

South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, June 17, 2021 at 12:30 p.m.

- A. Safety Moment
- B. Meet as Commercial Business Committee: K. Curseaden
 - 1. Approve Minutes – March 18, 2021 meeting
 - 2. Committee Charter & Revised FY 2022 Work Plan: P. Singh
 - 3. Commercial Enterprises Update – Including Executive Session: P. Singh, R. Kowalski and D. Donovan
 - 4. Funding Approval – Including Executive Session: R. Kowalski, D. Donovan
 - 5. Eighth Amendment to the Authority Voluntary Investment Plan for RWA Commercial Enterprises – Including Executive Session: J. Reckdenwald
- C. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – February 18, 2021 meeting
 - 2. Committee Charter & FY 2022 Work Plan Review
 - 3. Review of FY 2025 Strategic Plan; FY 2022 Action Plan & Global Metrics: L. Bingaman and B. Nesteriak
- D. Act on matters arising from Committee meetings
- E. Consent Agenda
 - 1. Approve Minutes – May 20, 2021 meeting
 - 2. Capital Budget Authorization - July 2021
 - 3. Capital Budget Transfer Notifications (no action required) – July 2021
 - 4. Key Performance Indicators
 - 5. Accounts Receivable Update – May 2021
 - 6. FY 2022 RPB Weighted Vote Calculation
 - 7. FY 2022 RPB Application Schedule
 - 8. RPB Dashboard Report
 - 9. Derby Tank Project Update
 - 10. North Cheshire Update
 - 11. Bid Exemption – Elevator Improvements & Maintenance
- F. Updates: L. Bingaman
 - 1. COVID Update: B. Nesteriak and R. Kowalski
 - 2. Monthly Board Letter Highlights: L. Bingaman
- G. Finance: R. Kowalski
 - 1. Fiscal Year-end Financial Report
 - 2. Allocation of Year-end Revenue Balance
 - 3. Proposed Revisions (Carryovers) to FY 2022 Capital Budget projects
 - 4. Extension of Zero Interest
 - 5. Rate Application Planning
- H. Reports on RPB Committee Meetings and RPB Committee Assignments
- I. Honorary Resolution

**In accordance with the Governor Lamont's, Executive Order No. 7B for the Protection of Public Health and Safety during COVID-19 Pandemic and Response, the public meeting will be held remotely. Members of the public may attend the meeting via conference call, videoconference or other technology. For information on attending the meeting via remote

access, and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2021&category=1422&meettype=&page=>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

Topic: Authority Regular Meeting (incl. Comm. Bus. and Strat. Planning Committees)
Time: Jun 17, 2021 12:30 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

- +1 301 715 8592 US (Washington DC)
- +1 312 626 6799 US (Chicago)
- +1 646 876 9923 US (New York)
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- +1 669 900 6833 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)

Meeting ID: 832 9297 4766

Passcode: 206605

Find your local number: <https://us02web.zoom.us/j/83292974766>

**South Central Connecticut Regional Water Authority
Strategic Planning Committee**

Minutes of the February 18, 2021 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, February 18, 2021, via remote access. Chair Borowy presided.

Present: Committee Members Present– Messrs. Borowy, Cermola, Curseaden, DiSalvo, and Ms. Sack
Management – Mss. Collins, Kowalski, Nesteriak, Reckdenwald and Messrs. Bingaman, Norris, and Singh
RPB – Mr. Slocum
Staff – Mrs. Slubowski

The Chair called the meeting to order at 2:40 p.m.

