



Utilities Department



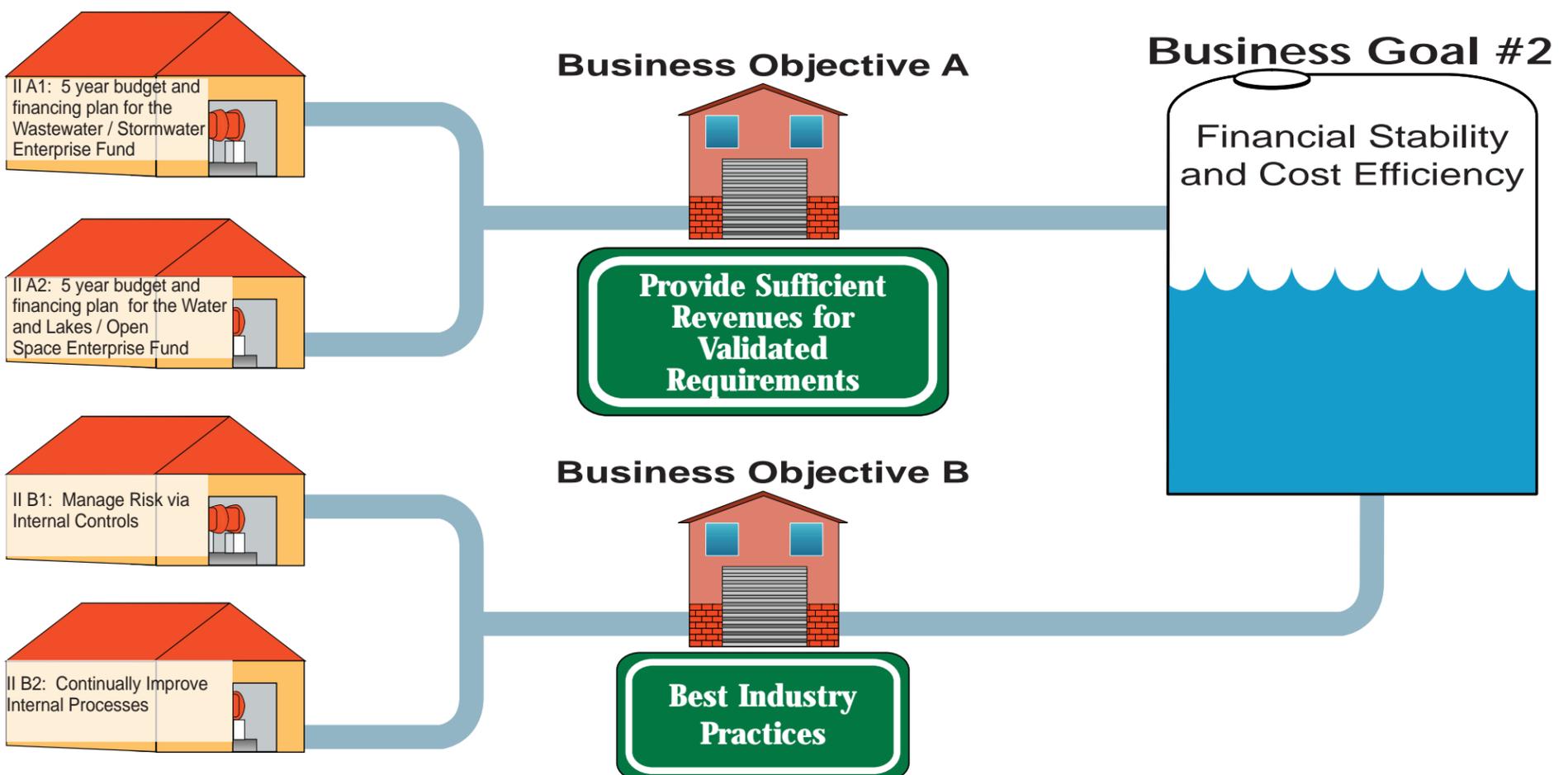
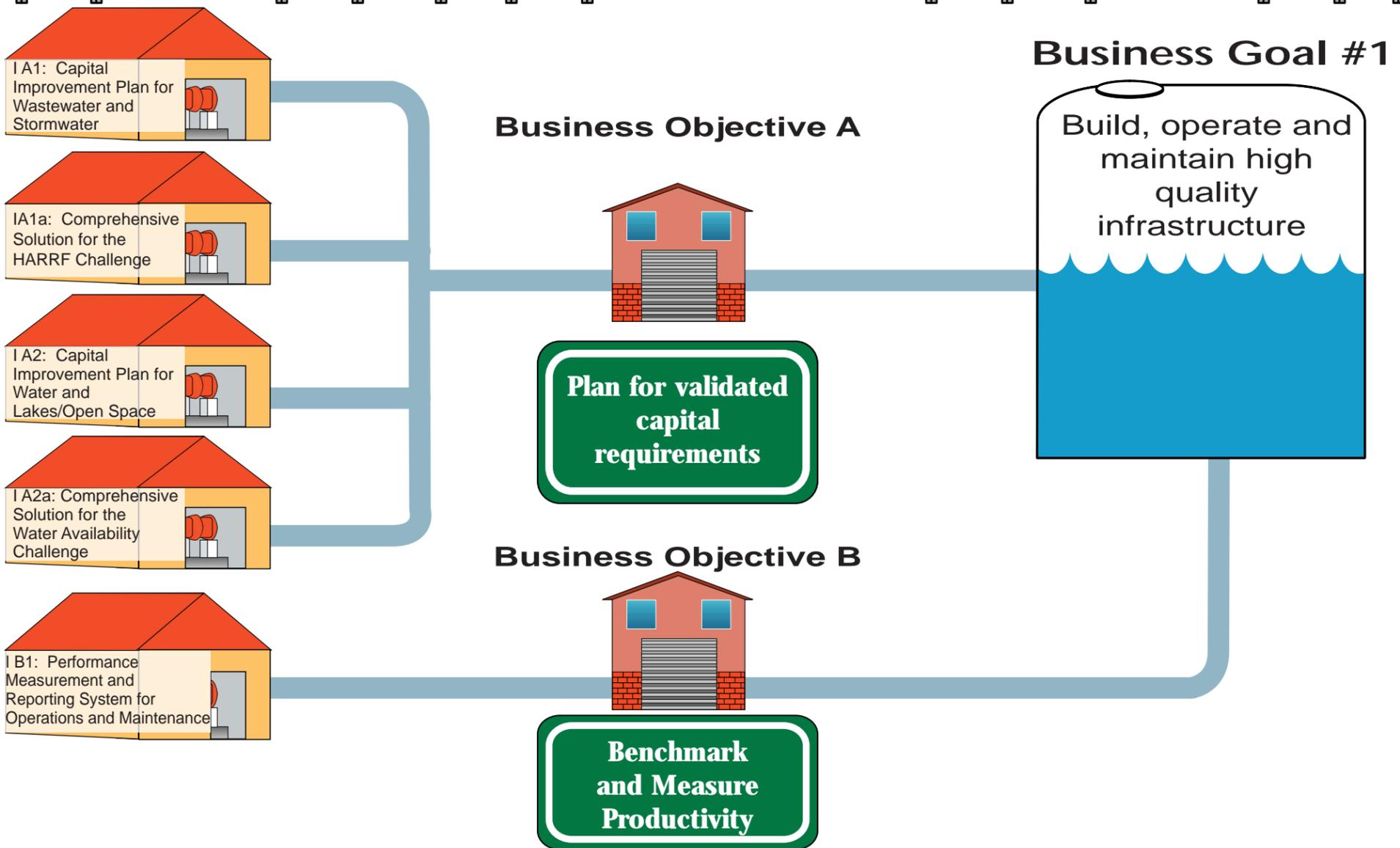
Strategic Business Plan

