

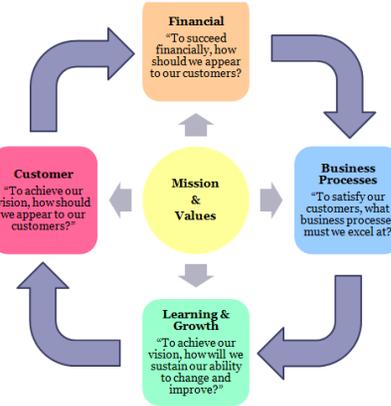


Otay Water District

Strategic Performance Management Plan

Fiscal Year 2012-2014

SWOT ANALYSIS CHART



Otay Water District Strategic Plan Fiscal Years 2012-2014

Approved by the Board on May 16, 2011

STRATEGIC PLAN FISCAL YEARS 2012-2014

Table of Contents

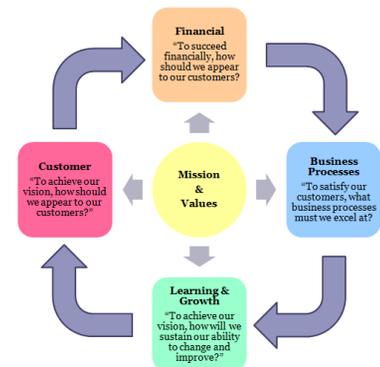
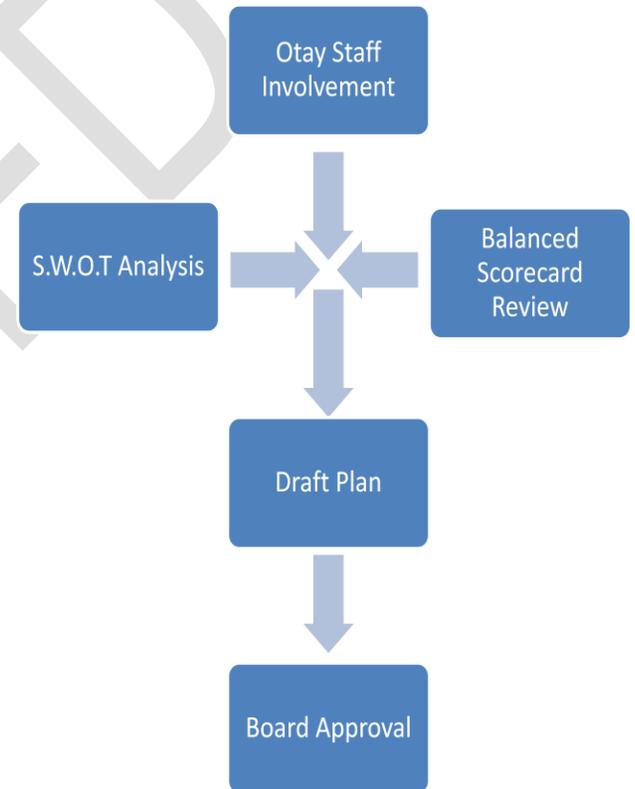
	Page
Introduction	
Planning Process.....	4
Mission Statement.....	5
Vision Statement.....	5
Values.....	6
Key Challenge.....	7
Plan Objectives	
Customer Service.....	9
Financial.....	9
Business Process.....	10
Learning and Growth.....	11
Performance Measures	
All Measures.....	12

INTRODUCTION

The strategic plan is the core document which guides the agency's efforts to meet and positively adapt to change. Every three years the District engages in a major revision of its strategic plan. This current plan (covering fiscal years 2012-2014) is the fourth in a series of three-year plans beginning in 2003.

In order to develop the FY12-14 Strategic Plan, each Chief meets with their staff to get a collective list of ideas. Once these ideas are reviewed and discussed, they are filtered using a S.W.O.T analysis, assessing the District's Strengths, Weaknesses, Opportunities, and Threats. To further focus the suggested objectives, another analysis examines the plan from the Balanced Scorecard perspective (Customer, Financial, Business Process, Learning & Growth).

The Senior Management Team reviews 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.





MISSION

To provide high value water and wastewater services to the customers of the Otay Water District, in a professional, effective and efficient manner.

VISION

A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service.

Mission
Vision
&
Values

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.



Mission
Vision
&
Values

KEY CHALLENGE

Our key District challenge is to add increased *value* by improving our core business processes. From a water supply perspective, this means determining the optimum mix of water supply, treatment, and delivery solutions for our customers. From a daily operating perspective, efficiency improvements have become the primary source of competitive advantage and cost optimization for utilities. Adding value from this perspective means **the entire team focusing on not only the highest priority goals but also examining the details of what we do every day and be willing to alter how we do it if it makes a positive difference.** Our employees voice a high degree of personal and professional satisfaction with our direction and the entire team is committed to meeting this key challenge with distinction.



Mission
Vision
&
Values

OTAY WATER DISTRICT

Strategic Plan

Fiscal Years 2012-2014

I. CUSTOMER -- Deliver high quality services to meet customer needs, and increase confidence of the customer in the value the District provides.

