March 11
2021

THE ACADEMY
Virtual Training

# Best Practices in Public Power Governance

**Instructor**

Steve Vandermeer

PublicPower.org/Academy

AMERICAN PUBLIC POWER ASSOCIATION

March 11
2021 | THE ACADEMY Virtual Training

Agenda

# Best Practices in Public Power Governance

Recommended .3/PDHs 3.25/CPEs 3.8
Field of Study: Specialized Knowledge

All times below are **Eastern Standard Time.**

**Thursday, March 11**

| | |
|---|---|
| **Noon** | **Course Introduction**<br>• Course overview, agenda, and learning outcomes |
| **12:15 p.m.** | **Public Power Governance** |
| **12:30 p.m.** | **Roles, Responsibilities and Duties** *(the board, board members, CEO; legal duties of the board)* |
| **1:15 p.m.** | **Break** |
| **1:25 p.m.** | **Small Group Breakouts – Conflict of Interest** |
| **2:00 p.m.** | **Board Development** *(recruitment and orientation, ongoing training and development, assessment)* |
| **2:20 p.m.** | **Break** |
| **2:30 p.m.** | **Board Communications** |
| **3:15 p.m.** | **Q&A, Course Evaluation and Wrap-Up** |
| **3:30 p.m.** | **Adjourn** |

# Best Practices in Public Power Governance

Recommended .3/PDHs 3.25/CPEs 3.8
Field of Study: Specialized Knowledge

**Upon completion of this course, participants will be able to successfully:**

- List the most common advantages of a publicly-owned utility
- Describe responsibilities of a governing board, individual board members and specific governing board roles
- Describe the hallmarks of Duty of Care, Duty of Loyalty and Duty of Obedience
- List the mitigating options mostly commonly used in potential conflicts of interest
- List the most common tools used in public power for new board member orientation
- Describe both challenges and best practices in fostering strong communications.

# Best Practices in Public Power Governance

Recommended .3/PDHs 3.25/CPEs 3.8
Field of Study: Specialized Knowledge

## Steve VanderMeer
### Executive Consultant
### Hometown Connections

Steve joined Hometown Connections in 1998 and provides consulting, training and facilitation support to public power utilities and their governing boards. He has worked with a wide range of municipal governments and non-profit organizations on strategic planning, governance, organizational assessments, public participation, market research and customer service issues. He is the author of the Association's **Policymakers Handbook** publication. Previously, Steve worked at Fort Collins Utilities where he was the Director of Marketing and Energy Services.

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# Best Practices in Public Power Governance

March 11, 2021

**Instructor**
**Steven P. VanderMeer,** Executive Consultant, Hometown Connections

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Hometown Connections

AMERICAN PUBLIC POWER ASSOCIATION

## Logistics

### Timing

- Noon – 3:30 p.m. Eastern
- Breaks around 1:15 and 2:20 p.m. Eastern (10 min.)

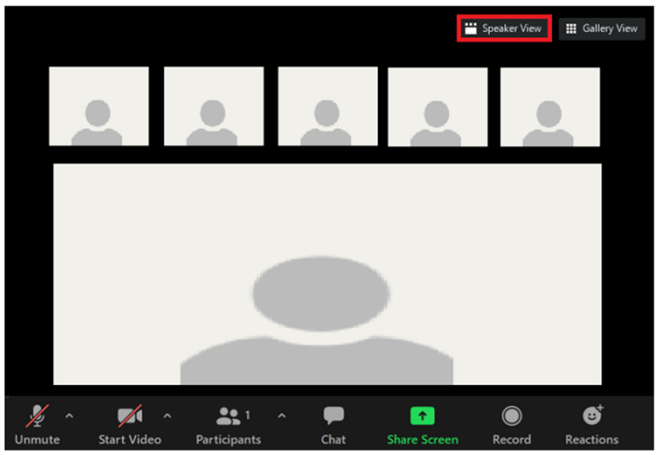
### Successful completion

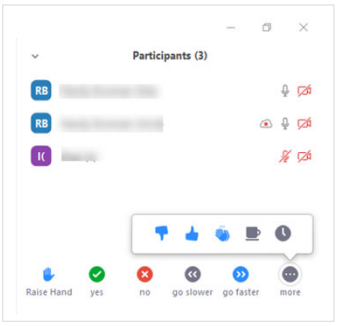
- Attend and actively participate in 90% the course (that's all but about 15 min)
- Complete an online evaluation at the end
- Completion certificates will be emailed out by March 25

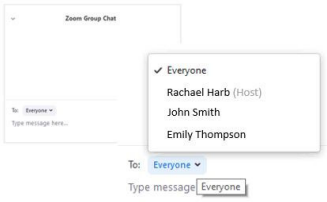
### Questions/technical difficulties?

