

# Otay Water District

## Strategic Performance Management Plan

*Fiscal Year 2009-2011*



**Otay Water District  
Strategic Plan  
Fiscal Years 2009-2011**

**Approved by Otay Water District Board of Directors, May 2008**

# STRATEGIC PLAN FISCAL YEARS 2009-2011

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# INTRODUCTION

The strategic plan is the core document which guides the agency's efforts to meet and positively adapt to change. The plan examines a three year timeframe and explicitly defines the strategies, goals, objectives and performance measures needed to meet these challenges. It is based upon the District's mission, vision and values, and focused around a key challenge – which is the theme for the FY09-11 plan.



# FOUNDATION STATEMENTS

## MISSION STATEMENT

*District's Mission: To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective and efficient manner.*

## VISION STATEMENT

*General Manager's Vision Statement: "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."*

## **STATEMENT OF VALUES**

As Otay Water District employees we dedicate ourselves to:

### **CUSTOMERS:**

We take pride that our commitment to customer-centered service is our highest priority.

### **EXCELLENCE:**

We strive to provide the highest quality and value in all that we do.

### **INTEGRITY:**

We commit ourselves to doing the right thing. Ethical behavior, trustworthiness and accountability are the District's foundation.

### **TEAMWORK:**

We promote mutual trust by sharing information, knowledge and ideas to reach our common goals.

### **EMPLOYEES:**

We see each individual as unique and important. We value diversity and open communication to promote fairness, dignity and respect.

## KEY CHALLENGE

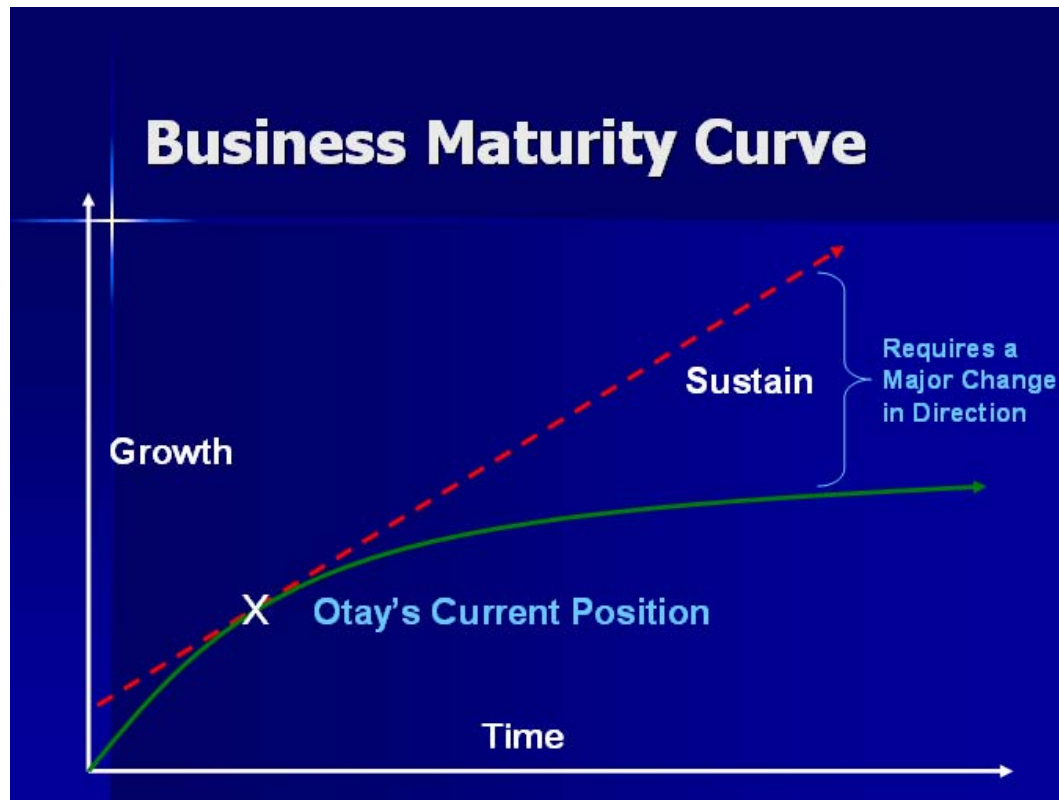
The theme of the 2009-2011 plan is to capitalize on the infrastructure investments we have already made in the last few years. The District has begun to address the transformation from a growth centric to a maintenance based organization. Capital and developer fees support growth but replacement and maintenance is supported by rates and operating expenses. Otay has been very successful in managing growth but now needs to become more focused in managing long-term maintenance and replacement of its infrastructure. As the current economic environment cools we have the opportunity to realign our energies and optimize how we manage and maintain the nearly half billion dollars of “in-ground” assets we maintain. In addition, with supplies being challenged due to drought conditions, we will need to be flexible in managing a limited supply while maintaining a positive relationship with customers.

