



# Five-Year Strategic Plan

## Fiscal Years 2020-2025



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## OUR PURPOSE, MISSION, VISION AND VALUES

### Our Purpose

To make life better for people by delivering water for life.

### Our Mission

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

### Our Vision

To be an innovative environmental services organization that sustains life, strengthens our communities and protects natural resources for future generations.

### Our Values

#### **STARS: Service, Teamwork, Accountability, Respect, Safety**

**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.

## BUILDING TOWARD THE NEXT 170 YEARS

Water is a key element of a prosperous, healthy community. It is a symbol of our region's bounty and a resource that people depend on. The Regional Water Authority (RWA) takes great pride in the delivery of this life-sustaining product and the services that provide public health protection, fire suppression, support for local economic growth and maintenance of the overall quality of life we enjoy.

Over the last 10 years, using our 2009 and 2014 Strategic Plans as our roadmaps, the RWA has accomplished much. We are now financially stronger and more efficient, continue to provide excellent customer service and are a better place to work.

Guided by the principles of Conscious Capitalism, our more than 270 employees work hard every day to fulfill our higher purpose to make life better for people by delivering water for life. We have always recognized our higher purpose and our responsibilities to the communities we serve. Today, our higher purpose guides our decision making across the organization to balance stakeholder interests by being more conscious of why we do what we do, and how it benefits all of our constituent stakeholders.

In our 170-year history, our pioneering spirit and bold actions have established a reputation for service and innovation built upon a strong foundation of quality people, operational excellence, infrastructure investments and vigilant environmental stewardship. Today, we are building a foundation for the next 170 years and passionate about our journey to transform into a 21st-century environmental services company for our customers. This plan lays the foundation for that journey.

Yet, to realize a future that is more customer and stakeholder focused and supports a sustainable environment through new innovation, technology and service offerings, our technical leadership must be coupled with new standards of service to our customers and for organizational excellence.

To that end, we have identified four themes, or guideposts, that are central to our Fiscal Year 2020-2025 Strategic Plan: Customer, Employee, Process and Financial. They provide a shared sense of direction and engagement as One Team, One RWA.

As part of the 2020-2025 Strategic Plan process, we invited all employees to share their ideas to help move the organization forward. Three half-day workshops and a drop-in breakfast were held over two days in September, 2018. Employees were also offered opportunities to contribute ideas and suggestions to a "scrawl wall" and through a web-based ideation tool. More than 140 ideas were shared by nearly 100 employees.

Our strategy framework outlined in this Strategic Plan is based on the Balanced Scorecard and serves as a living document and guide for action. It will set the stage for implementation plans that will take our four themes from concepts to actions and to ensure our success now and into the future.

## FORWARD FOCUSED

*We will excel in key areas to achieve our purpose, mission, vision and overall strategy to transform the RWA from a traditional water utility into a conscious 21<sup>st</sup>-century environmental services company.*



### Forward Focused on Innovation

- Reinvent RWA's process management by building on our foundation and leadership position, and making **innovation and continuous improvement** integral to all aspects of our operations.
- Support a more sustainable environment by embracing innovation and modern technologies, and by extending **new service offerings** to our customers.
- Significantly increase our **revenue diversity** through differentiated new business opportunities and solutions.



### Forward Focused on Our Impact

- Transform RWA into a 21st-century environmental services company to better serve our customers and community by introducing **new standards of service** to ensure organizational excellence.
- Serve as a regional model of **purposeful, responsible regional water management** by ensuring our Mission, Vision, and Values guide water management decisions and influence how we conduct ourselves.
- Protect the personal safety of our employees and contractors by transforming our safety culture to one that focuses on prevention and **achieves zero preventable injuries**.



## GUIDEPOST: PUT THE CUSTOMER FIRST

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### Strategic Goal 1: Meet or exceed customer expectations in all we do

#### Objectives

- Prioritize positive customer outcomes; ensure processes and decisions start and end with the customer in mind and are aligned with our higher purpose to make life better for people by delivering water for life.
- Pursue new processes, technologies and solutions to improve how we operate and better serve our customers and community in today's digital age.
- Bolster our customers' understanding and confidence in our high-quality product and services, stewardship of resources and overall brand image as we transform from a traditional water utility into to a 21<sup>st</sup>-century environmental services company.

#### Targets

- 25% of customer base are using self-service options to meet their billing and water use needs by 2025.
- RWA's J.D. Power Customer Satisfaction Index is in the top quartile of water utilities in the Northeast by 2025.

## **GUIDEPOST: ENABLE OUR WORKFORCE TO SUPPORT A STRONG FUTURE**

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### **Strategic Goal 2: Attract, retain and develop high-quality talent and engaged employees throughout the RWA**

#### **Objectives**

- Focus on our people so that employees put safety first, take pride in their work and feel valued for their contributions.
- Empower and authorize employees to take ownership of their responsibilities and to deliver on all commitments made to external and internal customers.
- Promote and support training, continuing education, cross-training and career development that is aligned with the organization's strategic needs.
- Improve mentoring, transfer of knowledge and leadership development.
- Create an environment that encourages innovative, outside-the-box thinking and a willingness to take reasonable risks.

