

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

MONDAY

April 28, 2008

12:00 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

WORKSHOP

5. APPROVE THE PROPOSED FISCAL YEARS 2009-2011 STRATEGIC PLAN (STEVENS)
6. ADJOURNMENT

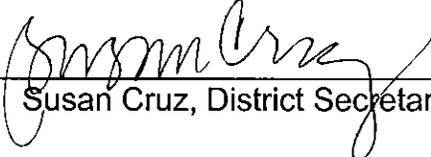
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on April 25, 2008, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the special meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on April 25, 2008.



Susan Cruz, District Secretary

OTAY WATER DISTRICT

Strategic Plan Fiscal Years 2009 - 2011



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

DRAFT

STRATEGIC PLAN

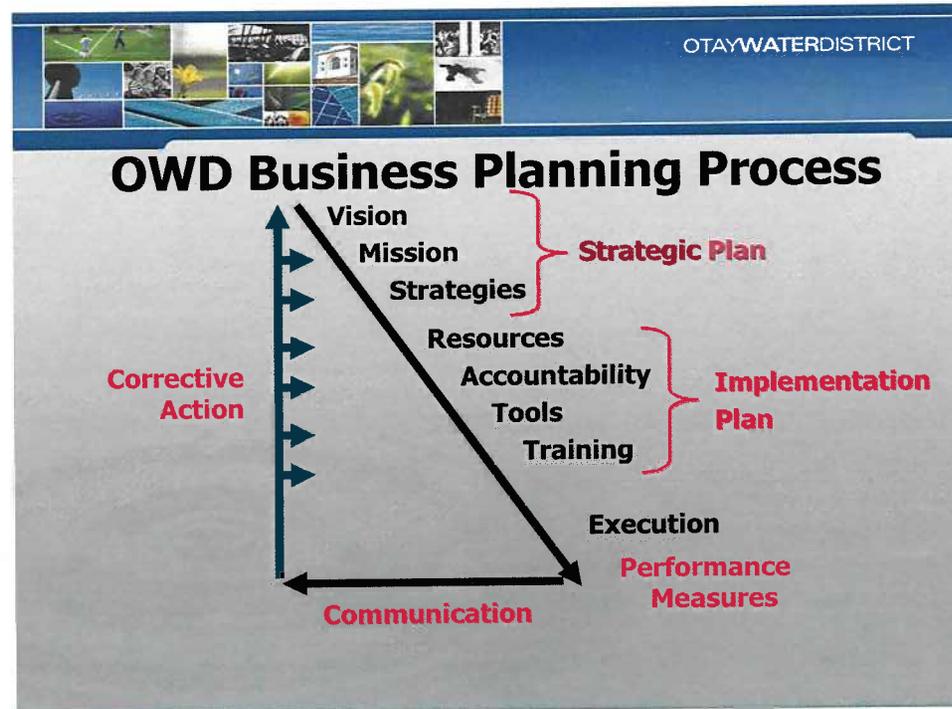
FISCAL YEARS 2009-2011

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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

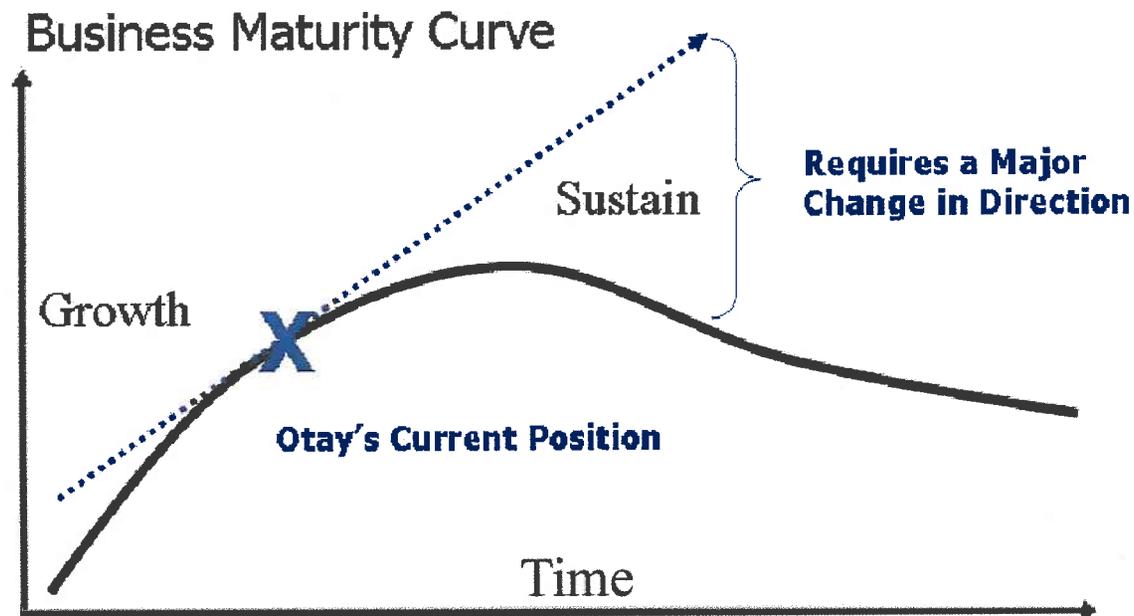
The theme of the 2009-2011 plan is to capitalize on the infrastructure investments we have already made in the last few years. The District has begun to address the transformation from a growth centric to a maintenance based organization. Capital and developer fees support growth but replacement and 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.

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 costs, 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.

