

**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Strategic Planning Committee Meeting

Tuesday, November 27, 2012

11:00 a.m.

**5000 Overlook Avenue, SW
Room 407**

- 1. Call to Order.....Adam Clampitt, Chairperson
- 2. *Update of Strategic Plan Implementation Process*.....Doug Bean/Sunesis
 - a. Alignment of Organization (OGM & Board).....Chris Carew, Chief of Staff
 - b. Update on Implementation Planning.....Darin Thomas/Sunesis
 - c. *Impact Analysis Overview (Goal Level Analysis)*.....Darin Thomas
- 3. Discussion of Key Initiatives.....Doug Bean
- 4. Implementation Considerations.....Doug Bean
- 5. Next Steps.....Doug Bean
- 6. Adjournment

DC WATER

STRATEGIC PLANNING COMMITTEE MEETING

Strategic Plan Implementation Planning Update

November 27, 2012

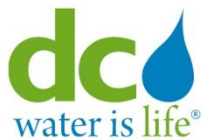


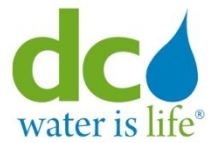
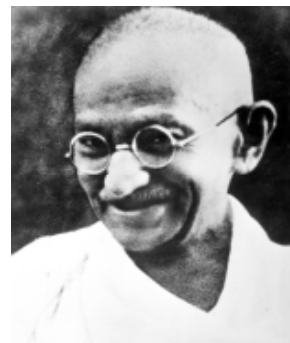
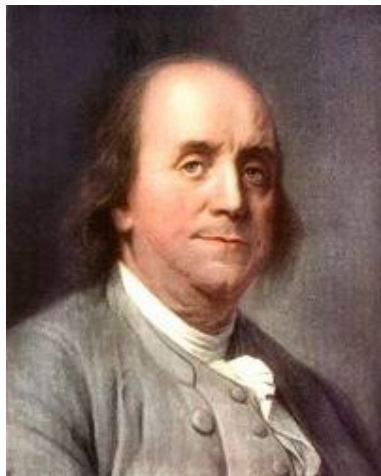
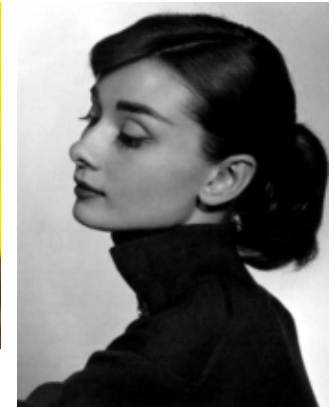
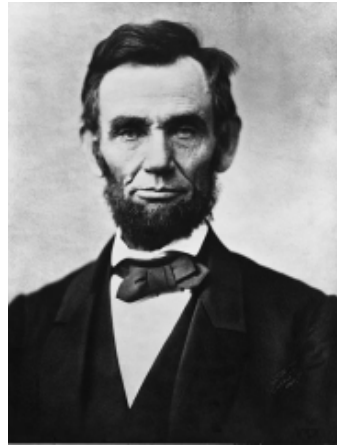
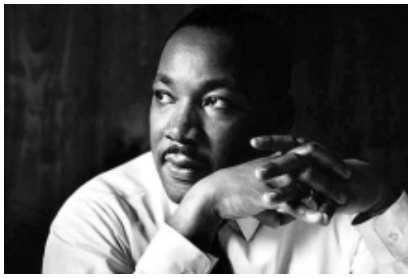
Agenda

- Update of strategic plan implementation process
 - Alignment of organization (OGM & Board)
 - Implementation planning (update)
 - Impact analysis overview
- Key initiatives
- Implementation considerations
- Next steps

DC WATER: BEING A WORLD-CLASS WATER UTILITY!

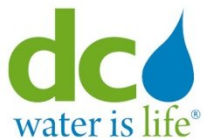
How do we get there?





