

Long Range Plan Review Highlights Short- And Long-Term Goals

This past November 12, the KRWA Board of directors met in Wichita to conduct the regular business of the Association and then on the morning of the 13th, the KRWA Board and staff attending reviewed the Association's long range plan. It's a good process and one that I think certainly is beneficial to KRWA. It's a process that more local water systems should consider. Communities that hope to continue to be successful and survive need to develop a long-term strategic plan with specific goals and objectives that relate to the needs of the residents or customers of their water districts. To not have a long range plan means to function somewhat without direction.

Managers and superintendents of municipal and rural water districts, not unlike any other utility, often have to deal with uncertainty. City council members and RWD board members often deal with uncertainty. Not having a long range plan perpetuates uncertainty.

In the case of KRWA, the entire Board and several staff have participated in KRWA's long range planning and review process annually since 1992. Gary Flory of the Great Plains Consensus Council facilitated the November 2010 review. Gary submitted a survey to the Board and some staff in advance of the session. From the survey, he prioritized the concerns that were expressed. Here's a snapshot of the survey results:

KRWA Leadership

- Executive / staff transition: 20 (four 1st place votes and two 2nd place votes)
- Is KRWA Board or staff driven?: 11 (one 1st place vote)
- Board Selection and Diversity: 9
- Board Transition: 5

KRWA Membership

- Local Board Leadership
- Economies of size, i.e., consolidation, shared staff

Funding

- Strategies for KRWA to maintain strength 15 (one 1st place vote)

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So, what happened during the hours of discussion? First, the Board voted to change KRWA's mission statement by changing the order of the wording. It now is: *To provide leadership, education, and technical assistance to public water and wastewater utilities to enhance public health and to sustain Kansas' communities.*

I will summarize other main points that were debated.

Executive Staff Transition

Board members expressed concern that the Association have a formalized plan for the eventual, future transition of key staff. Following extensive discussion, the consensus of the Board was that an interim plan and longer-term plan be developed. The KRWA General Manager would provide a short-term plan to be implemented in the case of the absence or incapacity of the present General Manager to ensure that there is a smooth transition in the daily operation of programs and Association management. This interim plan, including an organizational chart, will be presented to the KRWA Board of Directors prior to the next meeting of the Board scheduled for late February or early March 2011. Needless to say, that was provided to the Board within a few days of the November meeting.

There has been a general understanding of staff roles within the administration of KRWA. General Manager Elmer Ronnebaum has named Greg Duryea as Assistant General Manager. From my acquaintance with the KRWA staff, KRWA is fortunate to have people who not only manage, but who are team workers. The Board requested that a one-year notice of retirement by the General Manager would be appreciated.

Funding

Hearing of possible reductions of program funding and the Association's intent to maintain staff to provide services that are needed by systems, the goal is to formalize asset needs, investment strategy, adequacy of liquidity, level of risk, and a "doomsday plan". The KRWA Board reaffirmed the commitment of the organization to continue to provide services that are needed by members. The question is what alternatives exist to address possible budget shortfalls.

After extensive discussion the consensus of the Association Board was to:

- Seek an increase in funding through the contract administered by the Kansas Water Office
- Assess the Association's dues structure with the possibility of increasing dues for at least some members
- Further consider assistance to systems with certified operators as employees of KRWA
- Consider additional fee-based training
- Explore additional markets for services

Board / staff driven?

The next topic of discussion was to what degree Association activities are Board or staff driven. Organizations develop cultures and those are developed relative to how day-to-day operations are conducted. The Association Board of Directors must have enough safety mechanisms to ensure compliance with all aspects of its operations to fulfill its mission statement. As the Board has ongoing conversations concerning programs and association matters, the Association Board relies on the KRWA staff for credible information to be provided to them. The role of the Association's Board includes having ultimate responsibility to ensure that all Association programs and activities are operated in accordance with contracts and ethical business standards.

There was general Board agreement on information in the prior paragraph. Further there was consensus within the Board that the Association is currently Board driven, and that this is the appropriate model. Further, the Board believes that its annual review of the long-range plan reinforces the fact that the Association is Board driven.

The discussion then moved to the audit, and its presentation to the Board. The consensus was that the Board prefers to have a review of the audit at a meeting of the Board with the



auditor in late February or early March in advance of the annual meeting of membership. That has not always been possible due to scheduling but arrangements have been worked out for such a meeting in early March. As in past years, every delegate attending the meeting of membership will be provided a copy of the full audit.

Board Member Selection and Diversity

The Board also questioned if the Association's Board membership adequately represents the constituency of the membership and that membership is fairly represented. Another question in the same arena, but specifically related

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to Board turnover, is how much time is required before a new board member truly learns the workings of the organization.

Issues associated with funding and program operation are complex and it is not expected that Board members immediately be fully aware of all aspects of the organization.

The ratio of membership on the Association Board in comparison to the number of members from the various constituencies (rural water districts, cities, public wholesale or others) is one demographic to consider. However, diversity is also defined in other ways in which Board members represent constituencies, such as by position such as managers or administrative staff. Assumptions of what constitutes good organization vary by culture and other influences. I think that KRWA staff provide great credibility to the organization. Many staff members were previously employed by cities and rural water districts; others have extensive experience with governance issues. All total, present KRWA staff have 379 years of experience in dealing with water and/or wastewater utilities, in every aspect from repairing a water meter to the most complex of regulations.

The importance of visibility at Association functions was stressed, but a commitment to the goals of the Association is paramount to any other considerations.

Still, the Board is responsible overall and the KRWA Board agreed that prospective nominees be consider given the following:

- Hands-on experience;
- Possession of governance types of skills;
- Persons must have interest and passion and loyalty to the organization;
- Willingness to attend training sessions and other events to provide greater visibility;
- Consideration of geographic location;
- Type of water supply and source.

There was no question that the primary criteria of a prospective board member is loyalty to the organization. The Board did not formalize additional qualifications for board membership. The importance of visibility at Association functions was stressed, but a commitment to the goals of the Association is paramount to any other considerations.

In Summary

The aspect that makes me most proud to be associated with KRWA is that the Association stands up for systems – and because of that, the Association is looked to for representation and help. Just as in the long range plan review that I summarized, KRWA has set specific benchmarks for each of the goals. Most of these have already been met. Doing so is the way to measure performance for the short and to some extent for the long-term and future planning efforts.

I want to encourage everyone to attend the upcoming Annual Conference & Exhibition, March 29 – 31 at Century II Convention Center in Wichita. The KRWA conference is truly unique; it’s not “the Association’s” conference; it’s YOUR conference. It’s “the annual event” that brings water and wastewater utilities, agencies, industry, and others together to learn, make new acquaintances, to shop, to compare, to join in fellowship and even some fun. I hope that you have your calendars marked. It’s an investment of time that will be well spent.



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