(Fiscal Years 2010 - 2014)

Escondido Strategic Plan Alignment

Vision: A leader in providing excellent service and reliable Infrastructure to meet or exceed the needs and expectations of our present and future customers.

Mission: To provide our customers with water, wastewater, stormwater and lakes / open space services that are high quality, environmentally sensitive and cost effective.



Escondido Strategic Plan Alignment

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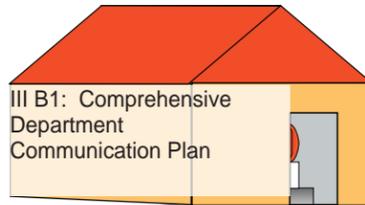
Business Goal #3

Business Objective A

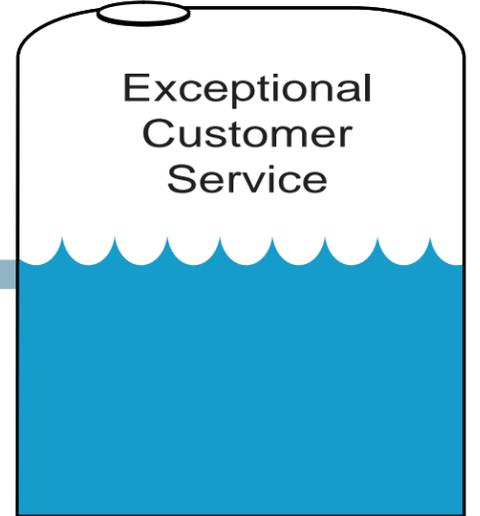


Improve Customer Satisfaction

Business Objective B



Timely Two-way Communication with All Stakeholders



Exceptional Customer Service

Business Objective A



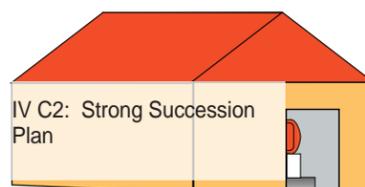
Safety Culture

Business Objective B



Excellent Labor Relations

Business Objective C



Qualified Workforce

Business Goal #4



High Quality Employees

THE CITY OF ESCONDIDO UTILITIES DEPARTMENT

STRATEGIC BUSINESS PLAN (FISCAL YEARS 2010 – 2014)

Strategy Alignment Matrix

Vision / Mission	Goals	Objectives	Strategies
<p>Vision We are a recognized leader in the public utilities industry</p> <p>Mission To provide our customers with water, wastewater, stormwater and lakes / open space services that are high quality, environmentally sensitive and cost effective.</p>	I. Build, Operate and Maintain High Quality Infrastructure	A. Plan for Validated Capital Requirements	IA1: CIP: Wastewater & Stormwater Facilities
			IA1a: Comprehensive Solution for the HARRF Capacity Challenge
			IA2: CIP: Water & Lakes / Open Space Facilities
			IA2a: Comprehensive Solution for the Water Availability challenge
		B. Benchmark and Measure Productivity	IB1: Performance Measurement & Reporting System for Operations & Maintenance
	II. Financial Stability and Cost Efficiency		A. Provide Sufficient Revenues for Validated Requirements.
		IIA2: 5–year Budget & Financing Plan for the Water & Lakes / Open Space Enterprise Fund	
		B. Best Industry Practices	IIB1: Manage Risk via Internal Controls
			IIB2: Continually Improve Business Processes for Effectiveness and Efficiency
	III. Exceptional Customer Service	A. Understand & Fulfill Customer Expectations	IIIA1: Measure Customer Service & Respond to Identified Issues
		B. Timely 2-Way Communication with Stakeholders	IIIB1: Department Communication Plan
	IV. High Quality Employees	A. Safe Working Environment	IVA1: Safety Culture
		B. Excellent Labor Relations	IVB1: Employee Accountability & Empowerment
		C. Qualified Workforce	IVC1: Training & Certifications
	IVC2: Succession Plan		

CITY OF ESCONDIDO UTILITIES DEPARTMENT

STRATEGIC BUSINESS PLAN (FISCAL YEARS 2010 – 2014)

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Management Approval

Approved:



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Utilities Department Director

5/4/09

Date

Approved:



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Assistant City Manager

5/3/09

Date

Approved:



Clay Phillips
City Manager

5/3/09

Date

EXECUTIVE SUMMARY

The Strategic Business Plan identifies strategies developed by the City of Escondido (City) Utilities Department with the intention of delivering excellent service to the City's residents. In this regard, it is understood that utilities-related services (drinking water, wastewater, recycled water, stormwater, lakes, hydroelectric power generation and canals) are essential to the ongoing health and welfare of the public and the environment. Accordingly, it is vital that meaningful plans be in place and companion actions pursued to both satisfy near-term requirements and sustain high performance for future generations.

