



 TAPPING the POSSIBILITIES™

 Regional **Water** Authority

Strategic Plan
FY 2015 – FY 2020

South Central Connecticut Regional Water Authority

Tapping the Possibilities

Strategic Plan Fiscal Years 2015 – 2020

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Introduction

The South Central Connecticut Regional Water Authority (SCCRWA) is a non-profit regional public corporation and a political subdivision of the state whose mission is to provide customers with high quality water and service at a reasonable cost while promoting the preservation of watershed land and aquifers. SCCRWA is a fully self-funded non-profit authority that derives its revenues primarily through its water supply services. SCCRWA supplies an average of 46 million gallons per day (2.0 m³/s) to 428,000 people in a fifteen-towns region centered in New Haven, Connecticut. The utility maintains 1,700 miles (2,700 km) of distribution mains and more than 118,000 services across 260 square miles (670 km²). Due to the system's numerous sources and the region's topography, there are twenty-eight pressure gradients, served by twenty-seven pump stations, sixteen pressure-reducing valves, and thirty-three storage tanks.

Two boards govern SCCRWA. The **Regional Water Authority**, a five-person board, functions as a board of directors. It oversees the adoption of annual operating and capital budgets and provides strategic direction to management. The **Representative Policy Board** serves as the economic regulator and is composed of one representative from each of the 20 municipalities in our region plus one member appointed by the Governor of Connecticut. The chief elected official of each municipality appoints an individual to the Policy Board, who is confirmed by the municipality's legislative body. The Board votes are weighted based on a formula that considers the number of customers and the amount of land that is owned in each municipality. No representative has more than 13 of the total 101 weighted votes on the Representative Policy Board. The Representative Policy Board operates through three permanent committees: Finance, Land Use and Consumer Affairs.

SCCRWA owns and operates all of its sources of supply. There are four active and three inactive reservoir systems with a total of sixteen reservoir dams and twenty-four diversion dams. The reservoirs, which provide about 80% of SCCRWA's water supplies, range in size from nearly 13,107 million gallons (50,000,000 m³) down to about 15 million gallons (60,000 m³) of storage. All active surface water supplies are filtered at one of four treatment plants. Recreational fishing is allowed from the shoreline at five reservoirs and from boats provided by SCCRWA at one reservoir. The supplies also include seven small well fields utilizing sand and gravel aquifers and provide 20% of SCCRWA's water supply.

We provide water and other services in all or portions of Ansonia, Bethany, Branford, Cheshire, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, Seymour, West Haven and Woodbridge. We own land in most of the towns with water service and in Beacon Falls, Guilford, Killingworth, Madison, and Prospect.

SCCRWA currently employs 258 people, of which 52% are represented by the United Steelworkers labor union. SCCRWA utilizes its own employees for the majority of its operations.

SCCRWA owns and manages 27,000 acres (11,000 ha) of watershed land as the first level of water quality protection. The watershed owned is

nearly all managed as forest under a long-range, sustainable multiple-use forest management plan. In addition to water quality protection, the forest moderates peak discharges and promotes groundwater recharge. The SCCRWA manages permit-based recreation programs for hiking, mountain biking, firewood cutting, and deer hunting, all of which require operation and maintenance of boundaries, gated access roads, and parking areas.

When the current Strategic Plan was developed and implemented in 2009, the RWA was facing an unprecedented series of challenges. Water consumption was declining at a long-term rate of 1% annually, our rate stabilization fund had been tapped and did not have adequate dollars to support more than one more wet summer, and our capital program, wholly funded through bonds, was scheduled to add \$40 million in infrastructure each year. Our strategic plan needed to be implemented immediately in order to right the ship; to reduce costs and target inefficiencies and offset rate increases.

Five years later, we find that while the demand continues to decline at a rate of 1% per year, our rate stabilization fund is in significantly better condition with enough funding to support three consecutive wet summers. We have cut \$5.8 million out of our operating and maintenance budget. We also cut \$13 million from our capital budget and refinanced debt to take advantage of the lower interest rate environment, which allowed us to avoid over \$2.2 million in annual debt service charges. All of these improvements allowed us to offset rate increases by some 8%. Now that the ship is upright again, RWA is Tapping the Possibilities with this new Strategic Plan for FY2015-FY2020.

Mission, Vision and Values

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

Our Vision: An innovative water utility that sustains life, strengthens our communities, and protects resources for future generations.

Our Values: Service, Teamwork, Accountability, Respect and Safety, STARS

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 each and every employee. We all benefit when safety is part of our daily lives.

