



STRATEGIC PLAN

for

**Fiscal Years
2010 – 2014**

June 2009

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Introduction to the Strategic Plan

Water is a key element of a prosperous, healthy community. It is a symbol of our region's bounty and a resource to which citizens are entitled. The South Central Connecticut Regional Water Authority takes great pride in its delivery of this critical service.

Our water system, first conceived by Eli Whitney, Jr. in 1849, is a marvel of engineering and civic gumption. Today, performed by a workforce of nearly 300 people, the work done at the Authority encompasses a broad range of disciplines. We rely daily upon this group of outstanding employees who are responsible for producing high quality water as well as providing first-class customer service. From the 52 million gallons of water supplied per day to some 425,000 consumers, to the more than 27,000 acres of land we protect, we clearly contribute much to the community. In light of the annual investments in the capital infrastructure that delivers water through the more than 1,690 miles of interconnected water mains and our role as one of the larger employers in Greater New Haven, we accept our responsibilities as a leader in this community. It is a privilege and a responsibility to be one of the few organizations with the opportunity to touch so many lives on a daily basis. We are proud of our efforts to serve the region.

Senior management developed the Authority's Strategic Plan during off site planning meetings and dedicated time during extended staff meetings during the past two months. The Plan set forth below lays out our priorities for the five-year period covering fiscal years 2010 to 2014. It contains updated mission, vision and value statements for the company as well as describes the specific strategies necessary to meet challenges that lay ahead.

Following the four perspectives of the balanced scorecard management system -- Customer/Constituent; Employee Learning and Growth; Financial; and Internal Business Processes -- the priorities identified in this Plan will drive the organization for the next several years. It includes metrics that allow us to track our progress in finance, customer results, operations and organization capacity. However, the Strategic Plan is much more than a metric or performance measurement system. With the underlying balanced scorecard, the Plan becomes a system of strategic management that will drive decisions including those related to budgets. As a result, we can continuously improve the Authority's performance and long-term management of the organization. Our aim is to move the RWA from being a good company to one that is truly great.

The balanced scorecard architecture diagram on page 4 shows the foundational relationship that our mission, vision and values have with the four perspectives. It depicts how each perspective is interrelated to the others as well as to the strategic goals.

The summary list of the Plan's 12 strategies is on page 5. The five-year goals grew from the strategies.

Page 6 shows a summary of Management's five-year strategic goals. If strategies are considered the head of the Plan, then the goals are its heart. A significant amount of time was spent by senior management in the development of goals that, when attained, will result in a strong, best-in-class organization. The goals cover all aspects of the organization and affect how we think organizationally. The goals are stretch goals, some significantly so, but all are Specific, Measurable, Actionable, Relevant and Time-framed (S.M.A.R.T).

This Plan is a rolling, dynamic document. Situations can and do change, so adjustments may be necessary to keep it relevant and its implementation moving forward. Each quarter, there will be a report on the status of the Plan. Every year the Plan will undergo review and update. Each year a new component to the five-year plan will be presented that incorporates unfulfilled strategies and goals, and will lay out new strategies and goals if necessary. Future capital and O&M budgets will be developed to support the plan's initiatives. Management will review the status of the Plan monthly and make course adjustments as required.

MISSION, VISION, VALUES

Mission:

To provide customers with high quality water and service at a reasonable cost while promoting the preservation of watershed land and aquifers.

Vision:

To be best in class as a provider of water and related services.

Values:

S.T.A.R.S. – Service, Teamwork, Accountability, Respect, & Safety

These values, originally developed by the Diversity Committee, were refreshed to present a single set of organizational values for the Authority. The values, which make up the STARS acronym, are easy to remember and best communicate what we feel is important.

These values represent the foundation of our relationships with our customers, our communities, and each other. We take pride in the jobs we do, and care about the environment and the protection of natural resources for future generations. We are committed to following these values as we go about our work.

Service: We provide prompt courteous service to both our customers and our coworkers. We continually strive to make the customer experience better for all.