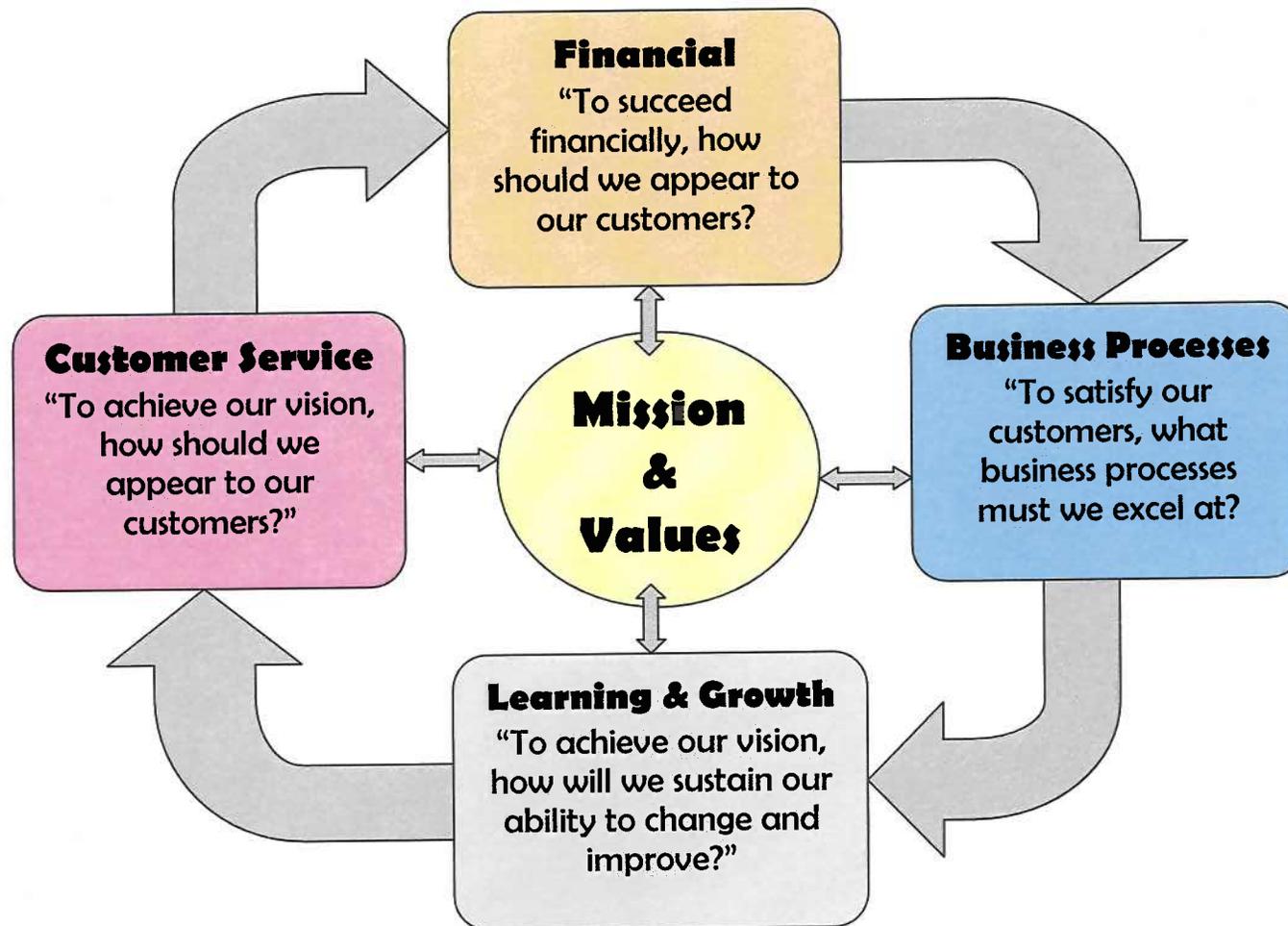
This necessary change is illustrated by the business maturity curve. During high growth, we focused on achieving the macro targets of building and installing new infrastructure. In the future, the resources required to support slower growth are reduced but the effort to maintain and improve assets is 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 2002. 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 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. Expand a repeatable, multi-tiered customer survey program for all customer classes.
2. Expand a more detailed customer complaint tracking and reporting system.
3. Formalize and document Customer Service Procedures

B. *Enhance our Customers’ Experience through Effective Multi-Channel Communications*

1. *Incoming calls* – Streamline and document the District’s incoming customer call processes.
2. *Interactive Voice Response* - Enhance the usefulness of the Interactive Voice Response for better customer service across the District.
3. *Autodialer* - Enhance the usefulness of the Autodialer to efficiently notify customers of District events.
4. *Web Page* - Evaluate and enhance the District’s web page design.
5. *E-Customer Account* - Enhance the customer’s ease to personalized account information including water use, payment status, and historical trending.
6. *E-Mail* – Evaluate the use of e-mail to provide publications, bill presentations, and to notify customers in the event of preventive or reactive maintenance, construction, and system upsets.
7. *Written Publications* – Enhance written publications on the District’s installation of air vacs, water rates, reclaimed water use, water conservation, water availability, water supply, water quality, capital projects, and fluoridation and post on the District’s web site. Evaluate bi-lingual options.
8. *Door Tags*- Evaluate the use and cost effectiveness of door tags.
9. *Speakers Bureau* – Optimize community outreach to specific community groups, committees, home owner associations, etc with additional presentations on drought, recycled water, and water conservation.

10. **Multilingual Program** – Continue to evaluate the District’s multilingual program.

