



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Strategic Planning Committee
September 26, 2017

11:00 a.m.

- 1. Call to Order Tommy Wells, Chairperson**
- 2. Blue Horizon 2020 Update..... Sarah Neiderer, Strategic Planning Officer**
- 3. Strategic Planning Next Steps Sarah Neiderer**
- 4. Adjournment..... Tommy Wells, Chairperson**
- 5. Executive Session ***

*The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



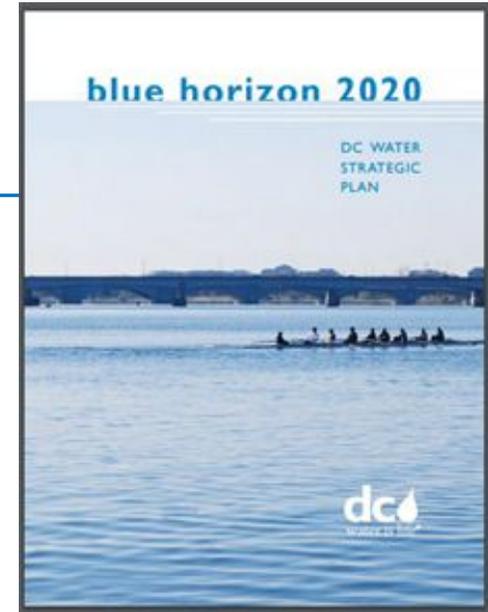
DC Water Blue Horizon 2020

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Presented by Sarah Neiderer, Strategic Planning Officer



Presentation to the Strategic Planning Committee
September 26, 2017



Vision

To be a world-class water utility

Values

Respect, Ethics, Vigilance and Accountability

Mission

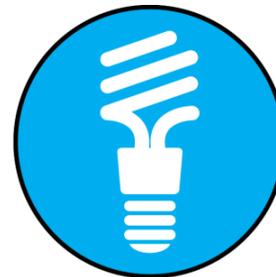
Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner



LEADERSHIP



VALUE



INNOVATION



History of Roles and Responsibilities

- **Full BOD/Strategic Planning Committee** - Participated in developing the top framework of the plan; Ensures board requirements for strategic planning are satisfied and sufficient
- **Executive Team** – Participated in developing the bottom framework of the plan
- **Goal Champions** – Executive Team members responsible for the oversight and execution of specific goals
- **Initiative Champions** – Senior staff responsible for executing initiatives and milestones
- **Strategic Planning Officer** - Responsible for program execution (timeline, deliverables, scope)