Efficiency improvements have become the new competitive advantage for utilities. Staff will need to do more with the same or fewer resources. The primary way to achieve this target is to improve all aspects of our core business processes.

### ***Key Challenge***

*The key challenge for Otay is to find the best solutions that balance our requirements with the significant constraints we face. Some of these constraints are escalating cost, drought, increasing regulatory compliance and uncertainty, customer demands for improved services, and competition for supply and resources. Meeting these challenges will requires dedication and a commitment to continuous improvement, and the innovative use of technologies and resources.*

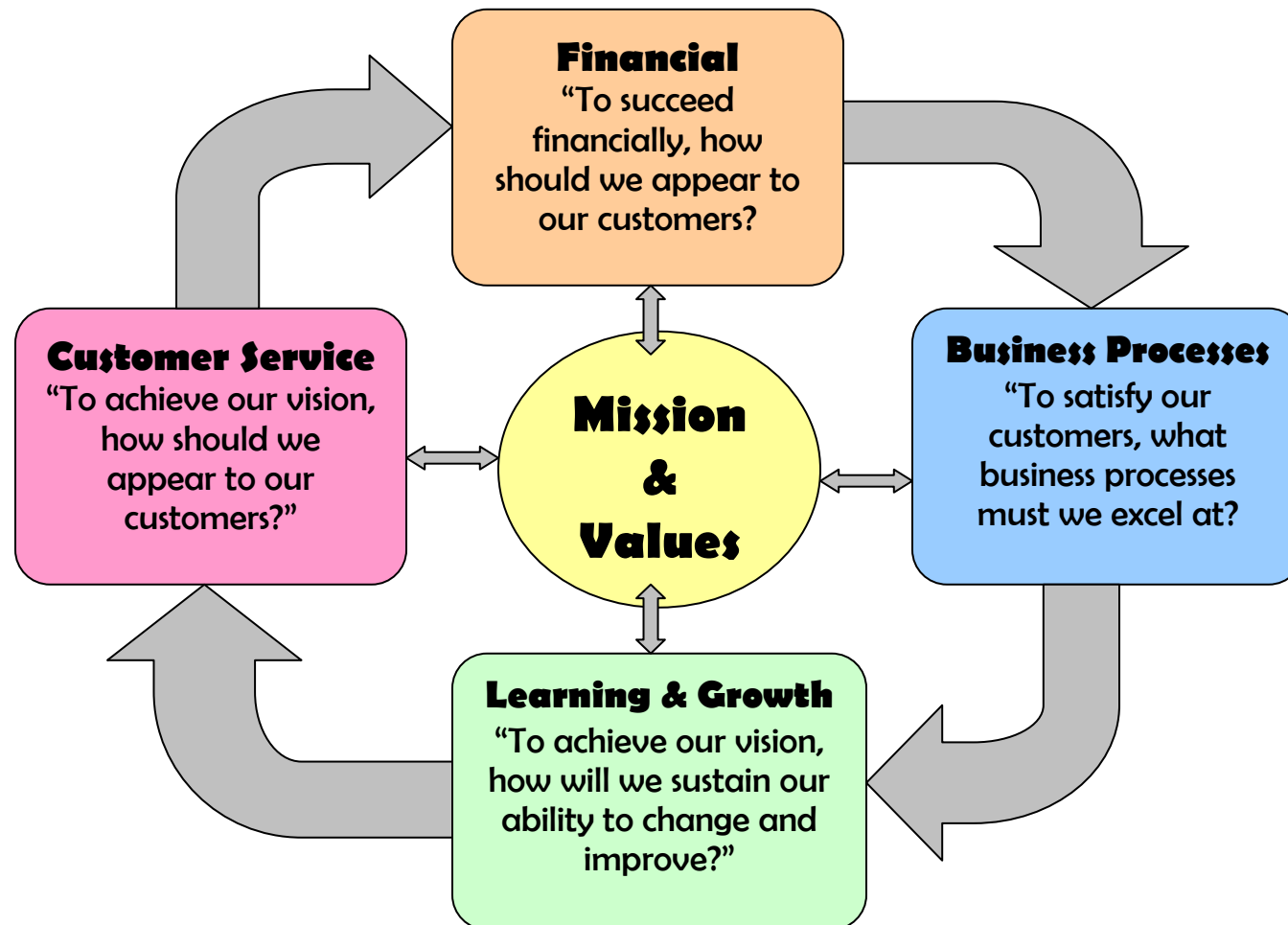
This necessary change is illustrated by the business maturity curve. During high growth, we focused on achieving the macro targets of building and installing new infrastructure. In the future, the resources required to support slower growth are reduced but the effort to maintain and improve assets is increasing. Income, however, will be derived more from rates and less from fees. Consequently, increased costs place pressure more directly on rates. Therefore, to meet our customer and financial goals, the District will need to emphasize internal efficiency and development of technology assisted best practices.