- Private message the host using the Zoom chat box or contact EducationInfo@PublicPower.org

# Useful Zoom Features



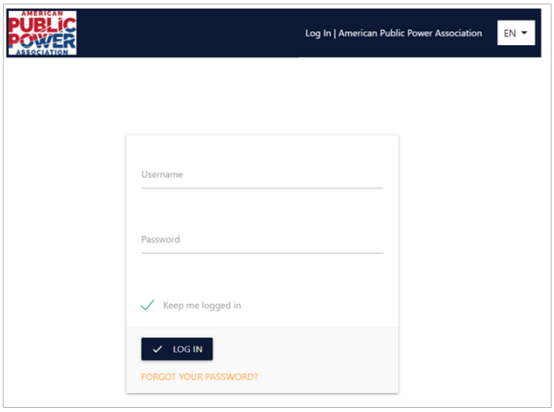






# Course Materials: Document Portal

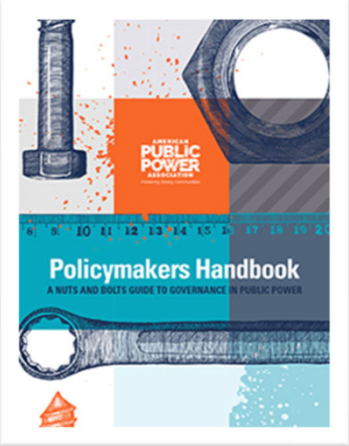
## APPA Document Portal

- Reg list
- Policymakers Handbook
- Handout for exercise – **Printing required**
- Course eManual
- Recordings



## About the Instructor

- Steve VanderMeer, Hometown Connections
- On staff since 1998, providing consulting, training and facilitation support to public power utilities and their governing boards
- Author of APPA manual "Policymakers Handbook" *(a digital copy is available in your online document portal)*
- Prior to Hometown, worked at Fort Collins Utilities as Director of Marketing and Energy Services and the City of Fort Collins as Assistant to the City Manager






## Today's Agenda

| | |
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| **Noon (ET)** | **Course introduction, agenda, learning outcomes** |
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| **12:30 p.m.** | **Roles, Responsibilities and Duties** |
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| **1:25 p.m.** | **Small Group Breakout: Conflict of Interest** |
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| **3:15 p.m.** | **Q&A, course evaluation and wrap-up** |
| **3:30 p.m.** | **Course adjourns** |

## Today's Learning Outcomes

**Upon completion of this course, participants will be able to:**

- List the most common advantages of a publicly-owned utility
- Describe responsibilities of a governing board, individual board members and specific governing board roles
- Describe the hallmarks of Duty of Care, Duty of Loyalty and Duty of Obedience
- List the mitigating options mostly commonly used in potential conflicts of interest
- List the most common tools used in public power for new board member orientation
- Describe both challenges and best practices in fostering strong communications.





# The Public Power Advantage

# WHAT IS PUBLIC POWER?

## A PUBLIC POWER UTILITY

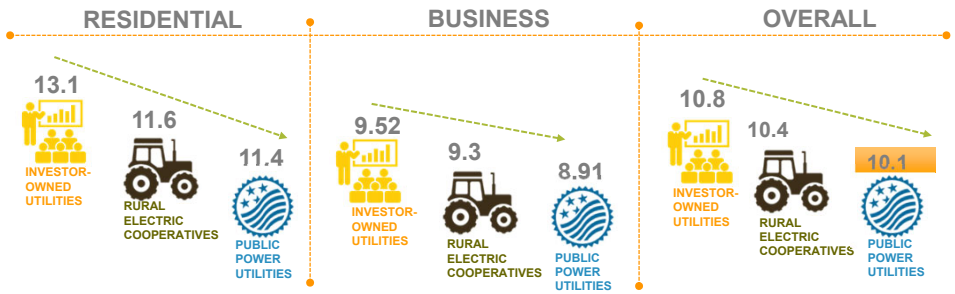
- ✓ Brings electricity to homes and businesses
- ✓ May generate and/or buy power
- ✓ Is a not-for-profit entity
- ✓ Is owned by the community
- ✓ Is usually a division of local government
- ✓ Is transparent (subject to sunshine laws)
- ✓ Involves citizens in decision-making



