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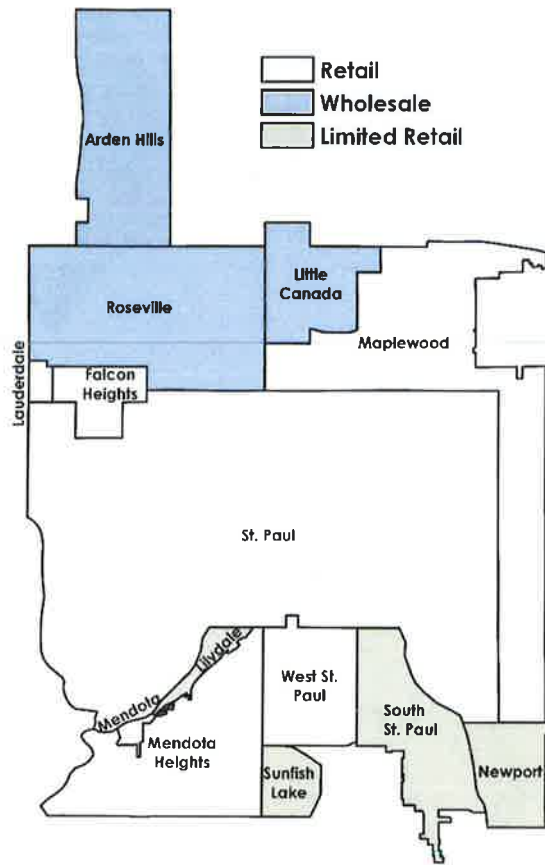
Saint Paul Regional Water Services

# Strategic Plan

2019-2021

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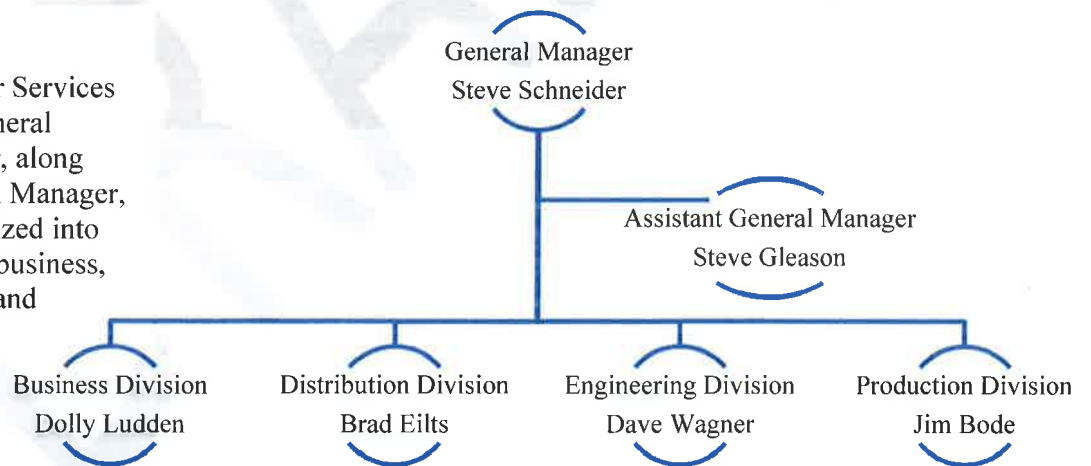


## SPRWS Service Area

Saint Paul Regional Water Services serves about 425,000 customers within a 113-square mile geographic area in which we are responsible for more than 1,100 miles of water main and 10,000 fire hydrants. Retail customers, for which we provide billing and infrastructure maintenance, include Falcon Heights, Lauderdale, Maplewood, Mendota, Mendota Heights, Saint Paul, and West Saint Paul. We supply select accounts in Lilydale, Newport, South Saint Paul, and Sunfish Lake. We supply wholesale water to Arden Hills, Little Canada, and Roseville. In addition, we supply emergency maintenance to the cities of Oakdale, Little Canada and the township of White Bear.

## Organization

Saint Paul Regional Water Services is administered by the General Manager, Steve Schneider, along with the Assistant General Manager, Steve Gleason. It is organized into four functional divisions: business, distribution, engineering, and production.



## Board of Water Commissioners

Saint Paul Regional Water Services (SPRWS) is governed by a seven-member Board of Water Commissioners that sets policy and guides the future direction of the water utility and its staff. The Board consists of three members of the Saint Paul city council, two Saint Paul citizens, and two representatives of the suburbs served by SPRWS.



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## A Note from our General Manager

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The people of Saint Paul and surrounding communities have good reason to be proud of their water system – proud of the high quality of its product and the efficient and businesslike operation of the water utility. The provision of water for public consumption involves a public trust; the health of the public must be protected through the delivery of safe drinking water from a reliable source.

It is the amazing work of approximately 250 men and women who are dedicated to serving this community that work to provide safe, reliable drinking water to 435,000 customers in the greater Saint Paul area.

While our staff does tremendous work, there are many challenges facing water systems throughout the country, including ours. One of the major challenges is the aging infrastructure of our water system.

Our water treatment plant is coming up on its centennial. More than 27 percent of our water main was laid by horse and wagon, before automobiles became prolific.

To address these needs, SPRWS has begun to invest over \$300 million to improve and upgrade our existing water treatment plant and water delivery system over the next decade.

With these investments to keep our water treatment plant more efficient with new technologies and our work to replace old and failing water main, our ability to provide quality, reliable drinking water will continue well into the future, just as we have done for the past 140 years.



A handwritten signature in blue ink that reads "Steve Schneider".

