water system hydraulics closer to Hallowell and providing a redundant water supply to our Hospital Street drinking water pump station which relies on a single pipe now. We have had breaks on this single pipe and have come close to losing our supply to eastern Augusta (and Togus) as a result. I wanted you to know that not everyone supports this project but we do listen to criticism seriously as it may get us thinking about alternatives we haven't considered.

Monday, April 26, 2021

Greater Augusta Utility District Board Minutes

Virtual meeting using ZOOM Video Communications

Trustees present: Ken Knight, Pat Paradis, Bob Corey, Cary Colwell, Kirsten Hebert, Cecil Munson, Bradley Sawyer, Charlotte Warren and Keith Luke

Trustees absent: None

Attendees: Brian Tarbuck, Andy Begin and Sherry Kenney

Guests: Alan Burton, human resources consultant; and Meredith Strang-Burgess, Burgess Advertising & Marketing

The meeting started with a drinking water rate hearing. The regular trustee meeting started directly after the rate hearing.

Tarbuck reviewed the ground rules of the public drinking water rate hearing. Anyone from the general public was allowed to address the Board for up to three minutes. The public hearing was recorded and aired live on CTV7. Customers were advised of their right to petition the Maine Public Utilities Commission (MPUC). A notice of the public hearing was mailed to all customers and published in the local newspaper. Materials supporting the rate change were provided to the MPUC. New rates will go into effect on or about July 1, 2021.

Tarbuck opened the hearing for public comment. The first question from the public asked why the supporting documents listed the 2020 financials as unaudited and why the rate increase was needed. Corey explained that when the supporting documentation was gathered the annual audit was not yet complete. The audit has since been completed and will be presented during tonight's meeting for board approval. Knight stated that rates need to increase to keep pace with the rising cost of replacing infrastructure. The second public comment was in support of the rate increase and thanked the district for maintaining the water system.

At 18:25 Chairman Knight closed the public hearing and called the meeting to order.

Knight asked if there were any agenda additions; there were none.

Knight asked about public comment and observed none.

At 18:27 Corey moved to accept the Board meeting minutes for March 15, 2021. The motion was seconded by Sawyer. The vote to approve the motion was unanimous.

The Central Maine Water Council held a meeting on April 7th. Utilities from the surrounding area attended and showed interest to continue to meet and share ideas. The next meeting will be held on June 9th.

Legislative committee. There is no update from this committee.

Rate committee. There is no update from this committee.

Begin provided an update on projects. Major permits for the Eastside Sewer Siphon project have been submitted. Comments and questions have been received and answered. Begin hopes to have permits and bids back in time to begin construction in the narrow time window allowed by the permitting agencies. An SRF application has been submitted to fund this project.

The Dewatering Project is now in the odor control phase. Both carbon and biological systems are being evaluated. The upgrade to the Wildwood Pump Station has been put out to bid. The need has surpassed the budget by approximately \$182K. To stay within budget this project will move forward either without a building or electrical upgrades.

St. Laurent has finished construction on the East Crescent & Gage Street project. There is one more four-foot piece of pipe to install to connect the last service.

The easement from the City of Augusta for the Howard/Sturgis street project has been granted. This project will go out to bid soon.

The District and the City of Augusta will be partnering on the Fairview Avenue stormwater project. The city will be responsible for 250 feet of underdrain and the District will install a new catch basin. The District's share of the \$50k project will be around \$15K.

The preliminary design for the Gilman Street Sewer Upgrade Project is complete. The project may be expanded to include storm separation.

Knight paused the regular meeting to read a couple of questions that had been submitted for the public rate hearing. One asked if the rate increase involved maintenance and replacement of cast iron pipe, and, if so, what material will be used for replacement pipe? Tarbuck stated that generally ductile iron pipe would be used and in some cases high density polyethylene or even PVC pipe depending on the application. The next comment suggested that because natural gas lines went in a few years ago next to water lines it must be less costly to excavate water pipe. A second question was that since most pipes on the outskirts of the system aren't that old how are the predicted expenses justified? Tarbuck stated the District maintains 130 miles of pipe. Some of the pipe is 130 years old. Other pipe may be only 60 years old. Pipe is repaired or replaced based on need not age. The 60-year-old pipe may fail before the older pipe. Natural gas lines being adjacent to or sometimes crossing over pipes actually drives up the cost of maintenance and construction. Natural gas lines are only a couple feet underground whereas water pipes are six or seven feet underground. Another comment asked about the safety of asbestos pipes used for drinking water. Tarbuck stated that the pipe labeled as asbestos pipe from an image earlier in the evening's presentation was a sewer pipe, not a water pipe. The only drinking water pipe known to be made of asbestos supplies a water hydrant, no drinking water customers, and is periodically tested.

Tarbuck noted the anniversaries of four employees. Progress has been made toward the first quarter goals. A meeting was held to discuss a redundant drinking water pipeline on 202 in Manchester. The Central Maine Water Council met with surrounding area utilities. The Trunkline group will be invited to the May board meeting. Long range planning for the Trunkline is ongoing. The Brooks solar project has been delayed. CMP is still analyzing if and how many solar projects they can handle. The District is planning to hire interns again this summer. The Carleton Pond water treatment facility has been being used for law enforcement training. The District is applying for grants from the Northern Border Regional Commission and the DEP to apply towards the cost of the siphon and fiber optic conduit beneath the river. The UNH and UMaine capstone projects will be wrapped up soon. Seasonal services have been turned on. Phyllis Rand was featured on the cover of the Maine Municipal Association's March newsletter.

Carleton Pond watershed committee update. Tarbuck updated the Board about the requests for proposals for the appraisals of land and structures in Readfield and Winthrop. Tarbuck will release separate RFP's for the land and the building.

The Board reviewed the testing results relating to PFOA / PFAS chemicals, aka "forever chemicals". All five wells have been tested and fall well below the EPA's current 70 parts per trillion level. There are three different bills in front of the legislature. No one knows what the acceptable levels will be or which forever chemicals will need to be tested for. In aggregate one well tested a little high but is still under the 20 parts per million that one bill is asking for. Tarbuck suggests further monitoring of the wells and the three bills.

Hank Farrah from Runyon Kersteen Ouellette presented the District's 2020 audited financial statements. The District received an unmodified opinion and showed no material weaknesses or significant deficiencies. In 2020 cash and cash equivalents decreased significantly due to purchases of capital assets. Accounts receivable also decreased due to prior year receivables being paid. Other assets in the sewer and stormwater divisions also decreased due to the drawdown of funds for construction projects. Accounts payable for all divisions decreased significantly due to several large projects wrapping up during the year. Accrued time off increased due to a change in policy. Deferred credits are amortized over the life of the loan and will continue to decline. Capital assets increased as new acquisitions outpaced depreciation. The water division issued \$1,300,000 of new debt. All debt service payments were made in full and on time. Operating income exceeded operating expenses in all divisions in 2020.

At 19:23 Corey moved to accept the audited financial statements for calendar year 2020 as presented by Runyon Kersteen Ouellette. The motion was seconded by Munson. The vote to approve the motion was unanimous.

At 19:24 Sawyer moved to elect officers of the District as follows:

Chair: Ken Knight
Clerk: Pat Paradis
Treasurer: Bob Corey
Assistant Treasurer: Brian Tarbuck

The motion was seconded by Munson. The vote to approve the motion was unanimous.

March 2021 financials were presented. Water revenues were on budget at \$0.95M, while expenses were 5% under budget at \$0.8M. Cash at the end of March totaled \$1.4M. Revenue in the sewer division was 1% over budget at \$0.95M and expenses were 3% under budget at \$0.92M. Cash at the end of March totaled \$1.5M. Stormwater revenue was on budget at \$1.0M and expenses were at \$0.57M which was 9% under budget. Cash at the end of March totaled \$1.1M.

There were no liens for consideration by the Board.

Sherry Kenney announced that will be resigning from her position as Finance Director. Kenny stated that she has greatly enjoyed her time at the District, has learned a lot and hopefully has left the District with a better financial understanding than when she arrived. Board members thanked Kenney for her hard work and wished her well in her future endeavors.

The City of Augusta has asked the District to install a catch basin on Fairview Avenue at the cost of \$15K. A couple of years ago the board voted to annually fund \$200K for City of Augusta stormwater work. As this project is well below the \$200K, Tarbuck was authorized to proceed with the project.

A Ganneston resident recently asked to place three beehives on property that the District owns in Ganneston. Tarbuck gave the resident conditional approval but wanted to be sure the board is ok with that decision. Concerns included setting a precedent and considerations for any liability the District may have. Tarbuck believes that state statute covers the District's liability but will have the resident sign a disclaimer.

Meredith Strang-Burgess presented a public relations update. The District's home page was reviewed which included the rate hearing notice and the annual drinking water quality report. The May bill stuffer will have a QR code that will take customers directly to the water quality report. There is a new link for information about PFAS under the drinking water section. This page helps explain what PFAS is, the District's test results and links to resources to learn more.

Alan Burton gave an HR update. The District is working on COVID related issues. In 2020 the Trump administration allowed for eighty hours of paid leave for COVID related issues. This program ended on December 31, 2020. Employers were allowed to extend the program to the end of the first quarter of 2021,

which the District did. The current administration has allowed employers to extend the program until the end of 2021. The District will extend the program until June 11, 2021. This should give all employees who choose to be vaccinated time to do so. Masks must still be worn outside unless you are around other fully vaccinated employees. We are hoping this will encourage our employees to vaccinate.

Knight asked for public comment. There was none.