# The Public Power Advantage - Rates

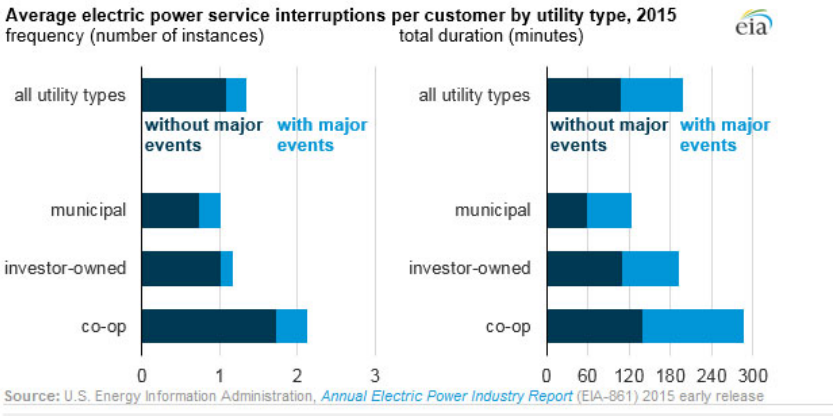
## PUBLIC POWER COSTS LESS

National average retail rates: cents per kilowatt hour



## The Public Power Advantage - Reliability

EIA data show average frequency and duration of electric power outages






## The Public Power Advantage

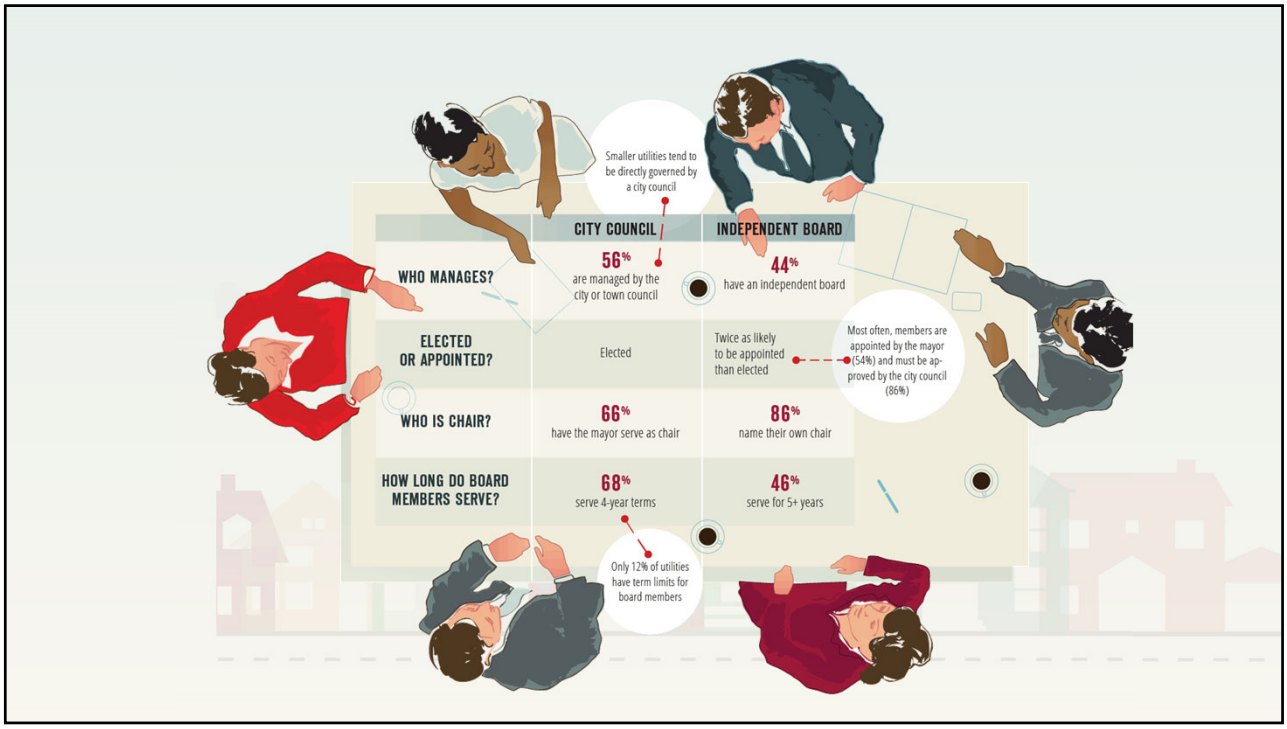
**PUBLIC POWER UTILITIES COLLECTIVELY GIVE MORE THAN $1 BILLION BACK TO THE COMMUNITIES THEY SERVE**

