

A vertical stream of clear water falls from the top left, splashing into a pool of water at the bottom. The background is a light blue gradient.

Strategic Plan for the Lee's Summit Water Utilities Department



December 2011

BARTLETT —
— **& WEST**

HDR | **Archer**

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This document was prepared with input from employee groups, elected officials and citizens. Of special note, the Citizens Advisory Group included nineteen individuals representing residential, business and commercial customers. These individuals gave graciously of their time to meet ten times between November 2010 to October 2011 in two to four hour long meetings. They challenged the Utility Management and Consulting Team to clearly explain the issues and to develop solutions tailored to Lee's Summit's citizens. Each of the Citizen Advisory Group members are listed below to acknowledge their commitment and to express appreciation for their considerable contributions.

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Forward from Community Advisory Group

Fellow Citizens:

We have been honored to be members of the Community Advisory Group (CAG) for the Lee's Summit Water Utilities Department's strategic planning process. We sought to be your voice for communicating the long-term needs and priorities to our water and sewer departments. The result of our work is contained in this Strategic Plan, which we respectfully submit for your consideration.

Our participation on this advisory group has spanned over a year and the ~20 people on the committee represent many distinct groups in the city. The CAG membership is comprised of everyone from retired homeowners and environmentalists to land developers and our city's largest employers. Together we have used data and our own personal experiences to provide feedback on the service and economic expectations for families and businesses that make-up our community. We have strived to remain fair and impartial in all of our discussions.

This work could not have been achieved without tremendous support from many people. The Water Department Staff have been generous with their time, tireless in their support of this project and patient with their answers to our seemingly never-ending questions. Recent surveys done by the city show that our fellow citizens universally hold the Water Utilities department in high regard; our experience has confirmed those findings.

We would also like to thank the consulting team who helped shepherd us through this process. Their energy and dedication to this effort have been instrumental in us reaching our objective.

Why do we need a Strategic Plan? In short, good planning will save money over the long run while improving service and reliability to the community. Water and sewer projects are big ticket items that take a lot of effort and considerable time to build or to fix the right way. Without a Strategic Plan, unless you have a problem, these issues get moved down the list of priorities. If you asked the people of Joplin to prioritize how valuable on-demand, fresh, clean water was to their community before the tornado versus now, the feedback would have been significantly different. While our challenges are not on the same scale as Joplin, the impact of deferred maintenance and service interruptions can be similarly disruptive. Random water breaks, backed up sewers, and unpredictable costs can put our health at risk, drive away business and jobs and brand Lee's Summit as a community that is built on an unstable foundation.

Our recommendations are not frivolous, nor are they without cost. All of us have chosen to live in a city covering a large geographic area with significant population growth and without

our own water supply. Due to this scenario, demands placed by our water suppliers from other cities will require us to pay more for water, regardless of this Strategic Plan. Infrastructure built 25, 50 or even 100 years ago, will follow the laws of physics and demand to be fixed. External governmental oversight and environmental regulation will demand compliance or fines and penalties will add to our future costs. While we have done a wonderful job with improvements to our infrastructure that is above ground, such as our roads, parks, shopping and schools, it is now time to refocus on fundamental sustainability issues and solidify our underground infrastructure. The challenges related to the expected growth, maintenance and funding of our water and sewer infrastructure is now placing one more demand on this community; the demand for action.

Like all big challenges, the earlier they are addressed the better. Also, like all big challenges when the solution is pro-active vs. reactive, the costs are more manageable. Our recommendations in the Strategic Plan allow some flexibility in timing, but we believe the core issues must begin to be addressed soon.

Lee's Summit is similar to hundreds or even thousands of other communities in the United States. Many face increasing costs for clean water resources and need to replace an aging infrastructure in a more stringent regulatory environment. What will separate Lee's Summit from other communities is how we respond. This plan is a declaration that we are a community of character that is ready to address our challenges today. We are a community that can continue to grow and thrive. We know that this won't occur, though, by pushing this problem down the road or by hoping it goes away. We will only succeed by rolling up our sleeves and fixing the problem.

Our Community Advisory Group looks forward to the upcoming discussions and prioritization that will occur with City Council and with other stakeholders in the community. We understand that the message contained within it is a tough one. Undoubtedly, some elements will change. However, we also believe that the plan's core needs to remain intact to sustain the public health of our citizens and the economic health of our community.