Strategic Plan Framework

The basic framework of our strategic plan is based on the Balanced Scorecard and its four perspectives in the context of our mission, vision, and values. The four perspectives are **Customer-Constituent, Employee Learning and Growth, Financial, and Internal Business Process**. The concept of four perspectives of the Balanced Scorecard comes from the work of Robert Kaplan of the Harvard Business School and management consultant David Norton, who recognized the need to balance traditional financial metrics against progress of an organization in its relationships with customers and constituents, the strengths of its employees, and efficiency of its business processes. For a non-profit service organization, goals in each of the other perspectives drive the success in the customer-constituent perspective.

The **Ten Attributes of Effectively Managed Utilities** were defined by a consortium of the United States Environmental Protection Agency (US EPA), the federal agency charged with overseeing public water supply, and six water and wastewater utility associations, including the American Water Works Association (AWWA) and the Association of Municipal Water Agencies (AMWA). The **Ten Attributes** add functional granularity to the framework of the plan. This specificity assures that the strategic plan goals will cascade to every employee in the performance of day-to-day operations.

For each of the **Ten Attributes**, one or more strategic goals have been identified that build on a strength, address a weakness, capitalize on an opportunity, or manage a threat as perceived by senior and middle management, front-line team leads, and other employees. Each goal includes one or more strategic initiatives to identify the paths to be taken to achieve the goal. Within each initiative, action plans are listed that outline directions for execution of the plan.



Framework of the Strategic Plan

More than 120 employees volunteered to help develop this strategic plan through workshop sessions. Appendix I is a timeline of the 10-month planning process. The first organization-wide step was to identify and refine the strengths, weaknesses, opportunities and threats (SWOTs). Working in small teams, employees then offered 133 initiatives or actions to be considered. Most of these contributions were incorporated into

a goal, an initiative, an action plan, or a step in an action plan. Appendix II lists all of these ideas together, organized by the strategic goal to which each most closely relates.

Each of the goals is written in a format that is specific, measurable, attainable, relevant, and time-bound (SMART).

Appendix III contains background information to guide those who will implement the plan. This section contains details beyond the scope of the one-page table of initiatives and action plans for each goal. It is also a succession planning tool; providing additional background information for those who may not have been involved in the creation of the plan but will implement it. Appendix III also includes a brief “Continuity” summary of the links to the current goals and goal teams. Operational Excellence objectives based on the Woolpert Operational Assessment are listed in the Continuity section for each new goal.

Strengths, Weaknesses, Threats, and Opportunities (SWOTs)

Strengths

Top Seven (in order from most-often listed)

People
 Water resources
 Financial planning
 Service
 Land
 Reliable infrastructure
 Planning/readiness/preparedness
 Reputation

Others (listed alphabetically)

Central location
 Company management practices
 Equipment
 Executive team
 Expertise/institutional knowledge (people)
 In-house education
 Innovation
 Lab services
 Modern technology
 No competitors on water
 Regional entity
 Sale of class iii land
 Size of company
 Water quality

Weaknesses

Top Seven (in order from most-often listed)

Aging workforce
 Communications – internal
 Staffing
 Communications – external
 Process efficiency
 Aging infrastructure
 Technology

Others (listed alphabetically)

<p> Accountability Competition for non-core Culture & change Different messages filtered down Enabling legislation (limits non-core revenue opportunities) Financial health Internal turmoil Job advancement / job load Leaks – repairs are delayed Less staff, more on plate, esp. for new people learning business </p>	<p> Limited boundaries New/ongoing employee training Not enough staff Planning (projects) Risk SAP system Silos Stuck meter tracking Union/management relationship Water quality (advertise) Web site, change (for payments) </p>
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Opportunities

Top Seven (in order from most-often listed)

- Non-core revenue growth
- Advanced Metering Infrastructure
- Attract water-using businesses
- New/related businesses
- Increase community engagement and reputation
- Optimize business processes
- Use of technology in the field

Others (listed alphabetically)

- Class III land sales
- Day of caring
- Do more of own work in-house
- Education of employees
- Employee opportunities to advance
- Employee training/education
- Expand core services, e.g. main repairs
- Expand service w/in district
- Foster relationships with elected officials

- Goal team rotation/sharing
- Increase customer service engagement
- Maintain/operate other water systems
- New development opportunities
- Plumbing & construction services
- Social media
- Test other companies' meters
- Treatment technology (new)

Threats

Top Seven (in order from most-often listed)

