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**ARIZONA POWER AUTHORITY
RESOLUTION NO. 18-07
EXECUTIVE DIRECTOR & COMMISSION SUCCESSION PLAN**

WHEREAS, the Arizona Power Authority is a body corporate and politic of the State of Arizona,

WHEREAS, the Authority is governed by a commission consisting of five electors appointed by the governor pursuant to Arizona Revised Statutes section 38-211,

WHEREAS, the commission may employ a person in the capacity of director, manager or chief engineer,

WHEREAS, the topics that the Authority deal with are technical and nuanced in nature, and that the qualified Executive Director and Commissioner candidate pools are limited,

WHEREAS, the Authority believes that time is of the essence regarding proper staffing of the commission and management,

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Arizona Power Authority, that the Arizona Power Authority adopt the Executive Director and Commissioner Succession Plan.

Unanimously adopted by the Arizona Power Authority Commission this 18th day of September, 2018.

Dalton Cole

Chairman

ATTEST:

Heather J. Cole
Executive Secretary



ARIZONA POWER AUTHORITY

EXECUTIVE DIRECTOR AND COMMISSIONER SUCCESSION PLAN

Overview

The Arizona Power Authority (“APA”) is led by a group of 5 Commissioners and managed by an Executive Director. The APA understands that strong leadership is paramount to an effective operation of the organization. It also understands that hydropower is a niche industry, and the number of viable candidates for Commissioners and Executive Director are limited.

The Executive Director is the most important hire for the Arizona Power Authority. This individual sets the tone for the organization and dictates the relationship with the customers. This is exacerbated by the fact that the Authority has a small staff and has captive customers, some of which have longer institutional knowledge with the Authority than almost every potential candidate that you will interview. The Commissioners’ goal is to only have to do this approximately once every 10 years. Therefore, it is paramount to make the right choice.

Ideally, Commissioners would have significant notice of a planned retirement and be well prepared for the task at hand. Unfortunately, life happens. Whether it is the proverbial “hit by the bus,” an unforeseen two week notice, or events that necessitate a change, the Commission could be faced with difficult hiring decisions that they may not be ready for. To prevent a knee-jerk reaction, this plan is presented for Commissioners’ review and approval.

Regarding Commissioners, the APA has a long history of region diversity of its representatives. Despite the majority of people residing in Maricopa County, the APA believes that it should be represented by individuals from across the state. Because of the limited number of individuals with water and power experience, the APA believes that it should be prepared to make recommendations to the Governor for potential appointments. Therefore, this plan will attempt to aid in the location of future Commissioners and, hopefully, expedite the process.

To ensure the ongoing relevance of this plan, it should be reviewed approximately annually.

Executive Director – Departure (Planned or Unplanned)

Overview	The Commissioners are faced with the opportunity to replace the Executive Director. This can come in a planned or unplanned departure. This plan addresses each essentially the same way with the only difference of timing and need for an Interim Executive Director.
Planned Departure	The existing Executive Director has provided sufficient time to prepare for their departure and the Commissioners are ready to find a replacement. Preferred notice from the outgoing Executive Director is 6 months or more.
Unplanned Departure	Either voluntarily or involuntarily, the Commissioners find themselves with a vacancy at the Executive Director position that needs to be filled.
Responsibility	The Commissioners are responsible for hiring the Executive Director to preserve and enhance the future of the Arizona Power Authority.
Job Description	A formal job description should be reviewed by the full Commission prior to initiating the search to ensure that the search captures the current need and consensus of the Commissioners. See A.R.S. §30-108(C) for Executive Director qualifications.
Compensation Package	The Executive Director is currently classified as an E5. This provides a salary range of \$90K-\$170K. Contract compensation should be based on experience.
Search Overview	The existing Commissioners' opinion of the Arizona Power Authority's roles and responsibilities may dictate the hiring decision. This may include a national search and engagement of an executive search firm. Or it may mean a bifurcated system, with a local search, expanding to a national search if insufficient candidates are available after a local search.
Hiring Committee	The Hiring Committee will be led by a Commissioner, and the committee should include at least one other Commissioner, the APA Human Resource Director, and customers. The Commission should consider if it is prudent to include the outgoing Executive Director in this hiring process. Depending on the desire for new blood, their inclusion may hinder the Commission's desires and lead it towards more of the same. It is recommended that the APA representatives make up a majority of this committee. Therefore, if the outgoing Executive Director is included, then the Commission can have up to 3 customer representatives. If not, 2 would be the limit. These should be employees of organizations with allocations, not their consultants.
Job Postings	Depending on the search criteria selected by the Commission, postings should be placed in the most relevant locations. Therefore, it is recommended that the job posting be placed on the American Public Power Association Jobs Board and the Arizona Power Authority and AZStateJobs.Gov websites at a minimum. Grassroots methods can also glean potential candidates, like posting the job with ABWC.