On motion made by Mr. Cermola, seconded by Ms. Sack, and unanimously carried, the Strategic Planning Committee voted to approve the minutes of its November 19, 2020 meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Mr. Bingaman, the RWA’s President and Chief Executive Officers, and Ms. Nesteriak, the RWA’s Executive Vice President and Chief Operating Officers, provided an update of the Future of the RWA, which included:

- Megatrends
- New areas of opportunity and risk
- Refined direction and focus
- Next steps

At 2:47 p.m., Mr. Slocum withdrew from the meeting and Mr. Donovan entered the meeting and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the Authority voted to go into executive session to discuss real estate and potential acquisitions. Present in executive session were Authority members, Mss. Collins, Kowalski, Nesteriak, Reckdenwald, Slubowski and Messrs. Bingaman, Donovan, Norris and Singh.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 2:55 p.m., the Authority came out of executive session and on motion made by Mr. Curseaden, seconded by Ms. Sack, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
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South Central Connecticut Regional Water Authority
Strategic Planning Committee
February 18, 2021

UNAPPROVED DRAFT

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

David Borowy, Chairman

THE STRATEGIC PLANNING COMMITTEE

Committee Purpose:

The Strategic Planning Committee, in collaboration with the CEO and management team, develops and recommends the overall strategic direction for the enterprise, monitors progress, reviews results as a basis for setting new strategy, and recommends actions to the Regional Water Authority (RWA) consistent with the Strategic Plan.

Primary responsibility for the RWA's strategic planning is vested in senior operating management as overseen by the RWA. The RWA chair shall annually designate one member of the RWA as Strategic Planning Committee chairperson. The Strategic Planning Committee shall meet at least quarterly with further meetings to occur when deemed necessary or desirable by the Strategic Planning Committee chairperson. The Strategic Planning Committee shall consist of all members of the RWA meeting as a committee of the whole.

Appropriate RWA management will attend meetings, at the invitation of the Committee chairperson, to provide required reports and presentations to the Committee.

Committee Responsibilities:

1. Work with management to establish enterprise-wide strategic priorities that signal important targets or areas for the RWA to focus on which is formalized by the RWA's Five Year Strategic Plan.
2. Annually review ~~Recommend~~ measurable goals for each priority in order to track progress and assess effectiveness of resource utilization.
3. Assist Review managements ~~in the development of~~ strategic global metrics and key performance indicators (KPIs). Monitor the organization's performance against the KPIs.
4. Assist leadership in formulating, advancing and communicating a vision for the future of the RWA.
5. Provide feedback and counsel to the management of the RWA with respect to priorities and goals being aligned with those of the RWA.
- ~~6. Oversee and monitor implementation plans to assure that they are carried out.~~
7. 6. Report to the RWA on recommendations about the plan as well as progress reaching the goals of the plan.
8. 7. Work with management, as needed, to ensure a rational linkage between strategic priorities and financial planning and budgeting.
9. 8. Periodically assess progress on goals and KPIs and make adjustment as necessary given the circumstances.
10. 9. Conduct an annual review of the strategic progress as a basis for setting new strategy.
11. 10. Recommend action by the RWA, as necessary, to direct activities consistent with the focus and direction of the strategic plan of the RWA.

| 42.11. Perform any other duties or responsibilities delegated to the Committee by the RWA.

THE STRATEGIC PLANNING COMMITTEE

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3. Review managements strategic global metrics and key performance indicators (KPIs). Monitor the organization's performance against the KPIs.
4. Assist leadership in formulating, advancing and communicating a vision for the future of the RWA.
5. Provide feedback and counsel to the management of the RWA with respect to priorities and goals being aligned with those of the RWA.
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8. Periodically assess progress on goals and KPIs and make adjustment as necessary given the circumstances.
9. Conduct an annual review of the strategic progress as a basis for setting new strategy.
10. Recommend action by the RWA, as necessary, to direct activities consistent with the focus and direction of the strategic plan of the RWA.
11. Perform any other duties or responsibilities delegated to the Committee by the RWA.

Strategic Planning Committee

FY2022 Work Plan

The Strategic Planning Committee, in collaboration with the CEO and management team, develops and recommends the overall strategic direction for the enterprise, monitors progress, reviews results as a basis for setting new strategy, and recommends actions to the Regional Water Authority (RWA) consistent with the Strategic Plan.