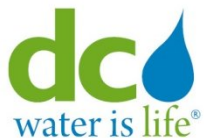
Our definition of a world-class

Recognition by our customers, employees, board of directors and industry peers for adopting, or striving to adopt, best practices in all that we do.

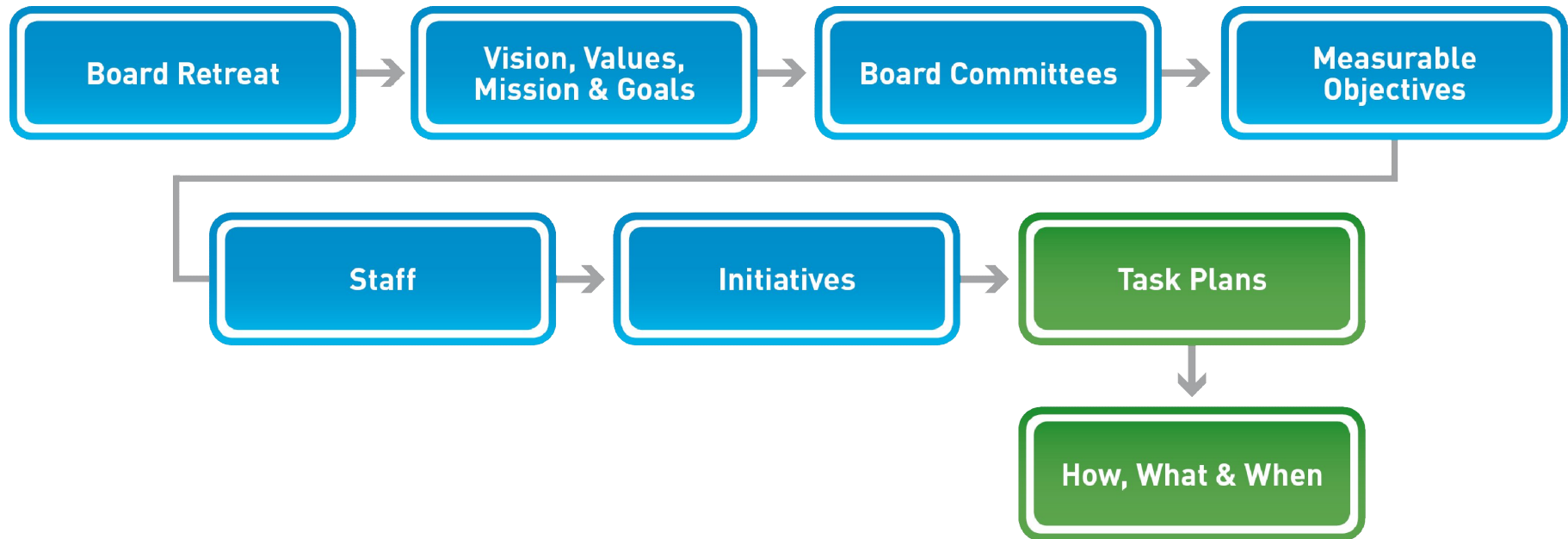


Why is now the time?

- Board priority number one was to improve public image and engagement
- Better understanding of who we are
- Better positioned to take on the challenges to be world-class

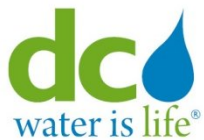


The Process



Task Planning

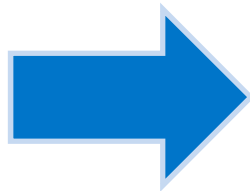
Goal	Champion
Goal 1. Develop, Maintain, and Recruit a High Performing Workforce	Katrina Wiggins
Goal 2. Collaborate Locally, Regionally, and Nationally	Alan Heymann
Goal 3. Increase Board Focus On Strategic Direction	George Hawkins
Goal 4. Enhance Customer/Stakeholder Confidence, Communication, and Perception	Charlie Kiely
Goal 5. Assure Financial Sustainability and Integrity	Yvette Downs
Goal 6. Assure Safety and Security	Walter Bailey
Goal 7. Consider DC Water Role In Drinking Water Treatment	Charles Kiely
Goal 8. Optimally Manage Infrastructure	Leonard Benson
Goal 9. Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices	Chris Carew