Steve Schneider

# The History and Process of Strategic Planning

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Saint Paul Regional Water Services (SPRWS) has had a Strategic Plan since 1993 which has been updated every 2-3 years as our goals continue to evolve. As we began to dream about what 2019-2021 would hold for SPRWS, we decided to focus this plan's updates inward by taking a bottom-up approach and concentrating on the feedback and ideas of our most valuable asset, our employees.

This was an extensive process in which all employees were provided the opportunity to share their experiences, concerns, and innovative ideas for the future. Having these open and honest conversations at all levels of the organization has allowed us to gather diverse input that will guide our goals and initiatives.

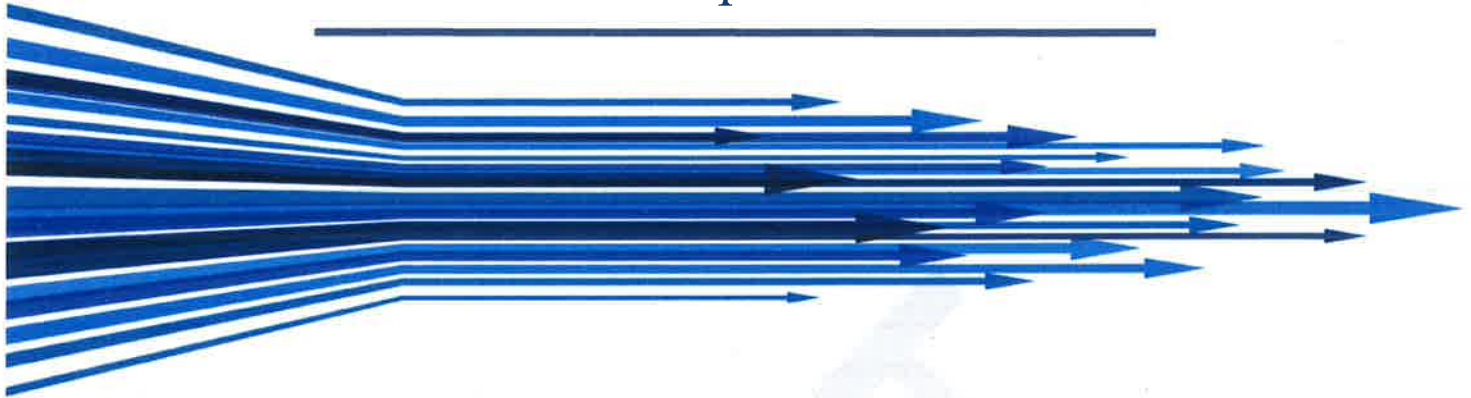
We'd like to thank our employees for their continued hard work and dedication to SPRWS and the City of Saint Paul. Their thoughtful input and excitement for the future has enabled us to create a plan that will help push SPRWS forward in a direction that will result in continued success for years to come.

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# Plan Development Process

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## **EXTERNAL ANALYSIS OF INDUSTRY TRENDS**

We took some time to look at the trends happening in the world and in the industry and summarized the seven external factors that we anticipate will have the largest effects on how we do business over the next few years.

## **START. STOP. CONTINUE INITIAL EVALUATION**

The Senior Management Team met to begin discussions on the overall strategic direction of SPRWS. To do this, we took an introductory look at our current state to highlight some things we thought we should start, stop, and continue doing.

## **EFFECTIVE UTILITY MANAGEMENT (EUM) SELF-ASSESSMENT**

The Senior Management Team took the EUM assessment which evaluates success in different categories that have been identified as the best practices within the water sector to promote long-term sustainability and protect public health.

## **UNIT STRATEGIC PLANNING WORKSHOPS**

Workshops were held with every SPRWS unit to complete a SWOT (strengths, weaknesses, opportunity, threats) analysis of their current situation and brainstorm potential ideas for future initiatives.

## **DIVISION STRATEGIC PLANNING WORKSHOPS**

Workshops were held with the leaders of each division to review and refine the respective goals and draft measurable objectives

## **PLAN DEVELOPMENT WORKSHOP**

After each division completed work on their respective goal areas, the Senior Management Team met to review and refine overall goals as well as the foundational elements of the Strategic Plan including the vision, mission, and values.

## **BOARD REVIEW**

Upon completion, the 2019-2021 Strategic Plan was presented to the SPRWS Board of Water Commissioners prior to adoption.

# External Analysis of Industry Trends



## **Regulations:**

The regulatory environment will continue to put pressure on budgets as unfunded mandates are expected to continue and increase. Continued involvement at the State and Federal level regulatory process will be critical.



## **Utility Financial Constraints:**

Reductions in water consumption and increases in operational and capital needs will likely result in increased rates. Rate adjustments will require stakeholder support, which requires cost containment and operational efficiency.



## **Customer Expectations:**

Customer expectations have historically been based on whether water flowed from the tap. Today, water quality and customer service standards are higher than ever. Organizations must find ways to improve communication and problem resolution to meet these climbing expectations.



## **Workforce Changes:**

The workforce is transitioning generations, which have different values and expectations. As employees retire, replacements will need the knowledge and commitment to continue to provide a high level of quality and service.



## **Energy:**

Energy costs will remain a significant percentage of the total cost to provide utility services. As the cost of energy and the push for conservation continue to rise, so will the need to focus on energy efficiency.



## **Increased Risk Profile:**

Terrorism, natural disaster events, and climate change have caused an increased focus on emergency management, employee safety, and security. We must continue to find ways to keep our organization resilient and our employees and customers safe.



## **Technology:**

The water industry will continue to be transformed because of and through the use of advanced technology in all aspects of business.