June 2021

- Review 2025 Strategic Plan
- Review FY22 Operating Plan & Global Metrics
- FY22 Committee Work Plan Review

August 2021

- Succession Planning Efforts Update

November 2021

- Internal Business Process Improvements Update

February 2022

- 6-Month Progress Review - FY22 Operating Plan & Global Metrics

2020-2025 Strategic Plan



Five Year Strategic Plan Fiscal Years 2020-2025

Updated June 2021



2020-2025 Strategic Plan

PERSPECTIVE	SUMMARY OF FIVE-YEAR STRATEGIES
Customers/Constituents	<ul style="list-style-type: none">• Improve customer satisfaction• Utilize technology to enhance the customer experience• Increase constituent support of the RWA
Employee Learning & Growth	<ul style="list-style-type: none">• Advance workforce safety• Develop employees by improving knowledge, skills and abilities• Foster a diverse, inclusive and engaged workforce
Financial	<ul style="list-style-type: none">• Expand commercial revenue sources to mitigate rate increases• Improve the financial operating performance of the RWA• Strengthen pension and retirement funding
Internal Business Process	<ul style="list-style-type: none">• Effectively manage and maintain our core business• Sustainably manage our natural resources to deliver reliable, safe water• Embrace innovation and new technology



2020-2025 Strategic Plan

PERSPECTIVE	SUMMARY OF FIVE-YEAR GOAL AREAS	
Customers/Constituents	<ul style="list-style-type: none">• Customer satisfaction• Customer transactions• First-contact resolution• Self service	<ul style="list-style-type: none">• Brand image• Stakeholder outreach• Recreation program
Employee Learning & Growth	<ul style="list-style-type: none">• Safety• Succession planning• Professional development	<ul style="list-style-type: none">• Engagement• Workforce diversity
Financial	<ul style="list-style-type: none">• Commercial enterprises• Fiscal efficiency• Capital efficiency	<ul style="list-style-type: none">• Pension funding• Retirement benefits
Internal Business Process	<ul style="list-style-type: none">• 3Rs (Risk, Resiliency, Redundancy)• Asset management• Water quality• Unaccounted for water	<ul style="list-style-type: none">• Technology roadmap• Innovative solutions• Cybersecurity• Technology obsolescence

Fiscal 2022 Action Plan

PERSPECTIVE	INITIATIVES
Customers/Constituents	<ul style="list-style-type: none">• Establish baseline for first contact resolution satisfaction and develop an improvement plan for FY23.• 30% of customers utilizing self-service for E-Billing.• Implement monthly, commercial billing on time and on budget.• Utilize the community liaison program to conduct at least five outreach sessions with public safety officials throughout our service area.
Employee Learning & Growth	<ul style="list-style-type: none">• Develop and execute “Safety Starts with Me” program across the entire organization.• Develop the framework for succession planning across the organization and with a FY22 focus on developing a mechanism to implement planning for critical positions within the RWA.• Develop an action plan based on the results of the FY21 DE&I survey and identify one key area of opportunity to focus improvement around.• Develop a sustainable strategy for employee engagement and deploy one new program to bolster enterprise-wide engagement and one new program specific to fostering better relations with the USW union leadership.• Improve the diversity of two underrepresented job groups.

Fiscal 2022 Action Plan

PERSPECTIVE	INITIATIVES
Financial	<ul style="list-style-type: none">• Design and stand up the structure of RWA Commercial Enterprises by January 2022.• Successfully support the completion of two profitable strategic acquisitions to mitigate customer water rates.• Financially ensure the introduction of at least one additional non-regulated service offering.• Alternative financing will represent 10% of the capital budget.• Develop a plan to track and monitor unplanned expenditures with a goal of these expenditures representing no more than 5% of the FY22 capital budget.