# The Public Power Advantage

## PUBLIC POWER GIVES BACK

- ✓ **5.5%** of electric operating revenues to state and local governments
- ✓ Property-like taxes, **payments in lieu of taxes,** general fund transfers, free and reduced cost electric services





## Public Power Is Entering a Time of Great Change

Factors driving this change:

- Shifting regulatory environment
- Changing power supply
- Aging infrastructure
- Workforce
- New technologies
- Evolving customer preferences
- Asymmetric competition
- Financial pressures




## The Role of Governance in Public Power

- Today in public power the importance of strong governance has never been higher
- Your board must sort and prioritize the increasingly diverse and complex needs and expectations of the utility's "owners"
- How do you ensure your board is a high performing one?

# Roles and Responsibilities

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## Overall Board Responsibilities

- It is only as a board as a whole that governing decisions are made.
- All authority of a governing board comes from the decisions they make through a majority vote of the board.

## Key Board Responsibilities

- The hiring, firing, oversight, assessment of and direction of the CEO
- Strategic planning
- Financial oversight



## The hiring, firing, oversight, assessment of and direction of the CEO

- If the governing board's primary duty is to sustain the long-term viability of the organization and enhance its performance on behalf of owners, then…
- One of its most important responsibilities is to ensure an effective CEO who can manage the utility and implement board priorities



## Hiring of the CEO

Be prepared to think outside the box

- Internal vs. external candidates
- Engineers vs.
  - Customer service, public affairs
  - Accountants, CPAs, attorneys
  - Strong managers from outside the utility industry

## Hiring of the CEO

- Be appropriately transparent
  - Consider employee panels, outside stakeholder panels,
  - Public "meet and greets" or other meetings
- But minimize ways transparency can hurt the process
  - E.g. sunshine laws requiring public interviews
  - Early public disclosure of candidates and the emerging popularity of the "single finalist"



## Hiring of the CEO

- Know what you are looking for before you start the search
  - Understand the utility's strategic priorities
  - and what skills are necessary to fulfill them
- Understand market compensation for your size utility, region, responsibilities and form of governance.
  - Electric only or multiple utilities?
  - City council board or independent board?
  - Council-manager or mayor-council?

## Hiring of the CEO

Consider an executive search firm

- Pricing varies from a percentage to flat fee:
  - Can be a quarter to a third of first year's compensation
  - Flat fee that could range from $50k to $100k

- But invaluable in helping utility understand its needs and tapping into a large potential applicant pool



## Hiring of the CEO

- Take the lead in this process and

- Take the time to do it right


## Strategic Planning

Historically has not been a priority of public power systems, much less the boards that govern them

- Largely unchanged business model for the first 100+ years
- "Strategic" issues tended to technical and engineering-focused and most addressed through the utility's capital improvement plan
- Monopoly status typically meant no competition, no threat to the status quo

## Strategic Planning

Today, the electric industry faces unprecedented opportunities and threats whose responses go well beyond technical to include political, financial, environmental and social

- Power supply landscape has forever changed
- Distributed generation introduces new competition, new solutions
- Technology advancements impacting virtually aspect of utility operations
- Concerns over global climate change, sustainability
- Changing demographics
- Higher customer expectations around service and how they conduct business with their utility



## Strategic Planning

- For the issues emerging today and into the future, it is not appropriate to expect the general manager to determine how the utility will proceed

- Ultimately, it is the *board* that is responsible for ensuring that the utility's activities reflect the "owners" values and needs


## **Financial Oversight:** Common Responsibilities

- Utility budget
- Setting rates
- Financial policies
- Oversight of financial condition
- Oversight of utility's overall health
- Approve large expenditures
- Issue debt

## **Financial Oversight:** Developing and Approving the Utility's Budget

- Find the right balance between remaining at a high level while ensuring financial stability
- Agree on a process that encourages both candor and disagreement, while maintaining a respectful dialogue
- How deep in the weeds does a board get?
- Make sure those board members not as financially savvy don't get left behind



## Polling Question: The Utility Budget

The board's level of involvement in the budgeting process is (pick one):

- Way too involved – not only losing sight of the forest for the trees, taking core sample of some trees!
- Sometimes takes too deep of dive – occasionally gets lost wandering among the flora and fauna
- Just about right – understands the value of the forest yet ensures it's being taken good care of
- Sometimes feels like it's on the outside looking in – can see the forest, but not exactly sure what's inside it
- Forest? What forest?