# Initial Internal Analysis by Senior Management

## START. STOP. CONTINUE. Brainstorming

### Start

- More regular employee feedback
- Additional marketing/branding
- Promoting leaders
- New ways to reward employees
- Cross training across units
- Exploring flexible scheduling
- Mentoring/networking program

### Stop

- Overuse of paper
- Working within silos
- “We’ve always done it this way”
- “MN Nice” with evaluations
- Sharing need to know info only

### Continue

- Strong focus on customer service
- Advancing technology capabilities
- Emergency planning improvements
- Advancing knowledge management
- Preventative maintenance
- Expanding employee training
- Financial stability-future planning

## Effective Utility Management (EUM) Self-Assessment

The Senior Management Team completed a survey designed to assess current performance based on the EUM Attributes of an Effectively Managed Utility to identify priorities, level of achievement, and opportunities for improvement. We then used these results to help guide the development of the Strategic Plan. Moving forward we will continue to use the EUM framework to assist in the ongoing development of performance measures to ensure progress is being made towards the goals laid out in this plan.

### Top Three Priorities & Achievement

- 1 Water Quality
- 2 Financial Stability
- 3 Customer Service

### Top Three Areas for Improvement

- 1 Employee Development
- 2 Stakeholder Support
- 3 Organizational Resiliency



## Vision

To be a regional and national water industry leader emphasizing quality product, services and cost containment.

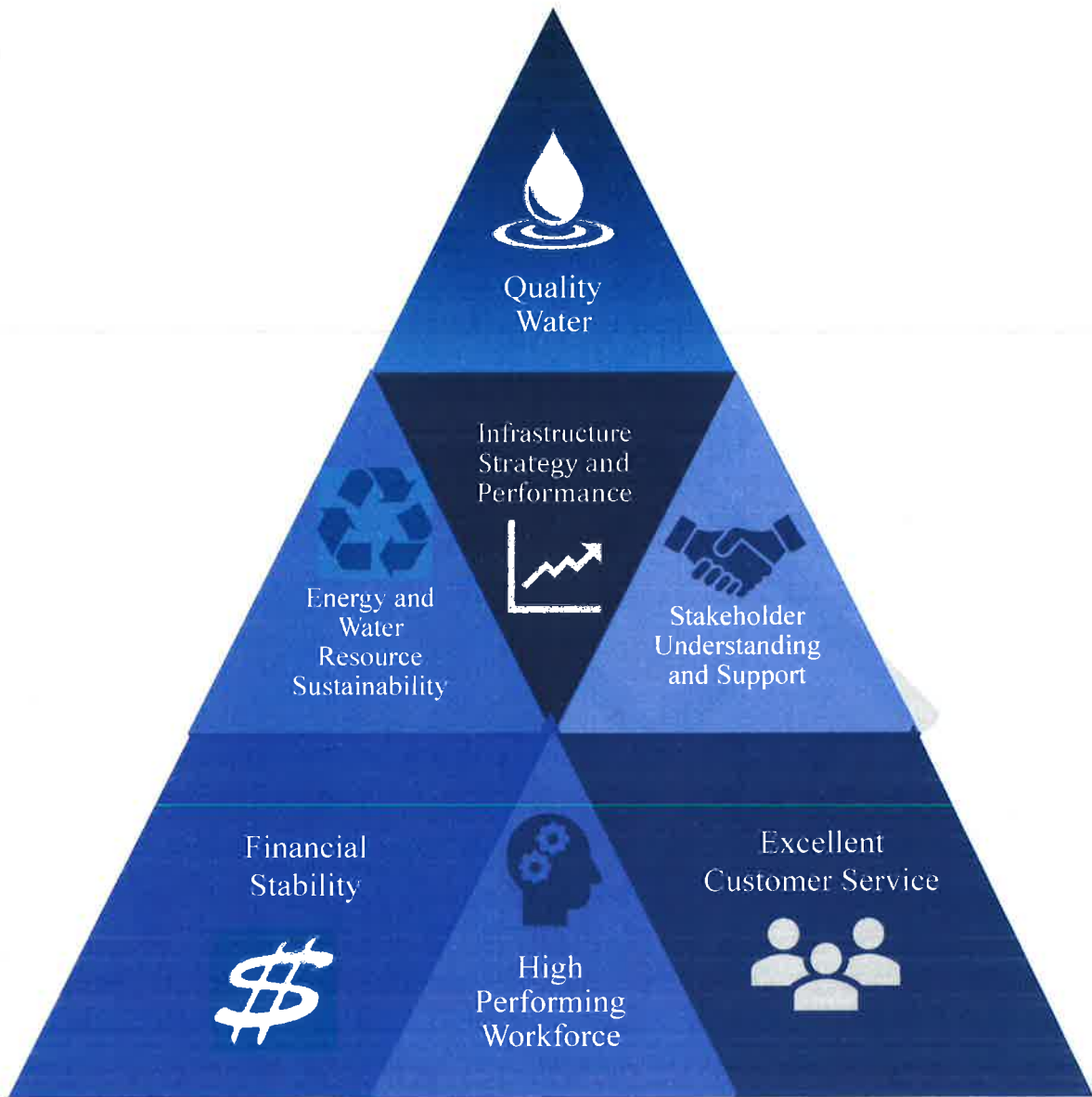
## Mission

To provide reliable, quality water and services at a reasonable cost.

## Values

Equity  
Innovation  
Resilience





# SPRWS Pyramid of Success

## High Level Overview of Organizational Goals

After the initial analysis activities and a review of the last Strategic Plan, it was decided that a better framework to show the importance of each of our goals and an easier to follow concept would be helpful. Each component of the new SPRWS Pyramid of Success is as important as the next in our overall ability to meet our mission. We

believe that the bottom layer of goals is the foundation to our success from which we can build upon. As we become more efficient and grow at each layer of the pyramid, it then enables us to enhance what we are able to do with the next layer of goals. The top of the pyramid is our ultimate goal of providing quality water to our customers now and into the future. The following pages of the Strategic Plan outline these seven goals and the ways in which we hope to continuously improve in each area.