The nature of utilities-related services includes ever-advancing technology and heavily regulated oversight of operations by federal and state agencies. Further, the inherent capital-intensive infrastructure (underground conveyance systems, complex treatment facilities, etc.) requires significant lead-time to appropriately manage such critical life-cycle decisions as replacement, upgrade and expansion. Decisions to pursue funding and construction of capital projects must be guided by informed projections such that system capacity and performance fully anticipate future City requirements. A basic tenet of the Plan is that the City's ratepayers will be best served by orderly decisions (operating, infrastructure improvement, financing, workforce development, etc.) that are rationally developed to meet validated future needs, as opposed to reactive actions driven by episodic triggers. Such triggers include preventable system failures or unexpected regulatory mandates imposed by a higher authority to address performance shortfalls.

In this light, the Plan sets forth the Utility Department's business framework (vision, mission, goals/objectives), forecasts the future through an informed analysis of the Projected Operating Environment, and articulates specific strategies to most effectively address current and forecasted challenges and opportunities.

The Plan is conceived as a "living" document, created using the best information available, and anticipating an ongoing cyclical process of planning, execution, review, assessment of results, and adjustment of Plan. This "Plan-Do-Check-Act/Adjust" approach is adopted to achieve continual improvement in departmental performance over time.

In this planning process, the Utilities Department identified its highest priority issues requiring critical attention from policy makers and management (relevant strategies noted in parentheses) as follows:

1. Assure Availability of Quality Water, including local water, to Meet Growth and Drought Contingencies (Strategies IA2, IA2a)
2. Assure Timely Solution to Projected Critical Shortfalls in Capacity at the Hale Avenue Resource Recovery Facility (HARRF) (Strategies IA1, IA1a)
3. Adequate, Timely Financing to Address Infrastructure Needs and Operating Cost Increases, e.g., imported water (Strategies IIA1, IIA2)
 - > Adoption of Financing Plans/Rate Cases for both Water and Wastewater Enterprise Funds related to above priorities
4. Address Aging Workforce/Reduced Recruitment Pool (Strategies IVA1, IVB1, IVC1&2)
 - > Nationwide and local attrition of "Boomer" generation workers without sufficient replacements poses organizational succession challenges. Locally, this

is reflected in an anticipated large turnover in senior staff with overdependence on a few key staff and inexperienced replacement pool.

5. Address Aging Infrastructure/Possible Failures in Plants, Pipes, etc. (Strategies IA1, IA2)
6. Assure Appropriate Stakeholder Education, Engagement (Strategy IIIB1)
7. Achieve Constructive Resolution of Regulatory Issues (Strategy IIIB1)
 - > Stormwater / TMDLs, possible revocation of live stream discharge permit, etc.

PURPOSE

The City of Escondido Utilities Department Strategic Business Plan is intended to serve many purposes, including the following:

1. Develop an overall Department Plan that clearly sets forth the department vision, mission, values, goals and objectives.
 - a. Articulate the department's business framework and project its operating environment by considering internal and external factors likely to influence the department over the planning horizon.
 - b. Assess the department's strengths, weaknesses, threats, and opportunities over the planning horizon.
2. Involve all aspects of the organization and its stakeholders.
 - a. Facilitate input from internal and external stakeholders and customers.
 - b. Communicate priorities and action plans internally and externally.
 - c. Generate employee understanding and commitment relative to the shared business framework, aligned strategies, and responsive actions.
3. Prioritize the strategies the department will pursue to achieve its vision and mission. Inform stakeholders involved in the public policy formulation, budgeting and financial management processes in order to allocate scarce resources for effective action.
4. Coordinate organizational efforts by providing common assumptions and guidelines for all planning, analyses, and decisions.
5. Serve as an accountability tool for the accuracy of projections, assumptions and decisions. Align short- and long-term action plans and measures of success to achieve organizational goals.
6. Continually improve the department's strategic decision-making capacity in order to create a culture of anticipation and innovation as opposed to short-term, reactive activity disconnected from well-thought goals. Optimize the use of available resources to best serve the City's citizens and ratepayers.

STRATEGIC PLANNING PROCESS & ADMINISTRATION

Process

The FY 2010 - 2014 Plan represents the initial comprehensive strategic planning effort of the City of Escondido Utilities Department. Changes are anticipated over time to accommodate the Department's dynamic work environment; accordingly, the Plan will be updated going forward as needed and practicable. The Department Management Analyst (new position) shall coordinate administrative aspects of the process such as management reviews, change control and communication needs.

The Utilities Department Strategic Business Planning Team drafted the initial Plan during the fall of 2008. The general methodology followed was to:

- Consider all preceding efforts and plans,
- Develop the Department's Business Framework (vision, mission, business goals and objectives) and the Department's Projected Operating Environment (with significant challenges and opportunities over the planning horizon), and
- Identify the priorities and strategies (aligned with the framework and relevant projections) to best be pursued by the Department to deliver optimal services to its customers.

The Plan in turn is a tool used to inform key efforts such as City Council deliberations, Capital Improvement Plan development, and related budgeting / financing decisions and actions.

Change Control

The Plan can be changed solely by the written authorization of the Utilities Department Director.

This overall document will be reviewed and updated as needed. Either during a review, or as the need arises for modifications, a proposed change may be initiated by any interested party via memorandum addressed to the Department Director who will ensure appropriate consideration.

If the originator is a Utilities Department employee, the memorandum shall be routed via the appropriate chain of authority. Supervisors and managers will expeditiously forward such proposals, with comment if desired.

Should the Director deem it necessary, the Strategic Business Planning Team or an ad hoc committee shall be convened to gauge the impact of the proposed change in the context of the overall operations and interests of the City/Department. The proposal with appropriate recommendations shall then be returned to the Director.

If the Director approves a change (with higher-level liaison as needed), the document will be updated online with a general notice to stakeholders as appropriate. "Change pages" will also be distributed to all recipients of a hard copy plan (as listed below in the Communication Plan Section).