Sincerely,

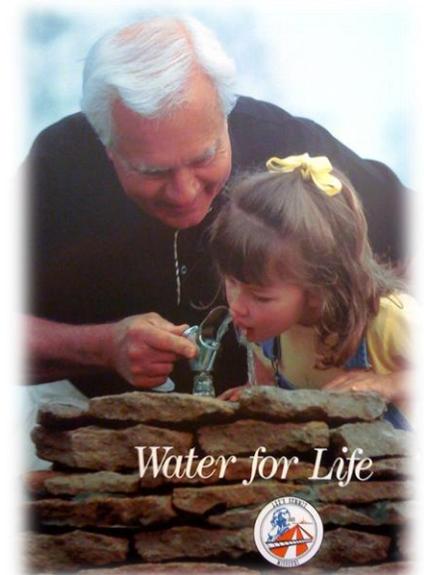
Lee's Summit Water Utilities Community Advisory Group

INTRODUCTION

The Lee's Summit Water Utilities Department (The Utility) initiated the development of a strategic business plan in response to the Utility's desire to address perceptions of the Utility and to understand and define the level of service required of its customers. The Utility initiated a strategic planning process in response to two issues. First, the Utility has not been able to effectively respond to a changing economic climate and second, the Utility was uncertain of how long held policies and practices continued to correlate to current customer values. This strategic business plan defines the initiatives to move the Utility from its current performance and service levels to an organization that provides services tailored to defined customer values and one that can be responsive to future customer needs.

The Planning Process

The Utility secured the assistance of professional consultants in April 2010 to facilitate the development of the Strategic Plan. The consulting team completed customer and employee surveys, reviewed extensive planning and assessment documents, reviewed years worth of operating reports and conducted interviews with the City Council, employees and other key stakeholders. A Community Advisory Group (CAG) was formed from a cross section of Utility customers and met to review and prioritize issues related to the Utility's assessment. The results of the assessment were documented in the March 2011 *Assessment for the Lee's Summit Water Utilities Department*. Overall, the assessment evaluated the Utility in 60 individual measurements. Findings showed that the Utility ranks well when compared to other utilities and to accepted industry standards, earning high marks for Product Quality, Customer Satisfaction, Operation Resiliency, and Water Resources Adequacy. The assessment identified that the Utility's highest priorities for improvement are in the areas of financial sustainability and infrastructure renewal. Other priorities included the need for better customer relations and customer understanding of the issues facing the Utility. The initial phase of the strategic planning process ended with the presentation of the completed assessment report to the City Council on April 14, 2011.



This Strategic Plan was then developed with continued support from the Community Advisory Group. The plan considers national trends impacting all water utilities as well as local concerns identified by elected officials, employees, community leaders and the Community Advisory Group. The plan adopts for the first time a set of service level metrics to form a basis for monitoring progress in the execution of this multi-year plan. This approach is consistent with national trends and local demands for the Utility to be more accountable and transparent in producing tangible and sustainable results for customers. Recommendations contained within this Strategic Plan include direction to:

- Establish appropriate policies to address financial challenges.
- Develop program for the renewal of existing aged infrastructure.
- Improve customer understanding and relations.
- Proactively address long term needs to ensure a sustainable utility.

The plan was developed in coordination with goals in the Lee's Summit 360 Strategic Plan.

Goals from the Community Strategic Plan

Excerpts from the Community Strategic Plan that compliment portions of the Utility Strategic Plan include:

Community Strategic Plan:

Goal 1 – Leadership and Community Involvement

Strategy 3 - Create mechanisms to maximize representative government involvement.

Action Steps: Increase regional presence through stronger participation in the Mid-America Regional Council (MARC), Kansas City Area Development Council (KCADC), Eastern Jackson County Betterment Council (EJCBC) and other regionally focused organizations by elected/appointed officials and City staff.

Aligns with Utility Strategic Plan **Human Resources Goal, Tactic 2.**

Community Strategic Plan:

Goal 2 – Continue to support a fully resourced, professionally trained government workforce.

Strategy 2 - Provide modern facilities and technological tools for staff as needed, in order to continue to maintain a high level of quality services to the Lee’s Summit community.