## Assure Long-Term **Financial Stability** and Integrity

A sustainable utility generates sufficient revenues to cover operating and capital expenses. This goal focuses on creating financial plans and practices that guarantee success today and generate long term sustainability.

### PRACTICE FISCAL RESPONSIBILITY AND FINANCIAL RESILIENCY

- Maintain accurate 5-year forecast of rates, operating costs, capital expenditures, and cash reserves.
- Maintain bond rating at current or improved levels; ensure SPRWS financial metrics meet or exceed guidelines set by the Board of Water Commissioners.
- Actively explore and develop opportunities to increase revenue including the potential to expand the SPRWS service area.
- Provide sufficient capital investments to address infrastructure needs as outlined in the 10-Year Master Plan for Production and Distribution division assets.
- Reevaluate and update the 10 Year Master plan and corresponding revenue requirements on an annual basis.
- Develop a comprehensive capital investment plan by incorporating all other utility assets to the existing model.
- Consider GASB 34 requirements when making modifications or improvements to our asset management systems with the goal of fully complying with the rule in the future.



## Further Develop an **Excellent Customer Experience**

SPRWS exists to meet the needs and expectations of its customers. Today's customer expects respect, equality, transparency, convenient access to information and the opportunity to understand more about the utility. This goal focuses on the necessity to increase our ability to respond to these growing expectations.

### INCREASE OUR UNDERSTANDING OF CUSTOMER EXPECTATIONS AND PERCEPTIONS

- Conduct customer surveys to ensure SPRWS is informed about customer opinions, desires, and concerns.
- Implement a comprehensive customer complaint management system.

### IMPROVE CUSTOMER CONFIDENCE AND UNDERSTANDING

- Expand and promote online services including automatic bill pay options, instant messaging, and permitting.
- Provide customers with comprehensive customer account information (on their bill and online).
- Formalize a "first-call resolution" program to minimize the transfer of callers between units.
- Increase customer awareness on issues, projects, services, and the value of tap water through website enhancements and explore potential for better alert notifications.
- Improve educational materials available for customers to help them better understand their bills, the shut-off process, restoration timelines, water quality information, and risks for high bills (such as toilet leaks).



## Recruit, Develop, and Maintain a **High-Performing Workforce**

The success of SPRWS is truly in the hands of its employees. This goal focuses on recruiting, retaining and developing a knowledgeable and engaged work force.



### PROVIDE OPPORTUNITY FOR EMPLOYEE DEVELOPMENT

- Create an environment where regular feedback is encouraged, with a focus on acknowledging accomplishments, highlighting opportunities for growth, and creating goals for development.
- Utilize performance measures and explore performance-based evaluations of work and goal setting.
- Provide necessary tools and empower employees to strive towards continuous improvement.
- Expand training opportunities to include: stronger new employee orientation, more job specific technical skill development, leadership development, and environmental stewardship.
- Provide cross training for employees to better understand the organization's mission and their role in achieving it.
- Develop and periodically review training programs with an emphasis on leadership development in order to cultivate and increase the talent pool for succession planning.
- Develop a plan for knowledge management and transfer that will prepare SPRWS for retirements, turnover, and hiring needs.

### IMPROVE EMPLOYEE SATISFACTION LEVELS

- Attract and retain a diverse workforce that respects and values differences in others.
- Develop a comprehensive communication plan to help break down silos by sharing information regarding service disruptions, water quality concerns, large projects, future planning, employee activities, etc.
- Conduct employee satisfaction surveys and take appropriate action for improvement.
- Raise awareness and understanding of employee benefit options.
- Encourage networking through professional organizations, company activities, mentoring, and community engagement.
- Develop and implement an employee recognition and rewards program to promote best practices around safety, security, customer service, and value-based processes.
- Explore opportunities to create collaborative workspaces.
- Evaluate and develop policy and scheduling changes to allow for better work life balance.

### ASSURE SAFETY AND SECURITY OF EMPLOYEES

- Regularly review work conditions and policies/protocols to reduce opportunities for employees to be placed in at risk locations and/or confronted with unsafe situations.
- Provide the necessary training, tools, exercises, and support to ensure that employees and management work together to prevent and address safety and security issues.



## Increase Stakeholder Understanding and Support



SPRWS stakeholders include our customers, the Board of Water Commissioners, partners such as AWWA, other City of Saint Paul departments, regulators, tourists, and the community as whole. This goal focuses on the importance of strong information sharing and transparency to build trust with all of these groups.

### INCREASE COMMUNITY/STAKEHOLDER UNDERSTANDING AND ENGAGEMENT

- Establish a stronger social media presence to share educational information, project updates, recruitment information, and to serve as an outlet for stakeholder feedback.
- Increase ongoing recruitment strategies to assist human resources in reaching diverse applicant pools.
- Develop a more thorough program around facility tours and partner with local organizations and schools to increase opportunities for stakeholders to visit and learn more about SPRWS.
- Strive to be recognized as a responsible, innovative leader in the industry.

### CAPITALIZE ON AND STRIVE TO MAINTAIN STRONG BOARD ENGAGEMENT

- Present and request Board input on initiatives around community education and engagement.
- Increase awareness of Board activity amongst employees by providing opportunity for interaction.



## Focus on Energy and Water Resource Sustainability

While SPRWS has been fortunate with an abundant water supply, it is important that we continue to ensure its availability and integrity. This goal focuses on striving to be environmentally responsible with regards to both our water resource and a growing focus on green energy.



### EFFECTIVELY AND EFFICIENTLY MANAGE SOURCE WATER

- Proactively monitor water quality and environmental parameters within source water. Conduct ongoing assessment to better understand the impacts of natural and man-made influences.
- Partner with and support other agencies' efforts to protect local and upper Mississippi River watersheds.

