

GREAT LAKES WATER AUTHORITY AMENDMENT NO. 2
ATTACHMENT B

GREAT LAKES WATER AUTHORITY CHIEF EXECUTIVE OFFICER'S
AFFORDABILITY, EQUITY, AND INCLUSION
EFFECTIVE UTILITY MANAGEMENT
AND BONUS PLAN

I. Affordability, Equity, and Inclusion

Section II of this Attachment C below indicates that GLWA's CEO, "[S]hall utilize the principles of Effective Utility Management (EUM) to carry out her responsibilities for the general supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA's mission and values." Equally important to the Board is that in carrying out these duties the CEO be similarly guided by the principles of affordability, equity, and inclusion. While always present as guidestones, the principles of affordability, equity, and inclusion are especially important to the Board because of the national pandemic and its impact on individuals, families, businesses, and member-partner communities located within GLWA's territory area.

GLWA was founded upon a principle of affordability with the 4% promise contained in the initial Memorandum of Understanding that led to GLWA's establishment. It is especially important in this time of economic uncertainty that GLWA look at strategies to contain costs while providing water of unquestionable quality to the region.

Similarly, GLWA has an opportunity and a responsibility to provide opportunities to businesses located within its service area. Historically many of those businesses have faced obstacles to participation in procurements on a competitive basis. The Board will consider revisions to the Procurement Policy, however, under the existing Policy or an amended Policy, the CEO should strive to present opportunities for small and disadvantaged business within its service area to effectively compete and do business with GLWA. Over the long-term, this allows GLWA to expand its pool of skilled resources, support economic development throughout the region, and provide competitive pricing in its procurements.

The Board also believes that having a team within GLWA that is reflective of the GLWA's territory area with a diversity of perspectives is important to its long-term success. This focus on workforce recruitment, development, and retention should not be limited to existing team members, GLWA should continue and expand its outreach to the region it serves to promote opportunities through, apprenticeship programs, or other partnerships with stakeholders such as member-partners, labor unions, educational institutions, and trade groups that are focused on technical and leadership opportunities within the water service sector.

II. Effective Utility Management

Pursuant to GLWA’s mission and values, and the Board’s strategic planning and policy direction, CEO shall utilize the principles of Effective Utility Management (EUM) to carry out her responsibilities for the general supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA’s mission and values.

In carrying out these responsibilities, the CEO shall:

A. Ensure high quality water standards and compliance with the Safe Drinking Water Act, Clean Water Act, Clean Air Act and such other environmental laws and regulations as are relevant to the operations of GLWA.

EUM ATTRIBUTES SUPPORTED:

Water Resource Sustainability	Infrastructure Strategy and Performance
Product Quality	Enterprise Resiliency

B. While striving to maximize the quality of GLWA’s credit rating, ensure that GLWA maintains at least its current credit rating by employing sound financial management strategies including but not limited to: recommendation of a proposed Capital Improvement Plan (“CIP”), Financial Plan, and Schedule of Water and Sewer Customer Charge Allocations to the Board for its review and determination and collaboration with the Board and member-partners on a strategy for balancing equity and stability in customer charge allocations and implementation.

EUM ATTRIBUTES SUPPORTED:

Financial Viability	Operational Optimization
Community Sustainability	Infrastructure Strategy and Performance

C. Consistent with the Board’s approved CIP and Financial Plan, guide GLWA’s optimization initiatives to initiate cost-effective changes, including but not limited to: (1) plant staffing and automation deployment; (2) treatment unit processes and cost-effective minimization of untreated CSO discharges; (3) energy management; (4) water loss reduction; (5) effective use of available capital; and (6) asset management/maintenance management.

EUM ATTRIBUTES SUPPORTED:

Operational Optimization	Infrastructure Strategy and Performance
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Community Sustainability	Financial Viability
Enterprise Resiliency	Employee Leadership and Development
Water Resource Sustainability	Product Quality

D. Provide a system of customer outreach and engagement such that each year at least 80% of GLWA’s member-partner’s express satisfaction with GLWA’s management’s performance.

EUM ATTRIBUTES SUPPORTED:

Customer Satisfaction	Stakeholder Understanding and Support
Community Sustainability	Financial Viability

E. Provide a system of compensation, training, and engagement for GLWA team members to ensure that GLWA meets or exceeds water service sector team member retention rates. Starting with Fiscal Year 2022-23 and in each even-numbered calendar year thereafter, the CEO shall conduct a survey review of the organization’s employee engagement.

EUM ATTRIBUTES SUPPORTED:

Enterprise Resiliency	Employee Leadership and Development
Community Sustainability	

III. Bonus Plan

On or before June 30, 2023, the Board will meet to evaluate the CEO's progress in achieving the Goals set forth in Sections I and II of this Attachment B, which are adopted by the Board as its expectations. After discussing each goal, the Board will determine by majority vote whether, taken, the CEO’s performance for that Fiscal Year has: failed to meet the Board’s expectations, met the Board's expectations, or exceeded the Board’s expectations.

<u>Board Evaluation</u>	<u>Bonus</u>
Fails to meet expectations	\$0
Meets expectations	\$6,000
Exceeds expectations	\$12,500