Fiscal 2022 Action Plan

PERSPECTIVE

INITIATIVES

Internal Business Process

- Reconstitute the **Risk Mitigation Team** and review the top 10 enterprise risks and execute their associated mitigation and prevention plans.
- Develop a strategy and implementation plan to address to **EPA's Lead and Copper Rule** revisions by May 2022, including establishing a Steering Committee.
- Systematically execute against the **asset management** roadmap to improve the foundational structure of horizontal and vertical asset categories and implement two proposed critical initiatives.
- Establish an internal Water Resources Management Group to develop and implement at least three **watershed management** policies and strategies by May 2022.
- Dedicate at least one of our functional **business continuity** exercises to address and improve the RWA's climate and water-quality resiliency.
- Implement at least **four process improvements** by May 2022.
- Complete external **cybersecurity** SCADA assessment and implement critical recommendations by May 2022.
- Eliminate and/or initiate replacement of at least two **obsolete technologies** by May 2022.

Fiscal 2022 Global Metrics

GLOBAL METRIC	FY22 TARGET	DESCRIPTION
E-Bill Participation Rate	30%	Increase the number of residential, commercial and industrial customers who receive their RWA bill electronically.
Safety	0 Preventable Injuries	Achieve zero preventable injuries and lead safety initiatives to promote a culture of prevention.
Capital Planning Management	5%	Unplanned capital expenditures will represent no more than 5% of the FY22 capital budget.
Disinfection By-Products	90%	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds
Process Improvement	4 Improvements	Implement four process improvements to achieve efficiencies.
Coverage	114% No Shortfall	Meet 114% coverage without a draw from discretionary funds.
Commercial Enterprise Growth	2 Acquisitions	Acquire two profitable acquisitions to contribute to mitigating rates.
Capital Budget Management	96%	Ensure that at least 96% of the FY22 capital budget is put to work efficiently for the benefit of our customers.

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Larry L. Bingaman
President and Chief Executive Officer

TO: David Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine LaMarr
Suzanne C. Sack

FROM: Larry Bingaman

DATE: June 17, 2021

SUBJECT: Revised 2025 Strategic Plan
Fiscal Year 2022 Action Plan and Global Metrics

Attached is a copy of our revised 2025 Strategic Plan as well as the action plans and global metrics for Fiscal Year 2022 (FY22). I look forward to your feedback.

LLB:ta
Attachment

Five Year Strategic Plan

Fiscal Years 2020-2025

Updated June 2021



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INTRODUCTION

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.

Our employees work hard every day to fulfill our higher purpose to make life better for people. 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.

In our more than 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 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, while never wavering in our commitment to manage the complex water system entrusted to us.

To ensure the RWA continues to do this and perform at a high level, in Fiscal Year 2021, the Leadership Team systematically reexamined the original 2020-2025 Strategic Plan, developed in Fiscal Year 2020, with the aim of more simply outlining the strategies and goals the organization needs to successfully attain to advance the RWA over a defined period. Concurrently, the Leadership Team met to envision what the RWA of the future should look like in 2050. It was a unique chance to imagine a better RWA and identify long-view issues and topics for further exploration and ideation.

Consequently, the Leadership Team reconstituted the Strategic Plan for the five-year period covering Fiscal Years 2020-2025 and beyond, to meet the following objectives:

- simplify the overall Strategic Plan and clearly spell out the goals we need to successfully attain to advance the RWA over a defined time period;
- eliminate guideposts and reintroduce the four perspectives of the balanced scorecard management system – Customers/Constituents; Employee Learning and Growth; Financial; and Internal Business Process;
- link each perspective to an overarching strategy;
- connect each strategy to five-year goals that are time-bound and measurable; and
- enable us to develop capital and O&M budgets to support the Plan goals.

Page 5 shows a summary list of the 2020-2025 Plan's strategies.

Pages 6-9 show a summary of the five-year strategic goals. The five-year goals grew from the strategies. A significant amount of time was spent by the Leadership Team 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 and work organizationally. The goals include some stretch goals and all are SMART – Specific, Measurable, Actionable, Relevant and Time-framed.

The blue-sky visioning work is reflected in the Appendix on pages 10-16 and include key priorities that will enable the RWA to continue charting a course for a successful long-term future.

