

# How to Find and Keep Great Employees? Let Your Manager Manage!

**T**his article is intended for the benefit of boards of directors of rural water districts (RWDs) and I think RWD staff will benefit also.

Small towns, which have elected officials like a mayor and city council, provide multiple services and almost always have an executive position like a city manager. RWDs however, come in two basic flavors: those without a manager and those with a manager. Transitioning from a board-managed system to a manager-managed system, especially for single-interest political subdivisions (SIPS) can be tricky. Stepping aside and allowing the manager to do his/her job and manage the employees is difficult for many boards. In this day and age, finding and keeping good employees is a huge challenge. Finding employees is hard. Keeping good employees is even harder. A good manager can be the key to this! The problem for many RWD boards that have managed without a manager for many years and finally hired or promoted an employee to be the manager is that they have a hard time transitioning to a manager-managed system. This can have a disastrous impact on the morale of the other employees and create legal problems too.

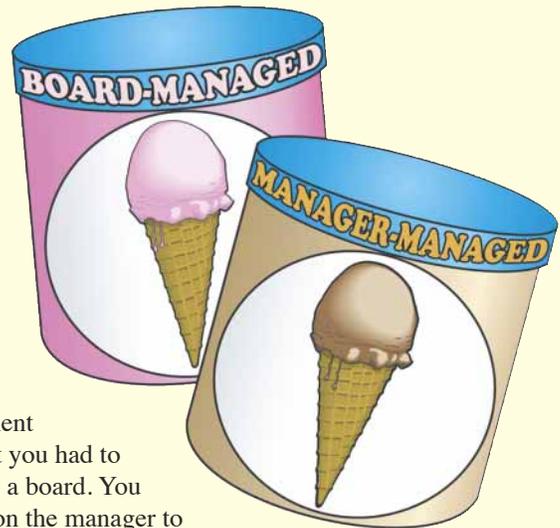
Remember, employment disputes are often the most common and costliest type of litigation. They often end up with the water district making some cash settlement to the former employee rather than litigating the case, even when the system is “in the right”. I have written other articles on employee handbooks. As you may recall, I generally do not recommend them for smaller districts because they don’t get updated and followed consistently and this in itself is a source of litigation. There is plenty of free information online about the state and federal laws that need to be followed and what information has to be posted. That is not what employee handbooks really cover anyway. If you polled small businesses with three to ten employees, they would tell you that they don’t have an employee handbook either.

As board members with day jobs, you should be thrilled to have a manager. Your manager will now handle all the

employment work that you had to handle as a board. You can rely on the manager to keep up on employment laws, do annual employee evaluations, handle hiring and firing and keep your workforce certified and trained. But will you? Will the board give up control, trust its new manager and allow him/her to do his/her job? There is a fine line between meddling and managing, and many boards fail to see that – often with disastrous consequences. The problem arises when a board doesn’t remember that the board only has one employee to manage once a manager is hired! Making the transition to a manager is the perfect time to review your board procedures with your new manager. How will you conduct your meetings? Are you following the open meetings requirements? Are you avoiding favoritism and the appearance of impropriety when you hire employees? Do you understand what it will mean to allow your new manager to handle employee issues? I have been contacted by system managers who are incredibly frustrated by the inability of their boards to “let go”. If I had to pick one

area where boards clash with their managers it would probably be over employee issues and I have seen really qualified managers quit because the board repeatedly undermined their authority to deal with employees.

Much like I have written about the ideal process for onboarding a new board member, there is a similar process that you can follow when onboarding a new manager. The very first thing to do BEFORE you hire a manager is to create a position description for the manager and really understand what duties you will be delegating. You can reach out to other water systems or the KRWA and easily get a template. The key is to recognize that the manager is now in charge of the other employees and is a layer between



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the board and employees. This is a huge culture shift, especially when a system promotes from within and makes a current employee the manager. The manager and the board should sit down together in a working session, review the position description, and make sure that everyone is clear on how employee matters will be handled. In addition, the meeting process will change too. The manager should be in charge of creating an agenda for the meeting, making sure that meeting notices are properly and legally posted and providing operational summaries to the board. He/she should also notify the board if they need to go into closed session in order to discuss employment issues.

This is a huge change! If you are a board-run system, you are accustomed to supervising all of the operational issues yourself plus managing all the employees. Here is the key – all you have to do now is manage ONE employee – your new manager and he/she will do all of that! You have created a position description for the manager and once a year you should go into closed session, without the manager present, and review his/her performance. Then when you come out of closed session, you should vote on the results of your discussion and notify the manager in open session. The only closed meeting you should have without your manager present is to discuss HIM/HER. Any other closed session needed to discuss the hiring, firing or disciplinary actions should include the manager. That alone is the single biggest challenge for boards to accept during this transition. It is especially tricky for smaller systems, where the board members have been accustomed to dealing with all the employees directly and probably do not even follow the correct open meeting rules under K.S.A 75-4317, et. seq.