## **Financial Oversight:** Setting Rates

- Do you have a rate policy that guides when rates should change?
- How are you balancing the needs of today's customers against the long-term fiscal stability of the utility?
- How much cross-subsidization occurs between rate classes or between different utility services (i.e. electric, water, etc.)?
- Cost-of-service and rate studies can be helpful to both staff and board
- APPA has many resources – workshops, webinars, publications – that can address governing board questions about rate setting.
- Rate-setting is ultimately a political decision, weighing the needs of current and future customers



## **Financial Oversight:** Ensuring policies that support long-term viability

- Critical role for any governing board
- What are the goals of the utility? Lowest rates? Highest reliability? Best customer satisfaction?
- Can you reasonably sustain all of the above?

## **Financial Oversight:** Ensuring policies that support long-term viability

- Build policies that support the utility's goals
- What policies do you have in place to support long-term success?
  - Cash reserves
  - Rate policies
  - Debt service coverage
  - Rate stabilization fund
  - Compensation policies
  - Payments of lieu of taxes (PILOTs)
  - In-kind services
  - Administrative overhead for general fund services



## **Financial Oversight:** How does a board keep its finger on the pulse of the utility?

- How can data best be shared?
  - Tables and spreadsheets vs. charts and graphs
- Avoid presenting information at the level of the CPAs on the board
- Seek the higher-level metrics that help maintain focus on the big picture
- Focus more on trends and changes over time than snapshots

## **Financial Oversight:** How does a board keep its finger on the pulse of the utility?

**Common utility financial indicators**

- Bond rating
- Debt service coverage
- Reserve fund levels
- Competitive rate comparisons
- Asset depreciation



## **Financial Oversight:** How does a board keep its finger on the pulse of the utility?

**Other metrics offering insight into the utility's health**

- Reliability metrics
- Power quality
- Customer service metrics
- Customer satisfaction survey results
- Employee survey results
- Employee retention/churn

## **Financial Oversight:** Approving Expenditures

- Make sure purchasing policies have kept pace with the times…and inflation
- If under your control, adjust dollar thresholds to avoid board approval for routine purchases
- The board's role in purchasing is to ensure fiscal prudence and support for the utility's broad organizational objectives – stay out of the weeds if at all possible



## **Financial Oversight:** Issuance of Debt

- Not all utilities issue debt, and not all utility boards are the approving authority
- Bond ratings and how they are determined

## Issuance of Debt

- Some utilities rarely – if ever – issue debt, opting for "pay-as-you-go" approach to fund capital expenditures
- The issuance of debt, even in independently-governed utilities, often must be done by the city council, not the utility board.



## Issuance of Debt: Bond Agencies and How They Work

The three major bond rating companies

- Moody's Investors Service
- Fitch Investors Service
- Standard & Poor's

Moody's Investors Service

FitchRatings

S&P Global Ratings

## **Issuance of Debt:** Bond Agencies and How They Work

### Ratings affected by the policies and practices in place

- Maintaining debt service coverage, funding reserves, and sustaining operating liquidity
- Political influence affecting the utility decision-making process
- How payments-in-lieu-of-taxes and other transfers to the city general fund are determined and whether the amount of the transfer places undue stress on the utility's financial position and causes rates to become uncompetitive
- The utility's ability to prepare for and mitigate risks
- The governing board members' backgrounds and expertise in business management, finance, law, and other areas needed for high-level decision-making
- The governing body's ability to plan on a long-term basis



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# Legal Duties of a Governing Board

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## The Legal Duties of any Governing Board

- Duty of Care
- Duty of Loyalty
- Duty of Obedience



## The Legal Duties: Duty of Care

- Responsibility to participate in decision-making on behalf of the organization
- Must exercise independent judgment
- Decisions must be informed, meaning that the board member should make efforts to become familiar with the relevant, available facts.

## **The Legal Duties:** Duty of Care

Must attempt in good faith to assure that

- A corporate information and reporting system exists and that
- This reporting system is adequate to assure the board that appropriate information as to compliance with applicable laws will come to its attention in a timely manner as a matter of ordinary operations



## **The Legal Duties:** Duty of Care

Obligations may include:

- Attending meetings
- Obtaining knowledge (reviewing briefing materials)
- Participating in discussions
- Overseeing organization performance
- Relying on experts (internal and external)
- Adhering to board policies/procedures

## **The Legal Duties:** Duty of Loyalty

- When acting on behalf of an organization, board members must set aside their own interests, whether professional or personal, or the interests of any other organization
- Board members will not authorize or engage in transactions except those in which the best possible outcomes or terms for the organization can be achieved