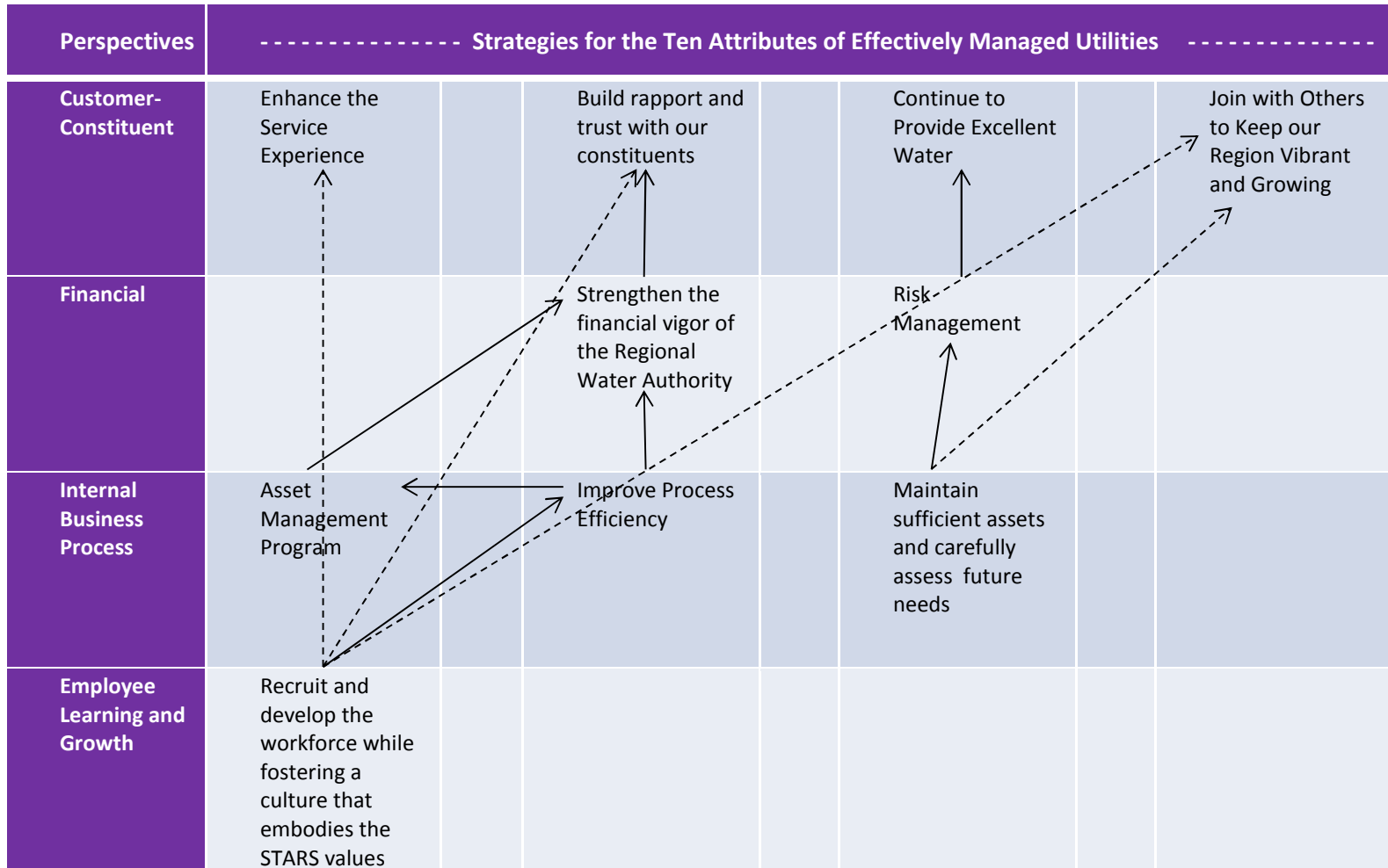
- Decline in demand
- Higher cost of doing business
- Change in regulations/legislation
- Economic conditions
- Attacks – terrorism/cyber
- Climate change
- Political climate

Others (listed alphabetically)

- Aging workforce
- Change in technology
- Competition
- General business climate in Conn.
- Green products
- Internal dissent
- Lack of SOPs
- Pay more / use less - customers

- Payments in lieu of taxes
- Promoting within
- Reliance on technology
- Resource contamination
- Retirement
- Supply contamination
- Water quality