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. Promote commercial water surveys for all large commercial users and residential water surveys to highest water users.
3. Continue a regional approach and evaluate conservation programs to maximize water conservation.

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.
2. Enhance reclaimed water guidelines on District website.
3. Promote use of recycled water in Sub-Area Master Plan Process.
4. Identify specific projects that are good candidates for conversion of recycled water.

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 (political side).

B. Optimize the District’s Water Industry Participation

1. Evaluate leadership opportunities in water industry committees.
2. Evaluate American Water Works Association Peer Review for District.

II. FINANCIAL

1. “Develop a Long Term Financial Planning Program”

A. Establish a long-term (20 year) financial plan including scenarios and contingencies for changes in demographics, local economy and drought uncertainties, and including:

1. Capital Improvement needs.
2. Facilities and Staffing Plan needs.
3. Develop the long term financial plan.

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

C. Re-calculate 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).

B. Maximize non-rate revenues.

1. Pursue all security and technology grants.
2. Pursue all water conservation grants.
3. Pursue all water and recycle/solar related grants.
4. Maximize regional cost-sharing opportunities.
5. Ensure full cost recovery (legal/insurance).

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, Water Resources Master Plan and Urban Water Management Plan to maintain potable water supply.
2. Prioritize and complete construction of new infrastructure needed to obtain or deliver potable water.
3. Enhance the program to minimize water losses.
4. Update District’s Drought Management Plan including actions for enforcement.
5. Create a comprehensive environmental program that is cost-effective and proactive in response to environmental compliance.

B. Sewers

1. Evaluate long-term cost/benefit of seeking additional sewer demand, treatment and disposal capacity.
2. Develop a Sewer Master Plan and implement recommendations including the prioritization of Capital Improvement Plan.
3. Implement a programmatic manhole replacement or repair program.
4. Develop and implement Treatment Plant Enhancements including automation for remote operation and shutdown, technology improvements, and upgrade of administration facilities.
5. Develop and implement the District’s Sewer System Management Plan Program requirements.

C. Recycled Water

1. Obtain new recycled water supplies.

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.
2. Develop a comprehensive Easement Enhancement and Inspection Program
3. Develop a formal maintenance plan for pump stations. Ensure that all preventive maintenance tasks are tracked by Infrastructure Management System.

4. Expand meter testing, calibration and replacement program.
5. Evaluate increasing the completion schedule of District's valve actuation, valve replacement, and air vac programs.
6. Enhance Construction Inspection on construction projects.

B. Update the District's IT Strategic Plan.

1. Evaluate the long-term viability of Eden financials and billing system.
2. Enhance the integration of Infrastructure Management System, Eden, Customer Information System, Supervisory Control and Data Acquisition, Geographic Information System.
3. Enhance existing Capital Project Tracking System.
4. Enhance the District's data management and data architecture including enterprise standard data.
5. 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 Supervisory Control and Data Acquisition.
2. Optimize functionality, business continuity, bandwidth, and use of CITRIX.
3. Optimize the use of Radio Frequency Identification.
4. Optimize use of Voice Over Internet Protocol and unified messaging.
5. Evaluate implementing a fixed network Automated Meter Reading.
6. Optimize the use of SharePoint.
7. Develop optimized field work processing using integrated technology.
8. Assess and implement security best practices for all Otay networks.

D. Increase field productivity through improved efficiency.

1. Evaluate efficiency improvements and prioritization of calls, leveraging Geographic Information System and Global Positioning System with appropriate skill sets (Optimize field routing to minimize windshield time).

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. Implement Vehicle Replacement Policy and track vehicle use through Infrastructure Management System.
5. Enhance fuel tracking and reporting system.
6. Automate resume and application process.
7. Document business process for redline verification of completed as-built drawings.
8. Develop a Heavy Equipment Capital Replacement Plan.

F. Optimize Disaster Preparedness.

1. Implement recommendations from Fire Assessment.
2. Update Security Assessment and implement recommendations.

3. “Improve Financial Analysis and Reporting”

A. Improve per cost unit reporting.

1. Develop and measure cost per unit expenditures and forecasts.
2. Link all direct costs (including Operating and Maintenance and Capitol Improvement Plan) to associated facility and equipment including parts, labor, energy, etc.
3. Ensure District wide accurate timely access to performance data.

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

1. Develop a centralized inventory of reports, emergency response plans, regulatory reports, etc.
2. Utilize existing reporting technology contained within Infrastructure Management System, Report Manger and Eden’s Contract Module, and automate routine reports.
3. Enhance water loss reporting.
4. Investigate water modeling for water loss.

IV. Learning and Growth

1. “Results-oriented Workforce”

A. Retain Dedicated Workforce

1. Evaluate other 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. Identify new areas where skills/performance tests might streamline the recruitment process.
2. Review and update classification plan and revise critical areas.
3. Review and revise marketing strategy and recruiting tools

C. Staff Development

1. Develop and implement training matrix to identify required and desired training for all classifications.
2. Develop and maintain a formal program to track and evaluate 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. Continue to evaluate current performance measures, accountabilities, and targets/trends.
2. Update and expand annual review process to include greater emphasis of understanding of career goals and use of strategic plan objectives and performance measures.

F. Knowledge Management

1. Update District-wide Records Management Program.
2. Develop efficient mechanisms to capture relevant land and facilities information.