## **The Legal Duties:** Duty of Loyalty

Violations may include:

- Acting for personal gain
- Acting for gain of others, superseding utility interests
- Taking unethical advantage of utility business opportunities
- Speaking/acting in a way that puts utility in negative light or taints reputation
- Not respecting confidentiality of information, closed sessions

## **The Legal Duties:** Duty of Obedience

- Requires obedience to the organization's mission, bylaws, and policies, as well as honoring the terms and conditions of other standards of appropriate behavior such as laws, rules, and regulations
- Act or use its resources in compatible ways or purposes



## **Protect your organization:** Avoid liability

### Establish appropriate policies/by-laws

- Meeting, public participation, open records policies
- Confidentiality policy
- Whistle-blower protections
- Code of conduct
- **Conflict of Interest policy**

## Conflicts of Interest

- Lots of landmines if you're not careful
- Interpretation of a COI has broadened from mostly financial conflicts to social
- "Perceived conflict of interest" has been weaponized
- Easy to get tripped up even with the best of intentions, e.g.:
  - Pro bono work
  - Reduced rent
  - "I have a friend who…"



## Conflicts of Interest

- Typically two elements of a conflict of interest
  - Disclosure of potential COI
  - Exclusion/Recusal based on COI
- Be wary of discounted or pro bono products or services
- Not all COIs are financial
  - Conflict of loyalties: e.g. ex officio board member from another agency: how do they respond when the utility and the other agency are not in alignment?

## Conflicts of Interest

- *Perceived* conflict of interest may be open to wide interpretation. Address and define this issue now, not when it appears during a future board vote

- Mitigating options:
  - Don't discuss with board members or staff
  - Disclose, but participate in discussion and vote
  - Disclose, participate in discussion but refrain from vote
  - Disclose, refrain from both discussion and vote
  - Disclose, recuse (leave room)



## Conflicts of Interest

### Four Safeguards

1. Establish a written COI policy, which is periodically reviewed (some state laws require COI policy)
2. Clearly publicize the policy
3. Make disclosure a normal practice
4. If major purchases could involve a COI, obtain competitive written bids

## **Breakout Session:** Conflict of Interest (10 min)

- Introduce yourselves
- Discuss within your group the scenario assigned to you
- If there are questions you have or details missing that you believe are important, feel free to make your own assumptions.
- Be prepared to describe your scenario to the class, including:
  - What conclusion you reached on whether it posed a conflict of interest?
  - What factors were most important for your team?
  - What recommendations you would make to that board for next steps?



## **Conflict of Interest:** Scenario One

**The Ex-Officio Board Member**

A city councilmember sits on the independent utility board as an ex officio (and voting) member. The board is voting on whether to increase the percentage of gross revenues that are transferred to the city's general fund as part of the utility's PILOT (payment in lieu of taxes). This will cause the utility to draw its cash reserve fund below its stated thresholds. Yet the city's general fund operations have been hurt from lower-than-average tax revenues. Does that ex officio city councilmember have a conflict of interest? As part of duty of loyalty, must the councilmember put the interests of the utility first? What would you do?

## **Conflict of Interest:** Scenario Two

**The Activist Board Member**

A local resident and utility customer is incensed at the utility's acquisition of several acres of vacant land adjacent to her home in order to build its future operations center. She believes this will drastically impact her property value. At the next election, on a platform of killing this project, she runs for and wins a seat on the board. When the decision comes in front of the board to budget for construction of the operations center, she must make a decision. Can she even vote on this, or must she recuse herself? What would you do?



## **Conflict of Interest:** Scenario Three

**The Landlord Board Member**

The utility is evaluating purchasing and rehabbing an old, empty bank building in a part of downtown that has seen better days, converting it into its customer service center. One board member owns several nearby properties (not the bank building) and will likely see increases in his properties' values and the rent he can charge. Should he vote on this purchase? What should he do? Is there additional information that would help make this decision more clear?

## **Conflict of Interest:** Scenario Four

**The Boyfriend**

In preparation for the utility's 100th anniversary, the utility is soliciting proposals from marketing agencies to build a campaign of celebration and to enhance its brand development. While not really a secret, one of the board members has been dating the director of graphic design at a local marketing agency that intends to submit a proposal. What responsibilities does this board member have? Does it matter that they've only been dating two months and they're not really serious (but they both say they feel a little spark)?



