

Five-Year Strategic Plan

Fiscal Years 2020-2025

Updated June 2021



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INTRODUCTION

Water is a key element of a prosperous, healthy community. It is a symbol of our region's bounty and a resource that people depend on. The Regional Water Authority (RWA) takes great pride in the delivery of this life-sustaining product and the services that provide public health protection, fire suppression, support for local economic growth and maintenance of the overall quality of life we enjoy.

Our employees work hard every day to fulfill our higher purpose to make life better for people. Our higher purpose guides our decision-making across the organization to balance stakeholder interests by being more conscious of why we do what we do.

In our more than 170-year-history, our pioneering spirit and bold actions have established a reputation for service and innovation built upon a strong foundation of quality people, operational excellence, infrastructure investments and environmental stewardship. Today, we are building a foundation for the next 170 years and passionate about our journey to transform into a 21st-century environmental services company for our customers, while never wavering in our commitment to manage the complex water system entrusted to us.

To ensure the RWA continues to do this and perform at a high level, in Fiscal Year 2021, the Leadership Team systematically reexamined the original 2020-2025 Strategic Plan, developed in Fiscal Year 2020, with the aim of more simply outlining the strategies and goals the organization needs to successfully attain to advance the RWA over a defined period.

Consequently, the Leadership Team reconstituted the Strategic Plan for the five-year period covering Fiscal Years 2020-2025 and beyond, to meet the following objectives:

- simplify the overall Strategic Plan and clearly spell out the goals we need to successfully attain to advance the RWA over a defined time period;
- eliminate guideposts and reintroduce the four perspectives of the balanced scorecard management system – Customers/Constituents; Employee Learning and Growth; Financial; and Internal Business Process;
- link each perspective to an overarching strategy;
- connect each strategy to five-year goals that are time-bound and measurable; and
- enable us to develop capital and O&M budgets to support the Plan goals.

Page 4 shows a summary list of the 2020-2025 Plan's strategies.

Pages 5-8 show a summary of the five-year strategic goals. The five-year goals grew from the strategies. A significant amount of time was spent by the Leadership Team in the development of goals, that, when attained, will result in a strong, best-in-class organization. The goals cover all aspects of the organization and affect how we think and work organizationally. The goals include some stretch goals and all are SMART – Specific, Measurable, Actionable, Relevant and Time-framed.

This 2020-2025 Strategic Plan is a rolling, dynamic document. Situations can and do change, so adjustments may be necessary to keep it relevant and its implementation moving forward. Each quarter, there will be a report on the status of the Plan. Every year, the Plan will undergo review and update. Each year a new component to the five-year plan will be presented that incorporates unfulfilled strategies and goals, and will lay out new strategies and goals, if necessary. Moreover, capital and O&M budgets will be developed to support the Plan's initiatives.

PURPOSE, MISSION, VISION AND VALUES

Our Purpose

To make life better for people.

Our Mission

To provide customers with high-quality water and services at a reasonable cost while promoting the preservation of watershed lands and aquifers.

Our Vision

To be an innovative environmental services organization that sustains life, strengthens our communities and protects natural resources for future generations.

Our Values

STARS: Service, Teamwork, Accountability, Respect, Safety

Service: We provide prompt, courteous service to both our customers and our coworkers. We continually strive to make the customer experience better for all.

Teamwork: We build on each other's strengths. Through efficiency and innovation, we work together, operating as a team, in a spirit of mutual trust and openness, to achieve success.

Accountability: We are responsible for our actions. We are honest and ethical. Integrity is at the heart of everything we do.

Respect: We treat with respect everyone with whom we come in contact while doing our jobs. We promote diversity and embrace individuality.

Safety: We are a safe workforce. Safety is owned by each and every employee. We all benefit when safety is part of our daily lives.