#### **Targets**

- Achieve zero injuries by 2025.
- Create 10 internships for water industry trades and utility management students by 2025.
- Increase workforce diversity in all of our underrepresented job groups, setting and achieving a determined increased in the percentage of minorities and women with the requisite skills that are available in our Reasonable Recruitment Area (RRA) for 3 of the 7 underrepresented job groups by 2025.



## GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

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### Strategic Goal 3: Enhance and increase environmental services to better serve our stakeholders

#### Objectives

- Enhance the quality of life in our communities by leading the development and implementation of innovative resource management tools that include water management solutions, land management practices and strategic partnerships.
- Demonstrate good stewardship and accountability to our customers and community by preserving and protecting our land and natural resources.
- Identify and prioritize diversified strategies for sustainable water management.
- Implement innovative land management policies and practices that serve our community's best interests.

#### Targets

- Recreation programs will be cost neutral by 2025.
- Add two new environmental services to our portfolio by 2025.



## GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

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### Strategic Goal 4: Deliver high-quality water on demand in a cost-efficient manner

#### Objectives

- Make innovation and continuous improvement integral to all aspects of our operations.
- Lead in innovative water management and quality solutions to improve how we operate and better serve our customers and communities.
- Preserve and protect our water resources and demonstrate accountability to customers through careful financial stewardship.

#### Targets

- Perform a condition assessment of 100% of our assets and link to an Enterprise Asset Management System by 2025.
- Develop control strategies that minimize the formation of regulated disinfection by-products to ensure levels are at least 10% below the regulated limits.
- Unaccounted for water will be consistently less than 10% by 2025.



## GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

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### Strategic Goal 5: Embrace innovation and adopt state-of-the-art technology to drive performance

#### Objectives

- Implement more web-based applications, mobile devices and other real-time IT solutions to accelerate self-service customer options and efficiencies.
- Expand use of electronic databases to increase access to information.

#### Targets

- Link 100% of the technology roadmap to Capital & Operating budgets, while increasing capital efficiency by 2025.
- Automate 20% of all manual processes to promote value-added processes by 2025.



### Strategic Goal 6: Continue to strengthen our financial health in order to mitigate water rate escalation

#### Objectives

- Increase non-core revenue sources to help mitigate future rate increases for our customers.
- Reduce costs and continue to strengthen the organization's financial health to ensure adequate reserves and debt service coverage.
- Drive shared ownership of financial outcomes.

#### Targets

- Increase other net revenue by \$3 million from \$6.2 million to \$9.2 million by 2025.
- Achieve 100% funding of pension obligation by the end of Fiscal Year 2023.
- Increase funding status of Other Post Retirement Employee Benefits (OPEB)/Voluntary Employees' Beneficiary Association (VEBA) plan to 25% by the end of 2025.
- Reduce RWA debt to capital plant ratio to 80% by 2025.



## GOAL ACTION PLANS



**Actions**

<b>FY 2020</b>	Develop a 6-point Customer Service Standards program to build trust, deliver value and prioritize timely, reliable, courteous service for our external and internal customers.
	Identify and cultivate meaningful relationships with key stakeholders that advance the RWA brand, build strategic partnership programs and foster goodwill in the region and state.
	Identify water utility trends and best practices using J.D. Power study and implement them, as appropriate.
	Design and implement a new brand image and gauge the RWA's reputation in the region every three years.
	Implement an organizational structure that supports and facilitates the delivery of excellent service while addressing staffing roles and responsibilities.
	Prioritize key recommendations from Tata & Howard's Business Practice Evaluation Report of the Customer Service team and focus on quick wins.
<b>FY2021</b>	Design, implement and recommend action plans from the results of online transactional customer surveys.
<b>FY 2022</b>	Develop and implement an online process for contacting our wholesale and top 10 customers to solicit feedback on service and water quality.