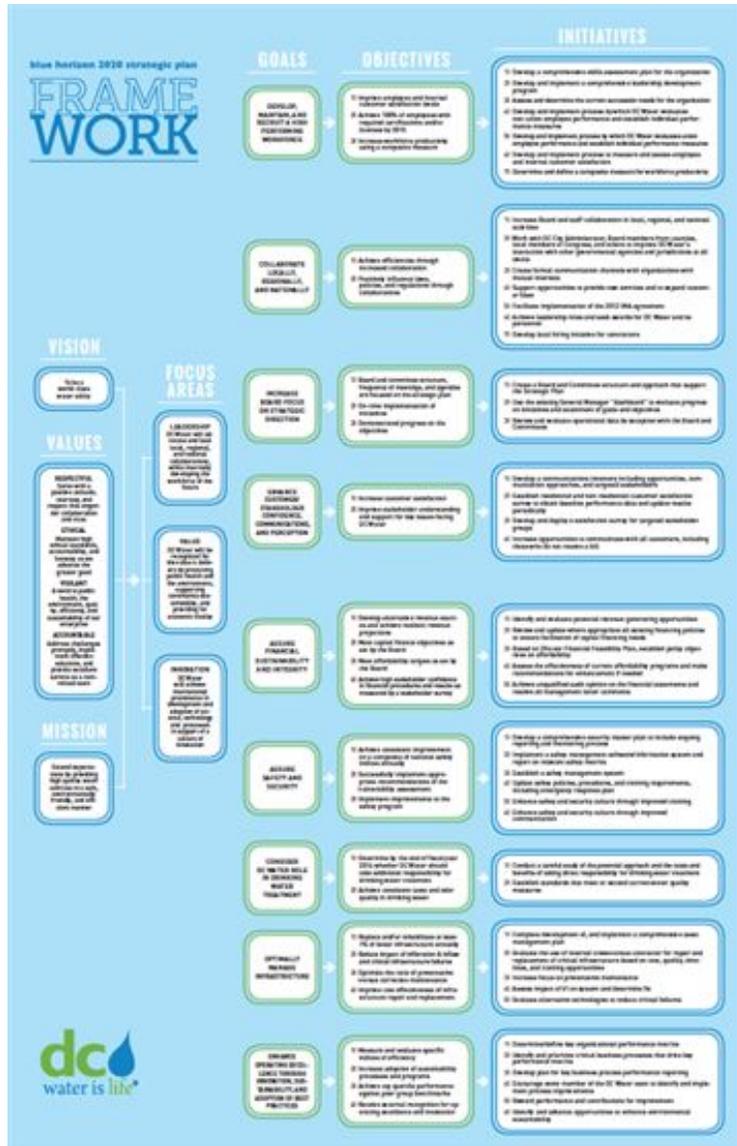


Framework for reporting and revising the plan

 ACCOUNTABILITY STRUCTURE	 STRATEGIC PLAN STRUCTURE	 FREQUENCY OF PROGRESS REPORTING	 FREQUENCY OF MODIFICATIONS
BOARD	VISION, VALUES, MISSION, GOALS		3-5 YEARS
BOARD / GENERAL MANAGER	OBJECTIVES	ANNUALLY	3-5 YEARS
EXECUTIVE TEAM / GOAL CHAMPIONS	INITIATIVES	QUARTERLY	1-2 YEARS
INITIATIVE CHAMPIONS	MILESTONES	MONTHLY	1-2 YEARS



Plan Revised in 2015



blue horizon 2020 strategic plan
dc framework revised 2015

vision values mission

focus areas

leadership DC Water will advocate and lead local, regional, and national collaborations, while internally developing the workforce of the future.

value DC Water will be recognized for the value it delivers by protecting public health and the environment, supporting community sustainability, and providing for economic vitality.

innovation DC Water will achieve international prominence in development and adoption of science, technology and processes in support of a culture of innovation.

goal 1: Develop, Maintain and Recruit a High Performing Workforce

objectives

1. Improve employee and internal customer satisfaction levels
2. Maintain all regulatory licenses and certifications as required by assigned job positions
3. Increase workforce productivity
4. Implement organizational succession planning
5. Enhance employee performance management
6. Reward employee performance and contributions

goal 2: Collaborate Locally, Regionally, Nationally, and Internationally

objectives

1. Increase DC Water's collaboration and visibility locally, regionally, nationally, and internationally
2. Positively influence laws, policies, and regulations through collaborations
3. Collaborate with DC Water contractors to increase local hiring

goal 3: Increase Board Focus on Strategic Direction

objectives

1. Ensure the Board and committees are fully informed about the strategic plan
2. Optimize implementation of objectives and initiatives

goal 4: Enhance Customer and Public Confidence, Communications, and Perception

objectives

1. Increase customer satisfaction
2. Improve public understanding and support of DC Water

goal 5: Promote Financial Sustainability, Integrity and Responsible Resource Allocation

objectives

1. Achieve treasury, debt and risk management objectives
2. Achieve an affordable and fair rate structure
3. Ensure robust internal controls at DC Water
4. Ensure timely preparation, adoption and administration of DC Water's operating and capital budgets
5. Ensure integrity of DC Water's Financial Systems

goal 6: Assure Safety and Security

objectives

1. Achieve consistent improvement on a composite of national safety indices annually
2. Successfully implement appropriate recommendations of the vulnerability assessment
3. Implement improvements to the safety program

goal 7: Maximize water quality treatment, compliance and efficiency

objectives

1. Optimize DC Water's Role in drinking water treatment
2. Achieve distribution system optimization to enhance water quality
3. Ensure compliance with sewer and water systems permits and regulations
4. Advance innovation in drinking water and wastewater treatment processes

goal 8: Optimally Manage Infrastructure

objectives

1. Replace and/or rehabilitate at least 1% of linear infrastructure annually
2. Reduce impact of infiltration & inflow and critical infrastructure failures
3. Optimize the ratio of preventive versus corrective maintenance
4. Improve cost effectiveness of infrastructure repair and replacement

goal 9: Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices

objectives

1. Develop, Measure and evaluate specific indices of efficiency
2. Achieve top quartile asset management performance against benchmarks
3. Increase adoption of sustainability processes and programs
4. Increase adoption of innovative processes and programs
5. Leverage innovation to develop alternative revenue sources