# METHODOLOGY

## Balanced Scorecard

The Balanced Scorecard focuses on four perspectives as a mechanism for setting strategic direction and balancing competing priorities. This industry best practice has been adopted by the District because it allows us to examine our plans from different perspectives.



Every three years the District engages in a major revision of its strategic plan. This current plan (covering fiscal years 2009-2011) is the third in a series of three-year plans beginning in 2003. The process is inclusive. Starting with a thorough review of the last effort, the District's Vision, Mission, and Key Challenge statements are examined and revised. Individual interviews are conducted with our Board, approximately thirty line staff, union representatives, alongside team meetings involving all Otay staff. Assistance from professional consulting and industry best practice advice are taken into account to provide third party input.

The primary tool, however, is a very thorough review process by the Senior Management Team of every strategy, goal, objective, project plan, performance measure, and target contained in the plan. Through this team discussion process the General Manager gains consensus with his staff on the exact priorities for the District, including detailed financial and resource considerations required to execute the plan. Thus the plan serves as an informal contract between the agency staff and the General Manager on the strategic work that will be done and what the agency hopes to achieve over the next three years. In turn, the General Manager presents the plan to the Board for approval. Through the strategic plan and budget approval processes, the Board is then able to make well informed oversight decisions about the utility's direction.

### Performance Management

Performance metrics and targets are a critical element of the strategic plan but differ from strategic plan objectives. Objectives identify the action items that are necessary to achieve the strategic vision. Performance measures are designed to ensure the day-to-day operations of the utility are meeting agreed upon expectations. Performance measures are in the process of being revised and will be finalized prior to plan initiation on July 1, 2008. We will advise the board in June when the measures have been thoroughly developed and meaningful targets have been identified.