## **Breakout Session:** Conflict of Interest

**Mitigating options:**

1. Don't discuss with board members or staff
2. Disclose, but participate in discussion and vote
3. Disclose, participate in discussion but refrain from vote
4. Disclose, refrain from both discussion and vote
5. Disclose, recuse (leave room)


## **Polling Question:** Board Member Authority

The authority of an individual board member is (pick one):

- Zero
- Zilch
- Nada
- Diddly-squat
- A big fat goose egg
- A hill of beans

## **The Individual Board Member:** Authority no, but many responsibilities

- Attend meetings
- Come prepared
- Be willing to support a thoughtful, deliberative and respectful discussion
- Be willing to disagree
- Remain up to date on industry issues, trends and challenges
- Actively seek and support communications with utility stakeholders
  - Incoming: understand stakeholder expectations, needs and values
  - Outgoing: help stakeholders understand the value of their locally-owned utility



## **Polling Question:** Board Chair Authority

**The authority of a board chair is (pick one):**

- No more than any other board member
- May have additional authority on certain governing boards



## Board Chair Authority

- Often no more than any other board member
- Exceptions often around mayors in strong mayor forms of government:
  - Assigning council committee members
  - Appointing citizens to serve on boards and commissions
  - As CEO, may direct and manage the utility manager or other senior management
  - May have veto power over board legislative actions
- Regardless, by virtue of title and visibility, the board chair often holds greater perceived authority. It is important that this "bully-pulpit" not be abused

## Additional Board Chair Responsibilities

- Presiding over the meeting in a professional and orderly fashion. Being fully conversant with the issues covered on the agenda
- Ensuring board members have a clear understanding of the topics at hand and pausing where necessary to provide ample background
- Working with the manager between meetings to review agenda items and other utility issues
- Being the spokesperson for the board and potentially the utility





# Board Communications

## **Communications:** Within the Board

- Communication channels are clear and, where appropriate, spelled out through by-laws or policies
- Committee work – discussion vs. decision
- Respectful yet be willing to offer opposing views
- Respect open meetings requirements!
  - ➢ Know your state laws and local policies on meetings, emails, phone calls, videoconferencing, quorums and public notification



## **Communications:** Between the board and CEO

- **Formal: board packet, board meetings**
  - Are packets delivered in a timely manner and contain the appropriate level of detail?
  - Are board meeting conducted with an appropriate level of decorum and respect?
- **Informal: between meetings**
  - Does the board respect reporting relationships with non-direct reports?
  - Do individual board members respect the governing board's role in providing direction?
- **For council-manager governments**
  - Critical for the city manager to remain fully current on industry and utility issues
  - Don't let the city manager's office be a bottleneck to important information and decisions

## **Communications:** Between the board and stakeholders

- How do you promote and build communications with owners/stakeholders?
  - Are upcoming board meetings clearly advertised?
  - Are past minutes posted on the website
  - Does the board actively seek ways to enhance board engagement with stakeholders, either formally through public meetings or informally through visibility at events, scheduled meet-and-greets, etc.?
- For independent boards:
  - Are the roles clear between the utility and city "owners" (e.g. city council)?
  - Is a good relationship being fostered through formal and/or informal communications?



## Have a Communications Strategy

- Celebrate Public Power Week
- Use social media
- Build alliances with local community and business groups; establish key accounts programs
- Use your employees and governing body as ambassadors—they can tell your story to their friends, families, neighbors
- Build and maintain good relationships with elected officials at all levels (know them before you need them!)
- Tout long-term benefits of a public power utility

## Polling Question

Does your **board** have effective engagement strategies for reaching customers, community members and other stakeholders?

Yes/No/Don't Know



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# Board Development

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## **Board Development:** All one team?

- Not necessarily looking for 7 – 0 votes every time – it is important to ensure multiple perspectives are being heard and discussed
- Yet a smoothly running board, that understands the utility and their role in supporting its success in serving the community is critical
- Adopt a culture of continuous improvement of board performance



## **Board Development:** Recruitment

- Sitting board may have limited influence on who seeks to be elected or appointed to the board
- Yet there are several steps a board can take to promote quality candidates
  - Most important: be a well-run board with a reputation for integrity, transparency, community focus and stewardship
  - Consider a board succession plan:
    - What skills are most needed?
    - Who is soon to cycle off due to term-limits or retirement?
  - Keep an eye out for community members who could be strong additions
    - Invite them to a meeting
    - Introduce them to other key stakeholders
    - Help them understand the appointment or election process

## **Board Development:** Recruitment Caveats

- Understand local election laws and any limits on board activities
- Endorse at your own risk
- Be mindful of who resides in your circle of friends and associates – and who doesn't. You may be missing important demographics
- Look for strong leaders who represent different ages, genders or ethnicities that are representative of the customer base
- Renters, low-income and minority utility customers are often underrepresented on governing boards
- Representation when utility serves outside of city limits