A. “Maximize our customer satisfaction by expanding and improving communications”

1. Enhance communications with customers using our new phone system.
2. Regularly evaluate communications tools and explore the effective use of new media options including: electronic newsletters, auto-dialer services, video streaming, social networks, or web media to ensure the District’s outreach efforts are cost-effectively reaching all stakeholders.
3. Continue promoting the Water Conservation Garden as a venue for new homeowners, developers, businesses and existing homeowners.
4. Increase customers employing on-line bill payment.
5. Increase conservation related communications by expanding the use of electronically based information.

Customer

“To achieve our vision, how should we appear to our customers?”

II. FINANCIAL -- Provide enhanced value by directing and managing the financial issues that are critical to the District.

A. “Improve financial information and systems”

1. Strengthen the long term financial plan.
2. Develop sewer capacity fees for expansion.
3. Re-negotiate the South Bay Water Reclamation Plant (SBWRP) recycled water supply agreement with the City of San Diego.
4. Evaluate the feasibility of replacing the existing customer information system or migrating to the new version of the Eden software.

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Financial

“To succeed financially, how should we appear to our customers?”

III. BUSINESS PROCESS -- Improve business functionality by constantly improving the efficiency and effectiveness of important business processes.

A. “Actively manage water supply and demand”

1. Prepare and implement a Waste Water Management Plan.
2. Implement the recommendations within the Integrated Water Resources Plan (IRP) to acquire alternative and/or additional potable and recycled water supplies and enhance resource reliability.
3. Continue working with the City of Chula Vista for the possible development of an MBR Plant and for a potential agreement with the City for recycled water supplies from the MBR Plant.
4. Closely monitor the District’s potable water demand to ensure the District will remain on target to achieve its 2015 gpcd target as identified in the 2010 Urban Water Management Plan.
5. Work with the District’s largest potable water customers to convert landscape and interior water use to recycled water where fiscally feasible and safe.
6. Ensure best practices are followed in meeting the 20 by 2020 conservation targets including reclassification of industrial and commercial customers.
7. Educate and work with local agencies and others to influence developers, builders, and to incorporate practical water efficient practices in new construction.

B. “Identify and implement improvements to the following business processes”

1. Streamline Accounts Payable business process.
2. Continue the development of the Asset Management program.
3. Strengthen CIP planning, budgeting, and cost tracking processes.
4. Develop data center disaster recovery plan.
5. Enhance security processes and planning.
6. Update the District’s National Incident Management System (NIMS) Emergency Management Plan.
7. Update the District-wide Records Management Program.
8. Improve and streamline meter related processes.
9. Implement GIS-centric work order system.
10. Streamline and improve data center processes.
11. Streamline inventory procedures.
12. Streamline requisition and purchasing procedures.
13. Streamline Finance business processes.

Business Processes

“To satisfy our customers, what business processes must we excel at?”

14. Develop and implement large meter vault retrofit programs.
15. Implement a water loss management program.
16. Replace SCADA system and optimize functionality, business continuity, and bandwidth.
17. Evaluate opportunities to combine or transfer similar work functions.
18. Complete valve exercising program business processes.
19. Develop large and small meter test bench strategy.
20. Develop data collection and condition assessment for collection system facilities.
21. Develop data collection and condition assessment for potable system facilities.
22. Develop gen-set load bank testing.
23. Streamline Customer Service business processes.

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Business Processes

“To satisfy our customers, what business processes must we excel at?”

IV. LEARNING & GROWTH -- Provide the leadership, tools, and management commitment to become a more results oriented culture.

A. “Results-oriented workforce”

1. Identify management initiatives for represented/unrepresented employees in preparation for negotiations that will provide more efficiencies and more flexibility.
2. Evaluate policies and procedures as appropriate to streamline processes and ensure the District remains competitive.
3. Review classification plan with the goal of providing greater flexibility.
4. Negotiate a successor Memorandum of Understanding for represented employees for 2014 and beyond, and related compensations and benefits for unrepresented employees.
5. Senior Management Team to develop summary of expectations for management team to manage change in the future.
6. Update performance evaluation categories/program to ensure a results-oriented workforce and update and provide training if needed.
7. Evaluate pay-for-performance program to ensure the District is rewarding employees for innovations and business process review.
8. Establish a forum for continuous discussion regarding sections/units identifying business process review in support of the District’s mission.

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Learning & Growth

“To achieve our vision, how will we sustain our ability to change and improve?”

OTAY WATER DISTRICT

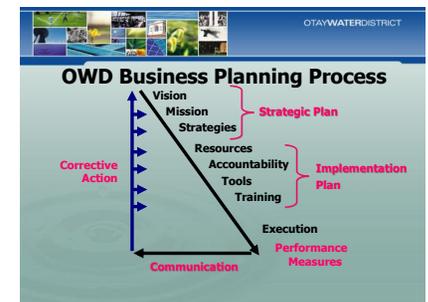
Strategic Plan Performance Measures

Fiscal Years 2012-2014

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, 2011. We will advise the Board in June when the measures have been thoroughly developed and meaningful targets have been identified.