# OTAY WATER DISTRICT

## Strategic Plan Fiscal Years 2009-2011

### I. CUSTOMER

#### 1. “Maximize Our Customers’ Satisfaction”

##### *A. Listen to Our Customers*

1. Capture customers’ attitudes and awareness through a repeatable customer survey program.
2. Expand a more detailed customer complaint tracking and reporting system.

##### *B. Effective Use Multi-Channel Communications*

1. Enhance our communication with our customers by evaluating and upgrading all aspects of the District's phone system.
2. **Web Page** - Evaluate and enhance the District’s web site design to allow easier use and navigation.
3. **E-Customer Account** - Enhance the customer’s ease of access to personalized account information including water use, payment status, and historical trending.
4. Evaluate the most cost effective and efficient processes and tools to communicate service related issues to customers. For example: E-Mail, Target mail, door hanger, etc.
5. **Written Publications** – Develop an effective program for producing new customer communication including drought related communication. Evaluate bi-lingual options.
6. Develop a comprehensive community outreach plan and materials to target specific community stakeholders with additional information or presentations on drought, recycled water, and water conservation.

## **2. “Educate our Customers on Important Water Related Matters”**

### ***A. Expand the District’s Water Conservation Programs to maximize District-wide water conservation***

1. Promote and encourage adoption of conservation practices for new construction within District service territory.
2. Participate in the revision of the 14 water conservation Best Management Practices and prepare to implement those that are locally cost-effective.

### ***B. Maximize Recycled Water Use and Public Knowledge***

1. Continue a regional approach and expand District’s recycled water outreach program to landscape architects, maintenance companies, developers, contractors, and home owner associations.

## **3. “Help Shape the Water Industry’s Direction”**

### ***A. Legislative and Political Influence for District’s Programs***

1. Continue to actively participate in County Water Authority, Metropolitan Water District of Southern California, State policy making and pending legislative review and comment.
2. Promote enhancements to City, County and State water conservation requirements and implement appropriate BMPs. (political side).

### ***B. Optimize the District’s Water Industry Participation***

1. Promote and encourage leadership opportunities for District staff in water industry committees.
2. Evaluate and implement American Water Works Association Peer Review for District.

## **II. FINANCIAL**

### **1. “Develop a Long Term Financial Planning Program”**

*A. Establish a long-term (15 year) financial plan including scenarios and contingencies for changes in demographics, local economy and drought uncertainties, and including:*

1. Facilities and Staffing Plan needs.
2. Developing the long term financial plan.

*B. Conduct financial threat assessment for growth, water availability, inflation and other revenue sources*

*C. Re-calculate all Capacity and Annexation Fees with New Rehabilitation and Repair Plan*

### **2. “Optimize All Revenue Streams”**

*A. Modify existing rate structures*

1. Simplify residential fee structures and the billing system.
2. Reduce complexity of and simplify rate structure.
3. Evaluate drought stage rates and propose changes.
4. Evaluate and improve effectiveness of bill (including fees for Chula Vista sewer billing).

## **III. BUSINESS PROCESSES**

### **1. “Implement Industry Best Practices for Utility Development”**

*A. Potable Water*

1. Prioritize and implement recommendations contained in the Integrated Resources Plan and Water Resources Master Plan to obtain additional potable water supply by 15%.
2. Update the District’s Water Shortage Response Program including actions for enforcement.
3. Create a comprehensive environmental program that is cost-effective and proactive in response to environmental compliance.
4. Develop and implement a proactive leak detection program to reduce distribution system water loss.

### ***B. Sewers***

1. Evaluate the long-term requirement for costs and benefits of seeking additional sewer collection flow treatment, and/or disposal capacity.
2. Develop and implement Treatment Plant Enhancements including automation for remote operation and shutdown, technology improvements, and upgrade of facilities.

### ***C. Recycled Water***

1. Obtain 10% in new recycled water supplies by prioritizing and implementing the recommendations in the IRP & WRMP.
2. Finalize evaluation of North District service area expansion for recycled water and seek approvals and funding.