Communication Plan for Strategic Business Plan

In order for the Strategic Business Plan to meet its purposes, it is vital that key aspects be communicated to all stakeholders, including employees, in advance of the event and throughout the process. It is the responsibility of the Strategic Business Planning Team, to execute a thorough communication plan as follows:

- **Employee and Stakeholder Meetings:** Presentations and/or workshops will be scheduled when there are major updates to the Plan, or when the Plan sponsors determine that face-to-face communications are appropriate.
- **Electronic Format:** The Plan is maintained in read-only format on line for internal use.
- **Hard Copy:** The Plan is sent to the City Manager, Assistant City Manager, Mayor and City Council Members. Limited hard copies will be provided to other key stakeholders upon request.
- **Visual Displays:** Posters of a summary of the Plan will be posted at Utilities Department facilities.

BUSINESS FRAMEWORK & STRATEGIC ALIGNMENT

Business Framework

Vision: *Ultimate result of accomplishing our Mission*

We are recognized by our customers, employees, City government, regulatory agencies and the water-related utilities industry as a leader in providing excellent service and reliable infrastructure to meet or exceed the needs and expectations of our present and future customers.

Mission: *Purpose of our existence*

To provide our customers with water, wastewater, stormwater and lakes / open space services that are high quality, environmentally sensitive and cost effective.

Business Goals: *Categories of core activities that enable attainment of our vision / mission.*

- Core Business Processes:
Build, operate and maintain infrastructure to provide high quality services related to water, wastewater, stormwater and lakes / open space
- Fiscal Management:
Maintain financial stability and cost efficiency
- Customer Service:
Deliver exceptional customer service
- Workforce Quality:
Recruit and retain high quality employees who bring a depth of experience and who strive for ultimate teamwork in the best interests of the public

Business Objectives: *Specific levels of performance critical to Departmental Success.*

For each Business Goal, there are 1 - 3 Business Objectives, which result in 1 – 3 Strategies. Current Business Objectives and Strategies are designated in the section below, with further detail in the sections following.

Note: The maximum limitations of three Business Objectives per Business Goal and three Strategies per Business Objective is somewhat arbitrary, but imposed as a planning convention in order to focus strategic thinking on the highest priorities of the organization. It is acknowledged that essential ongoing functions and initiatives may not be directly addressed by the strategies emphasized in the current Plan. This may be because the related activities are proceeding in an acceptable manner with no major new challenges noted, or because their priority order may be better suited to a future Plan update. The governing principle is simply that organizations are best served by emphasizing a finite, manageable number of key initiatives at any one time. It is essential that activities not mentioned directly in the Plan continue development and execution in line with established policies and internal controls.

***Strategies aligned with Goals, Objectives
(detail contained in the later Section entitled “Specific Strategies”)***

Goal I - Core Business Processes: Build, operate and maintain *infrastructure* to provide high quality services relating to water, wastewater, stormwater and lakes /open space.

Objective IA: Develop a long term Capital Improvement Plan (CIP) relative to validated repair, replacement and enhancement requirements to meet projected infrastructure needs.

Strategy IA1: CIP for Wastewater and Stormwater.

Strategy IA1a: HARRF Capacity and Disposal Plan

Strategy IA2: CIP for Water and Lakes / Open Space.

Strategy IA2a: Ensure a Reliable Water Supply

Objective IB: Develop a performance and reporting system for operations and maintenance that validates actual levels of service delivered relative to recognized benchmarks, and facilitates continual improvement in effectiveness and efficiency.

Strategy IB1: Integrated System to Measure & Report Performance for Continual Improvement

Goal II - Fiscal Management: Maintain financial stability and cost efficiency

Objective IIA: Develop five–year Financing Plans (including projected rate adjustment and debt issuances) that provide sufficient revenues to meet all validated Utilities Department Requirements.

Strategy IIA1: 5–Year Budget & Financing Plan for Wastewater / Stormwater

Strategy IIA2: 5–Year Budget & Financing Plan for Water & Lakes / Open Space

Objective IIB: Ensure proactive oversight of Utilities Department business operations to ensure best practices are employed in order to facilitate employee productivity and minimize potential for misuse of public resources.

Strategy IIB1: Effective Internal Controls.

Strategy IIB2: Develop a Method & Priorities to Improve Key Internal Processes

Goal III - Customer Service: Deliver exceptional customer service

Objective IIIA: Evaluate customer satisfaction on a routine basis, then determine and implement any needed related improvements.

Strategy IIIA1: Develop and Implement a Coordinated System for Collecting, Measuring, & Positively Reacting to Delivered Customer Service

Objective IIIB: Assure timely, two-way communication of all relevant data with stakeholders.

Strategy IIIB1: Department Communication Plan

Goal IV - Workforce Quality: Recruit and retain high quality employees who strive for ultimate teamwork in the best interests of the public.

Objective IVA: Provide a safe working environment as indicated by an incidence rate below the industry average.

Strategy IVA1: Safe Working Environment.

Objective IVB: Develop and maintain excellent labor relations as indicated by maintaining a minimum level of grievances.

Strategy IVB1: Ensure Involvement of Employees to Achieve Reality and Perception of Workforce Empowerment

Objective IVC: Ensure a qualified workforce by providing certification and training at or above validated standards.

Strategy IVC1: Develop, Fund & Execute Employee Plans for Training and Certifications.

Strategy IVC2: Develop and Implement a Viable Succession Plan.

PROJECTED OPERATING ENVIRONMENT

This Section documents projections and assumptions concerning the five–year planning horizon for the Strategic Business Plan. In some cases, guidance is offered to provide consistency in developing strategies. Each strategy described in the following Section will take into account this Projected Operating Environment as appropriate. Should significant events after the five–year horizon be relevant for a specific strategy, a general statement to that effect will be included as a footnote in the description section of that strategy.

A. City Council

- The City Council is the key policy making body of the City and Utilities Department. Its evolving composition (through events such as elections and subcommittee appointments) will be factored into presentations and reports to best accommodate tailored communication needs.
- Utilities Department inputs to the Council Action Plan should be made in a timely manner.
- The currently published City of Escondido General Plan is somewhat dated and conclusions based on its content should be validated with current policy makers and stakeholders. The Utilities Department should be highly involved in the development of the new General Plan.
- The Daley Ranch Management Plan adopted in 1998 is due for update and should be referenced with that in mind.