This 2020-2025 Strategic 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. Moreover, capital and O&M budgets will be developed to support the Plan's initiatives.

PURPOSE, MISSION, VISION AND VALUES

Our Purpose

To make life better for people.

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.

SUMMARY OF FIVE-YEAR STRATEGIES

Perspective: Customers/Constituents

Strategies

- Improve customer satisfaction
- Utilize technology to enhance the customer experience
- Increase constituent support of the RWA

Perspective: Employee Learning & Growth

Strategies

- Advance workforce safety
- Develop employees by improving knowledge, skills and abilities
- Foster a diverse, inclusive and engaged workforce

Perspective: Financial

Strategies

- Expand commercial revenue sources to mitigate rate increases
- Improve the financial operating performance of the RWA
- Strengthen pension and retirement funding

Perspective: Internal Business Process

Strategies

- Effectively manage and maintain our core business
- Sustainably manage our natural resources to deliver reliable, safe water
- Embrace innovation and new technology

SUMMARY OF STRATEGIC GOALS

Perspective: Customers/Constituents

I. Strategy: Improve Customer Satisfaction

A. Goal – Customer Satisfaction: Maintain RWA best-in-class 91.8% Customer Satisfaction Index by May 2025;

B. Goal – Customer Transactions: Introduce transaction surveys and establish a baseline for improvement by May 2025.

C. Goal – First Contact Resolution: Establish a First Contact Resolution baseline and drive a 15% improvement by May 2025.

II. Strategy: Utilize Technology to Enhance the Customer Experience

A. Goal – Self Service: Ensure 42% of customer base is using self-service options for billing and more by May 2025.

III. Strategy: Increase Constituent Support of the RWA

A. Goal – Brand Image: Assess the brand image and reputation of the RWA using a triannual consumer survey and increasing FY20 baseline results 5% by 2025.

B. Goal – Stakeholder Outreach: Increase overall support of RWA with key stakeholders by introducing three new, targeted outreach initiatives by 2025.

C. Goal – Recreation Program: Add three new recreation programs by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Employee Learning and Growth

I. Strategy: Advance Workforce Safety

A. Goal – Safety: Achieve zero preventable injuries.

II. Strategy: Develop Employees by Improving Knowledge, Skills and Abilities

A. Goal – Succession Planning: Implement succession planning and knowledge capture that addresses 75% of the potential loss of institutional knowledge by May 2025.

B. Goal – Professional Development: Fully execute the Management Training Roadmap by 2025.

III. Strategy: Foster a Diverse, Inclusive and Engaged Workforce

A. Goal – Engagement: Grow workforce engagement to strengthen commitment to the organization and individual success as evidenced by a 30% increase in improved results from an Employee Engagement Survey by May 2025.

B. Goal – Workforce Diversity: Achieve workforce diversity in all underrepresented job groups by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Financial

I. Strategy: Expand Commercial Revenue Sources to Mitigate Rate Increases

A. Goal – Commercial Enterprises: Increase commercial service net revenue to \$9.2 million by May 2025.

II. Strategy: Improve the Financial Operating Performance of the RWA

A. Goal – Fiscal Efficiency: Reduce debt-to-capital plant ratio to 82% by May 2025.

B. Goal – Capital Efficiency: Achieve an average of 3% capital efficiency each year through May 2025.

III. Strategy: Strengthen Pension and Retirement Funding

A. Goal – Pension Funding: Achieve 100% funding of pension obligation by May 2025.

B. Goal – Retirement Benefits: Increase funding of OPEB/VEBA plan to 35% by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Internal Business Process

I. Strategy: Effectively Manage and Maintain Our Core Business

A. Goal – 3R's: Enhance RWA's enterprise risk management program by reviewing and improving 50% of the risk perspectives within the Risk Register with a focus on mitigating risk, improving redundancy and safeguarding resiliency by May 2025.

B. Goal – Asset Management: Ensure 100% of our assets are assessed and linked to an enterprise asset management system by May 2025.