Current Plan

blue horizon 2020 strategic plan dc framework <small>revised 2015</small>	
<p>vision values mission</p> <p>vision: To be a world-class water utility.</p> <p>values: respectful—Serve with a positive attitude, courtesy, and respect that engender collaboration and trust. ethical—Maintain high ethical standards, accountability, and honesty as we advance the greater good. vigilant—Attend to public health, the environment, quality, efficiency, and sustainability of our enterprise. accountable—Address challenges promptly, implement effective solutions, and provide excellent service as a committed team.</p> <p>mission: exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner.</p>	<p>focus areas</p> <p>leadership DC Water will advocate and lead local, regional, and national collaborations, while internally developing the workforce of the future.</p> <p>value DC Water will be recognized for the value it delivers by protecting public health and the environment, supporting community sustainability, and providing for economic vitality.</p> <p>innovation DC Water will achieve international prominence in development and adoption of science, technology and processes in support of a culture of innovation.</p>
<p>goal 1: Develop, Maintain and Retain a High-Performing Workforce</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Improve employee and internal customer satisfaction levels 2. Maintain all regulatory licenses and certifications as required by assigned job positions 3. Increase workforce productivity 4. Implement organizational succession planning 5. Enhance employee performance management 6. Reward employee performance and contributions 	<p>goal 6: Assure Safety and Security</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Achieve consistent improvement on a composite of national safety indices annually 2. Successfully implement appropriate recommendations of the vulnerability assessment 3. Implement improvements to the safety program
<p>goal 2: Collaborate Locally, Regionally, Nationally, and Internationally</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Increase DC Water's collaboration and visibility locally, regionally, nationally, and internationally 2. Positively influence laws, policies, and regulations through collaborations 3. Collaborate with DC Water contractors to increase local living 	<p>goal 7: Maximize water quality treatment, compliance and efficiency</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Optimize DC Water's Role in drinking water treatment 2. Achieve distribution system optimization to enhance water quality 3. Ensure compliance with sewer and water systems permits and regulations 4. Advance innovation in drinking water and wastewater treatment processes
<p>goal 3: Increase Board Focus on Strategic Direction</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Ensure the Board and committees are fully informed about the strategic plan 2. Oversee implementation of objectives and initiatives 	<p>goal 8: Optimally Manage Infrastructure</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Replace and/or rehabilitate at least 1% of linear infrastructure annually 2. Reduce impact of infiltration & inflow and critical infrastructure failures 3. Optimize the ratio of preventive versus corrective maintenance 4. Improve cost effectiveness of infrastructure repair and replacement
<p>goal 4: Enhance Customer and Public Confidence, Communications, and Perception</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Increase customer satisfaction 2. Improve public understanding and support of DC Water 	<p>goal 9: Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Develop, Measure and evaluate specific indices of efficiency 2. Achieve top quartile asset management performance against benchmarks 3. Increase adoption of sustainability processes and programs 4. Increase adoption of innovative processes and programs 5. Leverage innovation to develop alternative revenue sources
<p>goal 5: Promote Financial Sustainability, Integrity and Responsible Resource Allocation</p> <p>objectives</p> <ol style="list-style-type: none"> 1. Achieve treasury, debt and risk management objectives 2. Achieve an affordable and fair rate structure 3. Ensure robust internal controls at DC Water 4. Ensure timely preparation, adoption and administration of DC Water's operating and capital budgets 5. Ensure integrity of DC Water's Financial Systems 	

- 9 Goals
- 34 Objectives
- 69 Initiatives
- 190 Milestones



Blue Horizon 2020

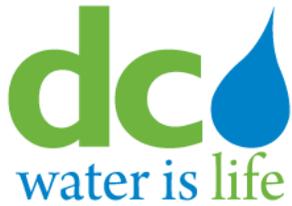
Status Update



Completion Status

	0 – 25%	26 – 50%	51 – 75%	76 – 99%	100%	Ongoing	Total
Goal 1	2	0	0	2	17	0	21
Goal 2	0	0	0	0	6	9	15
Goal 3	0	0	0	0	7	0	7
Goal 4	3	0	0	0	10	0	13
Goal 5	0	0	0	0	0	24	24
Goal 6	1	3	2	1	26	0	33
Goal 7	4	3	0	1	13	1	22
Goal 8	5	0	0	1	22	0	28
Goal 9	0	1	0	2	18	6	27
Total	15	7	2	7	119	40	190
%	8%	3.5%	1%	3.5%	63%	21%	

84% of the total plan complete



Goal 1: Develop, Maintain and Recruit a High Performing Workforce

Focus

1. Employee Satisfaction
2. Regulatory licenses and certifications
3. Leadership development
4. Organizational succession
5. Performance management
6. Employee rewards and recognition

Key Accomplishments

- Annual employee satisfaction survey launched
- Advancing Blue

Pending Items

- Organizational succession



Goal 2: Collaborate Locally, Regionally, Nationally, and Internationally

Focus

1. Collaboration
2. Laws, policies, and regulations
3. Local hiring

Key Accomplishments

- Numerous Awards Won
- DC Water Works!
- Collaboration (Locally and globally)

Pending Items

- No Items



Goal 3: Increase Board Focus on Strategic Direction

Focus

1. Board and committees are fully informed about the strategic plan
2. On-time implementation of objectives and initiatives

Key Accomplishments

- Annual Committee updates
- BOD Retreat

Pending Items

- No items



Goal 4: Enhance Customer and Public Confidence, Communications, and Perception

Focus

1. Customer satisfaction
2. Public understanding and support of DC Water

Key Accomplishments

- Customer Survey Deployed
- Communication with customers that do not receive a bill (outreach program)

Pending Items

- Strategy to address gaps/weaknesses in customer satisfaction
 - Communications plan



Goal 5: Promote Financial Sustainability, Integrity and Responsible Resource Allocation

Focus

1. Treasury, debt and risk management
2. Affordable and fair rate structure
3. Internal controls
4. Operating and capital budgets
5. Financial systems

Key Accomplishments

- Bond rating
- Unqualified audits

Pending Items

- No items



Goal 6: Assure Safety and Security

Focus

1. National safety indices
2. Vulnerability assessment
3. Safety program

Key Accomplishments

- Environmental Health Safety Management System
- Comprehensive Security Master Plan
- Job Safety Analysis (JSA) Program

