



GLOBAL GOVERNANCE-MANAGEMENT CONNECTION

Board-CEO/General Manager Linkage

The Board's sole official connection to the operational organization, its achievements, and conduct will be through a Chief Executive Officer whose title shall be titled CEO/General Manager.

UNITY OF CONTROL

Board-CEO/General Manager Linkage

Only officially passed motions and resolutions of the Board are binding on the CEO/General Manager.

Accordingly:

1. Decisions or instructions of individual Board members are not binding on the CEO/General Manager except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members requesting information or assistance without Board authorization, the CEO/General Manager can refuse such requests that require, in the General Manager's opinion, a material amount of employee time or funds or is disruptive.

ACCOUNTABILITY OF THE CEO/GENERAL MANAGER**Board-CEO/General Manager Linkage**

The CEO/General Manager is the Board's only link to operational achievement and conduct, so that all authority and accountability of employees, as far as the Board is concerned, is considered the authority and accountability of the CEO/General Manager.

Accordingly:

1. The Board/individual Commissioner will never give instructions to persons who report directly or indirectly to the CEO/General Manager except as provided in BL-6.
2. The Board/individual Commissioner will refrain from evaluating, either formally or informally, any employee other than the CEO/General Manager.
3. The Board will view CEO/General Manager performance as identical to organizational performance, so that organizational accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful CEO/General Manager performance.

DELEGATION TO THE CEO/GENERAL MANAGER**Board-CEO/General Manager Linkage**

The Board will instruct the CEO/General Manager through written policies, which prescribe the organizational ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO/General Manager to use *any reasonable interpretation* of these policies. The Board will produce and maintain written policies that ensure a high quality of governance and clear roles in decision-making between the Board and the CEO/General Manager.

Accordingly:

1. The Board will develop policies instructing the CEO/General Manager to achieve certain results for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called ends policies.
2. The Board will develop policies, which limit the latitude the CEO/General Manager may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called “executive limitations policies.”
3. As long as the CEO/General Manager uses *any reasonable interpretation* of the Board’s ends and executive limitations policies, the CEO/General Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.
4. The Board may change its ends and executive limitations policies, thereby shifting the boundary between Board and CEO/General Manager domains. By doing so, the Board changes the latitude of choice given to the CEO/General Manager. However, as long as any particular delegation is in place, the Board will respect and support the CEO/General Manager’s choices.

MONITORING GENERAL MANAGER PERFORMANCE

Board-General Manager Linkage

Systematic and rigorous monitoring of General Manager job performance will be solely against the following expected General Manager job outputs: organizational accomplishment of Board policies on ends and organizational operation within the boundaries established in Board policies on executive limitations.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Data which does not do this will not be considered to be monitoring data.
2. The Board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the General Manager discloses compliance information to the Board, (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and (c) by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be *any reasonable interpretation by the General Manager* of the Board policy being monitored.
4. All policies which instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

| <u>Policy</u> | <u>Method</u> | <u>Frequency</u> |
|------------------------------------|---------------------|------------------------------|
| Ends Policies | Internal | Annually [Suspend 11/18/03] |
| Treatment of Customers | Internal | Annually [Suspend 11/18/03] |
| Treatment of Employees | Internal | Annually [Suspend 11/18/03] |
| Financial Planning and Budgeting | Internal | Annually |
| Financial Condition and Activities | Internal & External | Quarterly |
| | External | Annually |
| Asset Protection | Internal | Annually [07/09/02] |
| Emergency General Manager | | |
| Succession | Internal | Annually [Suspend 11/18/03] |
| Compensation and Benefits | Internal | Annually [Suspend 11/18/03] |
| Communication and Support | Internal | Quarterly [Suspend 11/18/03] |
| | Direct Inspection | Annually [Suspend 11/18/03] |

BOARD-CLERK OF THE BOARD RELATIONSHIP**Board-CEO/General Manager Linkage**

The Clerk of the Board assists the Board in fulfilling the proper functions of the Board. These may include, but are not limited to, communicating board members' requests to District management and staff related to constituent affairs, coordinating with District management and staff in responding to Board member requests related to constituent affairs, keeping and maintaining Board minutes and resolutions, and establishing and publishing proper legal notices related to the Board's meetings and activities.

The Clerk is responsible for coordinating all activities of the board members.

The Clerk of the Board serves under the direction and control of the CEO/General Manager. The CEO/General Manager may establish the duties of the Clerk of the Board in consultation with the Board. CEO/General Manager will involve the Board on the hiring of the Clerk.

The CEO/General Manager is responsible for evaluating the performance of the Clerk of the Board after consultation with and input from the Board.