G. Community involvement/District Outreach

1. Optimize community involvement throughout the District.

H. Update and execute District's Public Relations Plan

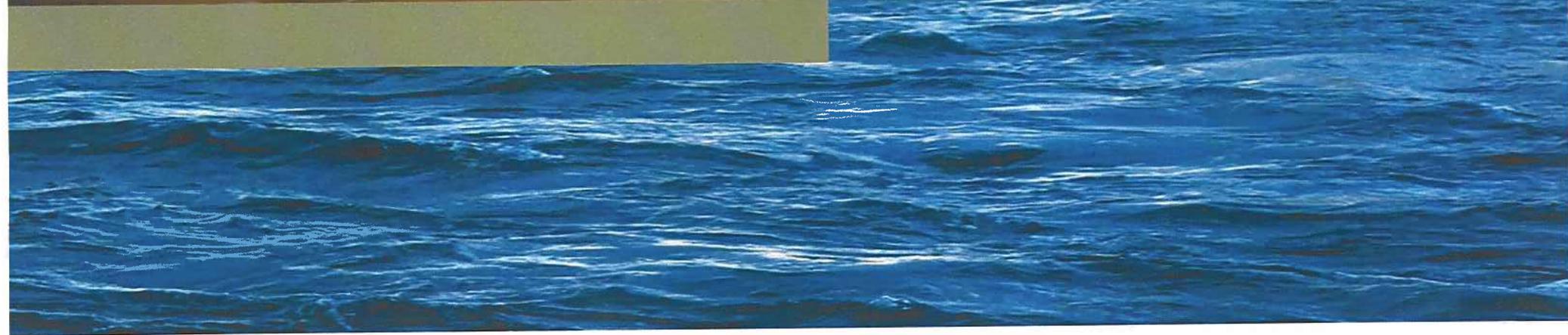
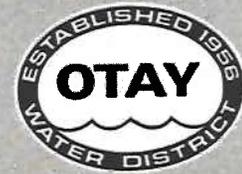
1. Actively promote District's achievements through implementation of the Public Relations Plan.

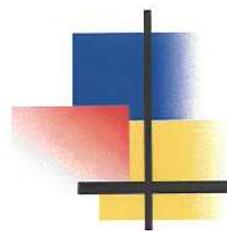


Otay Water District

2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2096

www.otaywater.gov





Otay Water District

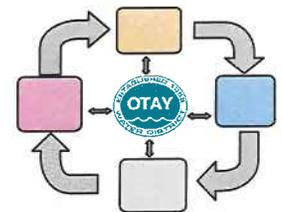
Strategic Plan FY09-11

April 28 2008

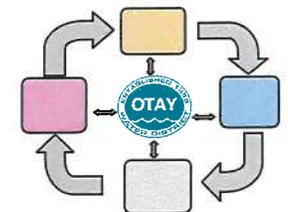
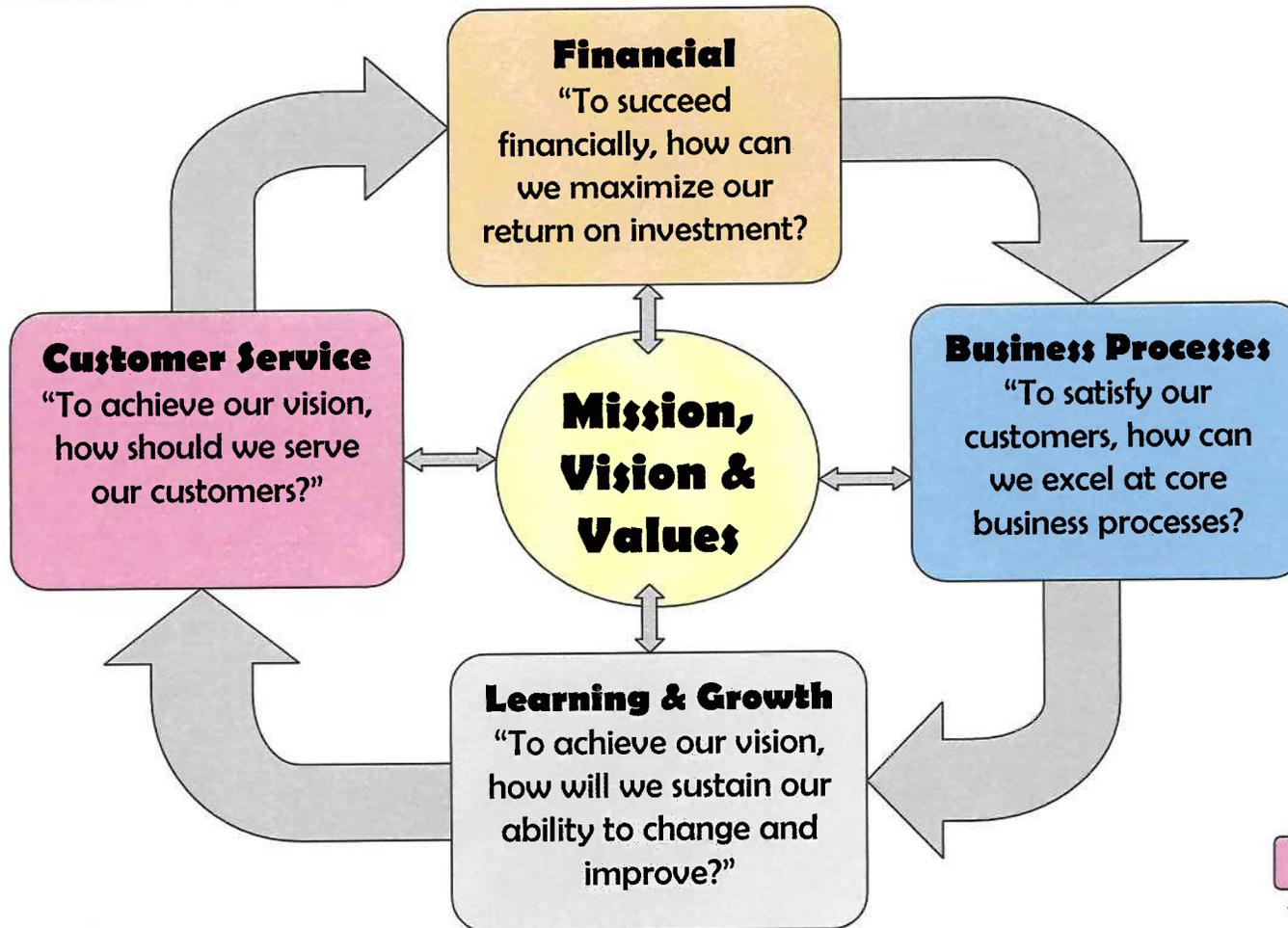
BOARD WORKSHOP