At 19:54 Sawyer moved that this body stand adjourned. The motion was seconded by Paradis. The vote to approve the motion was unanimous.



How To Handle Complicated Scenarios As A Board Member

There are many complicated scenarios that you will encounter as a board member. From organizations looking to purchase an unused dam from the water district to land sales, there are many challenging situations to navigate. The next sections walk through several of these situations that board members may encounter.

Interacting with Board Chair/superintendent

In a scenario where there is a sale of an asset from the utility, if the organization that is trying to purchase the asset tries to call the board chair or another trustee to discuss the sale, the trustee has a few options:

- Send the caller to the superintendent and do not get involved.
 - If it was out of the blue, board members can simply thank the caller and say that you must bring it to the other trustees in an executive session.
- Say “Thank you for your interest, we are happy to get your proposal, but I can’t talk about it.”
 - It is best to not get into a detailed conversation about the plans, etc.

Interacting with Staff and Consultants

Water utilities may receive proposals from other organizations at times. What kind of communication can the board chair have with consultants, attorneys, accountants, etc., to discuss proposals? If a board chair is given the role of gathering the information necessary to make a decision, then it may be acceptable.

Interacting with the Media

How should trustees interact with the media? If the media reaches out for comment from a trustee, the trustee can direct them to the superintendent or a designated media contact as an official spokesperson.

The media may also be directed to bring it up at the next trustee meeting in public. A trustee or superintendent can also say “any proposals must be discussed by the board” or “you may attend our board meeting on June 15th to ask the question in front of all of our members.”

What Can a Single Trustee Say?

Trustees are permitted to speak as individuals. However, trustees must avoid sharing confidential information. Trustees still have the right to talk but cannot speak on behalf of the district and may share no confidential information. Land sales, health information, employment decisions, and other areas are all confidential information.



Open Law Meetings

According to the Maine Freedom of Access law, board business must be discussed publicly. Additionally, advanced notice must be given for the meeting.

Board Member Discussions

Can the trustees of a board meet at the local coffee shop to discuss board related or utility related information? The answer is no. Email communications as a group are also not allowed. A communication is a communication no matter how it is carried out. Boards are subject to the Maine Freedom of Access and utility business must be discussed at public meetings.

There can be some confusion at times with board discussions and subcommittees. A subcommittee is a group that has been designated by the board to take action (evaluate, study, and report back). Even though the group is smaller, they have been authorized to act. The meetings of that committee are treated just like the meetings of the board itself.

Conflicts of Interest

If a trustee has a financial interest or another conflict of interest, they **MUST** disclose it and recuse themselves. A violation of this may void trustee action.

If the board sees that a trustee has a conflict, but that trustee does not agree, then the board must make a decision as to what happens next. Another trustee can raise a point of order to raise the concern.

Policies

Board members must follow the policy. Boards will be judged on whether your process was fair and how well you followed it.

Executive Session & Voting

Boards may not vote during executive session. Boards must come out of executive session because all voting must be done in public. The superintendent is allowed to stay in the executive session.

Public Input at Board Meetings

Most boards do allow the public to have input, but most limit the input. The board may detail protocols such as time limits and behavioral standards. Although the public may attend meetings, the public may not join executive sessions.



Human Resources Compliance

Human Resources Audit

From a governance perspective, understanding your utility's compliance with human resources related matters is important. Human resources compliance can be considered the building blocks of creating a successful organization from a human capital perspective. Staying in compliance will not only help your organization avoid costly fines and legal fees but will also allow you to build a foundation on which positive employee relations can be fostered.

For many utilities, this area of business may feel like a daunting task if there is not a full or part time human resources employee to bring expertise and time to manage it. Many utilities will take advantage of an HR consultant or partner to assist them. As another resource, we have included a human resources audit in this guidebook. The questions below encompass a non-exhaustive list of areas to consider when evaluating your human resources functions. Often either the human resources team will audit the department or engage with an outside human resources firm to conduct the audit.

Human Resources Organization Related Questions:

- Does an organizational chart exist, and if so when was it last updated? How will it be maintained and updated moving forward?
- Have vision, mission, and values for the organization been established? If so, when were they last updated?
- Are records kept on employee headcounts and the type of employees that are at the utility (part time, full time, supervisors, exempt, non-exempt, etc.)?
- Have job descriptions been created? If so, when were they last updated? Are they compliant with ADA and do they have bona fide occupational qualifications?
- Have job analyses been completed to ensure compliance with Fair Labor Standards Act (FLSA) requirements of overtime payment (determination if jobs are exempt or non-exempt)? Do employees know their status?
- Are employee definitions outlined? For example, what is the definition of part time employees (the maximum number of hours part time employees can work to be part-time)?
- What is the probationary period, if any?



- Does the utility use independent contractors? Is the IRS Independent Consultants/Contractor Test being used?

Talent Acquisition Related Questions:

- How did the utility get to its current size? Have you identified plans for future needs?
- Is the utility employing succession planning?
- Has the process for hiring in the organization been reviewed for legal compliance?
- How are jobs posted? Where are they posted?
- What is the evaluation process for external candidates and internal promotions?
- Do interviewers receive training for the interviewing process to ensure they are effective and legally compliant?
- Does your utility have an application? Does the application form ask if applicant needs accommodation (ADA)?
- Is the utility checking references? If so, what is the process? Do background checks occur? Ensure legal compliance with Fair Credit Reporting is adhered to.
- Does an offer letter exist?
- Has the attrition rate been reviewed? How often is it looked at? How has it changed over time?
- Have recruitment documents been reviewed to ensure compliance with EEOC laws?
- Do you drug test employees prior to starting employment?

Employee Engagement Related Questions

- Is there a new hire orientation? If so, who is responsible for new hire orientation at the utility? Has the orientation been reviewed for accuracy and current content? Is it effective?
- How do employees ask questions when they need help?
- What type of formal training exists? For managers and non-managers?



- How do you learn the satisfaction level of employees within your organization?
- Does the superintendent have a method for receiving open feedback from their team - like a town hall or employee forum?

Documentation Related Questions:

- Does the organization have an employee handbook? What date was it last updated?
- Who manages the employee personnel files? Where are they located and are they in a locked file cabinet?
- Are personnel files current and only contain documents that should be inside them?
- Is there a written policy about employee file access?
- Who manages I-9 forms and where are they located? Has there been an audit to determine if the I-9s are correct and up to date? If there are any employees with documents that expire (visas, etc.) what is the process for ensuring they are updated when necessary?
- Is e-verify used for employees coming on board?
- Are employee changes recorded via an HR system or paper system?
- How long are files held after termination? Where are they kept?
- What is the interaction between HR and accounting? Is a payroll service used?
- Does a retirement savings account plan exist? If so, has the plan been reviewed for compliance?
- What kind of training exists for managers and employees related to employee files and accessing them?
- How is time off managed (PTO, ADA, FMLA, personal leave)?

Compensation Related Questions:

- Is there a formal compensation program?
- How are wages set?
- How is time tracked? Is there a time clock or are time sheets used? Is there confidence that employees are being paid for all time worked?
- How frequently are jobs reevaluated or updated?



- Who is responsible for the compensation plan?
- Is pay for performance used?
- What holidays are paid and who is eligible for holiday pay?
- Describe time off policies (PTO, sick, vacation). How is time accrued?
- What are the eligibility requirements (if any) for time off?
- What happens when time off is not used? Either annually or upon termination?

Health and Welfare Benefits Related Questions:

- What type of health insurance is offered by the utility?
- Does the organization contribute towards coverage and if so at what percentage or amount?
- Are domestic partners covered? If so, how are taxes being handled?
- What are the eligibility requirements for health insurance and other benefits?
- Is an employee assistance program offered?
- Is life insurance offered?
- Are the required Annual Form 5500's or summary annual reports completed?
- Is COBRA handled internally or outsourced? Is it in compliance with regulations?

Performance Management Related Questions:

- What does the current performance appraisal system look like? Annual or semi-annual? Who manages the process?
- Does the appraisal rate employees based on competencies? Performance to goals?
- Are goals and objectives established?
- How are managers trained related to performance management?
- How are employees trained related to performance management?
- Who reviews completed appraisals prior to delivery to the employee?
- Is there a written process for corrective action and performance improvement? If so, is this process followed? If so, can steps be skipped to terminate immediately if action requires it?



- What type of absenteeism policies does your organization have? How is attendance managed?

Termination Process Related Questions:

- Is your organization an "at-will" employer? Are there any employment contracts?
- Are there written procedures for various types of termination? For cause, resignation, retirement, layoffs, job abandonment, etc.?
- Who can terminate employees? Who can approve terminations?
- Does the utility perform exit interviews?
- Is there a termination checklist to ensure all items have been collected and access has been shut off?
- Does your organization comply with Maine's final paycheck requirements - issuing a final paycheck to a terminated employee on the net regularly scheduled pay date or within 2 weeks of demand for payment?
- How are references given? Are only certain employees allowed to verify employment?
- Are releases (over 40 and under) required when severance is offered? Who has responsibility over this process? Are adverse impact analyses conducted in reductions in force?

Compliance Related Questions:

- Are all employees properly classified as exempt or non-exempt (FLSA)?
- Is there a written policy for Family Medical Leave (FMLA) and do forms exist to give to employees? Who manages your FMLA leaves?
- How are Americans with Disability Act (ADA) requests for accommodations handled? Who handles these requests?
- Are federal and state required posters up to date and posted in all locations?
- Are policies in your handbook followed?
- Is there a designated employee to handle employee investigations in a confidential manner? How are employees able to file complaints and grievances?