Sample – Goal, Initiative, Task








Goal 4 ENHANCE CUSTOMER/STAKEHOLDER CONFIDENCE, COMMUNICATION, AND PERCEPTION

Initiative Increase opportunities to communicate with all customer, including those who do not receive a bill






TASK PLAN						
Task	New or Underway	Assigned	Due Date	Cost/ Budget Request Estimate (5 Yr. Total)	Revenue/ Savings (5 Yr. Total)	
1 Identify key stakeholders - Steering Committee	New	Sarah Neiderer	03/2013	\$0		
2 Conduct a survey to inventory current communications conducted by all DC Water Divisions (staff and vendors), including methods, messaging and target audience	New	Sarah Neiderer	12/2013	\$0		
3 Survey DC Water Divisions to identify communication strengths, weaknesses and gaps	New	Sarah Neiderer	12/2013	\$50,000		
4 Compare satisfaction survey results (see Goal 4, Initiatives 2 & 3) with internal inventory and survey results	New	Sarah Neiderer	12/2013	\$0		
5 Present findings and recommendations to Senior Management	New	Sarah Neiderer	2/2014	\$0		
TOTAL				\$50,000		

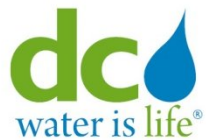
Impact Analysis

Fiscal 	Service 	Policy 
<p><u>Investments</u> </p> <p>Initiatives that require capital and/or operating budget allocations.</p>	<p><u>Enhanced</u> </p> <p>Either internal or external customer service enhancements realized from implementation of particular initiatives</p>	<p><u>Implications</u> </p> <p>Policy considerations associated with implementation of particular initiatives</p>
<p><u>Savings</u> </p> <p>Savings or revenue enhancements resulting from implementation of particular initiatives</p>		



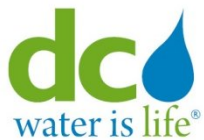
Impact Analysis: Key Initiatives

Fiscal 	Service 	Policy 
<p>Investments in:</p> <ul style="list-style-type: none"> • Training • Security • Infrastructure <p>Savings from:</p> <ul style="list-style-type: none"> • Skills Development • Performance Management • Accountability • Optimization (Best Practices) 	<p>Enhanced by:</p> <ul style="list-style-type: none"> • Workforce Development • Communications • Safety & Security • Infrastructure Improvements • Adoption of Best Practices 	<p>Considerations:</p> <ul style="list-style-type: none"> • Investments • Labor Contracts • Board Structure • Performance Management



Status of Funding

- 2013 Funding
- 2014 Funding
- 2015 – 2017 Funding

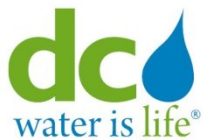


Implementation Considerations

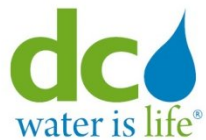
- Alignment of Board & staff
- Board committee involvement
- Process to monitor, management, measure & report implementation

Alignment

Board	Staff
<ul style="list-style-type: none">• Committee assignments• Board committee agenda development• Board annual review and update	<ul style="list-style-type: none">• Organizational structure• Task plan management• Monitoring, measuring and reporting



Alignment and advancement of goals, objectives and initiatives requires...



