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Strategic Planning – How Toho Water Achieves Effective Utility Management

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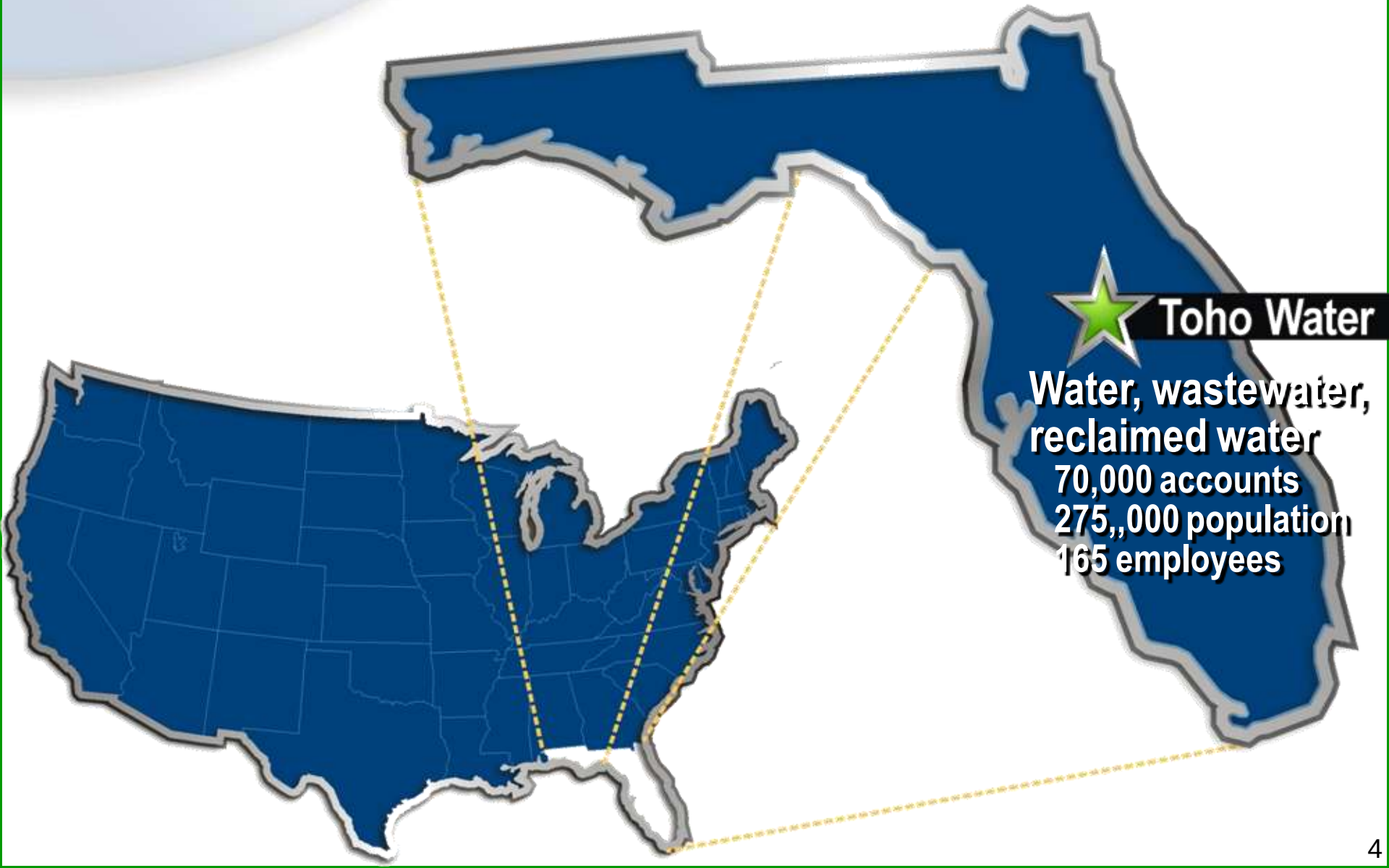
This presentation has 4 sections

1. **Overview of Toho Water Authority**
2. **The Strategic Planning Process**
3. **Focus on Attributes**
4. **Closing Thoughts**