Board & Trustee DEVELOPMENT

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- Are employees and managers trained on harassment and anti-discrimination?
- Are employees trained on safety?
- How are safety incidents recorded and logged? How are they investigated? Is the OSHA 3000 Log posted annually if required of the organization?
- Does this organization have employment liability insurance?
- Who handles your workers' comp policy? Is there a policy and process?



Job Analysis & Job Descriptions

One of the most important aspects of the human resources process is to have up-to-date, in compliance, and accurate job descriptions. Up-to-date job descriptions act as the foundation of recruitment and interview processes, determining salary grades, conducting performance appraisals, goal setting, ADA (Americans with Disabilities Act) compliance, and wage and hour compliance. Job descriptions are the foundation of an employee's understanding of what is expected of them, and job descriptions will also outline the environment the employee is working in.

As a board member, it is important that you ensure the utility's superintendent has accurate and up to date job descriptions for the entire organization. Ideally, job descriptions should be reviewed annually or whenever a position has changed. Either a lack of job descriptions or inaccurate/out of date job descriptions can lead to significant financial exposure for the utility. The payment of overtime and wage and hour issues are governed by the Department of Labor. Organizations that have wrongly categorized jobs as being exempt from overtime, may owe significant backpay (that professional liability insurance will not cover).

Prior to creating job descriptions, a process that must occur is job analysis. A job analysis is a deep dive into each job to determine the essential functions of the job, its level of supervision/independence and whether the position is an exempt or non-exempt position:

Job analysis will identify KSA's:

- Knowledge
- Skills
- Abilities
- Exempt/Non-exempt Status

During a job analysis it is key that the position is evaluated, and not by the person who is in the position. Prior to conducting a job analysis, create a form that is used for each position to evaluate the position. We have included a sample blank job analysis form in this Guidebook.

Each employee should complete their own job analysis form based on their perspective of the role they are in. Once complete, it is best to meet with the employee to dive deeper and ask follow up questions about their role. If there are multiple employees in one role, ensure you meet with as many employees as possible. The goal is to evaluate the position, not the person. It is also recommended that interviews are completed with the person who manages that position to gain their perspective. This will allow the person completing the job analysis to



understand how much independent work the employee does and what level of decision making the position may exercise. Comparing this job to others will help to determine salary grading and compensation.

Upon the completion of the job analysis, the job description should be updated to be consistent with the job analysis. Job descriptions should be created in a standard format for the utility and should not be a laundry list of job duties. However, job descriptions should cover at a minimum:

- Job title
- FLSA status
- To what position the role reports
- Location
- Essential functions of the job
- Knowledge, skills, and abilities
- Experience/education required/preferred
- Working conditions
- Physical demands
- Leadership or supervisory duties
- Licensing requirements (if any)
- Signature page/acknowledgement of job description



Job Analysis Sample Form

Job Analysis Worksheet

Job Title		Reports To (Title)	
FLSA Status		Date Completed	

Basic Job Functions
Provide a brief summary of the purpose of this job. What is the reason this job exists?

Work Performed		
Describe in detail the duties performed. State specifically what is done and explain why and how. State the frequency of the duties performed. Frequency must add to 100%. Add additional lines as needed.		
Essential Function and How It Is Done What does success look like?	Percentage of Weekly Time	
		%
		%
		%
		%
		%

Skills Required
Please list any skills required in the performance of your position. (For example, amount of accuracy, alertness, and precision in working with described tools, methods, systems, etc.)

Career Path
To what position(s) would this position normally be promoted?



--

Independent Judgement & Discretion			
To what extent does this position exercise discretion and independent judgment?			
Never 0%	Occasionally 1-33%	Frequently 34-66%	Continuously 67-100%

Education and Training Required	
Minimum academic and technical qualifications needed for performing duties of job.	
Select	Education or Training
<input type="checkbox"/>	High School Diploma/GED
<input type="checkbox"/>	Two-year college (associate degree)
<input type="checkbox"/>	Trade or Technical School (certificate or diploma)
<input type="checkbox"/>	Four-year college (bachelor's degree)
<input type="checkbox"/>	Graduate (Master's, JD, or Ph.D.)
<input type="checkbox"/>	Water industry specific licenses
<input type="checkbox"/>	Certification (CPA, CPR, SPHR, etc.) Name of Certification(s) _____
<input type="checkbox"/>	Other

Experience Required
Minimum experience required to perform essential functions of the job.
_____ Years

Physical Demands				
Do the essential functions of the job require any of the following?				
Physical Demand	Never 0%	Occasionally 1-33%	Frequently 34-66%	Continuously 67-100%
Sitting				
Standing				
Walking				
Stooping				
Climbing				



Board & Trustee DEVELOPMENT

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Kneeling				
Lifting				
Carrying				
Reaching				
Pushing				
Pulling				
Keyboard				
Manual dexterity				
Vision				
Hearing				
Speaking				
Specific Lifting Requirements: ___ Less than 10lbs ___ 11-25lbs ___ 26-50lbs ___ 50lbs+				

Cognitive or Mental Requirements			
Do the essential functions of the job require any of the following on a daily basis?			
Requirement	Yes	No	Comments
Reading			
Writing			
Mathematics			
Analyzing metrics			
Creating methodologies for accomplishing a goal			
Implementing recommendations by coordinating people & resources			
Developing procedures or strategies based on data analysis or experience			
Directing activities of others to accomplish a goal			
Evaluating employee performance			



Working Environment			
Where are the essential functions of the job carried out? (Check all that apply)			
Location	< 50%	> 50%	Comments
Indoor			
Outdoors			
At a desk			
In a car			
Extreme heat			
Extreme cold			
Are there any conditions that are not standard to an office environment?			

Leaders Only

Supervisory Reach	
To what extent does this position supervise, direct, or have responsibility for the work of other? List the titles of jobs supervised and the count of employees supervised.	
Titles of Employees Supervised	Number Supervised

Supervisory Responsibilities			
Please check those activities that are part of this position's supervisory responsibilities:			
	Responsibility		Responsibility
<input type="checkbox"/>	Hiring	<input type="checkbox"/>	Employee discipline
<input type="checkbox"/>	Termination	<input type="checkbox"/>	Scheduling
<input type="checkbox"/>	Promotion	<input type="checkbox"/>	Directing team
<input type="checkbox"/>	Training	<input type="checkbox"/>	Merit increase
<input type="checkbox"/>	Budgeting	<input type="checkbox"/>	Employee development
<input type="checkbox"/>	Performance appraisal	<input type="checkbox"/>	Other:

[Sample General Manager Job Description](#)

Job Description



Job Title: General Manager
Reports To: Board of Trustees
FLSA Status: Exempt
Union Status: Non-Union
Pay Grade: Employment Contract
Revision:

General Summary:

Under the general direction of the District's Board of Trustees, performs all services and duties as provided by the District's charter and applicable regulations and assumes full responsibility for the operation and management of the District.

Employee of this class is responsible for organizing, directing and coordinating the overall operation of the District subject to review by the Board of Trustees. Responsibilities include the development and administration of the District's work program and budget; identification and monitoring of District needs and activities; the direct supervision of department heads; contract negotiations; implementation of personnel policies and procedures. The General Manager shall act in such capacity as the Board of Trustees may direct on matters of policy and other issues facing the District. The General Manager is charged with maintaining sound positive public relations and responsive customer service between the District and the citizens/communities it serves. The General Manager is also responsible for acting as liaison with other governmental agencies, boards, and commissioners.

Essential Job Functions:

- Oversees the operation and management of the District, including the supervision and control of all of the District's property, administrative activities, personnel, business, and operations.
- Implements policies and directives set by the Board of Trustees.
- Oversees and delegates responsibility for the operation, maintenance, inspection, and repair of water and sanitary systems, storm drains, the maintenance, operation, and repair of pump stations, the operation and performance of the Wastewater Treatment Plant, and the Inter-Community Trunk-line.
- Directs and participates in the development and implementation of goals, objectives, policies, and procedures for the District.
- Directs, monitors, and evaluates the performance of department heads.



- Works closely with project representatives in the oversight of all aspects of the day-to-day management of construction projects; monitors and coordinates work performed by architectural, engineering, and construction firms.
- Oversees preparation of periodic reports pertaining to District operations for the Board of Trustees, Inter-Community Trunk-line, regulatory agencies and the Industrial Pretreatment Program.
- Directs the District's personnel policies and procedures including recruitment and hiring, performance evaluations, promotions, salary recommendations, transfers, and terminations.
- Oversees preparation and implementation of the annual budget, long range financial planning, and capital improvement programs.
- Ensures District compliance with state laws, local ordinances, EPA regulations, DEP regulations and permits, and the Maine Drinking Water Program.
- Represents the District at national, state, and local meetings/conferences to keep abreast of changing industry regulations and modes of operations.
- Serves as the contracting official for all District activities requiring an outside contractor or consultant.
- Represents the District with the communities served by the District and with other entities and organizations at the local, regional, state, and federal government levels.
- Serves as communication and relationship manager for the District to ensure that the work and services we provide are understood by all stakeholder groups.
- Maintains an effective public relations and responsive customer service posture between the District, the citizens/communities it serves, the press, and the industries.
- Attends meetings of the Board of Trustees, prepares agendas, and provides supporting documents and information pertinent to agenda items.
- Oversees District safety program to ensure adherence and enforcement of stated safety policies and procedures.
- Performs related work as required.