DC WATER STRATEGIC PLANNING COMMITTEE MEETING
STRATEGIC PLAN IMPLEMENTATION PLANNING UPDATE

Management's organizational goals

- World-class safety
- World-class asset management
- World-class workforce development
- Advance policy of environmental sustainability



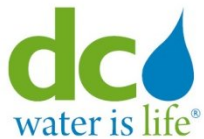
The foundations for change

- PACT
- Performance management
- Deployment of technology
- Organization structure and staffing

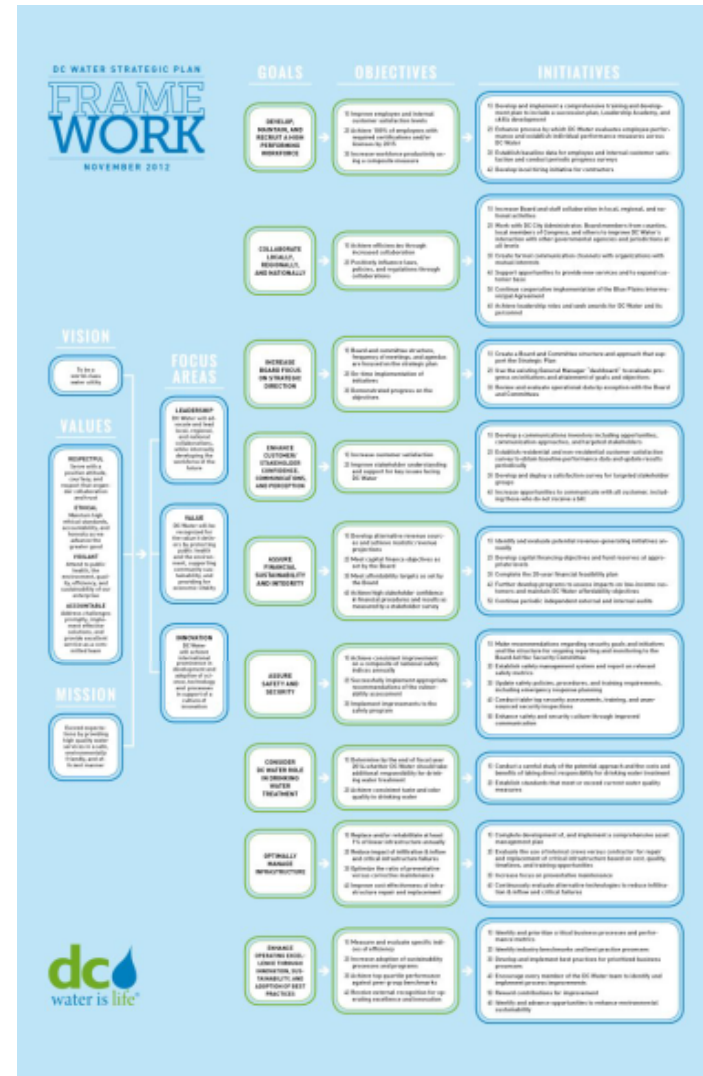




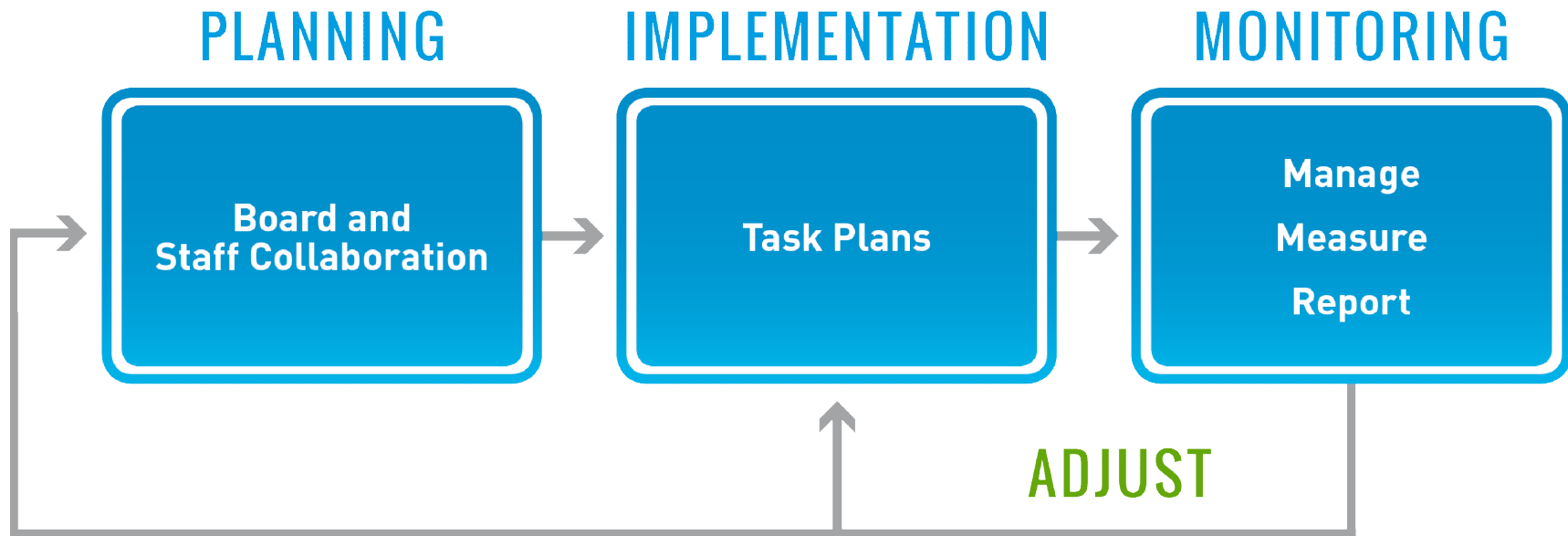
The foundation
for change
is being built to
sustain
improvement



DC WATER STRATEGIC PLANNING COMMITTEE MEETING
STRATEGIC PLAN IMPLEMENTATION PLANNING UPDATE



Implementation Process



Next Steps

- Complete impacts summary
- Finalize five-year financial assessment
- Prepare for January presentation to full Board
- Begin formal implementation (Jan 2013)



VISION

To be a world-class water utility

VALUES

- RESPECTFUL**
Serve with a positive attitude, courtesy, and respect that engender collaboration and trust
- ETHICAL**
Maintain high ethical standards, accountability, and honesty as we advance the greater good
- VIGILANT**
Attend to public health, the environment, quality, efficiency, and sustainability of our enterprise
- ACCOUNTABLE**
Address challenges promptly, implement effective solutions, and provide excellent service as a committed team