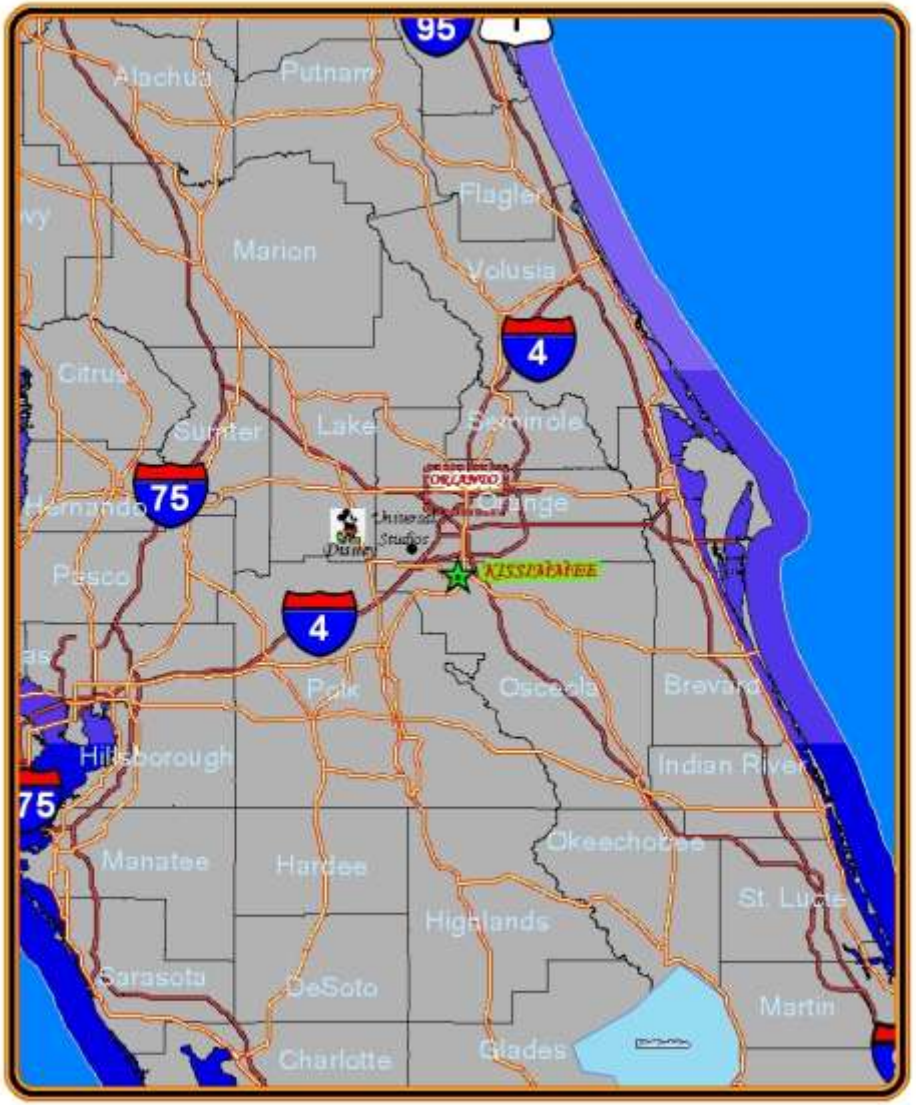
SECTION
1

Overview of Toho Water Authority

Toho is Based in Kissimmee, Florida



We Are Right Down the Road from The Magic Kingdom



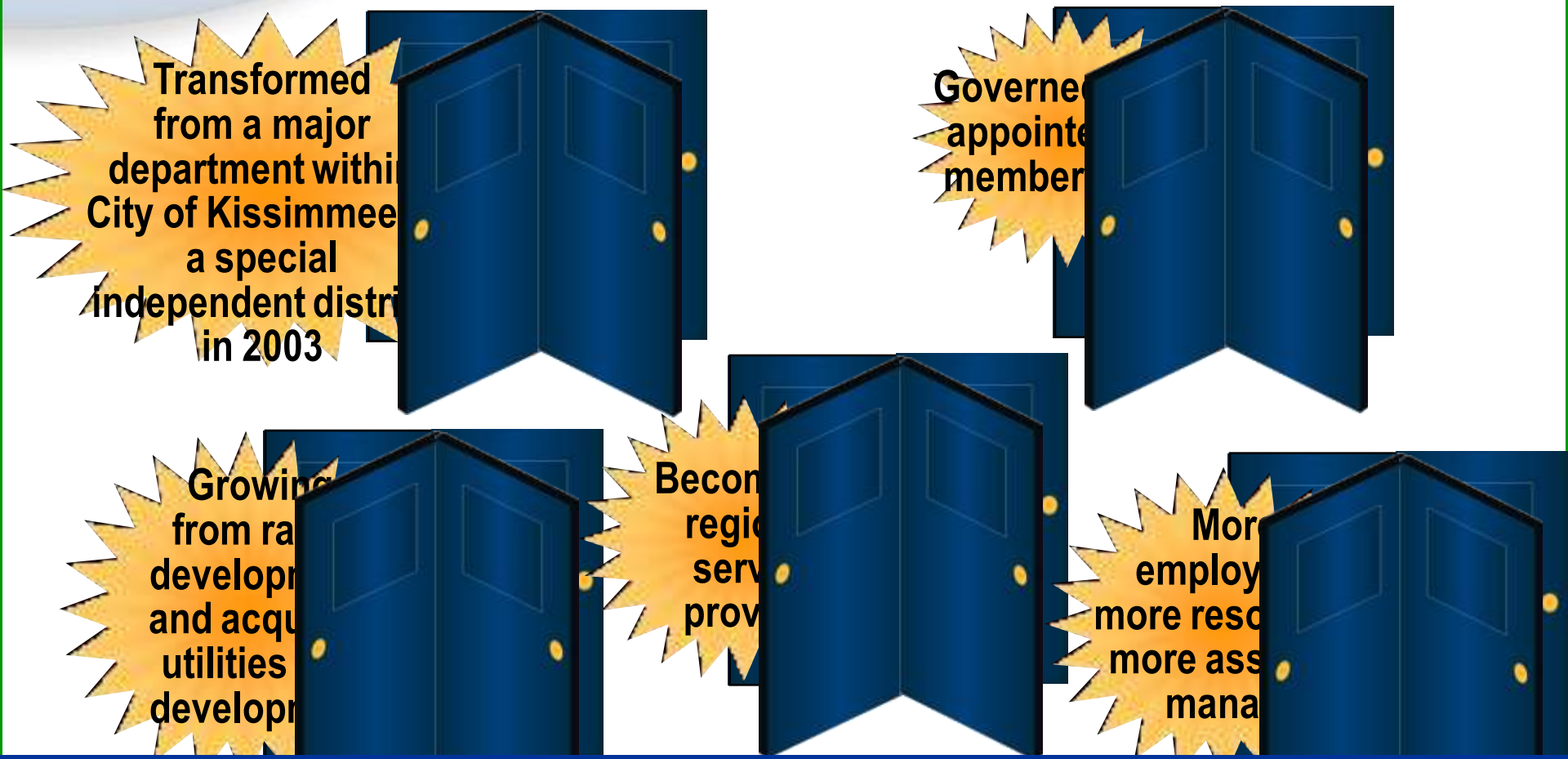
Toho Water Authority Is -

- 10 Water Reclamation Facilities – 0.12 mgd – 13.0 mgd producing 21.1 mgd of reclaimed water.
- 325 lift stations and associated collection systems and force mains
- 7 Land application sites to supplement reclaimed water