Pending Items

- JSA Manual
- Internal physical security plan



Goal 7: Maximize water quality treatment, compliance and efficiency

Focus

1. DC Water's Role in drinking water treatment
2. Distribution system optimization
3. Compliance with sewer and water systems permits and regulations
4. Innovation in drinking water and wastewater treatment

Key Accomplishments

- CMOM Compliance Program

Pending Items

- Pilots
 - Potomac Interceptor optimization
 - Distribution and collection systems optimization
 - Linear infrastructure condition assessment
 - Intensification and process optimization



Goal 8: Optimally Manage Infrastructure

Focus

1. Replace and/or rehabilitate infrastructure
2. Infiltration & inflow
3. Preventive versus corrective maintenance
4. Cost effectiveness of infrastructure repair and replacement

Key Accomplishments

- Established RCM Program
- Asset Management Program
- Evaluated technologies for water/sewer condition assessment and rehabilitation

Pending Items

- Plan to quantify I/I in sewer sheds
- RCM Analysis
- Preventive Maintenance Optimization



Goal 9: Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices

Focus

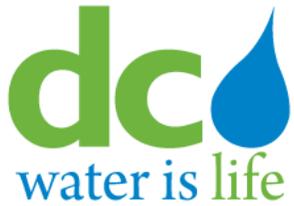
1. Efficiency
2. Asset management
3. Sustainability
4. Innovative processes and programs
5. Alternative revenue sources

Key Accomplishments

- Benchmarking
- Sustainable Green Building Program
- Innovation Program
- Blue Drop
- IP

Pending Items

- Climate Change Adaption and Resiliency



Plan Strengths and Weaknesses

Strengths

- Complete
- Available to all - no secrets
- Sense of accomplishment (% complete)

Weaknesses

- Vision - hard to define
- Easy to justify
- Everything is important
- Task oriented
- Involves 50 not 1200 people

What's Missing?

- Tie to results
- Specific outcomes or goals
- Budget process
- Staff engagement



Questions?



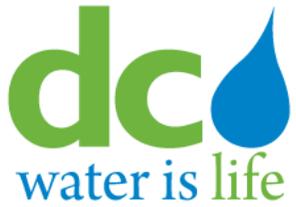
The Future of Strategic Planning

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

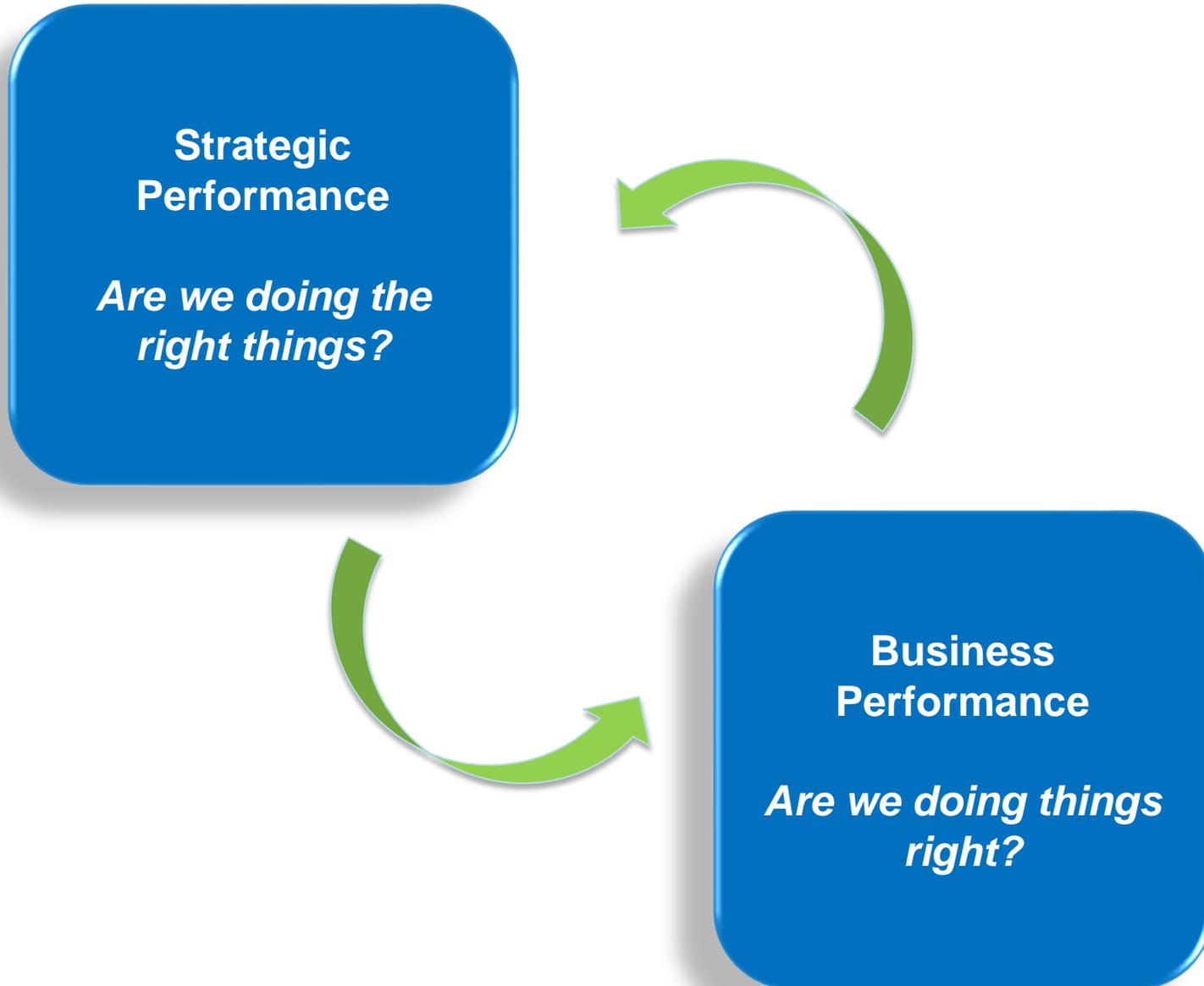
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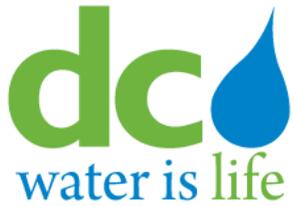