MISSION

Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner

FOCUS AREAS

LEADERSHIP
DC Water will advocate and lead local, regional, and national collaborations, while internally developing the workforce of the future

VALUE
DC Water will be recognized for the value it delivers by protecting public health and the environment, supporting community sustainability, and providing for economic vitality

INNOVATION
DC Water will achieve international prominence in development and adoption of science, technology and processes in support of a culture of innovation

GOALS

DEVELOP, MAINTAIN, AND RECRUIT A HIGH PERFORMING WORKFORCE

COLLABORATE LOCALLY, REGIONALLY, AND NATIONALLY

INCREASE BOARD FOCUS ON STRATEGIC DIRECTION

ENHANCE CUSTOMER/STAKEHOLDER CONFIDENCE, COMMUNICATIONS, AND PERCEPTION

ASSURE FINANCIAL SUSTAINABILITY AND INTEGRITY

ASSURE SAFETY AND SECURITY

CONSIDER DC WATER ROLE IN DRINKING WATER TREATMENT

OPTIMALLY MANAGE INFRASTRUCTURE

ENHANCE OPERATING EXCELLENCE THROUGH INNOVATION, SUSTAINABILITY, AND ADOPTION OF BEST PRACTICES

OBJECTIVES

- 1) Improve employee and internal customer satisfaction levels
- 2) Achieve 100% of employees with required certifications and/or licenses by 2015
- 3) Increase workforce productivity using a composite measure