Action Steps: Consider new software and data and maximize the use of existing software resources.

Action Steps: Provide a modern operations facility for the Water Utilities Department, when appropriate and financially feasible.

Strategy 3 - Ensure City employees are compensated competitively.

Aligns with Utility Strategic Plan **Operations Goal, Tactics 2 and 5;
Human Resources Goal, Tactic 3.**

Community Strategic Plan:

Goal 3 – *Achieve environmentally friendly and financially sustainable infrastructure systems.*

Strategy 1 - Create a sustainable infrastructure task force and develop a long term infrastructure sustainability plan.

Action Steps: Survey citizens, define objectives and identify regulatory/environmental gaps.

Action Steps: Make recommendations, educate citizens and receive approval to implement.

Strategy 2 - Promote and implement select “green” initiatives.

Action Steps: Adjust wastewater impact fee and rates to meet expected costs and create an annually adjustable schedule of fees to ensure appropriate rate adjustments in the future.

Aligns with Utility Strategic Plan **Financial Viability Goal, Tactics 2 and 3.**

Community Strategic Plan:

Goal 4 – *Promote fiscally sustainable and environmentally sensitive development.*

Strategy 1 - Continue to maintain prudent cost management and conservative fiscal strategies.

Action Steps: Explore multi-city resources for all large projects with regional appeal.

Action Steps: Enhance or expand group purchasing with other metropolitan organizations.

Strategy 3 - Incentivize sustainable development.

Action Steps: New public facilities should meet Leadership in Energy and Environmental Design (LEED) standards and all public facilities should undergo carbon footprint studies.

Strategy 4 - Protect the natural resources of the community.

Action Steps: Promote water and energy conservation, alternative energy and pollution prevention.

Aligns with Utility Strategic Plan **Operations Goal, Tactic 10;
Customer Relations Goal, Tactic 6.**

Mission

In addition to other community planning activities, the Utility's stated mission sets the overall strategic direction for everything in this Utility Strategic Plan. The Utility's mission is to:

Provide safe, reliable water and sanitary sewer service to Lee's Summit at a cost effective rate.

Safe - Ensure compliance with applicable state and federal regulations for potable water and wastewater.

Reliable - Provide continuous distribution of clean, potable water at flow rates to meet consumer and fire demand to be above minimum pressure requirements established by regulatory agencies.

Cost Effective - Ensure financial requirements are sufficiently managed to maximize the customer's value for water and sewer services.



Strategic Plan

Introduction

This *Strategic Plan* is organized into four categories:

- Elevate **customer relations** through community engagement and increased responsiveness to customer expectations.
- Enhance the **financial viability** and sustainability of the Utility's services.
- Continue successful **operations** to meet regulations, support infrastructure renewal, maintain capacity and maintain efficiency.
- Strengthen **human resource** capabilities through training and recognition.

Each category includes a goal statement, individual tactics to support these goals and action steps for each tactic. The priority for the implementation of each tactic has also been identified. The implementation periods are defined as follows:

- Short term is within 3 years.
- Medium term is within 5 years.
- Long term is within 10 years.

Customer Relations

The Water Utility exists to serve the demands and expectations of its customers. Today's customer expects transparency, convenient access to information and the opportunity to understand more about the Utility. The Customer Relations goal is to promote community engagement and to be more responsive to customer needs. The six tactics and related action steps to achieve this goal are listed below:



Customer Relation Goal:

Tactic 1 (short term) – *Elevate customer engagement and understanding.*

- Action Step 1:** Improve the customer contact tracking system to further delineate customer expectations.
- Action Step 2:** Hire utility marketing consultant to develop and implement a comprehensive marketing and communications plan.
- Action Step 3:** Develop a new position to manage this consulting contract and then to engage stakeholders (home owner associations, schools, news media, Leadership Lee's Summit, Chamber, employees, etc.), maintain the web page, generate news articles, produce bill stuffers, coordinate with special events (National Drinking Water Week, local events) and to support training initiatives.
-

Customer Relation Goal:

Tactic 2 (short term) - *Use the new utility billing system to provide customers with comprehensive customer account information.*