B. City Manager’s Office / Organizational

- Status updates by the Director of Utilities to the Assistant City Manager are key communications that will be delivered with clear, straightforward plans and data.
- Participation in financial planning by the Director of Finance and review of all financial planning, budgeting, revenue projections, billing operations, issuance of debt and related decisions will ensure sound financial decisions are made that maintain the financial stability of the Utilities Department.
- Quarterly joint meetings, including Council Utilities Sub-Committee, City Managers Office, Planning, and Engineering, aid coordination of the City’s business and decision-making. They should be encouraged on a cost-effective basis.
- The Utilities Department will proactively operate as a reliable and constructive team player as part of City of Escondido government.
- The Utilities Department will depend on the expertise provided by the City Attorney and outside counsel to provide guidance on water rights issues, regulatory compliance, and potential litigants. A close working relationship with the City Attorney’s office will be necessary as we move forward with obtaining long-term water and wastewater solutions.

C. Other Key Stakeholders

Public utilities have many important stakeholders whose viewpoints often evolve with successive issues, and sometimes conflict. Department strategies shall be developed and executed with appropriate weight to these various viewpoints. Paragraphs A and B above indicate noteworthy areas relative to the City Council and City Management. Other stakeholder groups include the following: federal and state regulators, customers / ratepayers (single and multi-family residential, industrial, commercial, service agreement organizations, City departments),

environmentalists, employees, tourists and visitors, and future generations. The Director of Utilities needs to forge excellent working relationships with the key players in the regulatory environment in order to meet the challenges ahead. We will need to work with them in a partnering role to find solutions to resolve the wastewater capacity issue and to further enhance and guarantee water availability. Some of these stakeholders are represented by formal organizations while others are not. The Utilities Department Communication Plan (under development as part of Strategy IIIB1) will maintain a list of formal organizations to the extent practicable.

The strong relationship with Vista Irrigation District in supplying and treating local water will need to be maintained through open communication and a robust working relationship. We must also partner closely with the Rincon del Diablo and Vallecitos water districts to ensure a water system that is mutually beneficial.

D. City / Regional Growth

- The City's Comprehensive General Plan and SANDAG projections shall be considered in determining such planning factors as system capacity requirements; later or conflicting information may also be important to assess. Unless strong evidence indicates otherwise, growth projections should coincide with the County's 2020 Regional Plan.
- Projected build out estimates should be reconciled with the Wastewater and Water Master Plans.
- The biannual Planning / Engineering meeting is a key forum.

E. Financial Plans and Projections

- Projections for operating and capital budgets are developed and labeled in constant FY 2009 dollars with footnotes to explain underlying sources and calculations. Inflation adjustments for future years are made in subsequent analyses (such as Financing Plans) as desired.
- All projected operating and capital budgets are consistent with existing Master Plans, or are footnoted as to intended variances.
- Analyses ensure the consideration of full costs for resource allocation projections and decisions. Full costs will include projections for relevant overheads as well as life-cycle operations and maintenance.
- The economic downturn is impacting the State of California in FY 2009 and will continue for some future years, forcing potentially severe measures to counter projected deficits. Such measures may impact supplemental funds on which the City relies.
- The national and state economic outlook will impact costs of operations, number of customers, level of conservation achieved, and other factors related to revenues and expenditures in the Enterprise funds.
- High fixed costs of water operations in concert with lower sales offset by decreases in water purchases will result in the need to increase rates. This is compounded by the unreliability of quality local water and the need to appropriately maintain infrastructure.
- Alternative Scenarios to be considered for financial analyses once the "base" Financing Plan / Rate Case is completed, include:
 - Various reallocations and reductions of department / sections budgets.
 - Utilization of rates and fees at levels unchanged from prior years.

- Reconsideration of specialized fees for service.
- Funds for major capital replacements like the ocean outfall.
- Contract operations vs. City staff operations.

F. Threats (T) and Opportunities (O) – Current and Projected

The following “sound bites” summarizing departmental threats and opportunities were developed by the Utilities Strategic Business Planning Team. This extensive list in turn led to the articulation of the Department’s top priorities to be addressed by available resources, and therefore followed up with specific strategies. The remainder of the list is included here, both for record purposes and to guide plans and actions as resources permit. These “other important” threats / opportunities will be addressed to the degree practicable along with the top priorities, and will serve as a starting place for future related analyses.

- Department’s Top Priority Threats / Opportunities
 1. Assure Availability of Quality Water to Meet Growth and Drought Contingencies (Strategies IA2, IA2a)
 2. Assure Timely Solution to Projected Critical Shortfalls in Capacity at the Hale Avenue Resource Recovery Facility (HARRF) (Strategies IA1, IA1a)
 3. Adequate, Timely Financing to Address Infrastructure Needs and Operating Cost Increases, e.g., imported water (Strategies IIA1, IIA2)
 - ◆ Adoption of Financing Plans/Rate Cases for both Water and Wastewater Enterprise Funds related to above priorities
 4. Address Aging Workforce/Reduced Recruitment Pool (Strategies IVA1, IVB1, IVC1&2)
 - ◆ Nationwide and local attrition of “Boomer” generation workers without sufficient replacements poses organizational succession challenges. Locally, this is reflected in an anticipated large turnover in senior staff with overdependence on a few key staff and inexperienced replacement pool.
 5. Address Aging Infrastructure/Possible Failures in Plants, Pipes, etc. (Strategies IA1, IA2)
 6. Assure Appropriate Stakeholder Education, Engagement (Strategy IIIB1)
 7. Achieve Constructive Resolution of Regulatory Issues (Strategy IIIB1)
 - ◆ Stormwater / TMDLs, possible revocation of live stream discharge permit, etc.
- Other important Threats / Opportunities
 - Recycled water – increase capacity and customer base
 - Stormwater – increased staffing and budget to meet emergent requirements
 - Upgrade local limits for pretreatment/industrial waste
 - Baseline and wet weather flow monitoring in collection system
 - Manganese in recycled water
 - Odor control
 - Energy optimization: electrical, gas, bio gas
 - Permitting fees, violation fines
 - Advancements in industry automated meter reading technology
 - Quagga mussel spread at Dixon & Wohlford Lakes

SPECIFIC STRATEGIES

This Section contains brief descriptions and key references for specific strategies identified by the Utilities Department as important to pursue during the five-year planning horizon (through FY 2014) of the Strategic Business Plan. Each Strategy is aligned with Department's Vision, Mission, Business Goals and Business Objectives as indicated by the alphanumeric label in concert with its title. Strategy descriptions include accountable strategy sponsor, rationale for the approach, measures of success and implementation or action plans. The following format provides some additional information regarding intended content of each strategy.