Now that your RWD has a manager, as a board your job is to review and plan the budgets, review the manager's recommendations on hiring and



firing employees and focus on long-term plans. (By the way, the manager should also be the first stop for customer complaints because with a manager in place, the board needs to shift to an advisory role, not a daily operational role.) I know plenty of boards that don't really care how the monthly meeting is conducted, as long as their customers get safe drinking water and pay their bills. It doesn't always happen on purpose and it doesn't always happen overnight.

**It doesn't always happen on purpose and it doesn't always happen overnight. But some water district boards end up violating state ethics laws and open meeting laws and don't even know it.**

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## RWD Board Member Do's and Don'ts

When a water district hires a manager, the board should follow these do's and don'ts.

**DO** create a manager position description and clearly understand that the manager will handle all employee matters. (The one exception would be workplace harassment or violation of federal workplace laws. Employees should always know that they can come directly to the board under those circumstances.)

**DO** create a position description for the board itself. What will the board's "job" be now that the manager is handling day-to-day operations as well as employee matters?

**DO** review board meeting procedures and recognize that they will change with a manager. The manager will report to the board about short-term budget, water quality and production and employment issues, among other things. The board will be able to focus on long-term planning, system expansion, rate increases and recruitment of new board members.

**DON'T** deal directly with employees on day-to-day employment issues like scheduling or salary, overtime, etc. Refer them to the manager.

**DON'T** recruit new employees or have discussions with prospective employees. Refer them to the manager.

**DON'T** make decisions to go into closed meetings without reviewing them with the manager first and without including the manager in those meetings.

This list is by no means complete but it hits the highlights. A water district's employees are the system's most significant resource. Unless board members are willing to revise their operational procedures to include the new manager, then the board should seriously reconsider whether or not they really need/want one. Hiring a manager and then muddying the waters with confusing employment policies may disrupt your workforce and cause more problems than it fixes.

But some water district boards end up violating state ethics laws and open meeting laws and don't even know it. Hiring a manager is the perfect time to get all these procedural matters ironed out. Why worry about this transition and procedural stuff? If you don't, you risk alienating the manager and can cause morale problems with your other employees.

As always, I have a couple of real-life examples that illustrate these potential problems. One board member contacted me because he was upset that the board president wanted to hire a relative as a system operator over more qualified candidates. The relative had no experience and would have to be sent to training, etc. The board member was concerned about nepotism and wanted my opinion on whether or not he should ask for an anonymous ethics opinion from the Kansas Governmental Ethics Commission at [Kansas.gov](http://Kansas.gov). I explained that these requests are not anonymous and that I wasn't sure that this agency would even administer the local conflict of interest laws. However, I had assumed that this was a board-managed system and was disappointed to hear that alleged nepotism was the least of the board's problems! I was far more concerned that the board had a manager but had completely failed to allow the manager to do his job. If there was a vacancy, the manager should have created a job posting, advertised it, reviewed candidates and made a recommendation to the board. The



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manager found out that the relative had been hired at a board meeting! So two big issues loomed for this system. They were undermining their manager by failing to allow him to do one of the biggest parts of his job. And they were creating the appearance of favoritism and probably had no plan in place to deal with that issue.

Kansas' Local Governmental Conflict of Interest laws don't outright prevent hiring relatives as employees, but the appearance of impropriety can be a real morale/public appearance problem. Suppose a water district is going to hire the relative of a board member. In that case, the board and manager should have a process that removes the board member from ANY knowledge and control over that employee's performance. Basically, the board should create a Chinese wall – an information barrier protocol designed to prevent an exchange of information within an organization that could lead to conflicts of interest, or in this case, the appearance of conflicts of interest. The board member in question should recuse himself (a fancy term for leave the room) whenever there would be any discussion of raises, discipline, etc. that might involve that relative/employee, and make sure that the manager dealt with the relative/employee on all issues. That would look "fair" to the other employees. In small systems with only three to five employees, it will become apparent when a board member's relative is treated differently. So it may not technically be illegal, but it is bad policy unless elaborate systems are put in place. Again, the biggest problem I saw was that the manager was not being allowed to do his job!

Another system manager also contacted me because a board had instructed him to change the work schedule of a new employee who didn't like working weekends because of lifestyle changes due to a divorce and custody. The manager said that the board had gone into closed session at a separate closed meeting (a complete violation of the Kansas open meetings laws) because the employee had complained to a board member about his schedule. What? I didn't know where to begin with that! The manager was most concerned because other senior employees were really, really unhappy that their work schedules had to be changed. After all, the new employee went directly to the board. He was worried that one guy might quit over it. So this board had managed to destabilize their workforce, not to mention angering their board manager by usurping his job and violating open meetings laws. What a mess! I encouraged the manager to try to educate the board on what his job was and how the board needed to let him manage the employees while the board managed him. But it is pretty discouraging when boards don't follow open meeting laws and don't understand how to manage their manager.

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