- Action Step 1:** Complete the existing initiative to implement the new billing system and add usage information to monthly bills.
- Action Step 2:** Design standard detailed information template(s) based on historical customer requests.
- Action Step 3:** Promote the availability of detailed customer data reports through the marketing/communication plan to support customer knowledge of their individual account information.
- Action Step 4:** Make customer data available on-line and document the number of requests.
-

Customer Relation Goal:

Tactic 3 (short term) – *Develop a new program to help customers manage risks related to sewer lateral repair costs.*

- Action Step 1:** Develop program to educate customers on customer responsibility and risk associated with their private sewer laterals.
- Action Step 2:** Establish list of service providers for Service Line Warranty Programs.
- Action Step 3:** Identify services and costs available like those offered by the National League of Cities (NLC) Service Line Warranty Program and administered by Utility Service Partners, Inc.
- Action Step 4:** Select the service provider or providers that the Utility is going to endorse. Work with each service provider to implement new process including educating customers and promoting the program.
- Action Step 5:** Solicit customer feedback and make decisions to improve, continue or discontinue the program.
-

Customer Relation Goal:**Tactic 4 (short term) – *Develop a new program to reduce customer risks for financial exposure from sanitary sewer backups.***

- Action Step 1:** Develop program to educate customers on existing private sector insurance products.
- Action Step 2:** Incorporate into the marketing and communication plan.
- Action Step 3:** Review backup history annually and modify maintenance programs accordingly.

Customer Relation Goal:**Tactic 5 (short term) – *Promote a temporary hardship relief program.***

- Action Step 1:** Document current practices of offering payment time extensions and/or referrals to other agencies.
- Action Step 2:** Educate customers on the opportunity to assist those in need.
- Action Step 3:** If legally acceptable, draft policies and develop a voluntary donation program collected through the monthly billing statements.
- Action Step 4:** Engage local relief agencies and develop means for the transfer of donations to support existing assistance programs.

Customer Relation Goal:**Tactic 6 (long term) – *Encourage potable water conservation.***

- Action Step 1:** Promote potable water conservation through customer education.
- Action Step 2:** Incorporate water conservation education into the marketing/communications plan by acknowledging current laws, practices and policies and promoting related customer practices.

**Aligns with
Community
Strategic Plan**

Goal 4 – Promote Fiscally sustainable and environmentally sensitive development.

Financial Viability

A sustainable utility generates sufficient revenues to cover operating and capital expenses. The Financial Viability goal is to implement financial practices that generate long term sustainability. The three tactics and related action steps to achieve this goal are listed below:



Financial Viability Goal:

Tactic 1 (short term) – *Make renewal and replacement a priority by allocating dedicated revenue for infrastructure rehabilitation projects beginning in fiscal year 2013.*

- Action Step 1:** Finalize construction schedule and revenue required for the Utility's current list of infrastructure rehabilitation projects.
 - Action Step 2:** Follow through on the commitments in the *2007 Inflow and Infiltration Reduction Plan* that was submitted to the Missouri Department of Natural Resources.
 - Action Step 3:** Reevaluate and update rehabilitation projects list and corresponding revenue requirements on an annual basis.
-

Financial Viability Goal:

Tactic 2 (short term) – *Establish and implement financial management policies to protect bond ratings, fund capital reinvestment and sustain the operational integrity and financial health of the Utility.*

Action Step 1: In response to the wholesale service provider's water and wastewater wholesale price increases, review adequacy of existing rates. Implement a \$2.91 increase to the typical water bill which equates to an overall 6% increase to the total utility bill to stabilize the operating reserve funds in 3rd quarter of fiscal year 2012.

Action Step 2: Develop and implement these new financial policies in the fourth quarter of fiscal year 2012:

Utility enterprise fund policy – The goals are to establish the Utility as an enterprise fund and define the financial expectations.

Wholesale water and wastewater services cost pass through policy –

The goal of this policy is to efficiently recover cost of service increases from wholesale service providers. When water or wastewater wholesale price increases are proposed, staff will conduct due diligence on the validity of these proposals. If deemed valid, the Utility will increase rates to cover these incremental costs as needed to maintain the Utility's fiscal integrity.

Sewer connection fee policy – The goals of this policy are to assign costs appropriately between current and future customers and to effectively administer these fees, similar to the water tap fee. The development and administration of these fees should be assigned to the Water Tap Fee Review Committee.