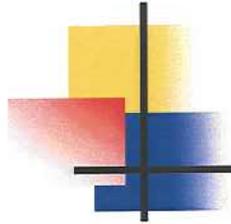


OWD Business Planning Process



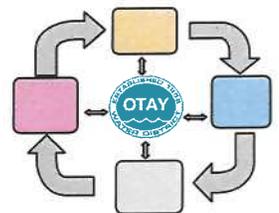
Strategies

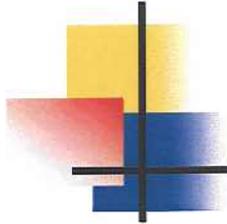




District's Mission

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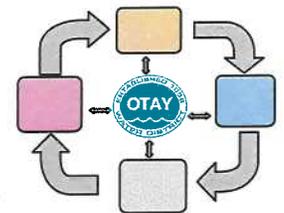


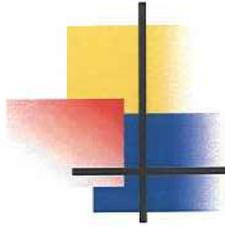


Vision

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:**

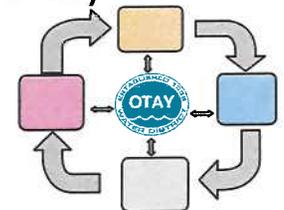
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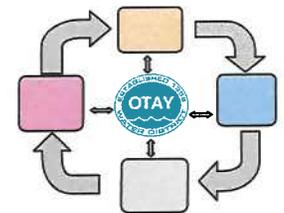
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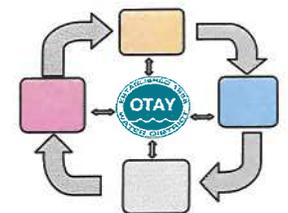
Key Challenge

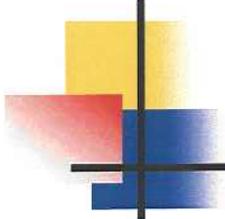
- " The key challenge for Otay is to find the best solutions that balance our requirements with the significant constraints we face. Some of these constraints are escalating costs, increasing regulatory compliance and uncertainty, customer demands for improved services, and competition for supply and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



Customer Service Strategies

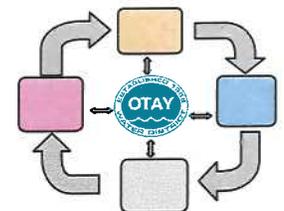
1. "Maximize Our Customer's Satisfaction"
2. "Educate Our Customers on Important Water Related Matters"
3. "Help Shape Industry Best Practices"





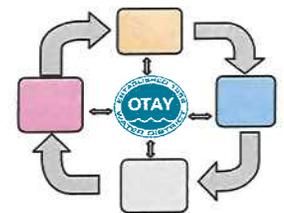
Financial Strategies

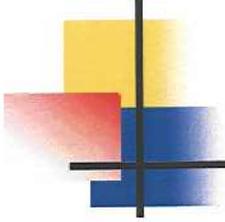
1. “Develop a Long Term Financial Planning Program”
2. “Optimize All Revenue Streams”



Business Processes Strategies

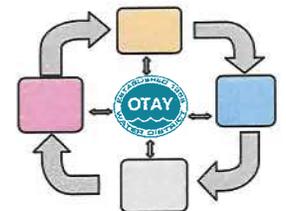
1. "Implement Industry Best Practices for Utility Development"
2. "Optimize the District's Operating Efficiency"
3. "Improve Financial Analysis and Reporting"

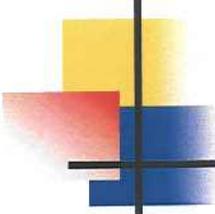




Learning & Growth Strategy

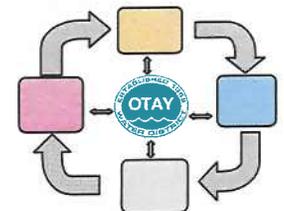
1. "Results-oriented Workforce"





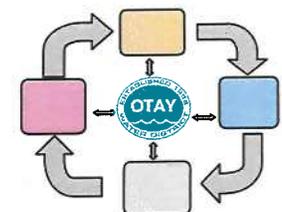
Overall Summary

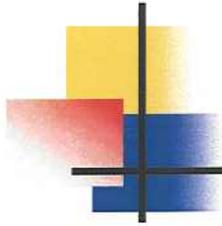
- 3 Years - July 2008 to June 2011
- **9 Strategies**
 - **30 Goals**
 - **107 Objectives**
- Approx. 500 FTE labor
- \$300 million budget
- Resources included in 2009 Budget.