Toho Water Authority Is -

- 18 Water Treatment Facilities – 0.01 mgd to 20.0 mgd delivering about 35.2 mgd
- 45 wells – 0.05 mgd to 4.5 mgd
- Approximately 70,000 metered connections
- And all the associated piping and appurtenances

Toho Water's Transformation Opened the Door to New Challenges and Opportunities



Aligning the organization to address the new challenges and opportunities was critical

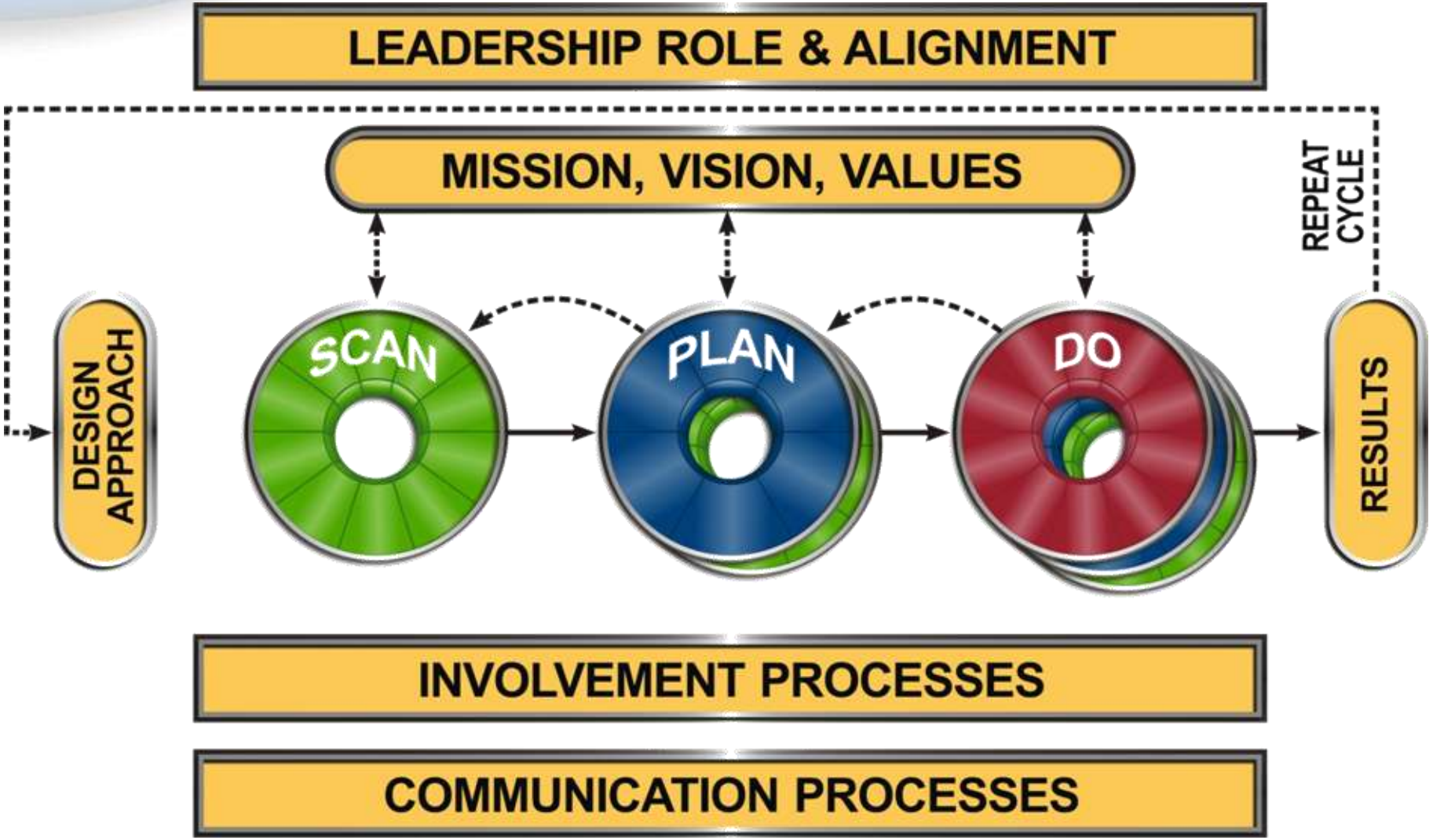
What Was the Impetus to Do the Strategic Plan?

- Had a City of Kissimmee Strategic Plan
- Spent a couple of years just getting the organization up and running
- Long-term issues needed direction from the Board
- Alignment of people (Board, senior management, employees)
- Alignment of processes (budgeting, asset management, customer focus)

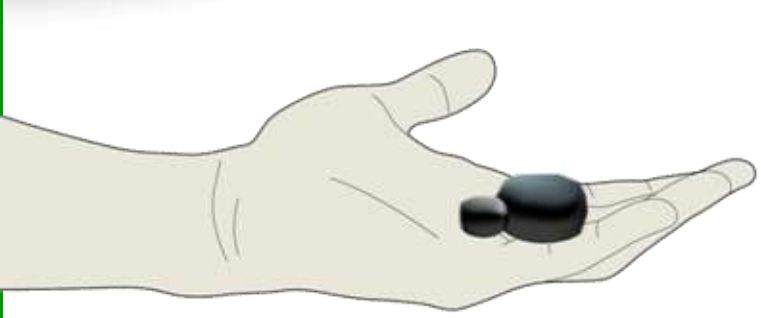
SECTION 2

The Strategic Planning Process

We Used the AwwaRF Scan, Plan, Do Method



What are the “Big Rocks” for Toho?