- 1) Achieve efficiencies through increased collaboration
- 2) Positively influence laws, policies, and regulations through collaborations

- 1) Board and committee structure, frequency of meetings, and agendas are focused on the strategic plan
- 2) On-time implementation of initiatives
- 3) Demonstrated progress on the objectives

- 1) Increase customer satisfaction
- 2) Improve stakeholder understanding and support for key issues facing DC Water

- 1) Develop alternative revenue sources and achieve realistic revenue projections
- 2) Meet capital finance objectives as set by the Board
- 3) Meet affordability targets as set by the Board
- 4) Achieve high stakeholder confidence in financial procedures and results as measured by a stakeholder survey

- 1) Achieve consistent improvement on a composite of national safety indices annually
- 2) Successfully implement appropriate recommendations of the vulnerability assessment
- 3) Implement improvements to the safety program

- 1) Determine by the end of fiscal year 2014 whether DC Water should take additional responsibility for drinking water treatment
- 2) Achieve consistent taste and odor quality in drinking water

- 1) Replace and/or rehabilitate at least 1% of linear infrastructure annually
- 2) Reduce impact of infiltration & inflow and critical infrastructure failures
- 3) Optimize the ratio of preventative versus corrective maintenance
- 4) Improve cost effectiveness of infrastructure repair and replacement

- 1) Measure and evaluate specific indices of efficiency
- 2) Increase adoption of sustainability processes and programs
- 3) Achieve top quartile performance against peer group benchmarks
- 4) Receive external recognition for operating excellence and innovation

INITIATIVES

- 1) Develop and implement a comprehensive training and development plan to include a succession plan, Leadership Academy, and skills development
- 2) Enhance process by which DC Water evaluates employee performance and establish individual performance measures across DC Water
- 3) Establish baseline data for employee and internal customer satisfaction and conduct periodic progress surveys
- 4) Develop local hiring initiative for contractors

- 1) Increase Board and staff collaboration in local, regional, and national activities
- 2) Work with DC City Administrator, Board members from counties, local members of Congress, and others to improve DC Water's interaction with other governmental agencies and jurisdictions at all levels
- 3) Create formal communication channels with organizations with mutual interests
- 4) Support opportunities to provide new services and to expand customer base
- 5) Continue cooperative implementation of the Blue Plains Inter-municipal Agreement
- 6) Achieve leadership roles and seek awards for DC Water and its personnel

- 1) Create a Board and Committee structure and approach that support the Strategic Plan
- 2) Use the existing General Manager "dashboard" to evaluate progress on initiatives and attainment of goals and objectives
- 3) Review and evaluate operational data by exception with the Board and Committees

- 1) Develop a communications inventory including opportunities, communication approaches, and targeted stakeholders
- 2) Establish residential and non-residential customer satisfaction survey to obtain baseline performance data and update results periodically
- 3) Develop and deploy a satisfaction survey for targeted stakeholder groups
- 4) Increase opportunities to communicate with all customer, including those who do not receive a bill

- 1) Identify and evaluate potential revenue-generating initiatives annually
- 2) Develop capital financing objectives and fund reserves at appropriate levels
- 3) Complete the 20-year financial feasibility plan
- 4) Further develop programs to assess impacts on low-income customers and maintain DC Water affordability objectives
- 5) Continue periodic independent external and internal audits

- 1) Make recommendations regarding security goals and initiatives and the structure for ongoing reporting and monitoring to the Board Ad Hoc Security Committee
- 2) Establish safety management system and report on relevant safety metrics
- 3) Update safety policies, procedures, and training requirements, including emergency response planning
- 4) Conduct table top security assessments, training, and unannounced security inspections
- 5) Enhance safety and security culture through improved communication

- 1) Conduct a careful study of the potential approach and the costs and benefits of taking direct responsibility for drinking water treatment
- 2) Establish standards that meet or exceed current water quality measures