Knowledge/Skills/Abilities Required:



- Keen knowledge of water and wastewater related issues, including water supply and water quality, with a thorough understanding of local, regional, state, and federal water and wastewater issues.
- Knowledge of infrastructure planning and financing, water and wastewater systems design and construction.
- Working knowledge of the municipal, state, and federal laws and regulations affecting the operation of a wastewater and water utility.
- Working knowledge of principles of personnel administration, including collective bargaining.
- Knowledge of the processes and equipment involved in water and wastewater treatment.
- Strong management skills in organization, operations analysis, financial management, budgeting, personnel, planning, and negotiations.
- Ability to communicate effectively, orally and in writing, with the ability to clearly explain complex issues.
- Ability to maintain positive internal relations with staff and the Board of Trustees and to direct, supervise, and motivate staff.
- Ability to be discerning and politically adept in working with a variety of organizations in both the public and private sectors.
- Ability to build and foster cooperative working relationships with local, regional, state, and federal agencies.
- Ability to organize and use time effectively, be creative, and analytical.
- Ability to read, listen, understand, and follow written or verbal instruction.
- Ability to identify common occupational hazards and utilize safe work practices.

Supervisory Responsibilities:

Direct supervision for the Assistant General Manager and delegated supervision for all other personnel that carry out the essential functions of the District.

Experience and Training Required:

Bachelor's degree in public administration, business administration or related field and minimum of eight (8) years' experience in the administration and operation of a public utility or similar operation.

Demonstrative commitment to annual professional development and training.



Licensing/Certification Requirements:

Possession of Class C Maine driver's license.

Working Conditions/Physical Demands:

Work is primarily performed in an indoor office setting. Will require occasional site inspections, usually outside in noisy, dusty areas, including confined spaces. May be required to work in inclement weather. While performing the duties of this job, the incumbent must regularly talk, hear, and see when communicating with the public and employees.

Requires moderate physical activity requiring ability to frequently sit, stand, walk, bend, pull, push, reach, and occasional lifting of objects weighing over 50 lbs. Mobility to work around field construction sites, climb ladders, and view surface construction improvements and facilities for inspection.

The above statements are intended to describe the general nature and level of work being performed by people assigned to do this job. The above is not intended to be an exhaustive list of all responsibilities and duties required.

*External and internal applicants, as well as position incumbents who become disabled, must be able to perform the essential job functions (as listed) either unaided or with the assistance of a reasonable accommodation to be determined by management on a case-by-case basis.

Employee Signature

Date

Supervisor Signature

Date



Personnel File Checklist - Compliance

All organizations should have employee files, whether they are hard copies or electronic. If your organization has hard copy files, they should be in a locked cabinet/office for security purposes.

Your employee handbook should outline who has access to employee files. The Maine State Legislature statute 26 Me. Rev. Stat. Ann. 631 requires that employers, with written request, must provide employees or former employees the opportunity to review and/or copy their employee personnel file. Additionally, employees or former employees may receive one copy of their entire personnel file at no cost. Any other time it is requested, employees or former employees must pay the cost of the copying.

Personnel File Contents

- Offer Letter
- Employment Application
- Job Description
- All New Hire Package Forms
- Employee Handbook Acknowledgement or Other Acknowledgements
- Applicable Status Change Forms
- Pay and Compensation Information (Bonus letter, Promotion/Merit Letter, etc.)
- Education or Training Records
- Memos or Letters Directed at Employee
- Employee Performance Documents
 - Annual Performance Appraisal
 - Performance Improvement Plan
 - Verbal Warning Documentation
 - Written Warning Documentation
- Employee Recognition Programs (Letters or Awards for Strong Performance)
- Documents regarding termination of employment (Must be kept for 7 years post termination)
 - Termination Checklist
 - Waivers and Severance Agreements



What Not to Include in Personnel Files

Type of Information	File Type
Medical and Insurance Records	Confidential/Medical File
Drug Test Results	Confidential/Medical File
Claims for Workers Comp	Confidential/Medical File
Documents Related to Leaves, ADA	Confidential/Medical File
Child Support or Wage Garnishment Orders	Payroll File
Requests for Verification of Employment or Payroll Information	Payroll File
W4	Payroll File
Invitation to Self-Identify Disability or Veteran Status	Separate EEO File (e-file with PW protection)
US Citizenship and Immigration Services or I9 and Supporting Documentation	I9 Binder/Folder
Safety Training Records	OSHA/Safety File
Documentation Created in Anticipation or Preparation for Litigation	Investigation/Case File
Confidential, Privileged Information Documenting Employee Performance	Investigation/Case File
Personal Observations or Notes of an Informational Nature	Investigation/Case File
Background Check or Reference Check Information	Job Requisition File



Key Employment & Labor Laws

There are many federal and Maine state employment laws that board members should be familiar with. In this guide we will cover key aspects of these major employment laws.

As a board member, your one employee is the utility superintendent. However it is critical from a governance and compliance perspective that all employees adhere to the requirements of employment laws. This tone is set at the top and must be the expectation. From training to policies, employment law compliance must be incorporated into the organization's culture.

Equal Employment Opportunity Commission (EEOC) Laws

There are several laws that fall under the governance of the Equal Employment Opportunity Commission (EEOC) including:

Title VII of the Civil Rights Act of 1964 & Civil Rights Act of 1991

- Protects against unfair treatment or discrimination because of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age, disability, or genetic information.
- Protects against harassment by managers, co-workers, or others in the workplace, because of race, color, religion, sex (including pregnancy), national origin, age (40+), disability, or genetic information.
- Protects against retaliation because the employee complained about job discrimination or assisted with a job discrimination investigation or lawsuit.
- Allows victims of intentional discrimination to obtain monetary damages.
- Not only protects hiring/termination decisions but also the work environment (i.e.: promotions, job assignments, training, benefits).
- *Maine also has a law called The Maine Human Rights Act which adds additional protections including age (all ages are protected) and other categories in certain contexts.

All complaints of harassment, discrimination and unfair treatment must be taken seriously and investigated. As board members, your superintendent should have ultimate responsibility for this. Complaints should not be laughed off or ignored. Additionally, employees who file complaints OR who assist in an investigation may not be retaliated against.

Retaliation occurs when employees are impacted negatively after filing a complaint or participating in an investigation. Examples might be a negative performance appraisal after receiving only stellar reviews, in the same year that a harassment



claim was filed. The challenging aspect of retaliation is that perception is reality. Even if the negative review had nothing to do with the harassment claim, the perception is questionable and requires further investigation.

Boards may consider asking to receive updates on any active and ongoing employment investigations to ensure compliance with labor laws and that retaliation is not occurring.

Guidance For superintendents When A Claim Is Filed

- Be sympathetic, it takes courage to come forward.
- Confidentiality is key! Schedule time to meet in a private space. If the conversation starts in a public area, move into an office or another area that is confidential.
- Reinforce to the employee that you will be investigating and escalating the issue.
- Document, Document, Document! Not only will taking notes help you to remember the details of what was shared, but it will also be important in case the complaint enters a court room.
- Document all steps that were taken in the investigatory process. Keep the employee up to date with where you are in the process.

Age Discrimination in Employment Act of 1967 (ADEA)

- Protects against unfair treatment, discrimination and harassment by managers, co-workers, or others in the workplace due to age (40+).
- Maine state law also offers additional protection to ALL ages under the Maine Human Rights Act.
 - Discrimination against "Gen Z" is treated the same as prejudice against "Baby Boomers."
 - Example: You can not discriminate based on someone's young age for a position. You can consider experience, but can not pass over an employee for a promotion simply because of age.
- Not only protects hiring/termination decisions but also the work environment (i.e.: promotions, job assignments, training, benefits).



Equal Pay Act of 1963 (EPA)

- Protects against sex-based wage discrimination between men and women in the same establishment who perform jobs that require substantially equal skill, effort, and responsibility under similar working conditions.
- Example: A man and woman are working in the same job. The man was brought in a year after the woman and is making \$50,000 more than the woman. This situation should be investigated to determine if there is wage discrimination.

Genetic Information Nondiscrimination Act of 2008 (GINA)

- Prohibits illegal discrimination against employees or applicants because of genetic information.
- Genetic information includes information about genetic testing, family medical history, and other genetic information.
- Example: An employee shares with their boss that their parent has a genetic condition which affects their memory and ability to work. It is hereditary and the employee had a test which indicates they may also have this condition. The boss tells the superintendent this information and says that they need to watch out for this employee and their memory. They also decide they will probably not be promoted because of this information. This situation should be investigated to determine if discrimination occurred under GINA.

Americans with Disabilities Act of 1990 (ADA)

- Protects against denial of a reasonable workplace accommodation that the employee needs because of religious beliefs or disability. ADA offers protection to employees at organizations with 15 or more employees on day one. There is no waiting period.
- ADA determined the definition of disability which is: "a qualified individual with a disability who can perform the 'essential functions' of the position with or without reasonable accommodation."
- A reasonable accommodation is a modification to a position or the environment that the employee is working in or will work in that will allow a qualified employee/applicant with a disability to perform the essential functions of the job. A reasonable accommodation may also be given to allow an applicant to participate in the interview/application process.
- The ADA is a very complicated and involved law. It protects both perceived disabilities and disabilities that employees share. We recommend partnership with the superintendent, HR, and potentially legal counsel.
- Employers are required to enter into an interactive process with the employee to determine what accommodation is requested and whether it is



reasonable for the organization. This typically involves several forms that will be completed by the employee and the physician.

- Employers are not required to give the exact requested accommodation.