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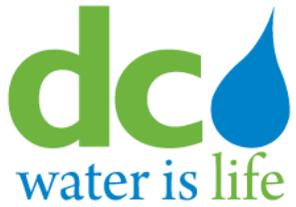
What is Strategy?



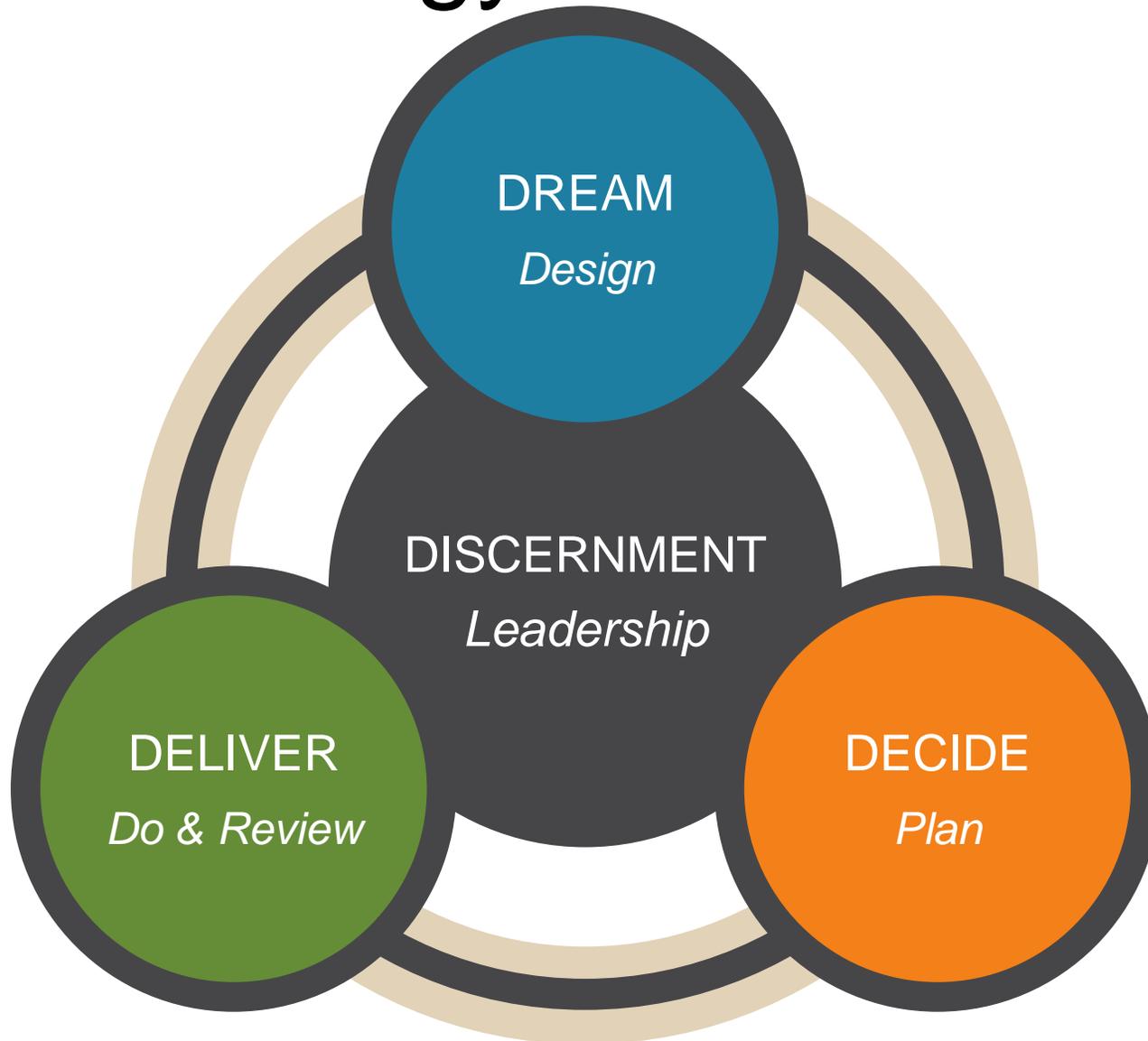


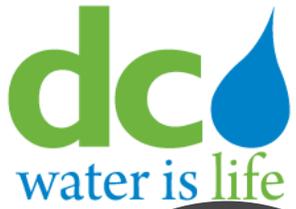
What is Strategy?

- COMMUNICATION: Produce a strategy that energizes and connects the entire workforce and key stakeholders of DC Water to the future direction of the authority
- ROADMAP: Build a supporting roadmap that outlines the major investments and initiatives required of the organization
- MEASURES: Establish clear measures that communicate the desired impact and outcomes of the strategic investments
- DYNAMIC: Outline a process to sustain strategic conversations across the organization on an ongoing basis



Strategy Framework





Aspirations, Unbounded Thinking, Long Term Goals

~5 to 10+ Years



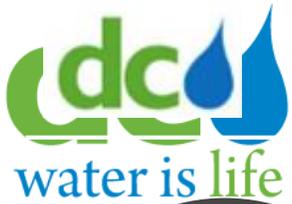
1 to 5 Years
Multi-Year Plans,
Commitments,
Budgets, Roadmaps