General administration cost allocation policy – The goal of this policy is to appropriately assign cost to the utility for services provided by the City administration and finance departments. The rational nexus of these costs and associated fees will be reviewed annually.

Rate management policy – The goals of this policy are to formalize basic considerations in managing revenues and rates.

- The policy should generally indicate applicable laws and principles associated with a self sustaining utility and include references to staffing, planning and coordination with other City departments and regulatory agencies.
- The policy should indicate the general cost categories to be recovered in the rates like operations and maintenance, transfers

and debt service.

- The policy should indicate appropriate reserve accounts like development fees, equipment replacement, emergencies, new construction, operating and renewal of major infrastructure like pipelines, storage facilities and pump stations.
- The goals are to fully fund routine renewal and replacement activities through rate revenues as opposed to using debt and to achieve 100% pay as you go funding of renewal and replacement activities by the end of fiscal year 2016.
- Rate policies are to be established to achieve financial viability service level metrics identified in Table 1 – Service Level Metrics.
- Policy will include regular schedule for performing rate reviews beginning in fiscal year 2012. Goal is to retain third party expert to perform bi-annual comprehensive utility rate and cost of service analyses. Additionally, in the fiscal years where third party is not retained, the Utility will perform an internal review of rates and anticipated revenues to test for adequacy.

Action Step 3: Present draft policies to new Water Utility Advisory Committee described in Tactic 3 below and the City Council and other interested parties for discussion, review and approval.

Action Step 4: Implement new policies.

**Aligns with
Community
Strategic Plan**

Goal 3 – Achieve environmentally friendly and financially sustainable infrastructure systems.

Financial Viability Goal:

Tactic 3 (short term) – *Expand the Water Tap Fee Committee to include customer input on rates, fees and other charges as necessary to sustain the Utility. This new committee will serve as the Water Utility Advisory Committee.*

Action Step 1: Amend ordinances (Chapter 32-107) to establish the Water Utility Advisory Committee to capture customer input on the revenue needs for the Utility and be prepared to make recommendations for the 2013 fiscal year.

Action Step 2: Communicate and coordinate with the Water Tap Fee Committee.

Action Step 3: Solicit and appoint new City Council approved members by the third quarter of fiscal year 2012.

Action Step 4: Coordinate progress through the marketing/communication plan.

**Aligns with
Community
Strategic Plan**

Goal 3 – Achieve environmentally friendly and financially sustainable infrastructure systems.

Operations

The Operations goals are to comply with Federal regulations, support rehabilitation of aging infrastructure, maintain adequate water supplies, maintain adequate wastewater treatment capacity and improve operational efficiency. The ten tactics and related action steps to achieve these goals are listed below:



Operations Goal:

Tactic 1 (short term) – *Recast the water and wastewater projections to reflect recent development and water usage trends.*

- Action Step 1:** Update water demand and wastewater flow projections.
 - Action Step 2:** Update water and wastewater master plans.
 - Action Step 3:** Update current capital improvement plans.
-

Operations Goal:**Tactic 2 (short term) – Leverage the *use of technology to minimize operational risks and costs.***

- Action Step 1:** Provide training to improve technology skills.
- Action Step 2:** Identify additional data monitoring, trending or analysis needs.
- Action Step 3:** Develop a supervisory control and data acquisition (SCADA) master plan that identifies hardware and software changes to reduce risk and cost through technology and automation.
- Action Step 4:** Estimate hardware and software costs.
- Action Step 5:** Implement programming and hardware improvements

**Aligns with
Community
Strategic Plan**

Goal 2 – Continue to support a fully resourced, professionally trained government workforce.

Operations Goal:**Tactic 3 (medium term) – *Evaluate options to diversify or enhance revenues through contracts to purchase and/or sell water.***

- Action Step 1:** Interview potential suppliers for interest, rates, capacities and requirements.
- Action Step 2:** Interview potential buyers for interest and evaluate the infrastructure costs to complete connections.
- Action Step 3:** Assess and summarize all the above into a current status document.
- Action Step 4:** Use this current information to develop an action plan.
- Action Step 5:** Revisit and update as conditions and opportunities change.