Federal Family and Medical Leave Act (FMLA)

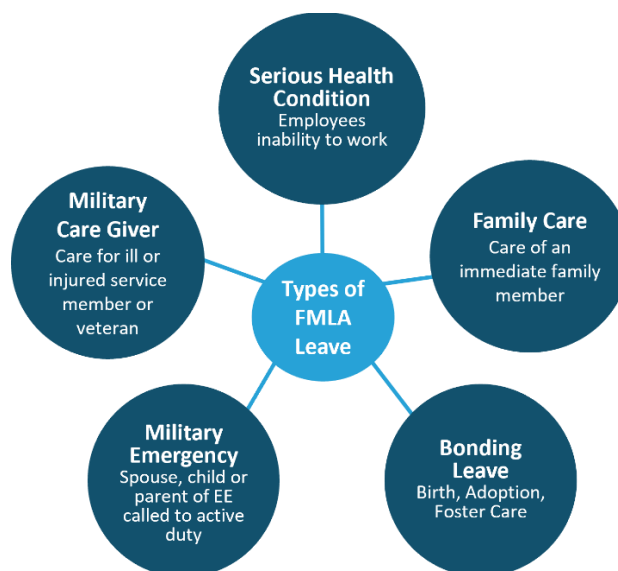
Family Medical Leave is governed by the Department of Labor (DOL) instead of the EEOC. Family Medical Leave provides:

- 12 work weeks of leave during a rolling OR calendar 12-month period to eligible employees.
- Up to 26 work weeks of military caregiver leave.
- Upon return, position is guaranteed or equivalent job (equivalent job means that they will return to a job that is basically identical to their job prior to taking leave including pay, benefits, and other employment terms and conditions (including work shift and location).
- Leave is unpaid but can run concurrently with disability pay or PTO.

Who is eligible for FMLA?

- Location must have 50+ employees within 75-mile radius.
- The employee must have worked for the organization for 12 months.
- The employee must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence.

What are the reasons employees may take FMLA?





Leave may be taken in two ways:

- Intermittent: Leave is taken sporadically – not all at one time.
 - Example: Employee’s parent suffers from an illness that requires them to drive the parent to appointments and provide care for the parent about 15 hours per week. The employee may work, but will also miss time due to the FMLA.
- Consecutive: All leave is taken at one time.
 - Consecutive Leave Example: Employee has surgery and needs to take FMLA leave to recover for six weeks. The employee does not work at all during that time.

Intermittent FMLA

- Employee takes time off intermittently
- FMLA time off is tracked and managed

Consecutive FMLA

- Employee takes time off consecutively for a single period
- No break in time off

Maine Family Medical Leave

- Maine offers state family medical leave as well. Coverage offered to employers with more than 15 employees must give eligible employees (who have worked for 12 months) up to 10 weeks off in a two-year period.
- **Maine Military Family Leave**
 - Employers with at least 15 employees must provide at least 15 days of leave, per deployment, to eligible employees who are the spouse, domestic partner, or parent of a state resident deployed for military service lasting more than 180 days.



Domestic Violence Leave in Maine

- All employers must give eligible employees who have been a victim of violence, assault, sexual assault, stalking, or domestic violence (or whose parent, spouse, or child has been a victim) reasonable and necessary leave to:
 - prepare for and attend court proceeding,
 - receive medical treatment or attend to medical treatment for a victim who is the employee's child, spouse, or parent, or
 - obtain necessary services to deal with a crisis caused by domestic violence, stalking, or sexual assault.

Workers' Compensation

- Law that protects employees who are injured at work.
- Runs concurrently with FMLA and ADA.
- Ensure you know what the process for reporting accidents looks like.
 - Size of accident does not matter.
 - Accidents that occur on the employer's premises but not in the office may be considered worker's comp.
 - Employees driving to work appointments or driving for business purposes.
- Retaliation for reporting accidents or bullying into not reporting is illegal.

Fair Labor Standard's Act (FLSA)

The FLSA regulates wage and hour compensation for employees. FLSA provides general suggestions for structuring breaks. FLSA is a federal employment law, but certain states have adopted their own statutes related to meal and rest breaks.

- Requires that most employees be paid at least the federal minimum wage for all hours worked and overtime pay at not less than 1.5 times the regular rate of pay for all hours worked over 40 hours in a workweek.
- Jobs that are not overtime eligible are classified as exempt.
- Non-exempt jobs are overtime eligible.

According to the FLSA, if a collective bargaining agreement or another agreement is in place, an employee may be allowed to work for no more than 6 consecutive hours unless the employee is given the opportunity to take at least 30 consecutive minutes of rest time. If there is a case of an emergency or crisis that causes danger to life, public health, etc, this does not apply. If the employee is unpaid as a meal break, they must be totally relieved of all duties.

Exempt jobs are not required to pay overtime.



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- An up to date job description that is based on a thorough job analysis will determine the exemption status. If in question, engaging with an attorney is recommended.
- Must be paid a minimum of \$684 weekly.
- Meet exemption criteria.
- Exempt employees that work less than 40 hours in one week, may not have their paycheck docked.



Operations and Finance

Fiscal/Fiduciary Responsibilities

A fiduciary is a person or organization that acts on behalf of another person or persons, putting their clients' interests ahead of their own, with a duty to preserve good faith and trust. Being a fiduciary thus requires being bound both legally and ethically to act in others' best interests. As a board member, you have fiduciary responsibilities to the board on which you serve.

Not being informed of fiduciary responsibilities does not relieve board members of the responsibility. Ignorance is not bliss. Board members are managing the organization's assets. Important decisions like hiring senior management and making sure audits are done are parts of the role of being a board member.

Three of the primary responsibilities of a board member include:

1. Duty of Care
 - Board members must give the same care and concern that any prudent and ordinary person would.
 - Read and understand financial reports.
 - Be involved in strategic planning.
2. Duty of Loyalty
 - Place interests in the organization above your own interest.
 - Disclose real or perceived conflicts of interest.
 - Don't use it for commercial gain.
3. Duty of Obedience
 - Board members must make sure the organization is abiding by all laws and regulations (Safe Drinking Water Act, SARA/Title III - Emergency Planning and Community Right-To-Know Act, etc.)

Board members should seek outside advice to be sure they are meeting these duties. In order to ensure adequate control, boards should have policies, guidelines and expectations in place. Policies and guidelines also help to ensure that law violations such as fraud do not occur.



Nine Tenets of Fiduciary Duty as a Board Member

The nine tenets act as a guide to help board members oversee and ensure accountability of the organization.

1. Put the interests of the organization first - above your own.
2. Do your job (as a board member). Show up, be engaged, do your best.
3. Stay focused on your mission. Do not hinder management and get too involved.
4. Provide effective oversight of your executive director or superintendent.
5. Follow the law.
6. Pay your taxes.
7. Stay informed.
8. Ask for help.
9. Ensure you have Directors & Officers (D&O) Insurance and ensure you are acting within the limits of your authority. D&O Insurance will protect board members from lawsuits over decisions made while on a board.

Board Fiduciary Tips

- **Follow the Money** - Hire the right CFO - Board oversight begins here. A trusted CFO is a critical part of the team.
- **Board Financial Oversight** - Board members should create processes that allow for thorough financial oversight including accounting, financial reporting, risk management, and audits. Ensure system receives, records, and spends funds in accordance with modern standards.
- **Internal Financial Reporting** - Ensure regular timely financial reports with budget comparisons and insist on meaningful analysis and projections. Dive deep into the reports prior to the board meetings and always ask questions.
- **External Audits** - Hire an audit firm that is the right match for your organization and has the necessary technical expertise required for the industry. Depending on the size of your organization, you may also need an internal audit committee. Pay close attention to the Board Governance Letters that come out to every board member.

Assure System Revenue Covers Operations, Debts, and Reserves

Financial Needs:

- **Operating Expenses** - Ordinary day to day expenses of running your business.
- **Capital and Financing** - Capital Expenditures and Debt Service.



- **Operating Reserve** - A commonly used reserve goal is 3-6 months' expenses. At the high end, reserves should not exceed the amount of two years' budget. At the low end, reserves should be enough to cover at least one full payroll.

Strategies for Meeting Those Needs:

- **Ensure Adequate Revenue** through regular planned rate increases. In other words, don't wait too long in between rate changes.
- **Cash Shortfall Strategy** - Resolve any shortfalls before establishing reserves.
- **Cash Forecast Strategy** - Work with financial staff and plan for regular contributions to operating reserves.
- **Investment Strategy** - Develop a plan for safely and securely investing surplus funds.

One way to judge how you are doing as an organization is benchmarking. Compare how you stand against other organizations with respect to rates (See KKW's 2022 Rate Comparison), operating expenses, debt, and other key financial ratios. Maine Water Utilities Association has been promoting benchmarking for all water districts in Maine.



Measuring Results: These statements are helpful in determining the success of the organization:

- Statement of Financial Position
- Statement of Activities
- Statement of Cash Flows
- Statement of Functional Expenses

Understanding Budgets, Performance, and Levels of Service

Measuring levels of service (LOS) is a critical aspect of utility management. Understanding the service level of the utility is also important for board members to know. It is a key aspect of decision making as a fiduciary for the organization. As a board member you may come across other parties that do not fully understand the needs of the organization. For example, you may encounter a concerned town manager that asks the utility to only update 1 mile of line instead of 2 due to budget cuts. If board members understand the reason why 2 miles of line is critical due to poor levels of service, they will be able to advocate for the utility. Deciding on how much you spend on capital is important.