Toho Needed to Proactively Address Customer and Stakeholder Support

- Integrated the “Voice of the Customer” - a term used to describe the process of capturing a customer's requirements
- We also reached out to stakeholders to fully realize and develop a regional presence
  - County, City, regulatory officials
  - Residents, business, developers and builders in focus group discussions

How Did We Do It?

Focus groups with residents and homeowner associations, developers and builders, engineering firms, commercial interests

One-on-one interviews with City and County elected and appointed officials, regulatory officials, media

Key Concept: External Landscape Trends and Drivers Must Be Understood

- Changing demographics
- Growth management

- Diverse needs, communications

- More automation data capture

- Always changing

- Rising cost (energy, technology, labor)

- Showing signs of wear

- Always changing

- Land development impacts

- Quality and quantity

- Changing demographics
- Recruitment, training, leadership

Key Concept: Internal Capabilities & Resources Must Also Be Analyzed

- Doing more with less

- Capabilities and resources
- Retirements, diversity, change management

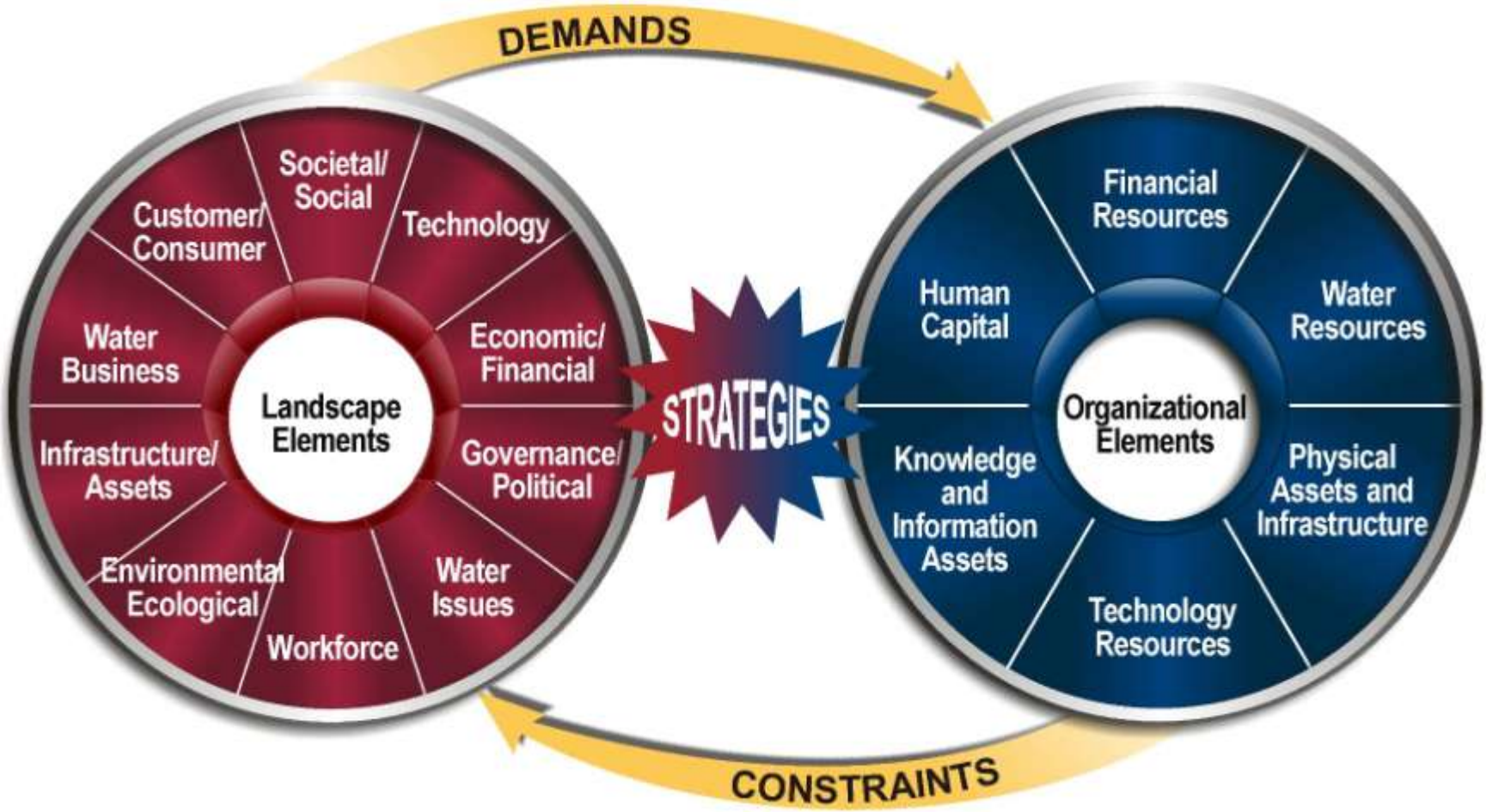
- New suppliers, alternative supplies

- Retaining knowledge

- Maintaining assets

- Alignment, training

Key Concept: Strategies Must Balance the External Drivers with the Internal Capabilities and Resources



Toho's Mission, Vision Provided Key Guidance

Mission

- **Provide reliable, cost effective, and responsive water services to our customers while protecting public health and the environment**

Vision

- **Toho Water Authority: The standard of excellence for responsible water supply stewardship**

Values

- Treat everyone as a customer
- Always give your best
- Only accept the best
- Act with integrity
- Be worthy of trust
- Listen to understand
- Pursue and obtain knowledge to be empowered
- Accept responsibility for performance
- Have fun and celebrate success along the way
- Succeed through teamwork

Toho's 5 "Big Rocks" Strategic Goals Are…

Provide a level of customer service consistent with the highest levels of service in the utility industry.