SUMMARY OF FIVE-YEAR STRATEGIES

Perspective: Customers/Constituents

Strategies

- Improve customer satisfaction
- Utilize technology to enhance the customer experience
- Increase constituent support of the RWA

Perspective: Employee Learning & Growth

Strategies

- Advance workforce safety
- Develop employees by improving knowledge, skills and abilities
- Foster a diverse, inclusive and engaged workforce

Perspective: Financial

Strategies

- Expand commercial revenue sources to mitigate rate increases
- Improve the financial operating performance of the RWA
- Strengthen pension and retirement funding

Perspective: Internal Business Process

Strategies

- Effectively manage and maintain our core business
- Sustainably manage our natural resources to deliver reliable, safe water
- Embrace innovation and new technology

SUMMARY OF STRATEGIC GOALS

Perspective: Customers/Constituents

I. Strategy: Improve Customer Satisfaction

A. Goal – Customer Satisfaction: Maintain RWA best-in-class 91.8% Customer Satisfaction Index by May 2025.

B. Goal – Customer Transactions: Introduce transaction surveys and establish a baseline for improvement by May 2025.

C. Goal – First Contact Resolution: Establish a First Contact Resolution baseline and drive a 15% improvement by May 2025.

II. Strategy: Utilize Technology to Enhance the Customer Experience

A. Goal – Self Service: Ensure 42% of customer base is using self-service options for billing and more by May 2025.

III. Strategy: Increase Constituent Support of the RWA

A. Goal – Brand Image: Assess the brand image and reputation of the RWA using a triannual consumer survey and increasing FY20 baseline results 5% by 2025.

B. Goal – Stakeholder Outreach: Increase overall support of RWA with key stakeholders by introducing three new, targeted outreach initiatives by 2025.

C. Goal – Recreation Program: Add three new recreation programs by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Employee Learning and Growth

I. Strategy: Advance Workforce Safety

A. Goal – Safety: Achieve zero preventable injuries.

II. Strategy: Develop Employees by Improving Knowledge, Skills and Abilities

A. Goal – Succession Planning: Implement succession planning and knowledge capture that addresses 75% of the potential loss of institutional knowledge by May 2025.

B. Goal – Professional Development: Fully execute the Management Training Roadmap by 2025.

III. Strategy: Foster a Diverse, Inclusive and Engaged Workforce

A. Goal – Engagement: Grow workforce engagement to strengthen commitment to the organization and individual success as evidenced by a 30% increase in improved results from an Employee Engagement Survey by May 2025.

B. Goal – Workforce Diversity: Achieve workforce diversity in all underrepresented job groups by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Financial

I. Strategy: Expand Commercial Revenue Sources to Mitigate Rate Increases

A. Goal – Commercial Enterprises: Increase commercial service net revenue to \$9.2 million by May 2025.

II. Strategy: Improve the Financial Operating Performance of the RWA

A. Goal – Fiscal Efficiency: Reduce debt-to-capital plant ratio to 82% by May 2025.

B. Goal – Capital Efficiency: Achieve an average of 3% capital efficiency each year through May 2025.

III. Strategy: Strengthen Pension and Retirement Funding

A. Goal – Pension Funding: Achieve 100% funding of pension obligation by May 2025.

B. Goal – Retirement Benefits: Increase funding of OPEB/VEBA plan to 35% by May 2025.

SUMMARY OF STRATEGIC GOALS (CONTINUED)

Perspective: Internal Business Process

I. Strategy: Effectively Manage and Maintain Our Core Business

A. Goal – 3R's: Enhance RWA's enterprise risk management program by reviewing and improving 50% of the risk perspectives within the Risk Register with a focus on mitigating risk, improving redundancy and safeguarding resiliency by May 2025.

B. Goal – Asset Management: Ensure 100% of our assets are assessed and linked to an enterprise asset management system by May 2025.

II. Strategy: Sustainably Manage our Natural Resources to Deliver Reliable, Safe Water

A. Goal – Water Quality: Ensure levels of disinfection by-products are at least 10% below regulated limits by May 2025.

B. Goal – Unaccounted for Water: Implement a plan to ensure unaccounted-for-water is less than 10% by May 2025.

III. Strategy: Embrace Innovation and New Technology

A. Goal – Technology Roadmap: Link 100% of Technology Roadmap to Capital and Operating budgets by May 2025.

B. Goal – Innovative Solutions: Facilitate 16 process improvements within the four perspectives of customers, employees, financial and internal business process by May 2025.

C. Goal – Cybersecurity: Continually implement cybersecurity best practices across RWA with full implementation achieved by May 2025.

D. Goal – Technology Obsolescence: Develop technology roadmap to ensure technology obsolescence and single points of failure are eliminated by May 2025.