

# Employees and decision-makers – partners for the common good

If you are an employee of a city or RWD, you may have had someone ask you why you want to do that sort of work? Hopefully, your answer was that you want to help people and providing quality water is certainly a public health, safety and welfare issue. Plus, there is a certain amount of personal satisfaction knowing that you do your job for the common good. I think that every RWD board member or city council member should be able to give the same reasons for seeking election or agreeing to serve.

## Communication – key to success

Water utility operators have important jobs. Their job responsibility likely has an emphasis on system maintenance.

Their governing bodies – the RWD boards or city councils – ought to demand and receive appropriate reports on a monthly basis or as needed to address special concerns. The operator is also responsible for the

production of and/or the distribution of quality water. When problems crop up, the operator should assume responsibility to research solutions; determine best options and present prices to the board or council. That all sounds so simple. In most cases, it is not.

Boards and councils of systems that have only one

operator generally have a line of direct communication between the governing body and the employees. Locating and purchasing parts or who provides professional service or where to go when help is needed is

making decisions is definitely not the same as being the one who only provides the information. Personalities can often become involved in decision-making. Our city council members get along well – and for a small town, we

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information that the operator has accumulated from years of experience. Communication is the key to making sure everyone has good information on which to make the correct decision.

I recently was elected to the city council in the small town of Morrill in Brown County. Why sit

seem to have our share of lively discussions. That's because we all do care.

It's essential for new board or council members to become familiar with the policies and procedures of the utilities. No one member should be making decisions or making statements



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on a city council or RWD board? My reason is the same as most everyone's. It is to help see that citizens in our small city receive the best possible service. However, being part of a group in

that end up binding the RWD or city to a contract or an implied contract. Each board and council member is one vote of a team – and it's the team's vote that counts.

## Spotlight on KanKap

The soon to be available KanCap Program, the new board/council training and utility resource, is illustrated by the

page below. It is a portion of the board/council resource section and illustrates one of over 200 video clips of

Kansans talking about experiences at their jobs in working with water systems cities and government agencies.

public water systems to maintain compliance with safe drinking water regulations. As board/council members, you need to be aware of what regulations will impact your water utility. Work with state agencies and technical assistance providers to determine what you need and when you'll need it.

**#5. Establishing cash reserve requirements.** Cash reserve requirements can be established via negotiation with lenders at the time of entering into a financing agreement. On the other hand it makes good financial sense for local units of government to establish their own cash reserve requirements. A good rule of thumb is a minimum of 90 to 180 days of operating expenses.

**#6. Reviewing your current rate structure.** "What's the big deal about rates?" some board/council members ask. "We set ours so they are lower than neighboring systems."

This short-sighted view ignores little details like actual costs, meeting lender requirements and/or anticipating upcoming needs. These folks need to check out this classic article: "Water rate structuring" by John Bailey, Professional Engineering Consultants, published in the March 1986 issue of *The Kansas Lifeline*.

**Write them down!** Once you've finished your list of budget guidelines, it's time to translate them into specific assumptions. This list could be extensive and, among other things, include:

1. Number of new meters (customers) expected in the coming year
2. Purchased water
3. Compensation (wage raises)
4. Additional employees
5. Employee training
6. Environmental compliance
7. Professional fees
8. Insurance coverage
9. Interest costs

### What's real, what's not?

There's no substitute for comparing your annual budget with actual income/expenses to find the variances. Your budget made a number of assumptions, least of which was compliance with lending requirements.

If the monthly comparisons (year to date) vary widely and consistently from your budget, it is essential to make modifications to either operations or rates to bring your utility back into compliance.

**Question:** As a board/council member, where to get the information?

**Answer:** From regular written reports provided by your S/O/M at each meeting.

Not getting those reports regularly? Require them, starting today.



Clip F7  
Don Murphy,  
Leavenworth Water  
District's manager, discusses  
using the annual budget.

### Example of board meeting packet

- Income statement (water sales, expenses, other income & expenses and net income or loss)
- Statistics including the following
  - gallons sold monthly and year to date
  - gallons produced and purchased monthly and year to date
  - water loss % monthly and year to date
  - explanations of water loss
  - average revenue from water sold per 1,000 gallons
  - average cost of water purchased or produced per 1,000 gallons
  - number of customers
- Analysis of investments (type, amount, rate of return)
- Explanation of significant changes in expenses from month to month
- Balance sheet (assets, liabilities & equity) or fund balance

When on a board or council you have to look at all aspects of a project. Whether it is purchasing a new mower or replacing water lines or dealing with a development, governing body members need to have information. I have attended some city council meetings and RWD board meetings when the governing body members had no advance information of the agenda topics. Providing information packets to the board or council members prior to the meeting will help members make more informed decisions – and normally in a lot less time. Not one of these people would spend his/her money on a large item without doing some research about the project or purchase. The employees should provide as much information as possible. If the board or council members are still not sure of the best options, then they can ask that other ideas be further evaluated.

**Learning, all the time**

I learn more and more each time our city council meets. If I

have a confession to make, it's that I've learned to be more patient. Discussions and decision-making take time and people need to make sure they have adequate time to do that.

As a council member, I know that it is the council's job to set policies and approve ordinances. Then it is the duty of the employees to carry them out, whether or not they agree with those policies. That's why it's important, particularly in smaller systems where everyone knows everyone else, and often more – that employees be involved with the discussions and decisions. Employees need to be able to explain why the board or council has decided on a certain course of action. It is much easier in the long run.

I lose patience most when small matters are tabled until the next meeting. Example: a piece of equipment may need parts. Whether to order repairs parts is easy: 1) Do we need the parts? 2)

If so, do we have funds to purchase them? If the answer is yes to both questions, then it's time to order the parts. In other words, make the decision and move on to the next subject.

When attending a meeting I don't care what the weather has been doing or if the corn is going to produce a bumper crop and I don't care what team won the football game. While important to some, these discussions should take place after the meeting instead of pushing back the regular meeting start time.

**KanCap is coming!**

The Kansas Department of Health and Environment (KDHE) contracted KRWA to produce a board/council training program to help governing bodies achieve and maintain technical, financial and managerial capacity. The development of KanCap is complete and KDHE has the state printer printing the 270-page book and burning a CD of the project. Complete with interactive quizzes, 51 video clips and more than 200 additional documents in PDF format, KanCap is a bonanza of information. You'll be hearing a lot more about KanCap in the years ahead. I have every confidence that it is the best all-around resource produced yet for your water utility operation, maintenance and management improvement.

KRWA staff members attend many city council and RWD board meetings. We don't just "show up." If you have an issue that you'd like input on, from evaluation of aspect of your water or wastewater system, to complying with regulations, to finding the right funding options – call us at 785/336-3760 or email KRWA at [krwa@nvcs.com](mailto:krwa@nvcs.com). You'll find a friendly partner in KRWA – ready, willing and able to help.



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