How do you measure if you are doing a good job? It is best to respond with knowledge of your service levels to tell the story of how your organization is doing.

Measuring LOS is Important.

Some areas that levels of service can be measured include:

- To the extent of compliance with regulatory standards,
- Comparison of rates to the state average,
- Percentage of water main breaks compared to state or national average,
- Cost per million gallons of water treated compared to other plants,
- Debt ratio compared to the average for utilities,
- Number of employees vs other facilities of the same size while still meeting water quality treatments.

Levels of Service (LOS) are...

- Driven by regulations and customer/user demands,
- Determined by the appropriate legislative body,
- Related to funding levels.

LOS describe *how much, of what nature, and how frequently* about the service helps determine...

- When to maintain, replace, and/or rehabilitate assets,
- How much to spend on labor and resources,

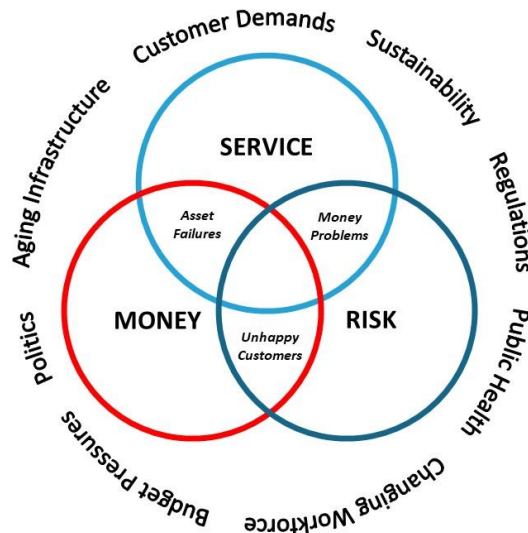


- What programs a utility does.

As with everything, levels of service are a balancing act. You have to balance risk, service, and money. LOS is a constant balance between:

- Growth/reduction of service,
- Funding,
- Regulatory requirements,
- Demands of stakeholders,
- Physical deterioration,
- Operational costs/efficiencies.

Stated levels of service will help you to understand where you should be heading in the future, and how to balance it all.



Levels of service quantify the types and levels of service customers receive including quality levels, service consistency (how many failures, leaks, etc.), types of services (online bill pay, credit card use, etc.), and performance levels associated with these levels of service.

LOS must be defined at the organizational level by customers and regulators through elected officials. LOS are linked to the cost of service and the level of acceptable risk. Levels of service should be tracked through a defined range of measures that people acknowledge and accept.



LOS determines what assets are needed, performance levels, and replacement and maintenance requirements. This is key to understanding the budget and where the money is spent.

Common Levels of Service

Quality Levels

Quality is the traditional focus of most utilities because it's regulatory driven with defined LOS. Sometimes it is not regulatory driven and can be related to taste or odor.

Examples:

- Less than 5% positive distribution coliform samples per month. Most people don't have any.
- Meeting permit conditions.
- Meet NPDES permit effluent metals and nutrient concentrations.
- Less than 2 odor complaints per month.

Service Consistency

- 10-20 pipe breaks per year per 100 miles of water mains.
- 99.98% of utility bills produced accurately.
- Average duration of an outage less than 4 hours.

Types of Service

- Provide water and wastewater services 24/7.
- Online bill payment available with credit cards - many customers demand online pay options, online chat features, etc.
- Chat and text features available to discuss with a customer service agent.

Performance

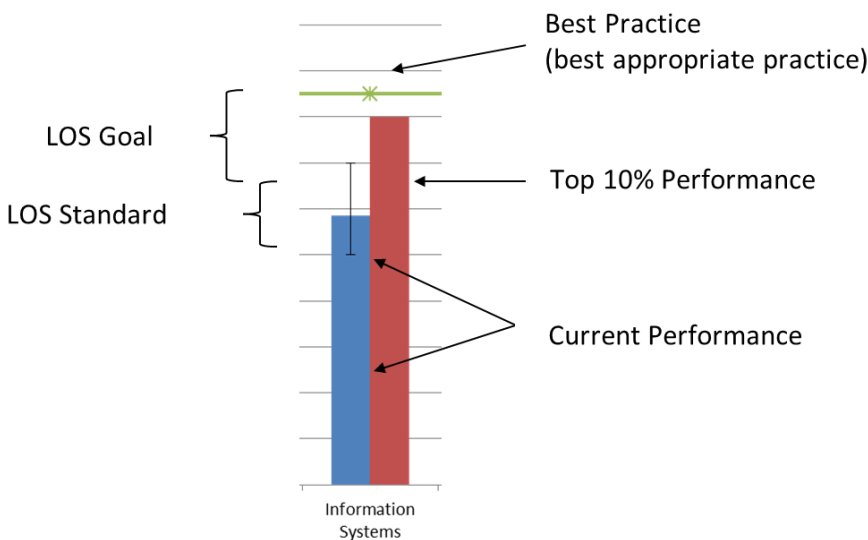
AWWA Benchmarking book can help you to benchmark.

- Maintain a staff ratio of less than one utility person per every 400 accounts.
- Maintain water rates in the bottom half of the utilities in the state.
- Staff Turnover - Maintain average staff longevity of 10.2 years.

Levels of service are very important. If you don't know what you are trying to achieve from a level of service, you won't know if you are creating value and how much you need to spend on a year-to-year basis. Levels of service are key for budgeting, planning, management, and allocating resources.



Defining current levels of service may require finding new ways to measure performance. It is essential to have good record keeping and it is also essential to implement systems for tracking results related to LOS. Tracking systems can be automated through Computerized Maintenance Management Systems (CMMS). The LOS standard is considered your minimum acceptable performance. The LOS goal is a targeted performance level. It is very important to weigh the cost vs benefit of each level of service. It will help you to know where to allocate resources and the sustainability of levels.



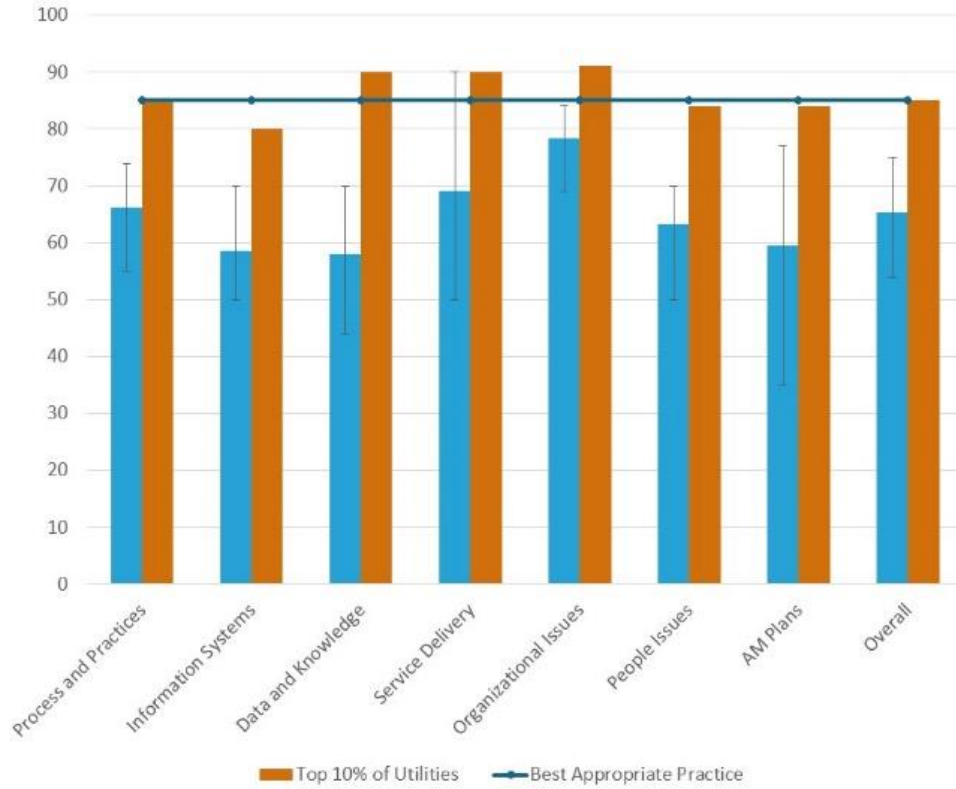
On the next page is a benchmarking sample. Benchmarking is critically important to budget formation. Looking at statistics and deciding if expectations are being met as an organization is very important.



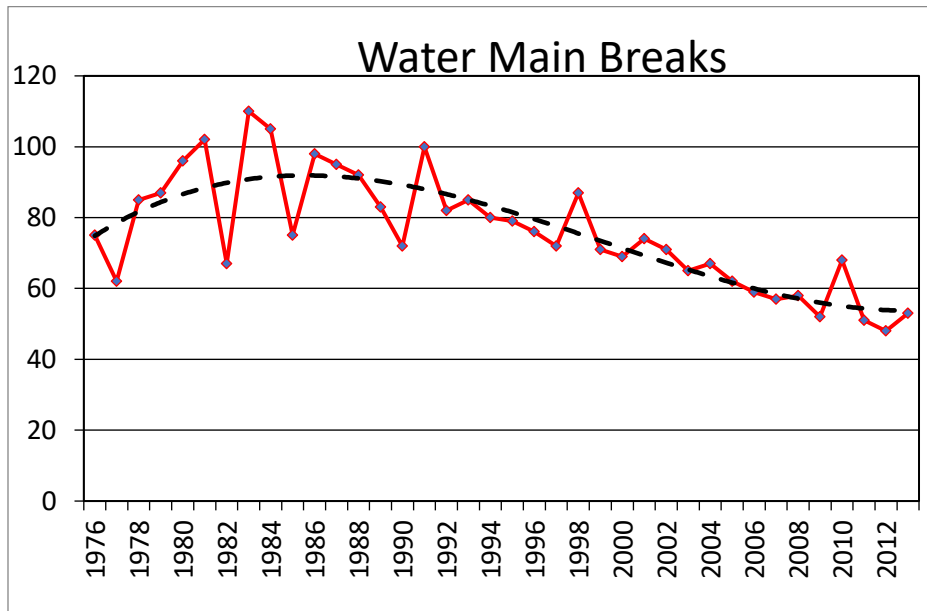
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One way to define levels of service is to use a trend line to represent average LOS in a specific area - how the utility is performing and what it costs to perform at that level.