Operations Goal:

Tactic 4 (medium term) – *Apply condition assessments to support long term renewal and rehabilitation programs.*

- Action Step 1:** Identify all asset types.
- Action Step 2:** Organize rating and condition standards.
- Action Step 3:** Establish overall programs, goals, resource requirements and frequency.
- Action Step 4:** Implement program.
- Action Step 5:** Assess results annually.

Operations Goal:

Tactic 5 (medium term) – *Improve operational effectiveness by replacing an obsolete and congested operations facility.*

- Action Step 1:** Coordinate with the marketing/communications plan.
- Action Step 2:** Use existing debt capacity to fund the project and issue debt in 2013.
- Action Step 3:** Hire design professionals, evaluate property alternatives, acquire property, and complete design and bidding.
- Action Step 4:** Market the existing property.

**Aligns with
Community
Strategic Plan**

Goal 2 – Continue to support a fully resourced, professionally trained government workforce.

Operations Goal:

Tactic 6 (medium term) – *Obtain a recognized utility certification to meet or exceed industry best practices.*

- Action Step 1:** Gather certification requirements and assign resources.
 - Action Step 2:** Develop staff training, budget and schedule requirements, implement program.
 - Action Step 3:** Monitor and report progress on a regular basis.
 - Action Step 4:** Coordinate progress with the marketing/communication plan.
-

Operations Goal:

Tactic 7 (medium term) – *Complete risk management planning to maintain operational resiliency.*

- Action Step 1:** Identify and prioritize significant weather and system failure risks.
 - Action Step 2:** Review and update annually the Vulnerability Assessment Plan.
 - Action Step 3:** Organize information and coordinate with the City wide emergency response team to Develop response plans.
 - Action Step 4:** Train managers and staff on responsibilities in the plans.
-

Operations Goal:**Tactic 8 (medium term) – *Implement a meter replacement program to maintain consistent revenues.***

- Action Step 1:** Develop a replacement frequency policy and funding requirements.
- Action Step 2:** Develop a decision model and evaluate the use of automated meter reading (AMR) throughout the system considering capabilities to increase customer service levels by providing additional customer data (see also the Customer Service Goal).

Operations Goal:**Tactic 9 (long term) – *Reduce private inflow and infiltration to reduce treatment costs and conserve sewer system hydraulic capacity.***

- Action Step 1:** Make repairs mandatory in the current pilot program.
- Action Step 2:** Continue the Inflow and infiltration reduction plan submitted to the Missouri Department of Natural Resources.
- Action Step 3:** Evaluate results from the existing pilot program and make recommendations for the remaining system.
-

Operations Goal:

Tactic 10 (long term) – *Employ sustainable practices where feasible.*

- Action Step 1:** Coordinate with community wide Sustainability Plan.
- Action Step 2:** Consider LEED standards for new buildings.
- Action Step 3:** Identify and organize all current energy use data.
- Action Step 4:** Evaluate energy use data for viable opportunities to use alternative sources.
- Action Step 5:** Analyze life cycle costs and carbon production rates.
- Action Step 6:** Develop decision models, draw conclusions and make recommendations.

**Aligns with
Community
Strategic Plan**

Goal 4 – Promote Fiscally sustainable and environmentally sensitive development.

Human Resources

The long term success of the Utility depends on the training, development and decision making by competent and capable employees, managers and leaders. The Human Resources goals are to invest in recruiting, retaining and developing a knowledgeable, multi-skilled and competent work force. The five tactics and the related action steps to achieve these goals are listed below:



Human Resources Goal:

Tactic 1 (short term) – *Work with employee groups to develop and implement employee training programs that promote continuous improvement.*

- Action Step 1:** Work with the individual employee groups to identify unique training needs and goals and encourage life-long learning.
 - Action Step 2:** Identify internal (senior staff) and external (industry organizations, Missouri Department of Natural Resources, etc.) training resources.
 - Action Step 3:** Estimate costs and set priorities.
 - Action Step 4:** Implement the program.
-

Human Resources Goal:**Tactic 2 (short term) – *Encourage networking through professional organizations and community engagement to produce added customer value.***

Action Step 1: Identify potential organizations, activities and associated costs in time and fees.