- **Customer Satisfaction:** Percent positive/Percent surveyed.
- **Blanket Order Activity:** Total dollars on blanket for materials/Total material purchases.
- **Total Customer Water Saved:** Total savings in acre-feet added cumulatively throughout the fiscal year.
- **Otay Water Use (District Meters):** Total metered water use (number derived from a report).
- **District Total Potable Water Purchase:** Actual amount of potable water purchased from CWA each quarter.
- **Health & Safety Severity Rate:** Number of lost days/Number of injuries resulting in lost time.
- **Employee Turnover Rate:** Number of voluntary terminations/ Average number of employees.
- **Training Hours per Employee:** Total qualified training hours for all employees/Average # of FTE.
- **Safety Training Program:** # of safety training hours for the quarter/# of field employees.



- **CIP Project Expenditures vs. Budget:** Actual quarterly expenditures/Annual budget.
 - **Construction Change Order Incidence:** Total cost of change orders/Total original construction contract amount.
 - **Mark Our Accuracy:** Number of markouts performed without an at-fault hit, which is damage to a District facility that results from a missing or erroneous markout/Total number of markouts performed.
 - **Project Closeout Time:** Average number of days between NOSC and NOC for all construction projects within the quarter.
 - **Answer Rate:** Number of all calls answered/Number of all calls received during a quarter.
 - **O&M Cost per Account:** Total operations O&M costs/# of accounts.
 - **Billing Accuracy:** Number of correct bills during the reporting period/Number of total bills during the reporting period.
 - **Overtime Percentage:** Actual overtime costs (including comp time)/Budgeted overtime costs.
 - **Sewer Rate Ranking:** Otay ranking for the average bill for sewer/# of agencies.
 - **Water Rate Ranking:** Otay ranking among CWA member agencies for average.
 - **Debt Coverage Ratio:** Qualified net operating revenues/Debt service requirements.
 - **Reserve Level:** Number of reserve funds that meet or exceed fund target levels/Total # of reserve funds (9).
 - **Distribution System Loss:** $100 \left[\frac{\text{volume purchased} - (\text{volume sold} + \text{volume used})}{\text{Volume purchased}} \right]$.
 - **Customer Satisfaction with Website:** Annual Customer Opinion and Awareness Survey.
 - **Network Availability:** Time availability of core applications during business hours/Total time.
 - **Website Hits:** Average total visitors per month.
- Unplanned Disruptions:** Number of customer accounts experiencing unplanned disruptions times 1000/ Number of active customers.



- **Technical Quality Complaint:** $1000 \times (\text{number of technical quality – associated complaints}) / \text{Number of active customer accounts per reporting period.}$
- **Planned Potable Water Maintenance Ratio in \$:** $\text{Total planned maintenance cost} / \text{Total maintenance cost.}$
- **Planned Recycled Water Maintenance Ratio in \$:** $\text{Total planned maintenance cost} / \text{Total maintenance cost.}$
- **Planned Wastewater Maintenance Ratio in \$:** $\text{Total planned maintenance cost} / \text{Total maintenance cost.}$
- **Direct Cost of Treatment per MGD:** $\text{Total O\&M costs directly attributable to sewer treatment} / \text{Total volume (in MGD) during the reporting period.}$
- **O&M Cost per MGP – Wastewater:** $\text{Total O\&M cost (less depreciation)} / \text{Volume in MG processed during the reporting period.}$
- **%PM's Completed – Fleet Shop:** $\# \text{ of PM's completed for the quarter} / \# \text{ of PM's scheduled to be completed for the quarter.}$
- **%PM's Completed – Reclamation Plant:** $\# \text{ of PM's completed for the quarter} / \# \text{ of PM's scheduled to be completed for the quarter.}$
- **%PM's Completed – Pump/Electric Section:** $\# \text{ of PM's completed for the quarter} / \# \text{ of PM's scheduled to be completed for the quarter.}$
- **%PM's Completed – Valve Maintenance Program:** $\# \text{ of PM's completed for the quarter} / \# \text{ of PM's scheduled to be completed for the quarter.}$
- **Valve Exercising Program:** $\text{Actual number of valves exercised per qtr} / 423 \text{ valves per qtr.}$
- **Water Distribution System Integrity:** $100 (\text{annual total number of leaks} + \text{annual total number of breaks}) / \text{Total miles of distribution piping.}$
- **Planned Water Service Disruption Rate:** $1000 \times \text{number of customer experiencing disruption} / \text{Number of active customer accounts per year.}$



- **Potable Water Compliance Rate:** $100 \times \text{number of days the primary health regulations are met} / \text{Number of days in the quarter}$.
- **Collection System Integrity:** $100 \times \text{total number of collection system failures during the year} / \text{Total miles of collection system piping}$.
- **Replace Manual Read Meters with Automated Meters:** Total meter changes completed in a year.
- **Recycled Water System Integrity:** $100 \times \text{number of leaks or breaks} / \text{Number of miles of distribution system}$.
- **Sewer Overflow Rate:** $100 \times \text{total number of sewer overflows during the reporting period} / \text{Total miles of pipe in the sewage collection system}$.

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