"A Balanced Approach"

Area	Strategies	Goals	Objectives
Customer	3	6	24
Financial	2	5	15
Business Process	3	11	48
Learning and Growth	1	8	17
Total	9	30	107





Example - How the Plan Works

■ Balanced Scorecard Area

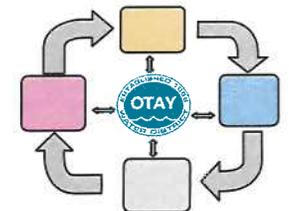
↻ ■ Strategy

↻ ■ Goal

↻ ■ Objective

↻ ■ Project Plan (Action Items)

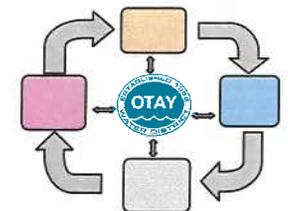
↻ ■ Reporting and Measurement

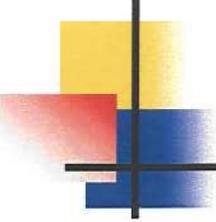


How will this plan benefit Otay?

Administration Department

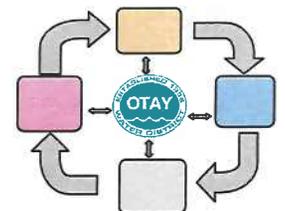
1. Enhance Water Conservation.
2. Optimize Disaster Preparedness.
3. Retain a Dedicated Workforce.
4. Expand a proactive, repeatable, multi-tiered customer survey program for all customer classes





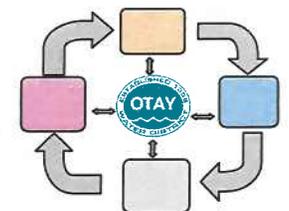
1. Enhance Water Conservation

- 1. By promoting and encouraging the adoption of conservation practices for new construction.
- 2. By promoting commercial and residential water surveys to highest water users.
- 3. By updating policies and procedures for authority, Inspection and enforcement of the Drought Management Plan.



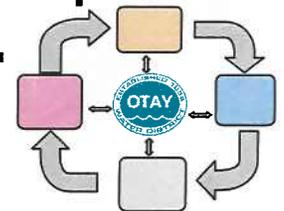
2. Optimize Disaster Preparedness

- 1. By implementing recommendations from the 2007 Fire Assessment.
- 2. By updating the District's Security Assessment and implementing recommendations.



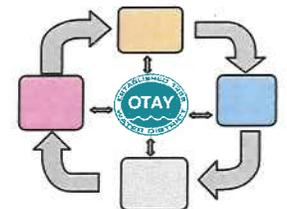
3. Retain a Dedicated Workforce

- 1. By assessing results of the 2008 Employee Survey and implementing recommendations for improvement.
- 2. By reviewing and updating the District's classification plan.
- 3. By identifying core elements of Succession Planning that can be tailored to the District's needs.
- 4. By updating and expanding the annual review to include career goals, strategic plan objectives and performance measures.



4. Customer Survey Program

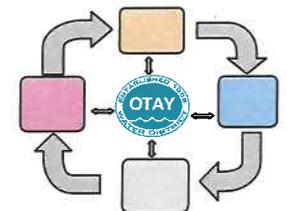
- 1) Provides reliable input from customers
- 2) Accurately gauge customer awareness of programs and services
- 3) Allows staff to better tailor their programs and services to meet the changing expectations of customers
- 4) Assists staff to develop meaningful metrics for customer service



How will this plan benefit Otay?

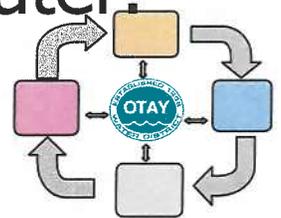
Engineering Department

1. Explore the expansion of the use of recycled water District-wide.
2. Prioritize and implement construction of new infrastructure.
3. Develop and implement an Asset Management Program Plan.
4. Maximize regional cost-sharing opportunities.
5. Enhance construction inspection on construction projects.



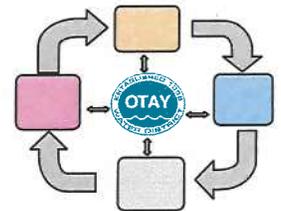
1. Explore the Expansion of the Use of Recycled Water District-wide

- Prepare study evaluating the feasibility of using recycled water in the North District.
- Identify additional areas in the District that may be viable candidates for recycled water.
- Examine cost effectiveness of constructing new facilities.
- Analyze and pursue potential opportunities for converting potable water facilities to recycled water facilities.
- Reduce the use of imported potable water.



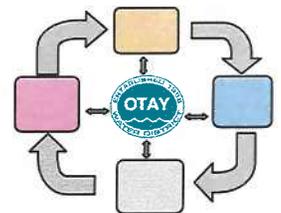
2. Prioritize and Implement Construction of New Infrastructure

- Update the Water Resources Master Plan (WRMP).
- Meet current and future demand requirements by designing and constructing new facilities such as pipelines, reservoirs, and pump stations.
- Complete design and construction of the interconnection of the 36-inch connection link.
- Design and construct the recycled water supply interconnection link from the central area to Otay Mesa.
- Continue design and construction of the potable interconnection with neighboring agencies.



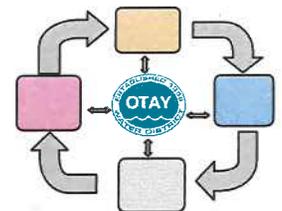
3. Develop and Implement an Asset Management Program Plan

- Provide a programmatic approach to rehabilitation and replacement of District's infrastructure.
- Enhancing of a financial plan for future rehabilitation and replacement.
- Reduce overall costs of replacement.
- Enhance preventive maintenance programs for existing facilities.