### FURTHER INCORPORATE ENVIRONMENTAL STEWARDSHIP INTO OPERATIONS

- Commit to seeking cost-effective and practical ways to reduce our use of energy.
- Increase our use of renewable energy sources where possible.
- Continue to use the AWWA audit to track non-revenue water and further refine water loss and leak programs.
- Continue to expand outreach program which informs customers when they may have a water loss issue and provides them with information on how to fix it.



## Enhance Infrastructure Strategy and Performance

In everything we do at SPRWS we strive for efficiency to continue providing this essential product at a reasonable cost. This goal focuses on continuous optimization of operations through investment, innovation, business process improvement, and leveraging technology.

### INFRASTRUCTURE INVESTMENT AND CAPITAL IMPROVEMENT PLANNING

- Deliver major water treatment plant improvement project.
- Continue to make improvements to production assets following Master Plan.
- Continue water main investment program and refine water main renewal and assessment programs.
- Begin major improvements to extend life of supply system infrastructure.
- Develop long term plan for historic Centerville source water system.

### IDENTIFY AND WORK TOWARDS SOLUTIONS TO OPTIMIZE OPERATIONS

- Incorporate industry standards and best practices to improve operations.
- Improve cross-departmental collaboration to maximize effectiveness and implementation of new initiatives.
- Reach Phase III Partnership for Safe Water in the Distribution System Optimization Program.
- Purchase, maintain, and replace vehicle fleet according to industry standards.
- Evaluate construction planning and scheduling methods to increase construction crew productivity and increase capital work completed in-house.
- Optimize construction restoration processes and practices.
- Perform preventative maintenance on schedule to ensure reliability of our assets.
- Establish long term plan for excavation spoils handling including land acquisition if needed

### ENHANCE INFORMATION TECHNOLOGY CAPABILITIES

- Purchase and implement a mobile application to streamline workflows.
- Improve and enhance web enabled integration for our Enterprise Systems and workflows
- Develop a technology road map for the next three years.
- Improve work order and asset management tracking.
- Work more closely with the City to improve the effectiveness of shared citywide work flows and programs.
- Continue to implement additional functionality and integration of the customer information system.
- Evaluate system and processes used for document management.
- Implement a business intelligence platform to continuously evaluate performance.



## Ensure Delivery of **Quality Water** Now and into the Future

Our customers expect and deserve high quality water that surpasses all regulatory standards. This goal focuses on our ultimate mission to provide reliable, quality water and services at a reasonable cost.

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### PROVIDE EXCELLENT WATER AND STRIVE FOR CONTINUOUS IMPROVEMENT

- Maintain Phase IV Partnership for Safe Water status in the Treatment Plant Optimization Program.
- Continue research relationships with organizations including the Water Research Foundation and the University of Minnesota.
- Continue to improve water quality efforts throughout the distribution system with an increased emphasis on our construction practices.
- Prepare for changes in current and upcoming regulations including the Lead and Copper Rule and emerging contaminants.

### IMPROVE LONG-TERM RELIABILITY OF WATER TREATMENT AND DELIVERY

- Assess strategies to maintain quality of water in the distribution system.
- Design and construct process improvements for softening, recarbonation and advanced oxidization, with an eye towards future needs and raw water quality changes.

### PLAN AND PREPARE FOR THE UNEXPECTED

- Plan for possible disruptions due to pandemic, meteorological, intentional attacks, or other events.
  - Participate in emergency management planning with other levels of government.
  - Evaluate and update our emergency response plan and continuity of operations plan and exercise them annually.
- 



# What are the Next Steps?

SPRWS has adopted a continual improvement approach to achieve its organizational goals. The following is a snapshot of the current performance measures but this list will continuously develop and be evaluated in order to monitor the overall health of the organization and to determine if progress is being made towards the goals laid out in this Strategic Plan. Some of the indicators will be tracked long term while others may be used more briefly to help us reach an objective. By attempting to quantify and share better data about progress, we hope to encourage ongoing employee participation in finding ways to improve business processes and increase efficiency. For more information on these measures and to review the progress being made please refer to the [SPRWS Performance Measures](#)



## Assure Long-Term **Financial Stability** and Integrity

- Debt Service Coverage Ratio (DSCR)



## Further Develop an **Excellent Customer Experience**

- Abandoned Call Rate
- Average Speed to Answer Calls
- Service Level (20 second answer)
- Electronic Customer Payment Service