- 1) Complete development of, and implement a comprehensive asset management plan
- 2) Evaluate the use of internal crews versus contractor for repair and replacement of critical infrastructure based on cost, quality, timelines, and training opportunities
- 3) Increase focus on preventative maintenance
- 4) Continuously evaluate alternative technologies to reduce infiltration & inflow and critical failures

- 1) Identify and prioritize critical business processes and performance metrics
- 2) Identify industry benchmarks and best practice processes
- 3) Develop and implement best practices for prioritized business processes
- 4) Encourage every member of the DC Water team to identify and implement process improvements
- 5) Reward contributions for improvement
- 6) Identify and advance opportunities to enhance environmental sustainability



DC WATER STRATEGIC PLAN IMPLEMENTATION IMPACTS ANALYSIS

Goals (9)	Board Committee Assignments	Initiatives (39)	Funding (Full, Partial, None)	Funding Comments	Fiscal	Service	Policy
Goal 1 Develop, Maintain, and Recruit a High Performing Workforce <i>Champion: Katrina Wiggins</i>	●	Initiative: 1. Develop and implement a comprehensive training and development plan to include a succession plan, Leadership Academy, and skills development	P	Authority currently budgets approx \$2m/yr for employee development. A more strategic approach to training budget will facilitate repriorization of budget and allow for most of the activities under this initiative to be funded.	\$	\$	✎
		Initiative: 2. Enhance process by which DC Water evaluates employee performance and establish individual performance measures across DC Water	N		\$	\$	✎
		Initiative: 3. Establish baseline data for employee and internal customer satisfaction and conduct periodic progress surveys	N				
		Initiative: 4. Develop local hiring initiative for contractors	N				✎
Goal 2 COLLABORATE LOCALLY, REGIONALLY, AND NATIONALLY <i>Champion: Alan Heymann</i>	● ●	Initiative: 1. Increase Board and staff collaboration in local, regional, and national activities	P	Funding currently exists for most of the initiatives under this goal within multiple depts in the organization. However, Initiative no 4 has limited funds allocated.	\$		✎
		Initiative: 2. Work with DC City Administrator, Board members from counties, local members of Congress, and others to improve DC Water's interaction with other governmental agencies and jurisdictions at all levels	F				
		Initiative: 3. Create formal communication channels with organizations with mutual interests	P			\$	✎
		Initiative: 4. Support opportunities to provide new services and to expand customer base	P				
		Initiative: 5. Continue cooperative implementation of the Blue Plains Inter-municipal Agreement	P				
		Initiative: 6. Achieve leadership roles and seek awards for DC Water and its personnel	P				
Goal 3 INCREASE BOARD FOCUS ON STRATEGIC DIRECTION <i>Champion: George Hawkins</i>	● ●	Initiative: 1. Create a Board and Committee structure and approach that support the Strategic Plan	N	These initiatives currently don't have any dedicated funding.			✎
		Initiative: 2. Use the existing General Manager "dashboard" to evaluate progress on initiatives and attainment of goals and objectives	N				
		Initiative: 3. Review and evaluate operational data by exception with the Board and Committees	N				
Goal 4 ENHANCE CUSTOMER/STAKEHOLDER CONFIDENCE, COMMUNICATION, AND PERCEPTION <i>Champion: Charles Kiely</i>	● ●	Initiative: 1. Develop a communications inventory including opportunities, communication approaches, and targeted stakeholders	N	These initiatives currently don't have any dedicated funding.			
		Initiative: 2. Establish residential and non-residential customer satisfaction survey to obtain baseline performance data and update results periodically	N				
		Initiative: 3. Develop and deploy a satisfaction survey for targeted stakeholder groups	N				
		Initiative: 4. Increase opportunities to communicate with all customer, including those who do not receive a bill	P		\$	✎	