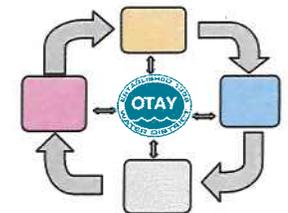
4. Maximize Regional Cost-Sharing Opportunities

- Integration of resources between different agencies.
- Reduction of per unit cost of activities performed by the agencies.
- Streamline processes of purchase and acquisition.
- Promote “teamwork” approach between agencies.



5. Enhance Construction Inspection on Construction Projects

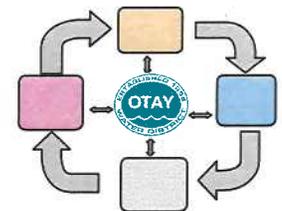
- Enhance checks and balances during plan check, inspection, and project acceptance.
- Opportunity to integrate business processes into IMS.
- Improve Quality Control to ensure final quality product.
- Opportunities for streamlining work processes.
- Improve accountability and responsibility of all team members.



How will this plan benefit Otay?

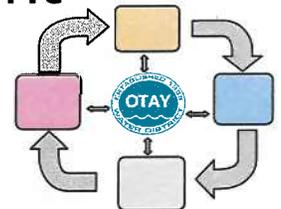
Finance/Customer Service Department

- Develop a long-term financial plan.
- Conduct financial threat assessments (growth, water availability, inflation, etc.)
- Simplify fee structures.
- Formal call and complaint tracking and reporting system.
- Evaluate and improve effectiveness of the bill presentation.



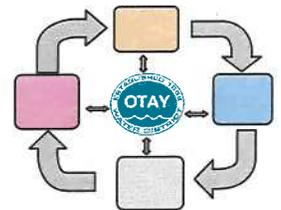
1. Develop a long-term financial plan

- By expanding the time horizon of the rate model – staff can more accurately forecast the short-term financial position of the District.
- By developing quality financial projections – the District can identify financial difficulties in a timely fashion increasing the options to address those challenges.
- Through improved information from financial modeling – customers will enjoy a smoother rate ramp than otherwise would be employed.
- By linking to the renewal and replacement plan – staff will have better projection on a significant aspect of the District budget.



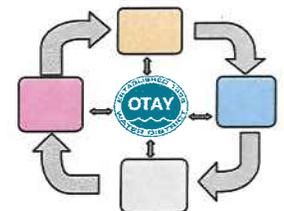
2. Conduct financial threat assessments

- Through an evaluation of various financial threats – Staff will identify risk factors and their various magnitudes.
- Through improved financial information – staff we be able to provide early identification of options.
- Through the process of defining threats to the District's financial strength – staff will demonstrate financial discipline and foresight to the bond markets holding down the cost of debt.
- By employing this management tool – staff maintains a forward thinking perspective on the challenges ahead.



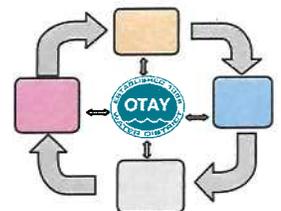
3. Simplify fee structures

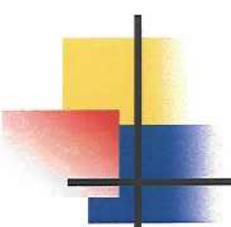
- By simplifying the customer rate structure – The time and cost to communicate customer bills will be reduced.
- By bringing the rate structure to a more manageable level – customer satisfaction can be improved.
- With reduced complexity – system life can be extended, reducing the overall cost to the customer.
- By reducing the complexity of the rate structure – the pending complications from conservation/drought stage rates will become less daunting for our customers.
- With the changes that reduce complexity – The District will come to a more postage stamp approach and conform more with the industry standards for rates.



4. Formal call and complaint tracking and reporting system

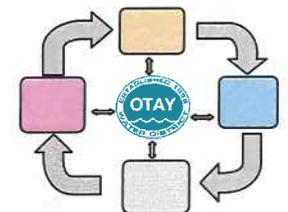
- With improved tracking of customer concerns
 - staff will be provided information previously unavailable to evaluate the customer's satisfaction
- By improved information and decision making
 - staff will be able to directly improve service to the customer.

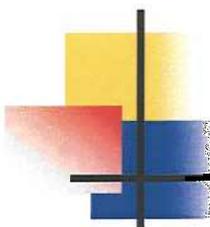




5. Evaluate and improve effectiveness of the bill presentation.

- By improving the clarity and readability of the water and sewer bills - customer satisfaction and service will be improved.
- By involving the City of Chula Vista in the process – staff will help build a cooperative and team approach to our shared customers.

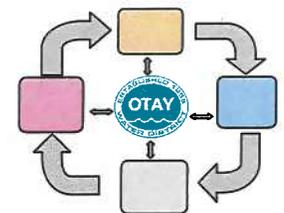




How will this plan benefit Otay?

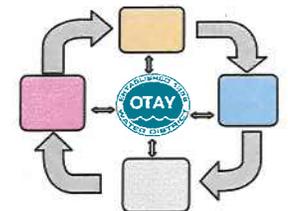
Information Technology Department

- Advance integration between applications to improve efficiency.
- Extend wireless networks to field applications to improve efficiency.
- Optimize tracking of capital projects.
- Explore efficiencies of managing voice with data center tools and technologies (VOIP).
- Deliver advanced and targeted reporting systems to end users (SharePoint).