Weekly/Quarterly

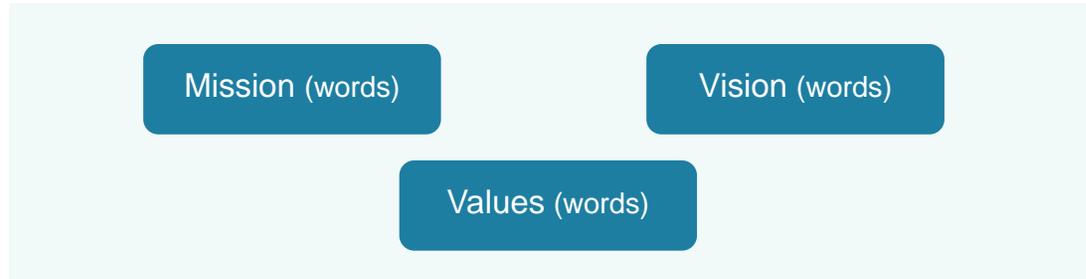
Work -
Now

Today



Framework

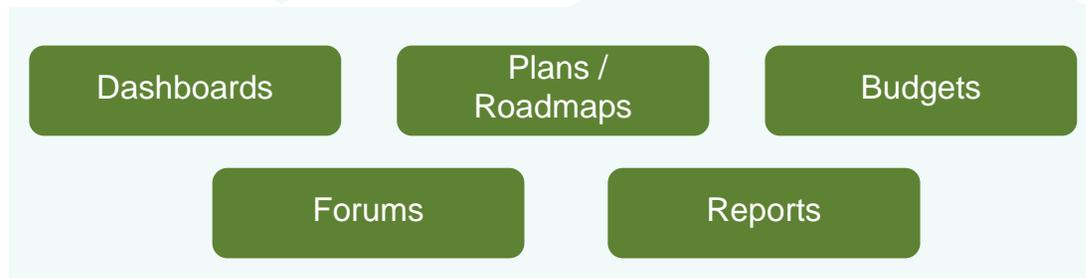
Time



5 to 10 years



1 to 5 years