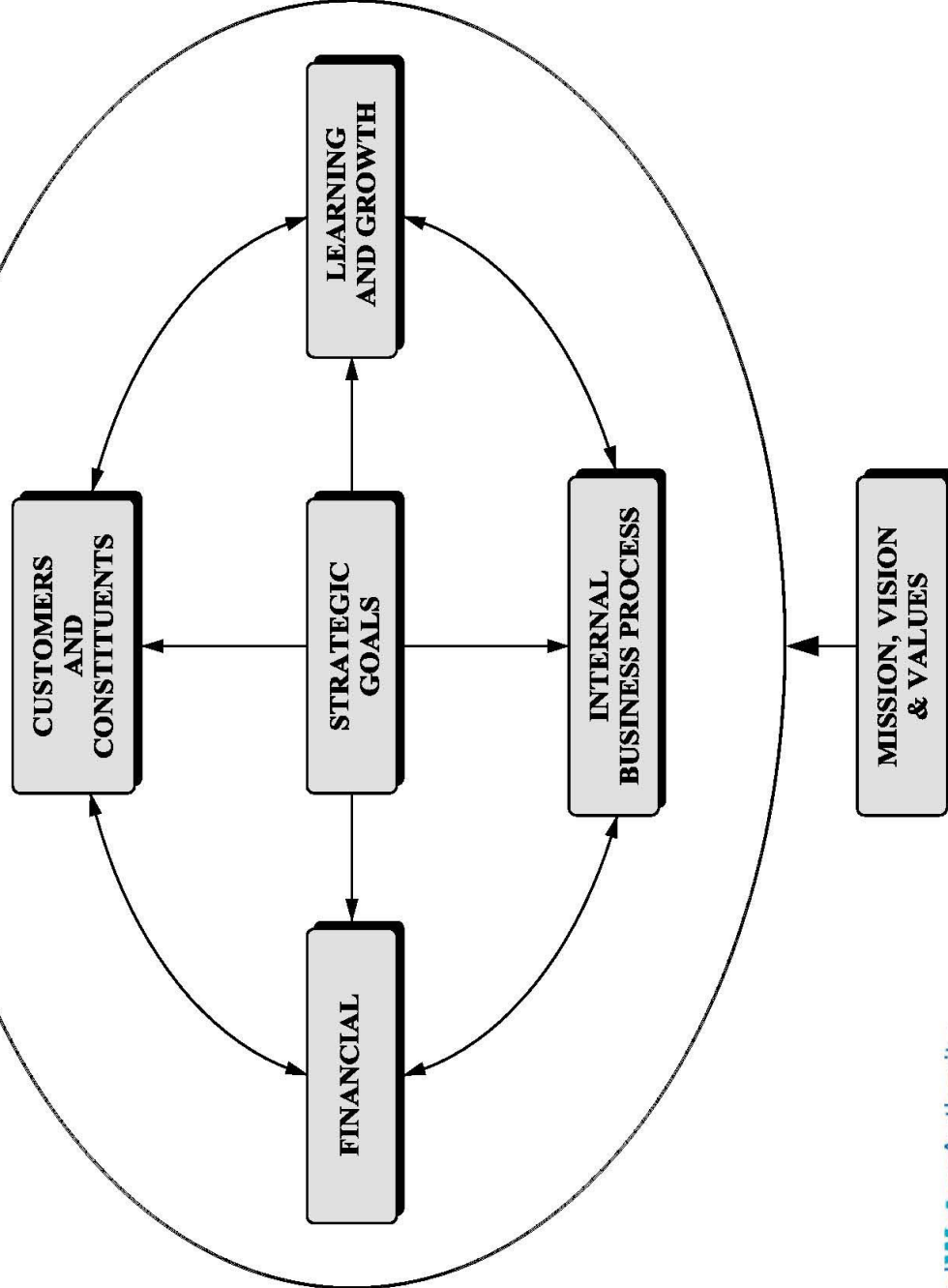
Teamwork: We build on each other's strengths. Through efficiency and innovation, we work together, operating as a team, in a spirit of mutual trust and openness, to achieve success.

Accountability: We are responsible for our actions. We are honest and ethical. Integrity is at the heart of everything we do.

Respect: We treat with respect everyone with whom we come in contact while doing our jobs. We promote diversity and embrace individuality.

Safety: We are a safe workforce. Safety is owned by every employee. We all benefit when safety is part of our daily lives.