II. Strategy: Sustainably Manage our Natural Resources to Deliver Reliable, Safe Water

A. Goal – Water Quality: Ensure levels of disinfection by-products are at least 10% below regulated limits by May 2025.

B. Goal – Unaccounted for Water: Implement a plan to ensure unaccounted-for-water is less than 10% by May 2025.

III. Strategy: Embrace Innovation and New Technology

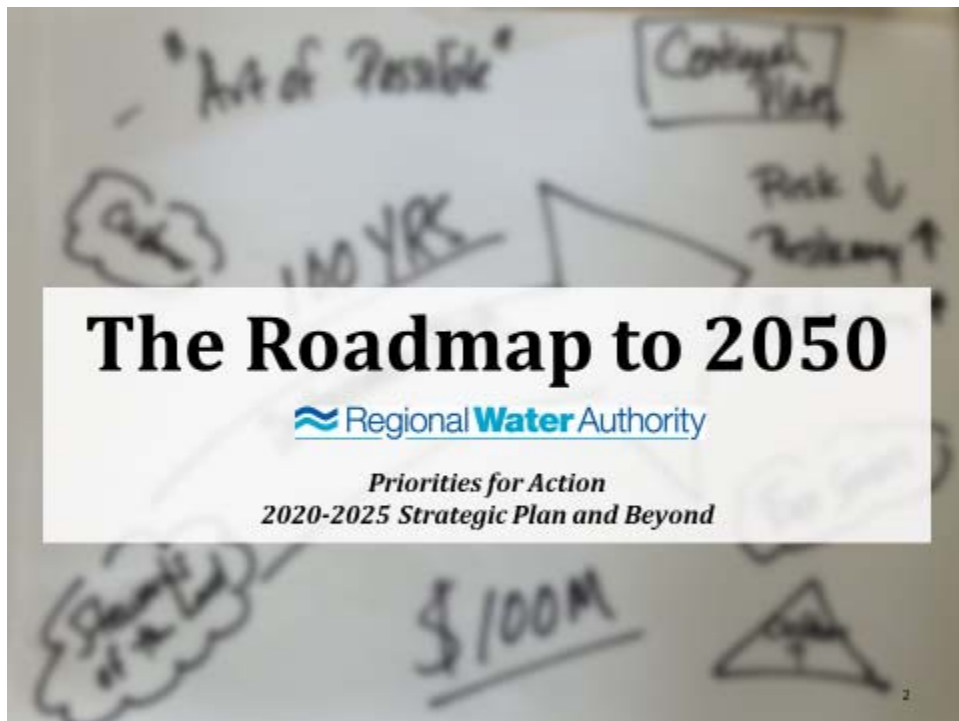
A. Goal – Technology Roadmap: Link 100% of Technology Roadmap to Capital and Operating budgets by May 2025.

B. Goal – Innovative Solutions: Facilitate 16 process improvements within the four perspectives of customers, employees, financial and internal business process by May 2025.

C. Goal – Cybersecurity: Continually implement cybersecurity best practices across RWA with full implementation achieved by May 2025.

D. Goal – Technology Obsolescence: Develop technology roadmap to ensure technology obsolescence and single points of failure are eliminated by May 2025.

Appendix



Trend | Rise of Technology

Implications

- Increased demand and use
- Digital customer (self-service, minimal contact)
- Cloud first strategy

Critical Issues to be Addressed

- Increase in spending for technology
- DIY service models needed
- Potential of 3D printing
- Need emphasis on cyber security
- Increase need for instruction and training
- Increase need for communications and outreach



Trend | Forced Agility

Implications

- Need to make decisions quicker
- Need to financial model
- Need for multi scenario planning
- Systems to anticipate desired changes / feedback loop

Critical Issues to be Addressed

- Systems and processes to facilitate quicker decisions
- Determine and implement new financial models
- Develop a process for regular scenario planning
- Develop systems for addressing unanticipated major impact incidents
- Develop new skills and competencies