## Recruit, Develop, and Maintain a **High-Performing Workforce**

- Sick Leave Usage



## Increase **Stakeholder Understanding** and Support



## Focus on **Energy and Water Resource Sustainability**

- Pumping Energy Use



## Enhance **Infrastructure Strategy** and Performance

- Nonrevenue Water Loss
- Water Main Break Rate
- Zebra Mussel Cleaning



## Ensure Delivery of **Quality Water** Now and into the Future

- Regulatory Compliance- Effluent Turbidity
- Regulatory Compliance- Chloramine





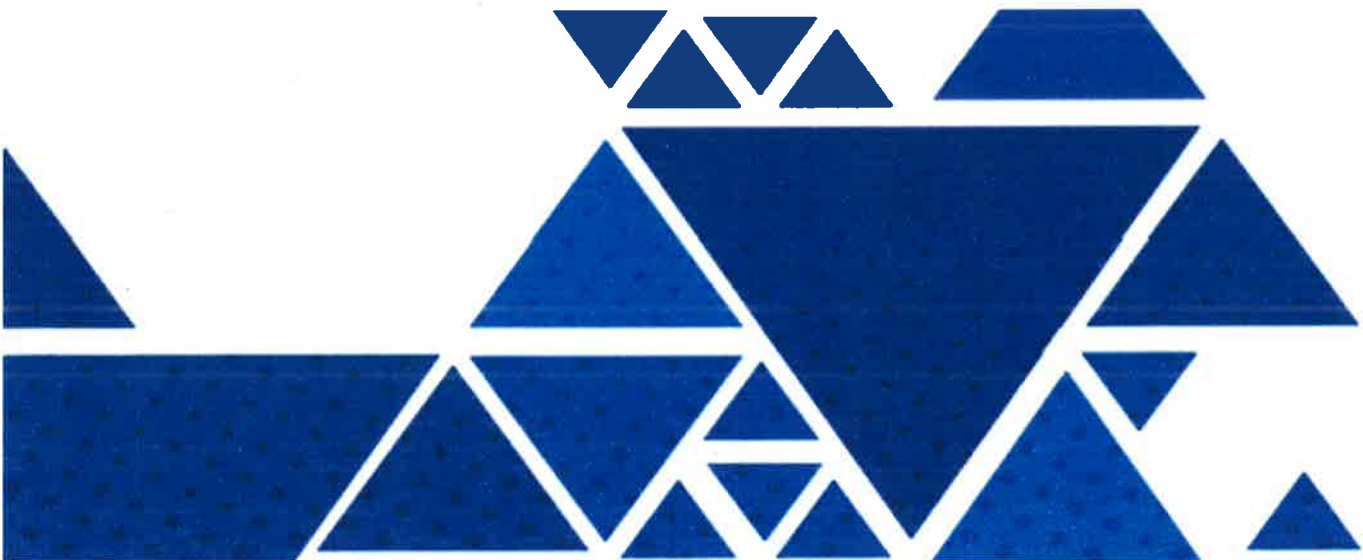
Saint Paul Regional Water Services

# Performance Measures

2019

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Business Improvement Unit  
February, 2019



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# 2019 Performance Measures

## Assure Long-Term **Financial Stability and Integrity**

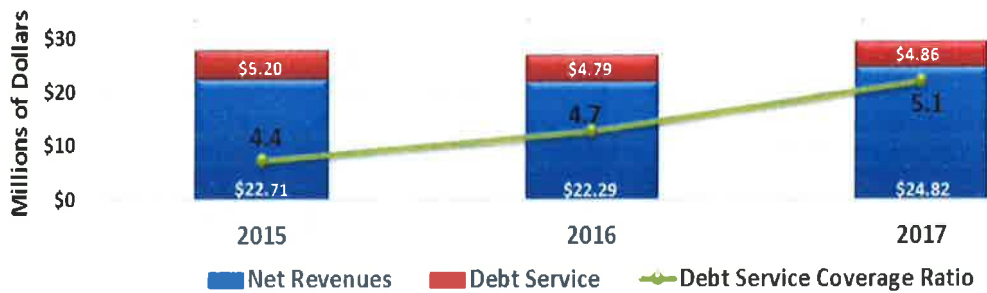
### PRACTICE FISCAL RESPONSIBILITY AND FINANCIAL RESILIENCY

#### Debt Service Coverage Ratio

**Description:** Financial industry indicator that measures the magnitude by which net revenues are sufficient to pay debt.

**Analysis:** SPRWS has sufficient resources for repayment of current debt obligations.

**Frequency:** Annually following issuance of the audited Annual Financial Report.



## Further Develop an **Excellent Customer Experience**

### INCREASE OUR UNDERSTANDING OF CUSTOMER EXPECTATIONS AND PERCEPTIONS

#### Call Center Performance - 2018

**Description:** Telephone metrics that reveal insights into the customer experience.

**Analysis:** The call center continues to perform at a high level, exceeding industry standards.

**Frequency:** Quarterly – 2018 data includes only data from January to September due to reports from new phone system still under development.



#### Abandoned Rate

Percentage of calls where the caller hangs up before reaching Customer Service personnel

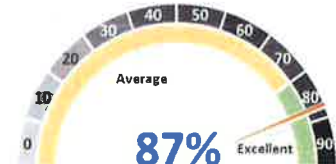
**Goal: 2% or less**



#### Average Speed to Answer

Length of time a caller waits before a Customer Service Representative answers

**Goal: 20 seconds or less**



#### Service Level

Percentage of calls answered by a Customer Service Representative within 20 seconds