Balanced Scorecard Architecture



Summary of Five-Year Strategies

Perspective: Customers/Constituents

Strategies:

- Improve customer satisfaction
- Promote efficient and sustainable use of water (without impacting revenues)
- Improve constituent perception of the Authority

Perspective: Employee Learning & Growth

Strategies:

- Develop workforce by improving knowledge, skills, and abilities
- Foster a culture that embodies the Authority's values
- Improve workforce safety

Perspective: Financial

Strategies:

- Improve the financial operating performance of the Authority
- Expand the Authority's customer base and its non-core revenue
- Improve the efficiency of capital expenditure

Perspective: Internal Business Processes

Strategies:

- Maximize efficiency of business operations while maintaining performance standards
- Improve product quality and delivery
- Improve risk management

Summary of Strategic Goals

Perspective: Customers/Constituent

I. Strategy: Improve customer satisfaction

- A. Goal - Customer satisfaction:** Grow customer satisfaction in the delivery of all service to RWA customers to attain a Customer Satisfaction Index of approximately 93% by May 2014.
- B. Goal – Customer complaints:** Place RWA in the top quartile of the QualServe Performance Measure by reducing customer complaints by May of 2015.
- C. Goal – Internal customer service:** Develop and grow employee internal customer service to attain internal customer service satisfaction of baseline plus 5% by May 2014.

II. Strategy: Promote efficient and sustainable use of water

- A. Goal – Demand management:** Without negatively impacting revenues, implement a plan by May 2012 that would reduce 2017 per capita water use by 7%.

III. Strategy: Improve constituent perceptions of the Authority

- A. Goal - Reputation:** Build public trust and partnerships to enhance the RWA's reputation as a regional asset by 5% by May 2015.

Perspective: Employee Learning and Growth

I. Strategy: Develop the workforce by improving knowledge, skills and abilities

- A. Goal – Professional Development:** Implement organizationally coordinated individual development plans for all employees by May 2014.
- B. Goal – Succession Planning:** Implement succession planning that addresses 100% of the potential loss of institutional knowledge due to retirements by May 2014.

II. Strategy: Foster a culture that embodies the Authority's values

- A. Goal – Workforce Engagement:** Grow workforce engagement to strengthen commitment to the organization and individual success as evidenced by improved results of the Employee's Engagement Survey by 15% by May 2014.

III. Strategy: Improve workforce safety

- A. Goal - Injuries:** Achieve zero injuries by May 2014.

Summary of Strategic Goals – continued

Perspective: Financial

I. Strategy: Improve the financial operating performance of the Authority

- A. Goal - Financial coverage:** By May 2015, increase the Authority's debt service coverage from 1.1 to 1.2 to enhance its ability to fund the capital program.
- B. Goal - Efficiency:** By May 2014, improve efficiency by decreasing the Authority's operating ratio from 61% to 59%.

II. Strategy: Expand the Authority's customer base and its non-core revenue

- A. Goal - Wholesale customers:** By May 2014, increase the number of wholesale customers by two.
- B. Goal - Retail accounts:** By May 2014, expand the customer base by 100 accounts annually above the current average of approximately 500.
- C. Goal - Non-core programs:** By May 2014, increase net revenues from non-core programs by \$750,000.

III. Strategy: Improve the efficiency of capital expenditure

- A. Goal - Efficiency of program methodologies:** By May 2014, increase the efficiency of capital expenditures by 15% by employing more efficient program methodologies.

Perspective: Internal Business Processes

I. Strategy: Maximize efficiency of business operations while maintaining performance standards

- A. Goal – Process efficiency:** Increase the efficiency of all major business processes by 25% by May 2014.
- B. Goal – Treatment/distribution:** Increase the efficiency of treating and distributing water to achieve a 10% reduction in O&M cost per million gallons delivered by May 2014.

II. Strategy: Improve product quality and delivery

- A. Goal – Improve product quality:** Decrease technical product quality complaints from baseline by 20% by May 2014.

III. Strategy: Improve risk management

- A. Goal – Mitigate risk:** Mitigate 100% of the risks identified in the RWA Risk Register by May 2014.

Count: 4 Perspectives; 12 Strategies, 19 Goals