Establish a long term, integrated water supply while protecting the environment.

Become an employer of choice in central Florida.

Maintain and build infrastructure to optimally and reliably meet customer and stakeholder needs now and into the future.

Maintain financial health to achieve the expected level of return to stakeholders and investors.

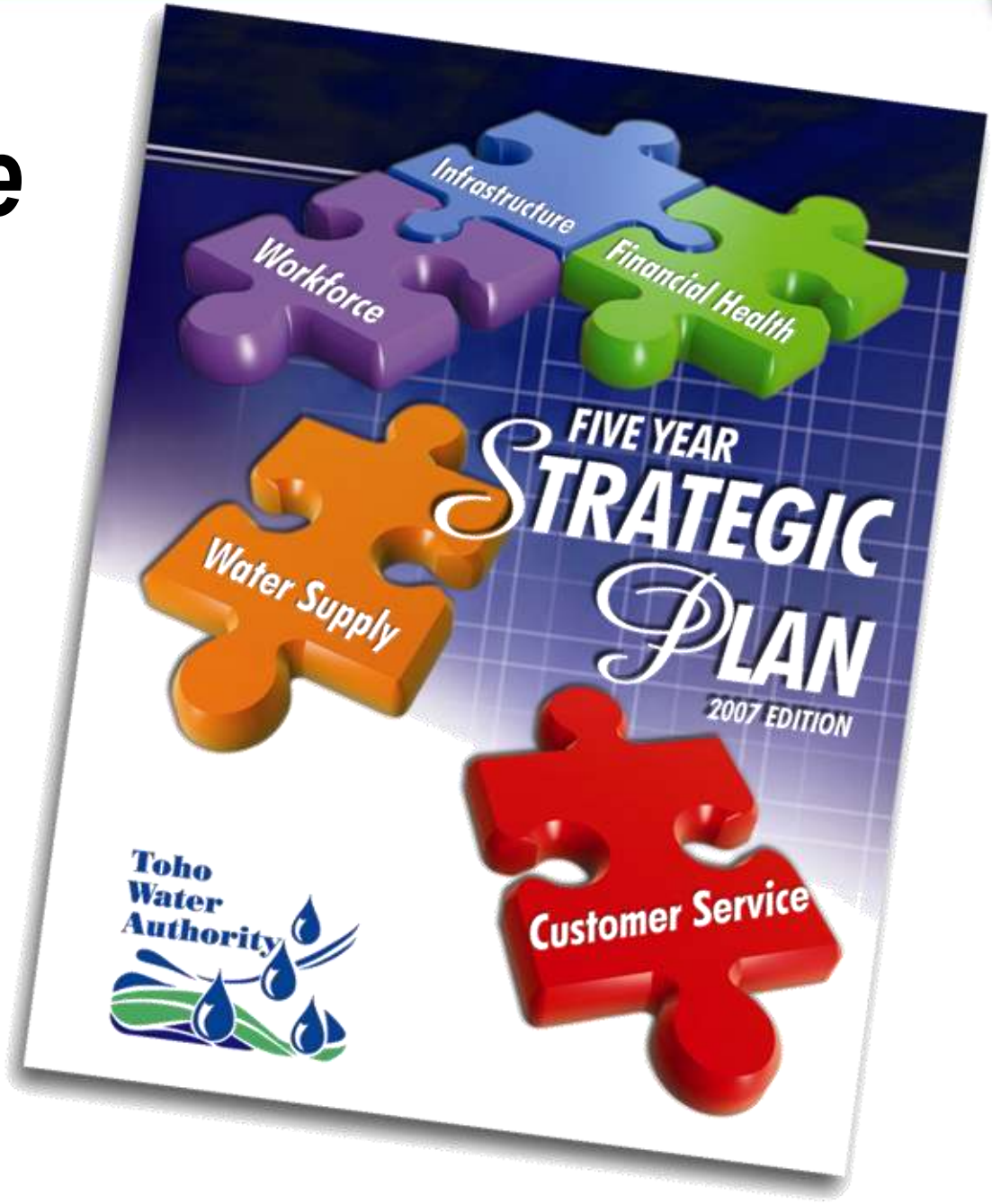
In Completing the 2008-2012 Strategic Plan, We Have -

- Developed five Strategies from the “Big Rocks” discussions with the Board
- Developed Goals and Objectives for each strategy
- Developed five year Action Plans for tactics to achieve the Goals and Objectives
- Developed draft Performance Measures
- Developed a Strategic Plan outreach document

We Used a Step-wise Process

- Executive Team did a first cut on Strategic Objectives, vetted with the Board
- Formed Teams with Executive Sponsors, Team Leaders and Team Members from across the organization (break down silos)
- Teams developed Goals, Objectives, and Action Plans
- Teams developed timelines and draft performance measures