**Goal: 80% or greater**

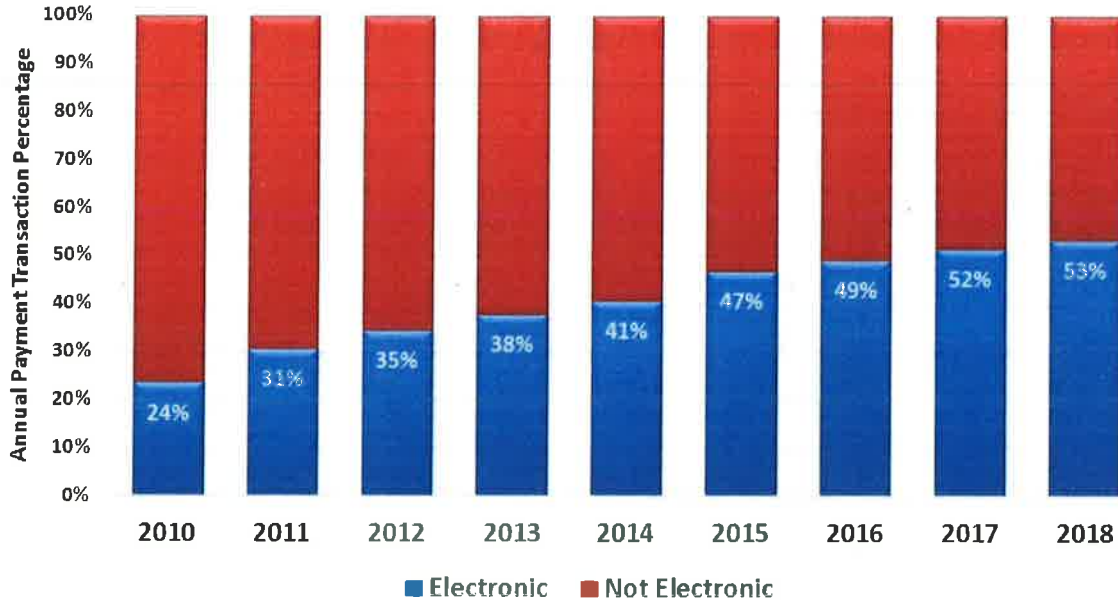
## IMPROVE CUSTOMER CONFIDENCE AND UNDERSTANDING

### Electronic Customer Payment Services

**Description:** Percentage of water bill payments received electronically.

**Analysis:** Growth experienced from 2017 to 2018 was about 2%, slower than previous years.

**Frequency:** Quarterly.



## Recruit, Develop, and Maintain a High-Performing Workforce

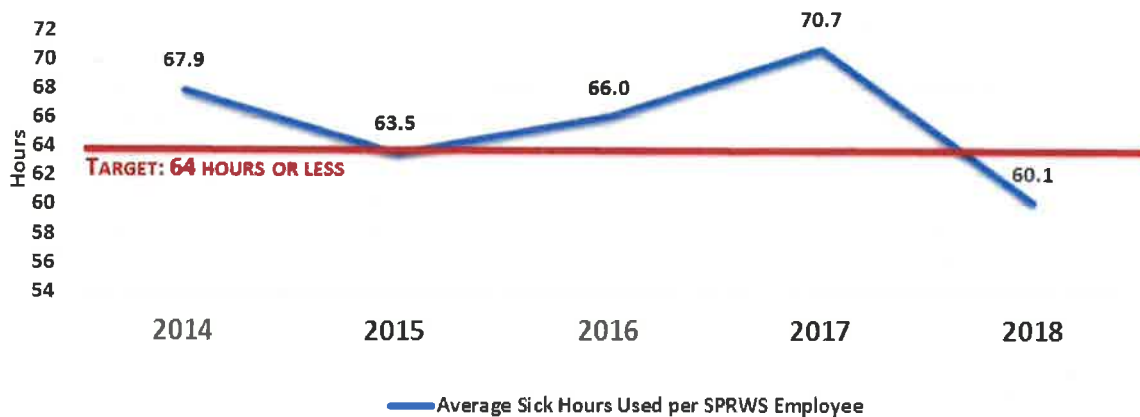
### IMPROVE EMPLOYEE SATISFACTION LEVELS

#### Annual Average Sick Leave Usage

**Description:** High sick leave use could serve as indicator of employee dissatisfaction.

**Analysis:** SPRWS met its sick leave usage target in 2018.

**Frequency:** Annually on first quarter, five-year trend.





# Focus on Energy and Water Resource Sustainability

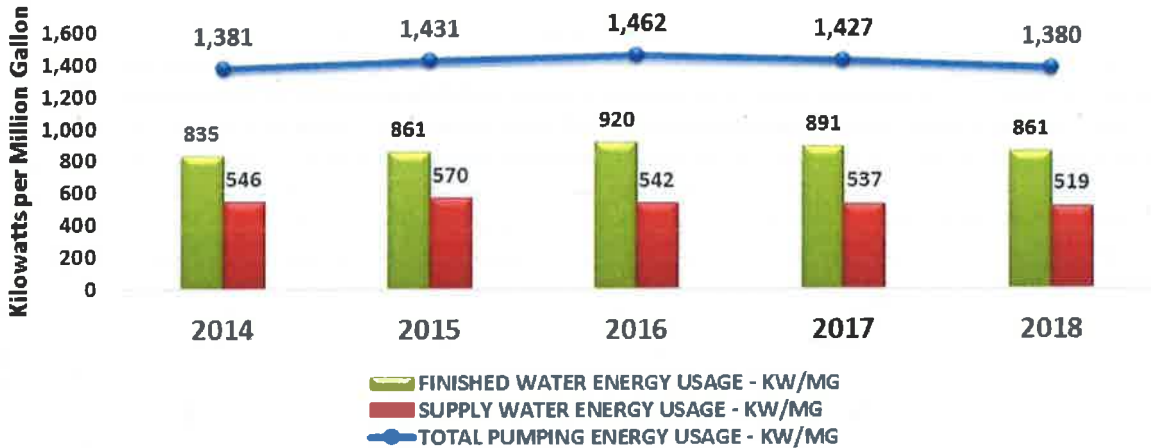
FURTHER INCORPORATE ENVIRONMENTAL STEWARDSHIP IN OUR OPERATIONS

## Pumping Energy Use

**Description:** Energy used to pump supply and finished water in kilowatts per million gallon of water produced.

**Analysis:** No goal has been established; energy use has been relatively constant. SPRWS is exploring energy source alternatives.