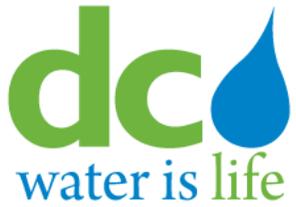


Weekly to Quarterly

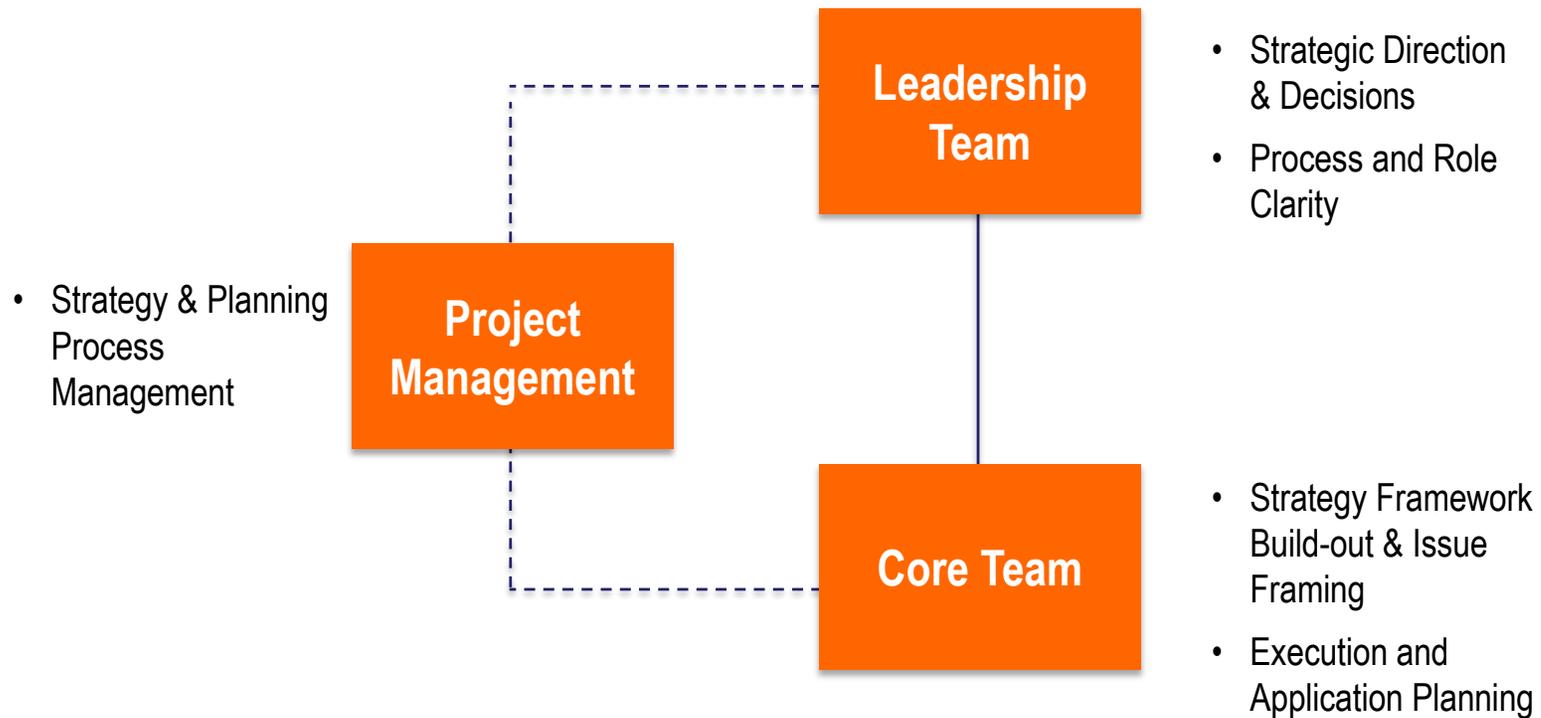


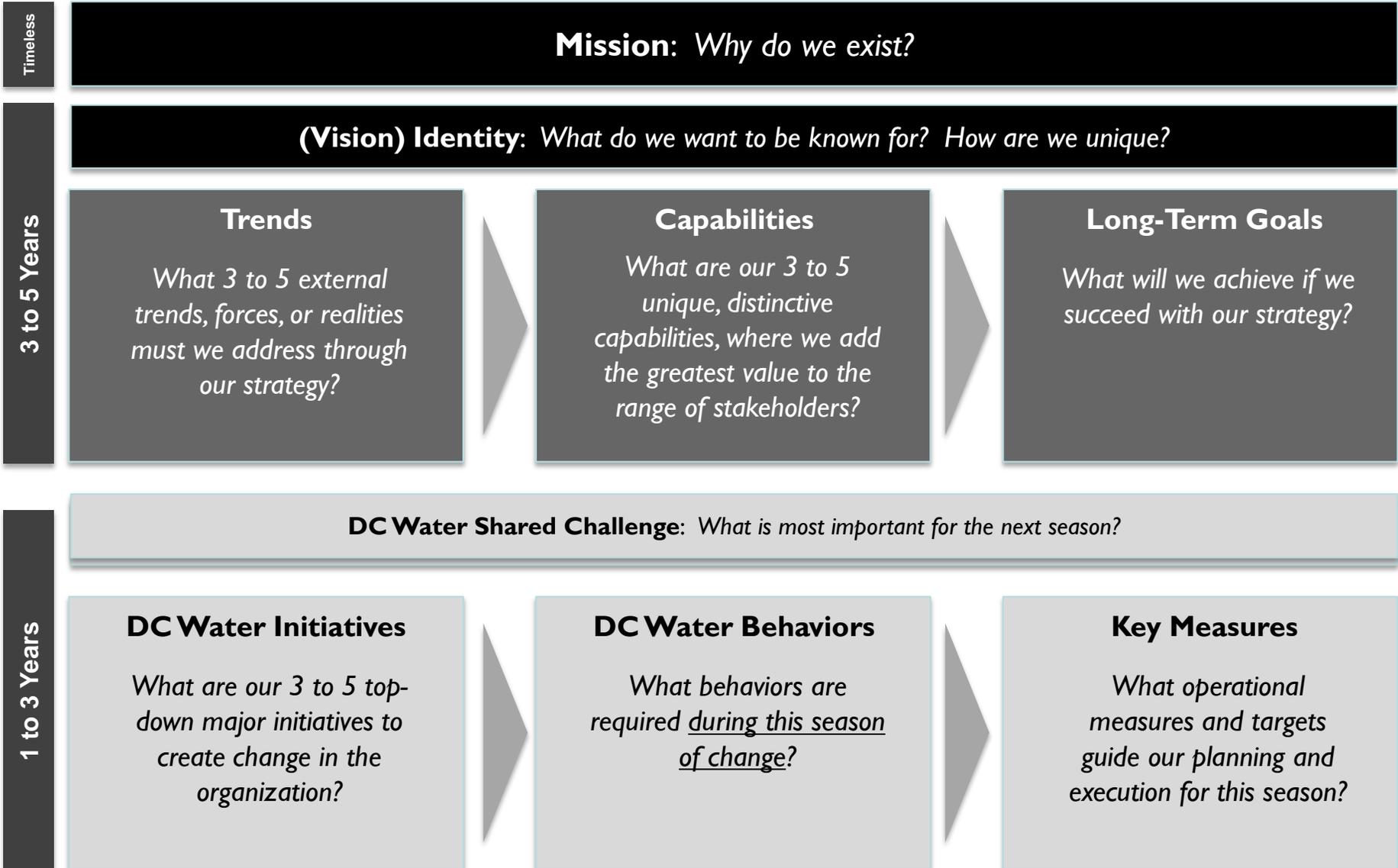
Who should participate?