Goal 5 ASSURE FINANCIAL SUSTAINABILITY AND INTEGRITY <i>Champion: Yvette Downs</i>	● ● ●	Initiative: 1. Identify and evaluate potential revenue-generating initiatives annually	N	Most of these initiatives have some level of funding and are underway, except for initiative 1.	\$	\$	✎
		Initiative: 2. Develop capital financing objectives and fund reserves at appropriate levels	F		\$		
		Initiative: 3. Complete the 20-year financial feasibility plan	P			✎	
		Initiative: 4. Further develop programs to assess impacts on low-income customers and maintain DC Water affordability objectives	P				
		Initiative: 5. Continue periodic independent external and internal audits	F				
Goal 6 ASSURE SAFETY AND SECURITY <i>Champion: Walter Bailey</i>	● ● ●	Initiative: 1. Make recommendations regarding security goals and initiatives and the structure for ongoing reporting and monitoring to the Board Ad Hoc Security Committee	P	Significant funding currently exists for safety and security in both operating and capital budget. Most of these initiatives can be accomplished within allocated/requested budgets, except initiative 5 which may need better scoping to determine funding level.	\$	✎	✎
		Initiative: 2. Establish safety management system and report on relevant safety metrics	P		✎	✎	
		Initiative: 3. Update safety policies, procedures, and training requirements, including emergency response planning	P		✎	✎	
		Initiative: 4. Conduct table top security assessments, training, and unannounced security inspections	P		✎		
		Initiative: 5. Enhance safety and security culture through improved communication	P		✎		
Goal 7 CONSIDER DC WATER ROLE IN DRINKING WATER TREATMENT <i>Champion: Charles Kiely</i>	● ●	Initiative: 1. Conduct a careful study of the potential approach and the costs and benefits of taking direct responsibility for drinking water treatment	N	This goal is mostly currently unfunded.	\$		✎
		Initiative: 2. Establish standards that meet or exceed current water quality measures	P				
Goal 8 OPTIMALLY MANAGE INFRASTRUCTURE <i>Champion: Leonard Benson</i>	● ●	Initiative: 1. Complete development of, and implement a comprehensive asset management plan	F	\$20m is currently included in the FY 2014 budget request for initiative 1. Also initiatives 2,3 and 4 are ongoing and have funds currently allocated.	\$	\$	✎
		Initiative: 2. Evaluate the use of internal crews versus contractor for repair and replacement of critical infrastructure based on cost, quality, timelines, and training opportunities	P		\$		
		Initiative: 3. Increase focus on preventative maintenance	P		\$		
		Initiative: 4. Continuously evaluate alternative technologies to reduce infiltration & inflow and critical failures	P		\$		
Goal 9 ENHANCE OPERATING EXCELLENCE THROUGH INNOVATION, SUSTAINABILITY, AND ADOPTION OF BEST PRACTICES <i>Champion: Chris Carew</i>	● ●	Initiative: 1. Identify and prioritize critical business processes and performance metrics	P	Initiatives 1, 2 and 3 could leverage \$20m investment in asset management and should require minimal additional funding. Initiative 4 and 5 could be funded from budgeted wage increase in FY 2014 - increases should be based on pay for performance and so minimal additional funding required.			
		Initiative: 2. Identify industry benchmarks and best practice processes	P				
		Initiative: 3. Develop and implement best practices for prioritized business processes	P		\$	✎	✎
		Initiative: 4. Encourage every member of the DC Water team to identify and implement process improvements	P				
		Initiative: 5. Reward contributions for improvement	P		\$	✎	✎
		Initiative: 6. Identify and advance opportunities to enhance environmental sustainability	N		\$		

COMMITTEE LEGEND

- Human Resources/ Labor Relations Committee
- Environmental Quality and Sewerage Services Committee
- Water Quality and Water Services Committee
- Strategic Planning Committee
- Governance Committee
- Finance & Budget Committee
- DC Retail and Sewer Rates Committee
- Audit Committee