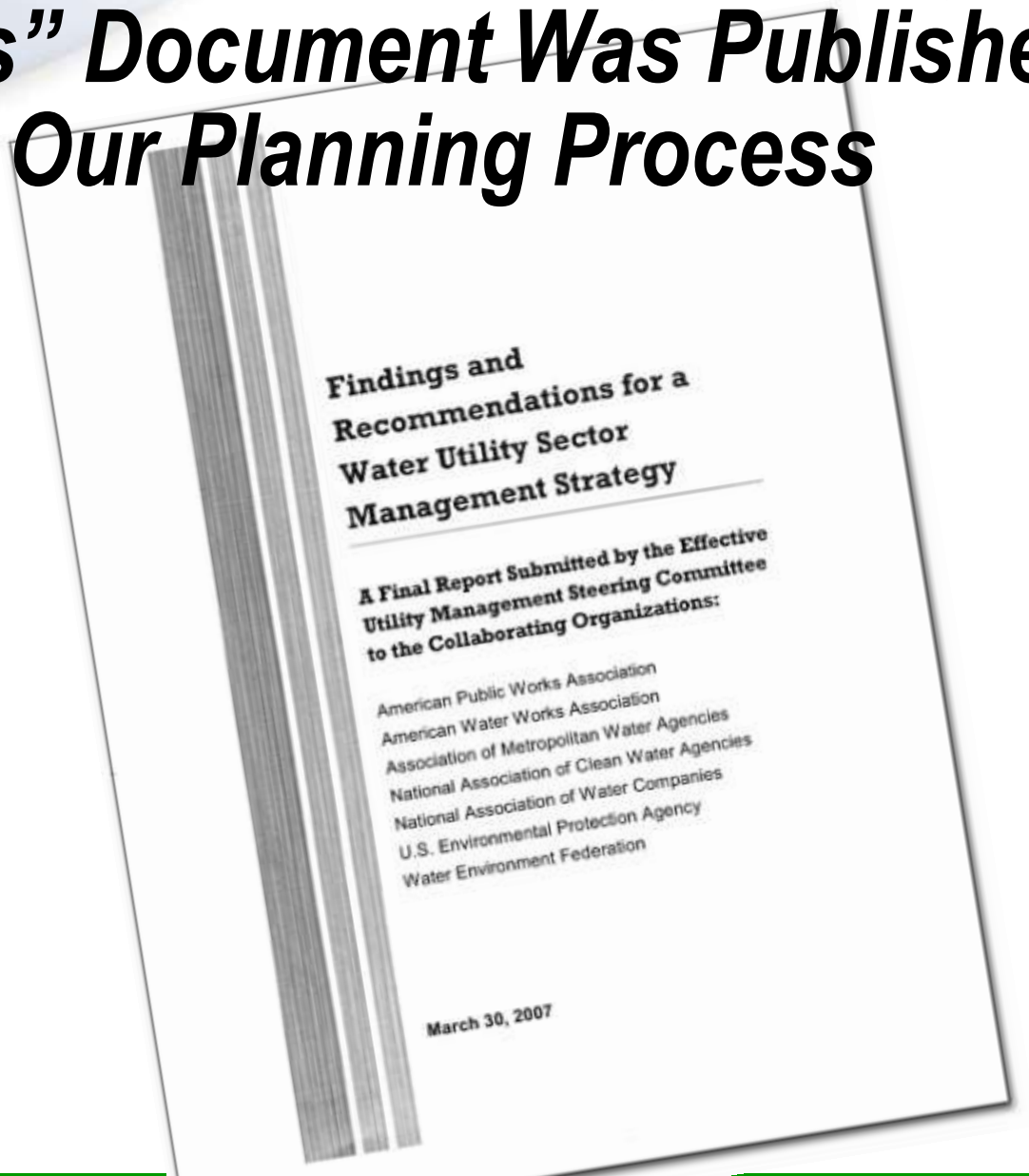
Our Strategic Plan Brochure Will Be Used for Outreach with Stakeholders



SECTION
3

Focus on Attributes of Effectively Management Utilities

"Attributes of Effectively Managed Utilities" Document Was Published During Our Planning Process