Format

Strategy (Goal I – IV) (Objective A – X) (Strategy 1 – x)

Title: {sound bite phrase to identify strategy}

SPONSOR(S)

{Organizational entity assigned to champion execution of strategy, including marshalling resources, tracking / reporting results, and performing all project management roles relative to schedule, costs and quality.}

DESCRIPTION OF STRATEGY

{What will happen in execution of this strategy, what special constraints or assumptions are considered, how it is aligned with the Business Framework (e.g., opportunity or threat), and what are the measures of success. For measures of success, include how the measure is derived. This area should reconcile with the Implementation Plan below.}

IMPLEMENTATION PLAN

{Plan of Actions and Milestones with resource impact delineated by fiscal year if incremental to the existing budget. This resource impact will be used to adjust the operating and/or capital budgets as appropriate.}

STRATEGY IA1:

Capital Improvement Plan (CIP) for Wastewater / Stormwater

SPONSOR(S)

Deputy Utilities Manager Wastewater, Environmental Program Manager

DESCRIPTION OF STRATEGY

The primary strategy for the development, replacement and maintenance of infrastructure for the City of Escondido Utilities' Wastewater and Stormwater programs is documented through its Five-Year CIP. By definition, the CIP includes projects with duration of five or more years that cost more than \$5,000. Reviewed Citywide on an annual basis, the CIP includes the sewer and stormwater drainage systems, strives to reflect actual expenditures for the first year, and projected expenditures for the remaining four years.

The Wastewater and Stormwater CIP will be developed to support the Infrastructure Master Plan by:

- Replacing aging sewer mains;
- Increasing land/ocean outfall capacity or reducing flow to the outfalls through increased reclaimed water uses; and
- Implementing projects to address Total Maximum Daily Load (TMDL) Allocations that will be assigned by the San Diego Regional Water Quality Control Board.

Measure(s) of Success: Timely execution of the Implementation Plan.

IMPLEMENTATION PLAN

To keep the Utilities CIP process current and maintain its focus on Wastewater and Stormwater priority projects, the Utilities Department shall form a CIP team, which will contain at least one representative from each section of the Utilities Department, as well as the Utilities financial representative. Consistent with the City's overall budget review and development process, the group will meet semi-annually on a fiscal year basis to monitor progress and update the program.

1. *Master Planning* – Planning for the anticipated needs of the department and the City is fundamental to the success of the process. Moreover, the CIP must support the City's plan for development. With this in mind, a designated CIP team member will contact the Planning Department quarterly to monitor any change to the City's Development Plan. By doing so, the Wastewater collection and treatment capacities and designs can adequately meet future demands and/or regulatory mandates.
2. *Aging and Undersized Sewer Mains* – Infrastructure rehabilitation is vital to providing service to ratepayers and preventing fines from regulatory agencies. To accomplish this goal the Team must rely on the Collection Division to identify and prioritize needed

upgrades. Utilities Construction will then oversee the design and construction of these upgrades. Depending on the nature of the project, connection fees, bonds or State Revolving Funds will support funding. Financing aid will be provided by the Director of Finance and the Utilities Analyst.

3. *TMDLs* – As determined by the San Diego Regional Water Quality Control Board, the City is currently involved in two TMDL development processes, one for the Carlsbad Watershed and the other for the San Dieguito Watershed. Since both will take several years to develop because of the monitoring and data development that are involved, it is difficult to anticipate the nature and therefore the expense of the project(s) that will be needed to adequately respond to Escondido's eventual load limits for bacteria and sediment. However, to ensure that they meet specified load limitations, other entities have implemented expensive treatment projects versus relying on non-point source prevention programs such as those specified by the City's current stormwater permit. As part of the Utilities CIP Team, the Environmental Programs Manager will participate and keep the group informed in accordance with the semi-annual schedule and protocols specified above.
4. *Lift Stations* – Many of the City's sewer lift stations are in need of replacement or repair. There shall be an assessment evaluation performed by either city staff or an outside consultant of the fourteen lift stations within the collection systems. Upon completion of the assessment, the Utilities Construction/Maintenance Division shall work with the CIP Team to set a priority for repair of the stations. The CIP Team will then work with the Director of Utilities, Director of Finance, and the Utilities Analyst to secure funding for the project(s).

Action	Owner	Dates	Metric
Form a CIP team consisting of at least one representative from each section of the Utilities Department, including the Utilities Financial representative.	Director of Utilities Deputy Utility Manager/Wastewater Environmental Manager	Apr-Jun 2009	<ul style="list-style-type: none"> • Semi-Annual Staff Meetings • CIP review • Annual budget update
Monitor changes to the City's development plan.	Designated CIP team member	Quarterly	<ul style="list-style-type: none"> • Quarterly updates to CIP team
Infrastructure Rehabilitation—aging and undersized sewer main evaluation, identification, and replacement.	<ul style="list-style-type: none"> • Utility Director • Deputy Utility Manager/Waste water • Designated Collection Division Representative • Utilities Analyst 	Semi-annual and/or as funds are available	<ul style="list-style-type: none"> • Semi-annual updates provided to CIP team
Total Maximum Daily Load (TMDL) Allocation Evaluation and Implementation	<ul style="list-style-type: none"> • Director of Utilities • Environmental Programs Manager 	Semi-annual	<ul style="list-style-type: none"> • Semi-annual updates provided to CIP team
Lift Station replacement or repair assessment	<ul style="list-style-type: none"> • Director of Utilities • Deputy Utilities Manager/Waste water • Utilities Analyst 	Mar-July 2009	<ul style="list-style-type: none"> • Mid-year update to CIP Team
Lift Station replacement and/or repair as funds are available	<ul style="list-style-type: none"> • Director of Utilities • Deputy Utilities Manager/Waste water • Utilities Analyst 	Jan 2010-	<ul style="list-style-type: none"> • Annual CIP update

STRATEGY IA1A:

HARRF Capacity and Disposal Plan

SPONSOR(S)

Deputy Utilities Manager/Wastewater

DESCRIPTION OF STRATEGY

Hale Avenue Resource Recovery Facility (HARRF) treatment and disposal capacity has reached 75 % of its rated capacity. The City is obligated to provide, by Permit, the Regional Board with a proposed plan(s) ensuring the Board that the treatment and disposal of wastewater flow is adequate, up to and beyond, the permit limits.