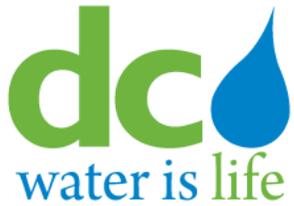
- **Board Committee Chair** - Represents the strategy committee of the board. Directs effort to ensure satisfies board requirements for long-term planning and engagement
- **Strategic Planning Committee** - Ensures board requirements for strategic planning are satisfied and sufficient
- **General Manager/Chief Operating Officer** - Responsible for ultimate strategy of DC Water; Executive sponsor of program to build strategy
- **Advisory Team** - Subset of Executive Team to guide effort (GM, COO, CS, CFO, AGM)
- **Executive Team** - Available for updates and guidance
- **Working Team** - Team of ~8 senior staff to analyze and synthesize input into a coherent, logical strategy framework
- **Reaction Groups** - Ad hoc meetings of staff (20+) to review direction and provide working level input on strategic architecture and direction
- **Strategic Planning Officer** - Responsible for program execution (timeline, deliverables, scope)



Teams







Phase 1

1. Program/Planning Structure

- Goals, authority, framework, deliverables

2. Interview Synthesis

- Conduct leadership interviews on trends, challenges, big bets

3. Trends

- Identify 3-5 trends or external forces directly impacting DC Water strategy

4. Vision/Identity

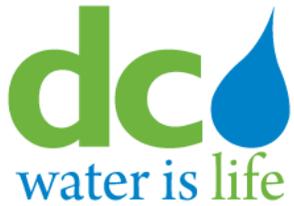
- Dialogue about a new vision or 'identity' for DC Water

Vision:

What do we want to be known for? How are we unique?

Mission:

Why do we exist?



Phase 2

1. Goals

- Define long-term organizational goals for the next 3 – 5 years

2. Capabilities/Objectives

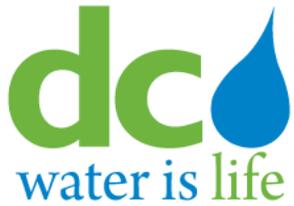
- Identify key unique capabilities

Capabilities

3 to 5 unique, distinctive capabilities where we add the greatest value to our stakeholders?

Goals

What will we achieve if we succeed with our strategy?



Phase 3

1. Shared Challenge

- Identify a shared challenge for DC Water for the next 1 to 3 years

2. Initiatives

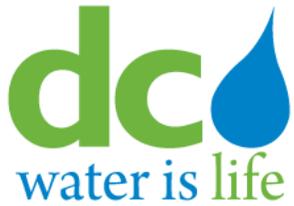
- Identify 3-5 top-down initiatives driving change and achievement of goals

3. Measures

- Identify critical outcome measures that drive planning and near term execution

DC Water Shared Challenge

What is most important for the next season?



Phase 4

1. Confirm Full Strategy

- Confirm direction on challenge, initiatives and measures

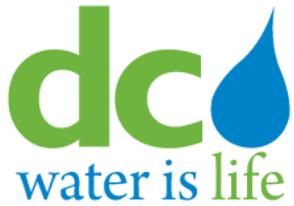
2. Activation Planning

- Review options to integrate strategy into planning, budgeting, governance, communication, individual goal setting, and overall leadership efforts



Journey





Work Execution – To-date

- Teams Formed
 - Executive Advisory Group Workshop
- Executive interviews
 - Trends, big bets, and challenges for the next 3 – 5 years
- Senior Staff Survey



Questions?