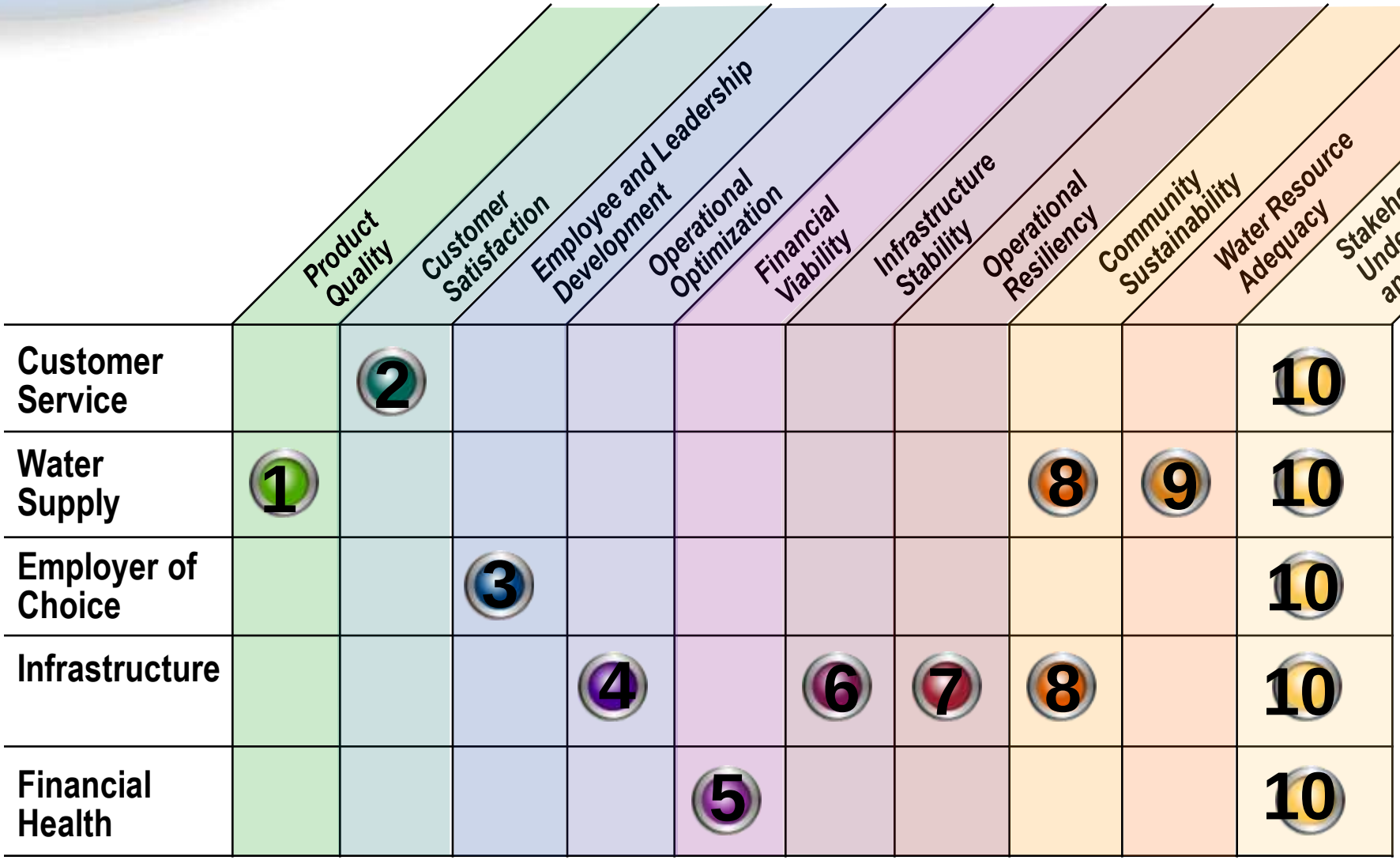
A Definition of Effective Utility Management Has Been Developed by APWA, AWWA, AMWA, NACWA, NAWC, USEPA, WEF

10 Attributes of Effectively Managed Utilities

1. Product Quality
2. Customer Satisfaction
3. Employee and Leadership Development
4. Operational Optimization
5. Financial Viability
6. Infrastructure Stability
7. Operational Resiliency
8. Community Sustainability
9. Water Resource Adequacy
10. Stakeholder Understanding and Support

Drivers for Strategic Planning?

The 5 Strategic Goals Map to the Attributes…



STRATEGY:
Customer Service

- **Toho will provide a level of customer service consistent with the highest standards in the utility industry.**
  - Barbara Arrant (Lead)
  - Rodney Henderson (Executive Sponsor)

STRATEGY: Customer Service, cont'd

Goal 1: The delivery of customer services by Toho staff and its agents meets the needs of our customers.

Objective 1: Develop and deliver a customer service training program to all existing and new employees and Toho's agents.

Objective 2: Develop and manage a system that provides online access to customer service procedures.

Summary of 2008 Tactics for Goal 1 - Customer Service

- Develop and complete SOPs for common customer service procedures (2Q08 to 4Q08)
- Develop and implement a customer services training program for internal and external customers (2Q08 to 2Q09)
- Assess KUA CIS capabilities, develop and implement scripts (4Q07 to 3Q08)
- Decide on call center and billing services responsibilities for Poinciana (4Q08)

Customer Service

Strategy 1 - Goal 1 - Objective 1 - Action Plan
Develop SOPs for common customer service procedures

- Make SOP drafting assignments
- Identify and inventory existing “SOP” type procedures which are unwritten.
- Conduct workshop on drafting of SOPs with team to establish standardization of form and content.
- Identify gaps in established procedures that should be defined by a SOP and prioritize.
- Establish priorities and schedule for drafting of SOPs
- Develop initial drafts, review, revise and finalize.

STRATEGY: Customer Service, cont'd

Goal 2: Develop and implement customer service standards for each customer type to meet their expectations and monitor adherence.

Objective 1: Set and document service levels for various customer types through a consensus based process.

Objective 2: Collect, analyze customer and stakeholder feedback on a periodic basis and improve as indicated.

STRATEGY: Customer Service, cont'd

Goal 3: Customers are aware of Toho's services.

Objective 1: Develop and implement the Toho marketing plan.

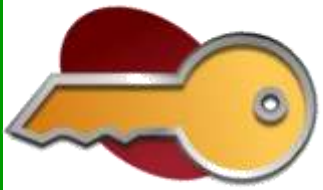
Objective 2: Increase communication channels for informing employees and customers.

SECTION
4

Closing Thoughts

Strategic Planning Is a "Key" to Success For Toho to Address the 10 Attributes

Look broad, but don't set yourself up to go too far, too fast - pace yourself!