The disposal of treated effluent during peak wet weather events is the foremost priority facing the Wastewater division. The following paragraphs describe the major concerns in meeting the disposal of the peak flows.

The Regional Water Quality Control Board, by not taking action on the Wet Weather Live Stream Discharge permit by December 10, 2008, administratively extended the permit until June 30, 2009. This extension provides an opportunity for the City to prepare a report for the Regional Board outlining a plan, with benchmarks, to deal with peak flow disposal. If the Regional Board accepts the plan, they may renew the Wet Weather Live Stream Discharge permit. If this effort is not approved by the Regional Board the inability to discharge excess flows to Escondido Creek during extreme wet weather exposes the city to extensive fines.

Inflow and Infiltration of surface and ground water into the Collection System is the cause for increased flows to the treatment plant during and possibly months after the wet weather event(s). The surface water inflow to the system causes instantaneous flow of up to 2 times the rated daily capacity of the plant. The infiltration of ground water into the collection system increases the average daily flow of wastewater to HARRF that lasts for months after an extremely wet winter. The Collection Division is working on identifying sites that have roof and parking area drains that allow stormwater to flow directly into the collection system. They are also installing equipment to determine areas of high infiltration in the system.

The treatment and disposal challenges make up a second but different part of the capacity issue. These challenges have their basis in the average daily flow nearing the rated and permitted capacity of the HARRF. The current water shortage and its predicated duration ease somewhat the immediate need to increase treatment capacities; however, this does not reduce the importance of increasing HARRF treatment capacity and disposal.

The treatment capacity of the HARRF is 18 million gallons per day (MGD). Currently the average daily flow is 13.5 MGD. Based on the Brown and Caldwell, Treatment and Capacity Study (Dec. 2006), the flow to HARRF will reach the 18 MGD capacity in 2014. The study also indicates that the ultimate build out, therefore maximum daily wastewater flow, of the city will be reached in 2041. This date is based on the current General Plan for the city. Time lines were included to show when expansion of the treatment and disposal of the HARRF needs to occur.

The predicted dates for build out and flow need to be revisited due to the water shortage, the national and state economic conditions, and the slowdown of development.

Funding for the plan is becoming problematic given the current state of the economy. However, the Bond rating for the city’s utilities was raised from “A” to “A+”. Funding will be sought from bonds, State Revolving Fund, Bureau of Reclamation and the CIP Budget. Assistance with and review of financing plans will be provided by the Finance Department.

Measure(s) of Success: Timely execution of the Implementation Plan and resolution of the HARRF capacity challenge including peak flow disposal and increased capacity and disposal.

IMPLEMENTATION PLAN

<u>Not Later Than</u>	<u>Action</u>
1/2010	Review all options available to the City to relieve the immediate threat of lack of peak flow capacity. Possible solutions are to increase Ocean Outfall size, live stream discharge, groundwater injection, constructed wetlands, increased recycled water use or indirect potable reuse and I & I reduction in the collection system. Determine viable disposal option(s); from December 2006 Brown and Caldwell report plus any amendments/additions, Dr. Michael Welch’s letter report and options presented by Utilities Department Staff. Select best solutions and present to Director.
2/2010	Recommend solutions to City Manager
3/2010	Review Plan with Regional Water Quality Control Board
3/2010	Present recommended solution to the City Council.
5/2010	Identify CIP funds for Phase III Construction; begin selection of firm(s) to perform Feasibility & Environmental Impact Studies, and design selected option(s)
7/2010	Adopt financing plan and secure funding for project (Bonds, SRF, Grants and Rates/Fees)
9/2010	Begin construction of selected option
2013/2015	Complete construction

STRATEGY IA2:

Capital Improvement Plan (CIP) for Water and Lakes / Open Space

SPONSOR(S)

Deputy Utilities Manager / Water, Lakes & Open Space Superintendent

DESCRIPTION OF STRATEGY

The City of Escondido will meet future water demands of its citizens, businesses and visitors by an effort involving all stakeholders. This comprehensive approach is described in the following strategy (IA2a). A key component of the solution to meet this challenge is the timely expansion of capital infrastructure while simultaneously providing for vigorous care of existing infrastructure to minimize the higher life-cycle costs that invariably result from deferred maintenance, particularly from such difficult to monitor system components as underground pipelines. This strategy is aimed at providing accurate estimates of these infrastructure needs such that funding and construction can be completed in a measured and timely manner in order to facilitate policymaker-directed levels of growth, development and quality of life.

Key related considerations include (1) the simultaneous protection of the region's watersheds and lakes-related recreational facilities, (2) the ongoing economic downturn with its unknown duration and impact on such areas as ratepayer affordability and costs of construction, and (3) ensuring we protect and enhance our local water supply. Financing of infrastructure improvements will be done with the assistance of and review by the Finance Department to ensure adequate financial resources are available. Significant communication and work will be needed from the City Attorney's office and outside counsel to develop and finalize long-term water rights and to work through federal hurdles with respect to licensing of the hydroelectric facilities.

Measure(s) of Success: Timely execution of the Implementation Plan and the ability of the City to reliably provide water to ratepayers at acceptable prices.