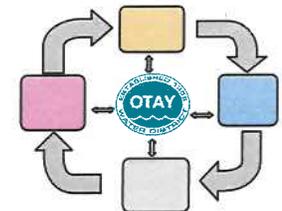
1. Advance integration between applications to improve efficiency

- By integrating GIS, GPS, and work order information – we can reduce drive time and increase productivity of crews.
- By providing detailed asset information and history to a work order – we can provide very useful and detailed information to the field staff.
- By streamlining the capture of financial information – we can get better unit costs.



2. Extend wireless networks to field applications to improve efficiency

- Pilot Headquarters-to-treatment Plant (proof of concept).
- Identify remote field sites where most work is done.
- Extend network for high speed wireless data transfer.
- Examine consolidation of data / laptop /GPS licenses



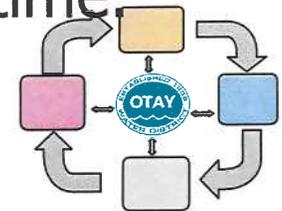
3. Optimize tracking of capital projects

- Current capital tracking application needs improvement.
- Project managers need precise project cost / spending data.
- Better integration with contract management.
- More visibility for project variances.
- Ease of future capital planning enhanced.



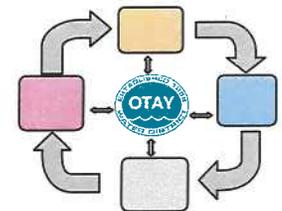
4. Explore efficiencies of managing voice with data center tools and technologies (VOIP)

- Simplified infrastructure - Eliminate dual cables for phone and data or wireless and no need for hard infrastructure.
- Avoid future PBX upgrades because PBX no longer needed.
- Improve productivity. Unified messaging and attach documents to voice messages or participate in virtual meetings using shared data and videoconferencing.
Flexibility – Disaster Preparedness . We can set up fully functioning office anywhere in minimal time



5. Optimize management reporting through deployment of SharePoint

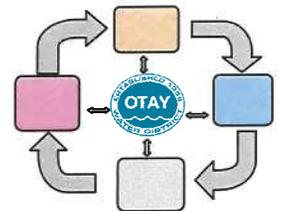
- Deliver accurate performance and reporting data directly to staff
- Provide point and click access to critical performance and process data
- Reduce complexity of INET support
- Maximize communication of strategic plan



How will this plan benefit Otay?

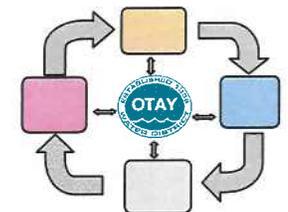
Operations Department

1. Develop and implement Treatment Plant Enhancements.
2. Implement comprehensive meter testing, calibration and replacement program.
3. Optimize functionality, business continuity, bandwidth, and use of SCADA.
4. Implement our new "Fleet Management Program" and track vehicle use through IMS & GPS.



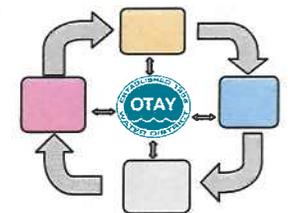
1. Develop and implement Treatment Plant Enhancements

- Improve and document operations of treatment processes through best management practices
- Enhance monitoring and control of treatment process remotely via SCADA
- Reduce overtime costs from fewer staff call-outs
- Reduce electrical costs from optimizing air blower operations
- Reduce chemical costs from automated and remote control of chlorine dosing



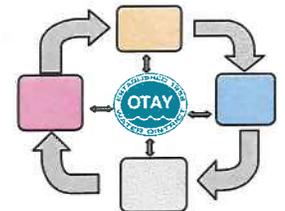
2. Implement comprehensive meter testing calibration and replacement program

- Identify meter inaccuracy through testing
- Repair/replace meters that are reading inaccurately
- Increase revenue through increased meter accuracy
- Improve water loss accounting



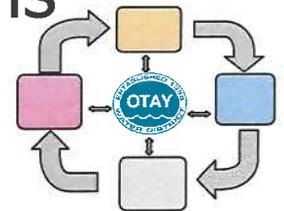
3. Optimize functionality, business continuity, bandwidth, and use of SCADA

- Improve reliability of SCADA communications through increased redundancy
- Provide support for security monitoring via remote cameras
- Lower cost by eliminating phone lines for data
- More information, both in the type of information in SCADA and the frequency of data collection



4. Implement our new "Fleet Management Program" and track vehicle use through IMS & GPS

- Identify vehicles for replacement at or near the end of manufacturers warranty period
- Lower maintenance costs/higher trade-in value
- Reduced manpower for fleet maintenance
- Utilize IMS for tracking vehicle mileage and scheduling of routine maintenance
- Reduce vehicle mileage by utilizing GPS when dispatching them for customer concerns



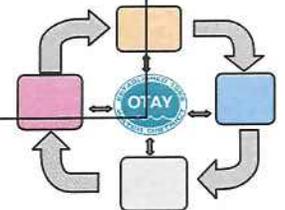
This plan will allow us to achieve our vision:

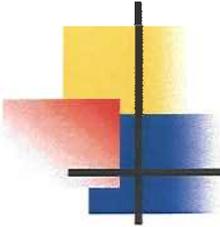
"A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

Mark Watton



General Manager, Otay Water District, April 2008





Next Steps

- “The Board recommends the adoption of the FY09-11 Strategic Plan.”
- Senior Team Finalizes Project Plans and Performance Measures.
- Plan takes effect 7/1/08.