**Frequency:** Quarterly, five-year trend.



# Enhance Infrastructure Strategy and Performance

IDENTIFY COST EFFECTIVE INNOVATIONS AND SOLUTIONS TO PROVIDE OPERATING EXCELLENCE

## Nonrevenue Water Loss

**Description:** Water industry indicator assessing water loss performance in distribution systems.

**Analysis:** SPRWS has not met the target but continues to apply solutions to keep losses contained.

**Frequency:** Annually on second quarter.

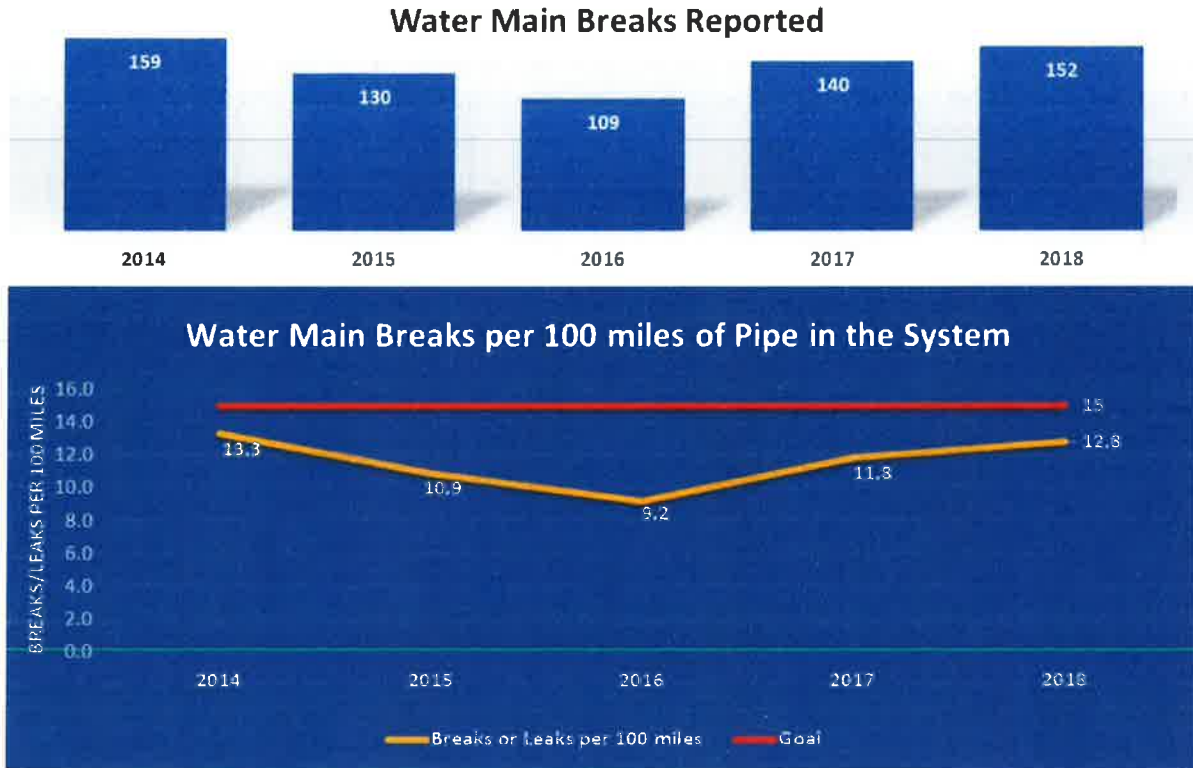


**Water Main Break Rate**

**Description:** Infrastructure indicator that reveals the condition of underground pipe.

**Analysis:** SPRWS has remained below the goal of 15 main breaks per 100 miles of pipe.

**Frequency:** Annually on first quarter.

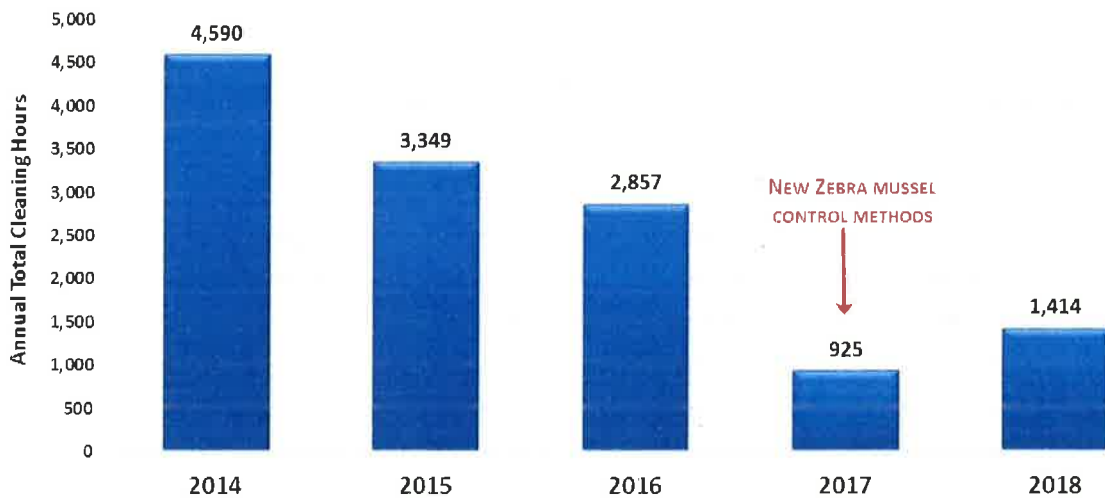


**Zebra Mussel Cleaning**

**Description:** Metric used as an indicator of the success of zebra mussel control methods in water supply pipe.

**Analysis:** New methods are reducing time spent cleaning zebra mussel build up.

**Frequency:** Annually on first quarter, five-year trend.





# Ensure Delivery of Quality Water Now and into the Future

STRIVE FOR EXCELLENT WATER QUALITY AND CONTINUOUS IMPROVEMENT

## Regulatory Compliance

**Description:** Water quality metrics required by federal and state agencies to protect public health and water resources.

**Analysis:** SPRWS continues to go above and beyond meeting current regulations 100% of the time. The graphs below illustrate two out of many regulated water quality parameters.

**Frequency:** Quarterly.