Action Step 2: Establish goals for how the Utility's customers may benefit from participation in each organization.

Action Step 3: Assign and implement participation.

**Aligns with
Community
Strategic Plan**

Goal 1 – Leadership and Community Involvement.

Human Resources Goal:**Tactic 3 (short term) – *Develop engineering capabilities to support the unique water and wastewater engineering needs of the Utility's customers.***

Action Step 1: Select and hire a registered professional engineer position with a minimum 10 to 15 years of experience to fill existing Assistant Director of Engineering vacancy. Develop engineering resources to be an advocate for customer expectations in all design/construction projects and to coordinate with other City Departments, monitor regulatory changes, support Operations, develop the annual capital improvements plan and manage the hydraulic models.

Action Step 2: Assess resource requirements for the related technical functions to support the Engineering Services Section including records management and construction observation.

Human Resources Goal:

Tactic 4 (short term) – *Develop and implement employee recognition and rewards program to promote best practices in delivering customer value.*

- Action Step 1:** Identify and communicate examples of best practices.
 - Action Step 2:** Develop a system for gathering and reviewing nominations.
 - Action Step 3:** Develop recognitions and rewards that are meaningful to the Utility's employees.
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Human Resources Goal:

Tactic 5 (medium term) – *Develop and implement a management succession plan to achieve long term continuity in customer service.*

- Action Step 1:** Update all manager job descriptions and develop career paths.
 - Action Step 2:** Identify succession candidates and critical positions vulnerable to unplanned change.
 - Action Step 3:** Prepare and implement development plans for those interested in advancement.
 - Action Step 4:** Conduct readiness evaluations and make recommendations.
 - Action Step 5:** Continuously evaluate the organizational structure and when positions become available, advance the best candidates.
-

Service Level Metrics

This plan adopts for the first time a set of service level metrics to form a basis for monitoring progress in the execution of this multi-year plan. The service level metrics are indicated in Table 1.

Table 1 – Service Level Metrics

Category	Service Level Metric
Customer Relations	Maintain an overall customer satisfaction of 80% as measured by a community survey conducted every 3 years.
	Respond to customer inquiries within 3 business days.
	Maintain customer complaints below 3 per 1,000 customers per year.
Financial Viability	Maintain the following ratios:
	Debt service coverage ratio at a minimum of 1.50.
	Debt service ratio less than 20%.
	Interest coverage ratio greater than 5.
	Revenue to expense ratio greater than 100%.
	Operational reserves:
	Minimum operating reserves at 90 days of operating expenses.
	Current ratio greater than 6%.
Liquidity ratio greater than 6%.	
Operations	Support the ISO Class 1 rating for inside city customers.
	Maintain 100% compliance with all state and federal regulations.
	Maintain unplanned water disruptions less than 4 hours in duration to less than 30 per 10,000 customers per year.
	Maintain unplanned water disruptions of 4 to 12 hours in duration to less than 4 per 10,000 customers per year.
	Planned maintenance ratio greater than 80%.
	Maintain number of non rain related backups resulting from public sewer blockages to 4 per 100 miles of sewer line per year.
	Maintain number of sanitary sewer overflows to less than 2 overflows per 100 miles of sewer line per year.
	No more than 5 billing errors per 10,000 bills.
Human Resources	Maintain overall employee satisfaction of 75% as indicated by internal annual surveys.
	Complete 24 hours of training per employee annually.

Milestone Recommendations

1. Accept the Strategic Plan.
2. Adopt catch up rate in 3rd quarter of fiscal year 2012.
3. Expand the Water Tap Fee Committee in the 3rd quarter of fiscal year 2012.
4. Adopt financial policies in 4th quarter of the fiscal year 2012.
5. Commence development of marketing, communication and customer education initiatives by the 1st quarter of fiscal year 2013.
6. Complete the cost of service study in the 1st quarter of fiscal year 2013.
7. Adopt multi-year rate plan strategy in the 2nd quarter of fiscal year 2013.
 - a. Issue debt in accordance with rate strategy to cover rehabilitation projects, the operations facility and other strategic plan initiatives by fiscal year 2016.
8. Report progress and results to the City Council at the end of the first year of the plan and annually thereafter.
9. Review and update (delete, modify or add) tactics annually to account for changing conditions.