Trend | Telecommuting as a Norm

Implication

- Need for less office space
- Increase needs for tech equipment
- Culture that focuses on outcomes not hours spent
- Increased customer expectations

Critical Issues to be Addressed

- Policies, procedures and resources addressing remote working
- Rethink office space needs
- New ways of working



Trend | Increase in Governmental Involvement

Implications

- Anti-corporation spirit
- Increased consumer activism
- Increased governmental intervention
- Regionalization of towns for efficiencies
- Increased regulations
 - Government regulates executive compensation
 - Control over rate setting
 - More involvement in O&M performance
 - Demand for technical expertise
- Decrease in flexible hiring and employee relations management
- Increase in Employee protection
 - EEO, ADA, FMLA



Trend | Increase in Governmental Involvement

Critical Issues to be Addressed

- Seize on the potential for greater consolidation of the water industry
- Need for greater planning
- Need for greater lobbying
- Need for alliances with non-governmental organizations
- Need for greater consumer and employee engagement



Trend | Financial Sustainability Threats

Implications

- End of cheap money
- Decreasing water usage
- Future resistance to increasing water rates
- Costly aging infrastructure

Critical Issues to be Addressed

- High borrowing costs in the future
- Need for non-core revenue as offset
- Financial planning essential
- Continuous postponement of critical infrastructure needs
- Pursuing funding alternatives



Trend | Generational Changes and the “New Customer”

Implications

- Activists for environment/sustainability
- Focus on diversity is important
- Flexible service environment
- Technology savvy
- Customers will be vocal
- Early adopters
- More impatient with change
- Importance of customer segmentation
- Opportunity to highlight environmental services and expand



Trend | Generational Changes and the “New Customer”

Critical Issues to be Addressed

- Increased customer expectation of environmental and climate protection
- Increase use of subscription services model
- More technology driven service
- Develop higher levels of quality/filtration
- Enhanced and expanded collection strategies
- Develop systems to increase responsiveness
- Understand customer segmentation
- Increase environmental services provided
- Need move from utility culture to service oriented entrepreneurial culture
- Early adopters' outreach for
 - New services
 - Different approaches
 - Broaden risk tolerance



Trend | Generational Changes and the “New Employee”

Implications

- Shifts in longevity may affect business models, pension costs, and talent goals/ambitions
- Focus on diversity, equity and inclusion is important
- Think/work like entrepreneurs
- Like to work for companies with social cause
- Flexible work environment / Work Life Balance
- Technology is a given
- Employees will be vocal
- Impatient with change
- Employee turnover expected
- Activists for the environment/sustainability
- Union as political allies/government as their protector

Trend | Generational Changes and the “New Employee”

Critical Issues to be Addressed

- Systematic succession planning
- More clearly defined career path
- Methods to capture and retain knowledge
- Continuous learning opportunities tailored, virtual and on the job
- Evaluate all policies, procedures and important company documents to ensure DE&I
- Provide opportunities for social platforming
- Hiring for different competencies
- Less rule bound
- Freedom to take risk, experiment & fail
- Greater leadership development for managers
- Increase employee engagement
- Partnering with union

Trend | Greater Focus on Clean Safe Water for All

Implications

- Upward pressure on rates and affordability
- Greater customer subsidization
- Water treated as a commodity
- Increased water quality regulations
- Increased customer expectations
- Greater global need for clean safe water

Critical Issues to be Addressed

- Differentiation of water rates
- Focus on risk, redundancy and resiliency
- Increase master planning
- Distribution system maintenance and renewal
- Increase in customer communication and ways we communicate
- Rethink centralized treatment process