Strategy Map by Perspective



Vision and Mission	Attributes: Strategies	Strategic Goals	Strategic Initiatives
Our Vision: An innovative water utility that sustains life, strengthens our communities, and protects resources for future generations.	Customer-Constituent <i>Customer Satisfaction:</i> Enhance the Service Experience	1. Increase customer satisfaction of RWA's service and product delivery by achieving a Customer Satisfaction Index (CSI) of at least 90% each year, increasing key service characteristics ratings by 1% each year, and training all employees in service delivery by 2017.	1.A. Improve internal logistics and communications 1.B. Enhance the service experience 1.C. Provide solutions to receive feedback 1.D. Train everyone in service delivery
	Customer-Constituent <i>Stakeholder Understanding and Support:</i> Build rapport and trust with our constituents	2. Enhance RWA's reputation among its constituents, as shown by 20 instances of positive media coverage per year by 2018, presence at 12 community events per year by 2016, and reputational components of the Customer Satisfaction Index maintained at 90% or better each year.	2.A. Improve outbound communications 2.B. Develop a "Partnerships for Projects" program 2.C. Build networking system with state/local officials 2.D. Strengthen participation in the community
	Customer-Constituent <i>Product Quality:</i> Continue to provide excellent water	3. Continue to collect, treat, and deliver a product superior to standards, measured by one water quality complaint per 1,000 accounts per year by 2020, all water quality complaints resolved to a plan of action within one week by 2018, and water quality survey characteristics collectively at 90% or above each year, beginning in 2016.	3.A. Provide excellent quality water 3.B. Resolve water quality concerns & complaints
	Customer-Constituent <i>Community Sustainability:</i> Join with others to keep our region vibrant and growing	4. Continue to incorporate actions that benefit the social, environmental, and economic well-being of our region into our operations, as measured by a rating of 90% or greater on environmental and social responsibility Customer Satisfaction survey questions by 2018.	4.A. Support initiatives for healthy choices 4.B. Support green development opportunities 4.C. Support local charities 4.D. Investigate apprentice/leadership/mentor programs
Our Mission: To provide customers with high quality water and service at a reasonable cost while promoting the preservation of watershed land and aquifers.	Employee <i>Employee and Leadership Development:</i> Strengthen the workforce while fostering a culture that embodies the STARS values	5. Recruit and develop the workforce while fostering a culture that embodies the STARS values so that more than 75% of employees report satisfaction with learning and personal development opportunities provided by May 2020, new hire retention exceeds 80% each year, 80% of departmental communications action plans are complete by January 2016, and we have zero injuries requiring treatment beyond first aid by May 2018.	5.A. Develop workforce 5.B. Hire in accordance with the STARS values 5.C. Provide a positive workplace 5.D. Improve internal communications 5.E. Achieve zero injuries
	Financial <i>Financial Viability:</i> Strengthen the financial vigor of the Regional Water Authority	6. Mitigate rate increases by offsetting expenses and the decline in consumption by \$2,000,000 by May 2020.	6.A. Improve capital efficiency and reduce O&M expenses 6.B. Expand the Authority's customer base and core revenue 6.C. Pursue economic development opportunities 6.D. Expand the Authority's non-core revenue
Financial <i>Operational Resiliency:</i> Risk Management	7. Optimize balance between risk reduction and cost by performing a cost/benefit analysis of 25 of recommended controls for existing and newly identified risks by May 2020. 8. Develop and implement monitoring and adaptation strategies to address 100% of identified climate change risks to RWA over the next 50 years by May 2020.	7.A. Identify, evaluate, and manage organizational risks 8.A. Identify climate change impacts 8.B. Develop plans for climate change 8.C. Implement plans to address risks	
Internal Business Process <i>Infrastructure Stability:</i> Asset Management Program	9. Develop asset management culture and system to manage 70% of RWA capital assets by May 2020.	9.A. Develop and implement Asset Management 9.B. Foster cultural change to incorporate asset management	
Internal Business Process <i>Operational Optimization:</i> Improve Process Efficiency	10. Increase the efficiency of all major business processes on average by 25% by May 2020.	10.A. Build a model for process improvement 10.B. Execute process improvements; measure results	
Internal Business Process <i>Water Resource Adequacy:</i> Maintain sufficient assets and carefully assess future needs	11. Develop a plan that sustains a Margin of Safety of more than 1.15 that is sufficient to maintain an excess of Available Water of at least 10 MGD for the 50-year planning period by May 2020.	11.A. Assess future demand and water loss 11.B. Assess adequacy of supplies	