Incorporate the perspective of key stakeholders

Involve Board members – we brought the evolving Plan back to the Board multiple times

Have broad involvement from deeper in the organization to gain alignment

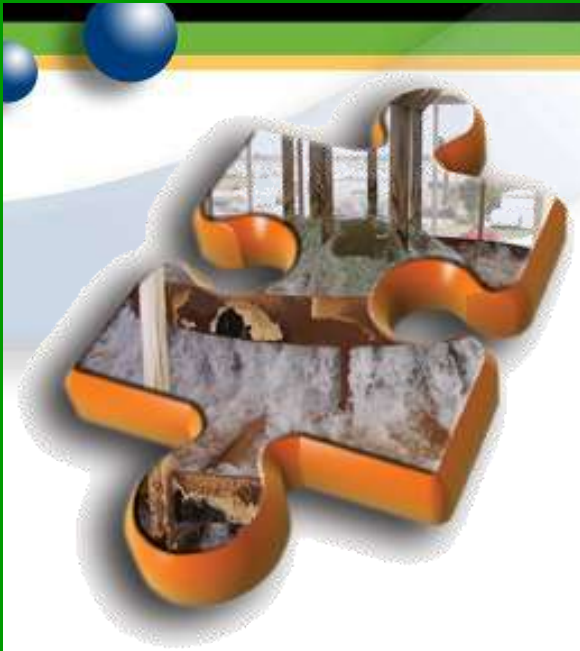
www.ema-inc.com

Questions?

For more information,
contact bwheeler@kissimmee.org or
lblankenship@ema-inc.com

Toho Water Authority

EMA



Strategy:
Water Supply

- **Establish a long term, integrated water supply while protecting the environment.**
  - Mike Johnson (Lead)
  - Brian Wheeler (Executive Sponsor)

STRATEGY: Water Supply, cont'd

Goal 1: The community is knowledgeable as to the value of water.

Objective: Broadly market the value of water.

STRATEGY: Water Supply, cont'd

Goal 2: Develop and implement the first phase of a 50 year water supply plan that meets community needs cost effectively while protecting the environment.

Objective 1: Develop and implement a water quality master plan that exceeds water quality regulatory requirements.

Objective 2: Develop alternative potable water supplies and associated storage that ensures environmental sustainability.

Objective 3: Develop alternative non-potable water supplies and associated storage that ensures environmental sustainability.

STRATEGY: Water Supply, cont'd

Goal 3: Toho is known as a water conservation community.

Objective 1: A goal based plan that employs BMPs is reducing water use of existing customers.

Objective 2: An incentive-based program is reducing current and future water demand.

Objective 3: A regulatory program is reducing current and future water demand.

STRATEGY:
Future Workforce

- **Toho will become an employer of choice in Central Florida.**
  - Aurelia Garcia (Lead)
  - Brad Russell (Executive Sponsor)

STRATEGY: *Future Workforce*, cont'd

Goal 1: Implement a comprehensive workforce development program.

Objective 1: Establish a workforce training program to develop the necessary competencies and skills, including technical, non-technical (such as team-building), management and leadership skills.

Objective 2: Develop and implement an effective performance management system integrated with the Strategic Plan and aligned with Toho's values.

STRATEGY: *Future Workforce*, cont'd

Goal 2: Recruit and retain a high quality workforce.

Objective 1: Develop and maintain competitive salary and benefits package.

Objective 2: Implement employee retention programs.

Objective 3: Implement employee recruitment programs.

Objective 4: Develop and implement a skill based pay program.

STRATEGY: *Future Workforce*, cont'd

Goal 3: Toho has an organizational culture where effective communication is encouraged and evident at all levels across the organization.

Objective 1: Develop tools to enhance communication that effectively address diversity and demographic needs.

Objective 2: Employees and teams rely on continuous improvement as part of Toho's innovation process.

STRATEGY: Future Workforce, cont'd

Goal 4: Promote wellness, health and safety for a more content and healthier employee.

Objective 1: Develop programs to maintain a more equitable balance between work and personal time.

Objective 2: Promote awareness, involvement and compliance in safety programs that become the standard to the industry and model for the community.

Objective 3: Create workplace wellness programs to promote physical and mental health.

STRATEGY:
Infrastructure

- **Maintain and build infrastructure to optimally and reliably meet customer and stakeholder needs now and in the future.**

  - Cheryl Braun (Lead)
  - Robert Pelham (Executive Sponsor)

STRATEGY: *Infrastructure*, cont'd

Goal 1: Develop and implement an Asset Management Program that allows Toho to plan, operate and maintain infrastructure at an acceptable cost.

Objective 1: Define inventory, condition and service levels of Toho's assets.

Objective 2: Document and manage Toho's CMOM Program.

Objective 3: Develop an asset management driven CIP that ensures meeting current and future service levels.

STRATEGY: *Infrastructure*, cont'd

Goal 2: Optimize infrastructure performance to maintain public confidence.

Objective 1: Meet or exceed all regulatory requirements.

Objective 2: Toho will continue to be a good neighbor.

STRATEGY:
Financial Health

- **Maintain financial health to achieve the expected level of return to stakeholders and investors.**
  - Rick Figueroa and Alex Green (Leads)
  - Rodney Henderson (Executive Sponsor)

STRATEGY: *Financial Health*, cont'd

Goal 1: Develop better tools for monitoring and projecting operating and capital expenditures to make better decisions.

Objective 1: Test and implement a long term financial model to predict future funding needs and revenue.

Objective 2: Establish, monitor and maintain financial performance targets.

STRATEGY: *Financial Health*, cont'd

Goal 2: Plan for continued growth and future capacity needs.

Objective 1: Evaluate acquisitions and extensions of service to unserved enclaves to quantify financial feasibility to satisfy Toho's goals via a formal process.

Objective 2: Support responsible development by providing funding to meet future capacity needs.

Objective 3: Support the Osceola County financial comprehensive plan process.

STRATEGY: *Financial Health*, cont'd

Goal 3: Implement an optimal mix of business support systems for greater efficiency and self reliance.

Objective 1: Implement a full featured financial information system as part of an integrated enterprise system.

Objective 2: Evaluate and develop transition plans or service level agreements for priority business support services.