Candidate Process	The Hiring Committee should narrow the field down to a manageable number of candidates (5 or fewer). These candidates should be interviewed in a panel interview by the committee, preferably all in one day. The candidates should be rated in priority for pedigree, performance, and personality. They must fit the APA culture. The final candidate(s) should be presented to the Commission for its consideration. The Commission should then interview them for consideration of hiring.
Timetable	<ul style="list-style-type: none"> • For Local Candidates, plan on 6 months • For a National Search, anticipate 12 months. • Appoint Interim Executive Director (if necessary)
Interim Executive Director	Unfortunately, the right candidate doesn't always show up in a timely manner to ensure for an overlapping transition. It is recommended to have a list of potential Interim Executive Directors available, that would help keep the ship afloat after the existing Executive Director leaves but before the new Director is on-boarded.
Approve Interim E.D. Candidate List	The Commission would approve an Interim E.D. from a qualified list of candidates.
Responsibilities of Interim Executive Director	The roles and responsibilities of the Interim Executive Director are to provide emotional stability for existing staff, maintain ongoing day-to-day operations, manage and approve P&L decisions within the parameters outlined by the Commissioners, and assist in the search of a new Executive Director.
Consulting or Mentorship	The Commission, depending on the situation, may find it prudent to allow for 6 months of consulting or mentorship by the outgoing Executive Director. To ensure that the new Executive Director does not feel undercut, if the Commission desires a transition time, it should be on a consulting basis. It is recommended not to exceed 6 months without the new Executive Director's approval.
Orientation	Depending on the situation, the outgoing Executive Director will on-board the new Executive Director. If the outgoing Executive Director is no longer available, than the Commission Chairman or his designee will on-board the new Executive Director.
Commissioners Introduction / Indoctrination	The Commissioners should schedule a time within the first two months to meet with the new Executive Director to provide context and insight regarding their view of the Arizona Power Authority.
Customer Meetings	The new Executive Director should initially pay visits to customers and their affiliated organizations. Individual visits should proceed once a familiarity is established with the APA, its staff, Commissioners, and customers.
Commissioner Feedback	Commissioners should provide feedback to the new Executive Director, no sooner than 4 months into his/her tenure, but not later than 6 months into his/her tenure to ensure alignment between the Commissioners and the

	Executive Director. This timetable should be ignored if situations dictate an expedited feedback loop.
Last Reviewed	August 2018

Potential Commissioner Candidate List

Overview	The potential candidates for the Arizona Power Authority Commission are few and far between. The APA has experienced protracted delays in having a full Commission appointed by the Governor due to the qualifications believed required and the preoccupation with other issues, thereby delaying appointments.
Responsibility	The Commissioners are responsible for hiring the Executive Director, setting the vision and policies for the organization, attending monthly meetings (and special meetings if necessary), reviewing financials, and monitoring the performance of the Executive Director.
Qualifications	Potential Commissioners should have a familiarity with power, water, and finance. A strong background in these areas is preferred. Due to the nature of the APA customer base, an understanding of agriculture is also preferred. See A.R.S. §30-105(B) for Commissioner qualifications.
State Representation	The Arizona Power Authority is tasked with providing the widest possible benefit to the state. With the Post-2017 allocations, the APA covers the entire state, with customers from Page to Sierra Vista, Yuma to St. Johns.
Regional Diversity	With nearly 60% of the population of Arizona residing in Maricopa County, the APA understands that regional diversity is necessary to understand the needs of all its customers. Therefore, it has adopted a philosophy for regional representation.
Regional Breakdown	The Commission recommends representation from southwestern AZ (Yuma, La Paz), southeastern AZ (Cochise, Pima, etc.), Maricopa County, Pinal County, and one At-Large (preferably from Northern AZ)
Governor Recommendation	Commissioners' appointments are ultimately the Governor's final decision(s), but the APA Commission has developed a potential candidate list in hopes of expediting the appointments.
Executive Director Authority	The APA Commission authorizes the Executive Director to develop a potential candidate list. He/she shall consult with the APA Chairman and customers or their representatives for development of a candidate list. This list shall be presented to the Commissioners for their review and approval. The Executive Director shall also have the authority to interface with the Governor or his staff in hopes of expediting the appointment process.

Candidate List	The Potential Candidate List shall be presented to the Commissioners at a monthly meeting for their review and feedback. In conjunction with the Executive Director Succession Plan, this plan shall be reviewed annually.
Approved Candidates	Candidates approved on the final list shall be contacted by APA staff to confirm their willingness to serve and be updated on any potential openings if they become available.
Last Reviewed	August 2018