FY22 Action Plans

Strategy	Action Plan
Improve Customer Satisfaction	<ul style="list-style-type: none"> • Establish baseline for first contact resolution satisfaction and develop an improvement plan for FY23.
Utilize Technology to Enhance the Customer Experience	<ul style="list-style-type: none"> • 30% of customers utilizing self-service for e-billing. • Implement monthly, commercial billing on time and on budget.
Increase Constituent Support of the RWA	<ul style="list-style-type: none"> • Utilize the community liaison program to conduct at least five outreach sessions with public safety officials throughout our service area.
Advance Workforce Safety	<ul style="list-style-type: none"> • Develop and execute “Safety Starts with Me” program across the entire organization.
Develop Employees by Improving Knowledge, Skills and Abilities	<ul style="list-style-type: none"> • Develop the framework for succession planning across the organization and with a FY22 focus on developing a mechanism to implement planning for critical positions within the RWA.
Foster a Diverse, Inclusive and Engaged Workforce	<ul style="list-style-type: none"> • Develop an action plan based on the results of the FY21 DE&I survey and identify one key area of opportunity to focus improvement around. • Develop a sustainable strategy for employee engagement and deploy one new program to bolster enterprise-wide engagement and one new program specific to fostering better relations with the USW union leadership. • Improve the diversity of two underrepresented job groups.

Strategy	Action Plan
Expand Commercial Revenue Sources to Mitigate Rate Increases	<ul style="list-style-type: none"> • Design and stand up the structure of RWA Commercial Enterprises by January 2022. • Successfully support the completion of two profitable strategic acquisitions to mitigate customer water rates. • Financially ensure the introduction of at least one additional non-regulated service offering.
Improve the Financial Operating Performance of the RWA	<ul style="list-style-type: none"> • Alternative financing will represent 10% of the capital budget. • Develop a plan to track and monitor unplanned expenditures with a goal of these expenditures representing no more than 5% of the FY22 capital budget.
Effectively Manage and Maintain Our Core Business	<ul style="list-style-type: none"> • Reconstitute the Risk Mitigation Team and review the top 10 enterprise risks and execute their associated mitigation and prevention plans. • Develop a strategy and implementation plan to address to EPA’s Lead and Copper Rule revisions by May 2022 including establishing a Steering Committee. • Systematically execute against the asset management roadmap to improve the foundational structure of horizontal and vertical asset categories and implement two proposed critical initiatives.
Sustainably Manage our Natural Resources to Deliver Reliable, Safe Water	<ul style="list-style-type: none"> • Establish an internal Water Resources Management Group to develop and implement at least three watershed management policies and strategies by May 2022. • Dedicate at least one of our functional business continuity exercises to address and improve RWA’s climate and water-quality resiliency.
Embrace Innovation and New Technology	<ul style="list-style-type: none"> • Implement at least four process improvements by May 2022. • Complete external cybersecurity SCADA assessment and implement critical recommendations by May 2022. • Eliminate and/or initiate replacement of at least two obsolete technologies by May 2022.

FY22 Global Metrics

Global Metric	FY22 Target	Description	Perspective
Ebill Participation Rate	30%	Increase the number of residential, commercial and industrial customers who receive their RWA bill electronically.	Customer/Constituents
Safety	0 Preventable Injuries	Achieve zero preventable injuries and lead safety initiatives to promote a culture of prevention.	Employee Learning & Growth
Capital Planning Management	5%	Unplanned capital expenditures will represent no more than 5% of the FY22 capital budget.	Internal Business Practice
Disinfection By-products	90%	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds	Internal Business Practice
Process Improvement	4 Improvements	Implement four process improvements to achieve efficiencies.	Internal Business Practice
Coverage	114%, No Shortfall	Meet 114% coverage without a draw from discretionary funds	Financial
Commercial Enterprise Growth	2 Acquisitions	Acquire two profitable acquisitions to contribute to mitigating rates.	Financial
Capital Budget Management	96%	Ensure that at least 96% of the FY22 capital budget is put to work efficiently for the benefit of our customers.	Financial

Criteria for bonus payout in FY22 is to meet at least four metrics with one of those metrics met being Coverage.

Payout of Global Metric Bonus is based on the following:

- *Meet 6 of 8: 100% payout*
- *Meet 5 of 8 : 75% payout*
- *Meet 4 of 8 : 50% payout*