Benchmarking Resources:

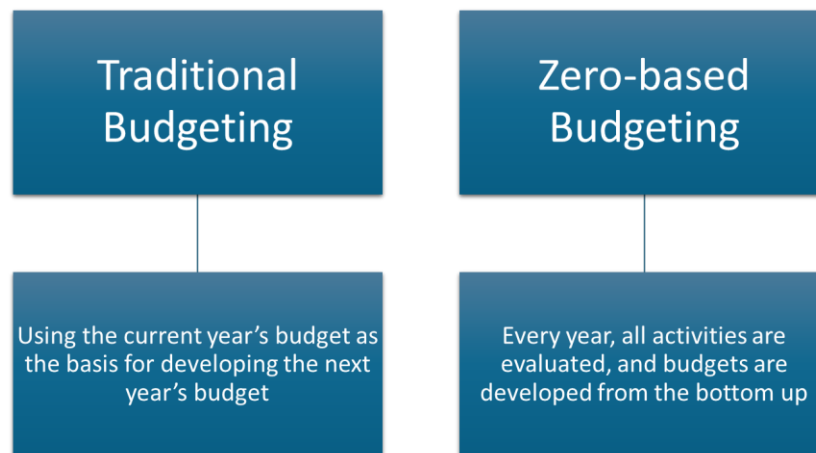
- Performance Benchmarking for Effectively Managed Water Utilities (Project 4313)
- 2021 AWWA Benchmarking Data

Input from stakeholders is also very important – go out and look at customer data, surveys, talk to members in the public asking them if they are satisfied. Ask if they feel they are getting good value from the utility. Do they understand what it takes to run the utility and where the costs are being incurred due to service?

Monitor and Refine

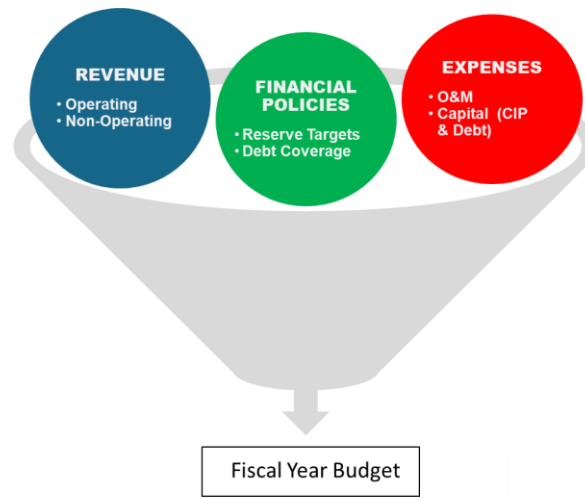
As the process of implementing levels of service continues and the utility moves on in its journey, continuous measurement is very important. As board members you should be asking the superintendent or executive director for information on how the organization is performing. Board members can ask for performance levels, cost of various LOS, and other reporting.

Budget Development



There are two prevalent approaches to budgeting in the utility industry -traditional and zero-based budgeting. A hybrid model can also be used to look back at history, but also consider how costs can be reduced going forward.

Many factors go into budget development. Operating revenue often includes revenue that comes in from rates and other operations. The expense side of the budget is divided into O&M expenses and capital expenses. Capital expenses can be yearly capital expenses where the organization is paying out of cash or debt service payments. Financial policies are also a key part of budget development.



O&M Expenses

Some O&M expenses include:

- Inflation: salary, benefits, energy, general, etc.
- Water supply portfolio changes.
- Growth.
- Non-recurring O&M expenses.
- Interdepartmental O&M expenses.

Debt vs Cash Financial Capital

One of the more challenging financial decisions as a board member is deciding how much debt is taken on. The advantages and disadvantages of taking on debt are explained below:

Advantages

- Cheaper short-term option relative to rate-funded financing.
- Provides intergenerational equity.
- Far less impactful on current ratepayers.
- Historically low interest rate environment.

Disadvantages

- More costly (in absolute dollars) in the long term, relative to rate-funded financing.
- Obligates the agency to maintain minimum revenue/liquidity levels for debt coverage requirements.



Predicting Revenue

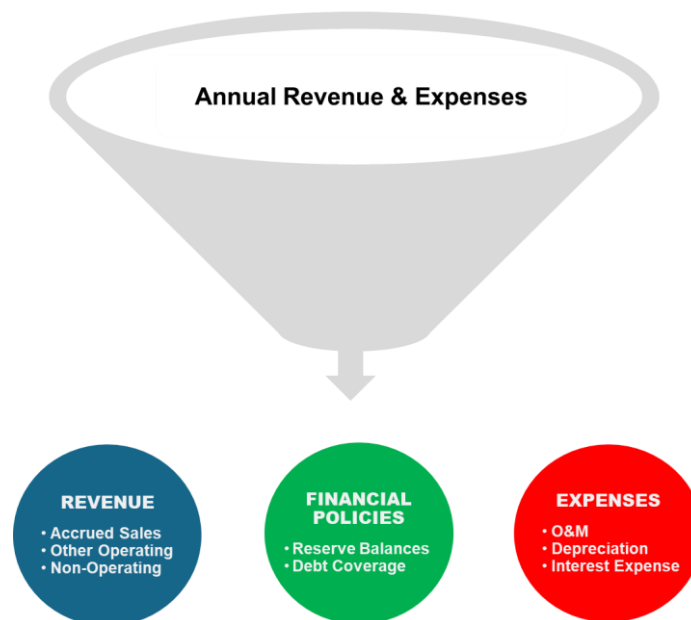
Predicting revenues is very important for developing the budget and financial forecasts of the utility. Historical data can be used as a basis for projecting future revenues, however other considerations include new accounts, nonrecurring sales/revenues, grants, rebates, weather, and price elasticity due to rate adjustments.

Financial Policies

Financial policies are very important to mitigate financial risk, rate revenue instability, and volatility in working capital. They are also important to achieve/maintain a certain credit rating and to determine the most opportune time to issue debt. Financial policies are also key to provide guidelines for sound financial management with an overall long-range perspective. Finally, financial policies will enhance financial management transparency and improve public confidence and elected officials' credibility.

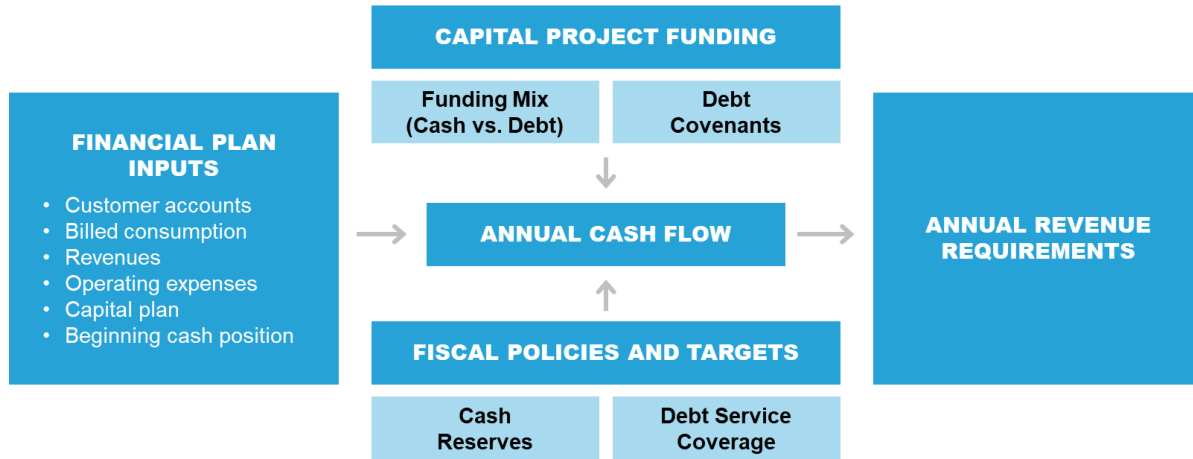
Year-end Reporting

When you get your budgets and audit documents at the end of the year, you are looking for your revenue components, expense components, and financial policies to be reflected in your year-end financial statements and they should coordinate with your budget.





FINANCIAL PLAN ELEMENTS



All of these elements impact your budget to create your revenue requirements.