## **Board Development:** Orientation and Training

- Critical for new board members to hit the ground running
- Equally important for existing board members to remain current on rapidly evolving industry
- Avoid the "drinking from a firehose" syndrome by balancing the information flow with the constraints of part-time board members

## **Board Development:** Orientation and Training

- What kind of information should be shared?
- Background material to provide context and grounding:
  - Organizational history (most public power utilities have a lot of interesting history)
  - The Public Power Advantage (see further description earlier in this book)
  - The organization's charter, bylaws and policies
  - Strategic plan or organizational priorities and significant issues/challenges
  - Vision, mission, values
  - Organization chart
  - Other affiliated organizations, such as a joint action agency and national and state associations



## **Board Development:** Orientation and Training

- What kind of information should be shared?
- Key organizational metrics and performance indicators
  - The comprehensive annual financial report or other relevant financial documents
  - Budget, including an overview of major sources of funding and expenses
  - PILOTs and other transfers to the general fund
  - The utility's rates and, if available, the rates policy
  - Key utility metrics such as reliability, financial stability, customer service, etc.

## **Board Development:** Orientation and Training

Get board members out of the board room

- Consider site visits to
  - Customer service operations
  - Warehouse
  - Generating facilities and substations
- Assign a "mentor" from existing board to help new board members get up to speed more quickly
- On a yearly basis, if not more frequently, schedule an offsite meeting to address strategic issues and board performance



## **Board Development:** Self Assessment

### Why do a self-assessment?

- Boards must take time to focus on their own continuous improvement
- Evaluate their own policies, operations, practices and performance, and implement improvements
- As boards monitor the performance of the organization and their direct reports, so too must they monitor their own performance

## Board Development: Self Assessment

### What the likely benefits of a self-assessment?

- Promotes understanding of roles and responsibilities
- Provides orientation for new members
- Addresses, and may help resolve, board conflicts
- Clarifies what members expect from group and self
- Identifies priorities for board's future efforts
- Identifies strengths and weaknesses
- Clarifies areas for improvement in board performance



## **Board Self-Assessment:** Responsibilities

- Formal structures (by-laws, policies, charter) exist - and are current - that make clear responsibilities of the board and individual board members



## **Board Self-Assessment:** Financial

- Board members have an appropriate level of understanding of the utility's financial condition
- The board is engaged in decisions on operating and capital budgets
- The board receives appropriate metrics and tracking information of financial condition

## **Board Self-Assessment:** Communication

**Communications are appropriate and supportive:**

- Within the board itself
- Between the board and staff
- Between the board and outside stakeholders



## **Board Self-Assessment:** Strategic Planning

- The board plays an integral role in the development of strategic priorities
- The board understands and respects the line between strategy and operations, ends and means
- The board has access to information – external and internal to the organization – that allow them to make informed decisions

## **Board Self-Assessment:** Board Development

- The board seeks to stay informed of issues – in the industry, in the community and in the utility – that may impact the utility's future
- Ongoing training, conferences and workshops are encouraged
- Efforts are made to identify potential board members and encourage their future participation
- New board members are provided a strong orientation to utility and board activities, issues and responsibilities



## Thank you for your participation!

- APPA courses, publications and conferences are a great resource to learn more about virtually any aspect of governance
- Please don't hesitate to reach out to me or APPA if you have any questions or comments

## Contact Me

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Hometown Connections

## Upcoming APPA Events

**Virtual Courses**

**Work Order & Asset Management Accounting**
March 30 & April 6: 2 sessions

**Overhead Distribution Principles and Practices**
March 30 – April 7: 4 sessions

**Advanced Key Accounts Workshop**
April 1

**Crisis Management and Communications Seminar**
April 7

**Advanced Public Utility Accounting**
April 13 - 22: 4 sessions

**One-on-One Media and Public Presentation Workshop**
April 14

**Best Practices in Overhead Distribution Line Design**
April 27 – May 6: 6 sessions

**Webinars**

**Rating Agency Webinar Series**
March 10 & 31

**Virtual Meetings**

**Engineering & Operations Virtual Conference**
March 23 – 24

**Accounting & Finance Virtual Roundtable**
April 22 – 23

**Public Communications Spring Issues Roundtable**
April 23

**National Conference**
June 20 – 23 (in-person) and July 13-14 (virtual)

- Featuring sessions on governance topics

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