## **2. “Optimize the District’s Operating Efficiency”**

### ***A. Minimize the District’s total life cycle asset costs***

1. Develop and implement an Asset Management Program Plan to extend useful life of capital assets.
2. Expand meter testing for 3” and larger calibration and replacement program.
3. Evaluate increasing the completion schedule of District’s valve actuation, valve replacement, and air vac programs.
4. Enhance Construction Inspection on construction projects by implementing IMS.

### ***B. Update the District’s IT Strategic Plan***

1. Evaluate the long-term viability of Eden financials and billing system.
2. Enhance existing Capital Project Tracking System.
3. Enhance the District’s data management, data update process, and data architecture including enterprise standard data. Update process for ensuring GIS data is accurate.
4. Develop and deploy the field wireless network for key facilities.

***C. Optimize the use of existing technologies***

1. Optimize functionality, business continuity, bandwidth, and use of SCADA.
2. Optimize use of Voice Over Internet Protocol and unified messaging.
3. Evaluate implementing a fixed network Automated Meter Reading.
4. Optimize the use of SharePoint.
5. Develop optimized field work processing using integrated technology.
6. Assess and implement security best practices for all Otay networks.

***D. Increase field productivity through improved efficiency.***

1. To obtain access to shared electricity, gas, telephone, and other utilities from cell site vendors, San Diego County and, other agencies.

***E. Improve the efficiency of business processes.***

1. Investigate using electronic signatures on staff reports, shutdown plans, contracts, magazines, newsletters, reimbursements, project closeout, etc.
2. Evaluate web-based employee performance reviews.
3. Enhance AP to electronically pay bills for frequent vendors and routine bills and maximize the use of e-bills.
4. Enhance fuel tracking and reporting system.
5. Automate application process.
6. Develop a Heavy Equipment Capital Replacement Plan.
7. Identify existing facilities that are good candidates for conversion to separated irrigation meters (recycled and/or potable water), specifically for multi-family/industrial/commercial projects.
8. Enforce use of separate meters for irrigation during the Sub-Area Master Plan (SAMP) Review Process to maximize the use of recycled water. Irrigation of landscaped areas shall have a separate meter regardless if potable or recycled water is available, while maximizing the use of recycled water.

***F. Optimize Disaster Preparedness.***

1. Review/consolidate the District's Disaster Preparedness Plan
2. Update Security Assessment and implement Technology Recommendations.
3. Evaluate and make recommendations regarding Environmental Health, Emergency Preparedness, and Safety Management System.

**3. "Improve Financial Analysis and Reporting"**

***A. Improve per cost unit reporting***

1. Develop and measure cost per unit expenditures and forecasts.

***B. Improve the efficiency and effectiveness of District-wide reporting***

1. Utilize SCADA to calibrate water model.

**IV. Learning and Growth**

**1. "Results-oriented Workforce"**

***A. Retain Dedicated Workforce***

1. Evaluate effective communication tools throughout the organization.
2. Evaluate the Pay For Performance Program.
3. Evaluate the Employee Recognition Program.
4. Assess findings of 2008 Employee Survey.
5. Conduct Employee Survey in preparation for 2012 Strategic Plan development.

***B. Hire the "Best"***

1. Review and update classification plan and revise critical areas.
2. Review and revise marketing strategy and recruiting tools.

***C. Staff Development***

1. Identify District required training and identify resources for desired training.
2. Develop and maintain a formal program to track employee training.

***D. Workforce Management***

1. Identify core elements of Succession Planning that can be tailored to the District's needs.

***E. Performance Management***

1. Update and expand annual review process to include greater emphasis of strategic plan objectives and performance measures and understanding of career goals and how they may relate to the District's Succession Plan.

***F. Knowledge Management***

1. Update District-wide Records Management Program.
2. Develop information systems support for asset management program.

***G. Community involvement/District Outreach***

1. Optimize community involvement throughout the District.

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[www.otaywater.gov](http://www.otaywater.gov)