Financial Health Indicators

As a board member, it is key to review and understand the financial health of the organization. Some key indicators:

- Examines the cash flow of net income (Revenues - O&M expense) vs debt service.
 - Coverage ratio target range from 1.1x to 1.5x (some organizations have these in their financial policies).
 - Some agencies target above the official statement requirements.
 - Example: 2.0X.
 - Assist in providing cash to fund either CIP projects or reserves.
- Operating reserve - results from positive cash flow.
 - Cash flow approach: Examine the timing of revenue and expense.
 - Benchmarks: % of operating expense or days of O&M (0-180 days is typical, but most common range is 90-100 days).
- CIP reserves - can award contracts quickly and speed up projects if necessary.
 - 2-3% of fixed assets or net book value; or
 - Based on years of capital projects or depreciation expense.
- Rate stabilization - do you need to have a rate stabilization fund to be used during periods of revenue shortages such as a drought?
 - Consider using probability analysis to determine reserve levels.
- Emergency - funds available in case of asset failure.
 - Critical asset replacement analysis used to set reserve level.



Audits and Monthly Statistics

As a board member, it is important to know that every utility is required to have an auditor, per PUC Chapter 610E.

“All accounts shall be audited in accordance with Chapter 710 of the Rules of the Maine Public Utilities Commission (65-407 C.M.R. 710). A copy of the auditor's report, accompanied by the audited financial statements, shall be filed with the Commission ... audit reports based on a fiscal year ending December 31 must be filed by the following July 1.”

It is important to find an audit firm that is competent, that you trust, and that asks great questions. Organizations should rotate auditors in the same firm or pick a new firm - you don't want them to get too comfortable and you don't want the organization to get too comfortable either. Getting a fresh look is key!

The control environment is the set of standards processes and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Auditors will evaluate the control environment as part of their role.

- The ultimate responsibility of the control environment **belongs to the board**.
- The auditor's job is to evaluate but they are not part of this control environment. It should be functioning fine before they get there.
- The auditor provides **reasonable** assurance that the financial statements are **free of material misstatement**.

Internal controls are the policies, procedures, and mechanisms implemented by a company to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud.

- Policies (rules)
- Procedures (nuts and bolts)
- Mechanisms (controls)

Policy Examples

- **Ethics** : Nor shall any trustee, appointed staff or employee; 1) accept any gift, favor or thing of value that may give the appearance of attempting to influence him or her in the discharge of the official duties; 2) provide in the discharge of his or her official duties, any improper favor, service, or thing or value.















- **Private Work:** Prohibits: engaging in a business transaction in which the employee may profit from his or her position or authority with the district and engaging in or accepting private employment when that private employment may tend to impair his or her independence of judgment or action in the performance of his or her duties as a district employee.
- **Disposal of Surplus Property:** The purchasing agent shall be consulted on all disposal of district property determined by the appropriate senior manager to be surplus...discarding it as he or she determines to be in the best interest of the district.

Procedures Examples

Procedures are operating practices that outline the way business is done, to protect the utility and its employees. An example is this electronic funds transfer procedure (such as weekly payroll):

- The weekly payroll process must be done by two authorized employees. One employee creates the payment file, another releases the file.
- The system setup will not allow one person to do both steps.
- For smaller districts, double sign off can be difficult. But as a control method, board members can look at expenditures each month.

Controls Documentation - Audit Request List Sample

 Audit Request List - PWD
 Control Activities - Accounts Payable
 Control Activities - Accrued Payroll & Other Liabilities
 Control Activities - AR Support, Services Fees, Revenue and Receivables
 Control Activities - Cash
 Control Activities - Entity Level
 Financial Statement
 IT General Controls
 IT Organizational Structure & Staff Roles
 Purchasing Policy Bulletin-3
 Purchasing Policy-1
 Understanding IT Controls Environment

Control Documentation Example Accounts Payable



A.DD.13 Purchases are made from approved vendors and are supported by properly authorized and approved requisitions and purchase order.

Data Gathering Invoices must be signed by two employees, typically the employee who requested the purchase or service and their Non-Union supervisor, then the invoices are sent with supporting documentation including but not limited to Pos and RFPs to Financial Services for review and approval by the appropriate employee.

Controls Review

Between 60-70% of the auditors' work is to review these controls and walk through all the steps of procedures and policies:

- First Step: Are the controls, as designed adequate?
- Second Step: Is management following the controls?
- Only after this do auditors start looking at actual financial transactions.

Auditor Test of Controls

Auditors will review if financial statements comply with Generally Accepted Accounting Principles (GAAP) and standards set by the Government Accounting Standards Board (GASB). Additionally, auditors will review financial transactions. They are looking at:

- Cash/Investments - Do they tie to account statements?
- Inventory - Does total equal detail records and was physical count done?
- Capital Assets - Are additions/retirements supported by appropriate documentation?
- Bonds - Were bond proceeds used for the intended purpose?

It is key that as a board member, you also understand the financial statements. The information you ask for monthly or quarterly is a negotiation between the board member and the district. If there is content that is not on the financial report, board members have the ability to ask for it and to ask questions.

Understanding Purchases and Proposals

Public Procurement

Procurement as a function, views themselves as a strategic partner with the agencies they serve. Procurement professionals are instrumental to the success of organizations. More and more, procurement heads are helping their organization develop and reach strategic and operational goals and find best value in their acquisitions.



Contract Law

A contract is an offer. When someone accepts it, there needs to be consideration (paying them essentially). There must also be intention (mutuality) shown to enter into a contract.

American contract law is primarily a matter of state (not federal or local) law. Federal procurement acquisition is defined by the Federal Acquisition Regulation, 48 C.F.R. (FAR). *Bix, Brian H. Contract Law (Cambridge Introductions to Philosophy and Law). Cambridge University Press.*

Public Procurement in Maine

Maine has been considered a strong “home rule” state since November 1969. Home rule states that cities and towns have the right to enact laws that are municipal in nature and that do not frustrate or run counter to a state law. The Law Library’s Maine Town Ordinances LawGuide (<https://lawguides.maineraw.maine.edu/ordinances>) compiles links for each city or town that has ordinances.

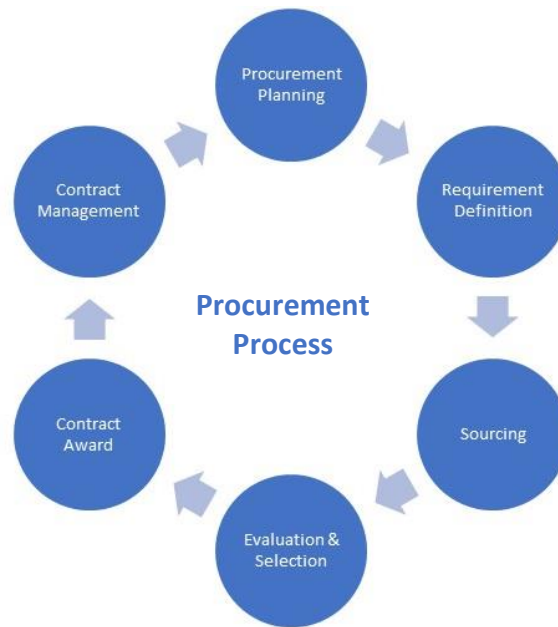
The state of Maine’s procurement activities are governed by [Title, Chapter 155: Purchases](#) and [Chapters 110 and 120](#). State Public Improvement Procurements are performed by Maine DOT or the State’s Bureau of General Services. Other political subdivisions such as cities, towns, and municipalities have their own specific procurement guidelines.

Procurement Options

Based on procurement law, there are several options for procurement officials to get a commodity or service to their agencies or departments. These options include:

- Solicitations (Request for Proposals, Request for Bid,).
- Cooperative agreement.
 - Type of agreement that has always been awarded by multiple entities. This type of agreement allows entities to engage with previous partners without having to go through the whole process. If you are working for a municipality, boards must have a resolution to say cooperative agreements are allowed.
- Sole or single source.
 - Sole source is when a board chooses one vendor out of many. This is often due to proprietary systems or unique situations.
- Piggyback.
 - Supplier says you can piggyback off of another contract to get the same price - this is much rarer.

Procurement Process



Proposal Evaluation Tips

These proposal evaluation tips are practices used at the state level but can be used generically as well. As a board member you will be looking at proposals. Some things to think about...

- If you have a conflict of interest, it must be disclosed. Discuss any conflict of interest with the RFP facilitator.
- Make sure the evaluation criteria are established in the RFP. This is a standard process.
- Review the RFP and any questions answered during the solicitation process. Having a good understanding of the RFP will help you better evaluate the proposals you are reviewing
- The RFP facilitator should indicate how are you evaluating - consensus scoring or individually.
 - Consensus scoring is when each person reviews the proposal and takes notes. Then they come back together and have to agree on a score together. This is more subjective, but can mitigate risk of protest.
- Evaluate the proposal against the evaluation criteria in the RFP - not against another proposal.
- If you are able - ask your procurement team to have the cost portion of the proposal evaluated separately to avoid bias in your proposal evaluation. (Cost is usually formulaic in nature.)



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- Best practice is not to discuss your review of proposals with anyone but the facilitator.
- A tool that can help you organize your impressions is the PNQI method (Positive, Negative, Question, Interesting).
- Check with RFP facilitator to understand any protocol for taking notes about the proposals you review. Evaluator notes are usually considered public information, so professionalism reflected in any notes you take is always the best form.

Conclusion

In conclusion, congratulations on becoming a board member of a Maine water/wastewater utility. You are embarking on an exciting journey. As you have learned through this guide, there are many responsibilities of a board member, but there are also many benefits. You are supporting the delivery of clean water to the community, which is a noble task. This guide is not a comprehensive view of everything you will experience as a board member, but we hope it is helpful as you navigate your position!



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Thank you so much to our contributors and for the content that they provided to this Board and Trustee Guide.

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