**GUIDEPOST: ENABLE OUR WORKFORCE TO SUPPORT A STRONG FUTURE**

**Strategic Goal 2: Attract, retain and develop high-quality talent and engaged employees throughout the RWA**

**Actions**

<b>FY 2020</b>	Analyze current staffing levels, volume of work and succession planning needs to ensure adequate human resources are available now and into the future.
	Execute FY19 employee engagement survey action plans
	Develop a plan to increase diversity in the workforce by identifying a baseline and establish diversity goals each year
	Develop and implement a plan to ensure the STARS values serve as organizational principles that guide decision making and influence how we conduct ourselves.
	Develop and implement a safety program to promote a culture of prevention including reducing preventable injuries and increasing near miss reporting.
	Implement a contemporary on-boarding program for new hires with the goal of increasing engagement and satisfaction levels.
<b>FY 2021</b>	Develop succession plans for those positions identified as being critical over the next 3-5 years.
	Launch an Employee Engagement Survey every 18 months.
	Develop a health and wellness program for all employees.
<b>FY 2022</b>	Develop company-wide apprenticeship and internship programs to fill future talent needs.
	Instill the principles of Conscious Capitalism into the fabric of the organization and the culture.
<b>FY 2023</b>	Develop a cross-training and job shadowing program to create opportunities for leadership and development.
<b>FY 2025</b>	Build Career Pathway Programs that create opportunities for employees to be successful in a 21 <sup>st</sup> -century environmental services organization, focusing on customer service, technical and technological acumen, and talent and leadership development.
	Leverage the Public Utility Management Advisory Council to help secure internships, and students to ensure 10 student interns from SCSU enroll in the utility degree program.



**Strategic Goal 3: Enhance and increase environmental services to better serve our stakeholders**

**Actions**

<b>FY 2020</b>	Identify innovative financial solutions for lead service line replacement of customer-owned services.
	Develop a system for measuring success of our outreach programs to improve communications and engagement with customers and stakeholders.
	Form a regional land trust agency to promote land conversation and build trust, confidence and collaboration with key environmental groups and stakeholders.
	Develop plans to educate the public and municipal leaders about Wise Water Use, including the importance of water as a precious resource, prudent water use during drought conditions and, working with town leaders, develop Drought Preparedness plans where needed.
<b>FY 2021</b>	Capitalize on our successful educational program offerings to build more partnerships with additional schools, educators and students in our district.
	In collaboration with the Regional Council of Governments, develop a target metric for measuring the success for the HazWaste Central program.
	Investigate ways to reduce losses in the recreational program.
	Continue to evaluate green bonds as a financing alternative.
	Execute the Wise Water Use and Drought Preparedness (as warranted) plans developed in FY20 to educate the public and municipal leaders about the importance of water as a precious resource.
<b>FY 2022</b>	Identify expansion opportunities for Recreation programs to drive interest and appreciation/education of RWA lands and water resources.
	Investigate partnering with Department of Public Works in select towns to become a regional resource for our service area.
	Investigate expansion of HazWaste Central to include collecting pharmaceuticals.
<b>FY 2025</b>	Add two new environmental services to RWA's portfolio.



**Actions**

<b>FY 2020</b>	Identify and develop a plan for water quality optimization to ensure the water we deliver to customers remains the highest quality.
	Execute against our asset management roadmap.
<b>FY 2021</b>	Identify low-cost energy solutions at all RWA facilities to reduce costs as close to zero as possible and promote sustainability.
	Create a plan and schedule to identify areas where redundancy/expansion would improve system reliability and reduce risk throughout our district.
<b>FY 2023</b>	Identify and develop a plan for water supply optimization to ensure the water we supply to customers remains reliable and abundant.
<b>FY 2025</b>	Implement an Asset Management program for the operation, maintenance and renewal of infrastructure that integrates operational, financial, planning, development and service perspectives.
	Develop a systematic program and processes to incrementally reduce net unaccounted for water each year to reach target.



## GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

### Strategic Goal 5: Embrace innovation and adopt state-of-the-art technology to drive performance

#### Actions

<b>FY 2020</b>	Determine the technology roadmap for the next several years, including the strategy for CIS, CRM, Mobile Platforms and Meter Sense.
	Operationalize and optimize AMI and the data it generates to provide a differentiated customer experience and to build customer satisfaction and engagement.
<b>FY 2021</b>	Select and implement a budgeting software program.
	Implement electronic vendor payments for efficiency and to make it easier to do business with the RWA.
<b>FY 2022</b>	Develop and implement a systematic approach to process improvements across the organization.
<b>FY 2025</b>	Identify and implement customer-facing technology improvements to increase customer satisfaction, engagement and access to information.



**Strategic Goal 6: Continue to strengthen our financial health in order to mitigate water rate escalation**

**Actions**

<b>FY 2020</b>	Execute our non-core strategy for acquisitions, innovation, organic growth and investment.
<b>FY 2021</b>	Develop a vendor council to institute best practices in procurement, bidding, collaboration and pricing.
	Develop and implement a program to educate employees on their role in the 21 <sup>st</sup> -century environmental services business model.
<b>FY 2022</b>	Explore and capitalize on grant funding sources for our Capital Improvement Program and other organizational grant opportunities.
<b>FY 2023</b>	Monitor and evaluate the pension performance and adjust our pension contribution annually to achieve 100% funding of pension obligations by the end of Fiscal Year 2023.
<b>FY 2025</b>	Increase funding of the Other Post Retirement Employee Benefits (OPEB)/Voluntary Employees' Beneficiary Association (VEBA) plan to 25%.