IMPLEMENTATION PLAN

Action	Owner	Dates	Metric
<p>#1 Update current Daley Ranch Mgt. Plan</p> <ul style="list-style-type: none"> • Co-coordinate the participation of City divisions and outside agencies invested in the planning and operations for program • Revue current actions and practices to ensure they comply with environmental policies, procedures and laws • Implement coordination of agreements with other outside agencies and internal divisions • Participate in the Steering Committee on use of the Daley Ranch House. • Complete 5–Year budget projections to finance plan • Contact, coordinate and plan w/interested audiences 	<p>Director of Utilities</p> <p>Deputy Utility Manager/Water Lakes Superintendent</p>	<p>March-July 2009</p>	<ul style="list-style-type: none"> • Staff Meetings • Environmental Review • Friends Of Daley Ranch • Public Outreach
<p>#2 Aging and Failing Infrastructure</p> <ul style="list-style-type: none"> • Develop short/long term plan for replacement or repair of aging and failing facilities and equipment • Use safety assessments for prioritizing repairs or replacement equipment or facilities • Complete Five–Year budget projections to finance plan. 	<p>Director of Utilities</p> <p>Deputy Utility Manager/Water Risk and Safety</p> <p>Water system Superintendent</p>	<p>By Sept. 2009</p>	<ul style="list-style-type: none"> • Staff Meetings • Risk and Safety • Finance
<p>#3 Wohlford Dam</p> <ul style="list-style-type: none"> • Replacement of existing dam due to potential failure of upstream face. • Increase height of new dam to add storage • Environmental consequences • Grant funding • Licensing of hydroelectric facilities 	<p>Director of Util.</p> <p>Deputy Utility Manager/Water</p>	<p>By October 2009</p>	<ul style="list-style-type: none"> • Consultants • Environmental • Finance • City Attorney • Outside Counsel
<p>#4 Increase Water Availability</p> <ul style="list-style-type: none"> • Evaluate current reservoir needs • Evaluate future storage needs • Add SD CWA Treated water connection • Explore potential connection from SD CWA to Lake Wohlford • Work to finalize Indian Settlement Agreement 	<p>Director of Util.</p> <p>Deputy Utility Manager/Water</p> <p>Water System Superintendent</p>	<p>By February 2010</p>	<ul style="list-style-type: none"> • Consultant • SD CWA • Distribution Staff • City Attorney • Outside Counsel
<p>#5 Develop Campground Upgrade Plan</p> <ul style="list-style-type: none"> • Assess the cost/benefit ratio for converting a portion of the existing non-hook up campsites to hook-up sites using existing under ground conduit • Complete Five–Year budget projections to finance plan 	<p>Director of Util</p> <p>Deputy Utility Manager/Water</p> <p>Lakes Superintendent</p>	<p>Jun-Dec 2009</p>	<ul style="list-style-type: none"> • Finance • Lake Staff • Risk and Safety

STRATEGY IA2A:

Ensure a Reliable Water Supply

SPONSOR(S)

Deputy Utilities Manager / Water, Lakes & Open Space Superintendent

DESCRIPTION OF STRATEGY

A key challenge and concern of the Department is ensuring the ability of the City to reliably provide adequate water to current and future residents, businesses, agriculture and visitors. The City currently purchases up to 70 percent of its water from County Water Authority (CWA), a wholesale water agency that provides imported water to its 23 member agencies in San Diego County. The CWA, in turn, gets its imported water from the Metropolitan Water District of Southern California (MWD), which is comprised of 26 public water agencies. MWD obtains its water from the Colorado River and northern California, via the State Water Project (SWP). Imported water from these wholesale agencies is becoming more uncertain due to hydrologic variability (e.g., droughts), increased competition, new and more restrictive environmental regulations, and water quality.

The local water supply comes from the Warner Well Fields, via Lake Henshaw and the Escondido Canal to Lake Wohlford. This is a very valuable asset that requires significant attention in terms of operational efficiency, maximum production, and long term planning for maximum yield. It requires close working relationships with Vista Irrigation District, the City Attorney and outside counsel, and the various Indian Bands that are involved in the water rights agreement.

Because of the contemporary importance of this issue, it is included as one of the Department's strategic priorities. While capital projects will be a key part of this solution, these projects must be pursued in concert with a comprehensive regional approach. This approach will be guided by participation in an Integrated Regional Water Management program and development of a Long Range Water Resources Plan which focuses on development of the local water supply and decreasing the dependence on imported water. This will include finalizing the water rights agreement with the San Luis Rey Indian Bands and the Vista Irrigation District, increased focus on water conservation and drought tolerant landscaping, and a public outreach program that will make water conservation the accepted practice in the community. It may also involve creation of water transfer opportunities and agreements with other agencies to supplement the water supply during drought or other water shortage events.

These challenges will require a focused effort by the Water Division staff, the city Attorney's Office, community members, other agencies and City Management using a variety of resources to develop and implement a long-term plan. Considerations to be addressed in this comprehensive plan include the following:

Wohlford Dam

- Replacement of existing dam due to potential failure of upstream face.
 - Subsurface Study to determine if adequate rock is available for new dam
 - Environmental Study to meet CEQA and community needs
 - Design and construction
- Increase height of new dam to add storage – finalize feasibility study and make a recommendation to City Manager’s Office and Council
- Environmental consequences
- Grant funding

Increase Water Storage

- Evaluate current reservoir needs
- Evaluate future storage needs
- Add CWA Treated water connection
- Explore potential connection from CWA to Lake Wohlford
- Explore indirect potable reuse and groundwater enhancement using reclaimed water

Protect Local Supply Water Rights

- San Luis Rey Agreement
- Agreements for access to water derived from desalination

Develop and Implement a Comprehensive Water Conservation Program

- Develop new landscape ordinance guidelines
- Perform public workshops and training
- Work with agriculture industry on water conservation techniques and practices
- Continue outreach to schools

IMPLEMENTATION PLAN

Not later than March 2010, the strategy sponsor shall present to the Utilities Director a draft comprehensive plan regarding meeting all City water supply requirements over the next 30 years. The draft plan will address responsible parties and timeframes as appropriate for all proposed actions. Meetings with stakeholders may be arranged as desired to provide input needed for the draft plan.

Assistance in obtaining financing for improvements and evaluation and development of adequate resources for funding will be done with assistance and review by the Finance Department.

Not later than April 2010, the sponsor will coordinate with the Director of Utilities and schedule a meeting with appropriate attendance to review the draft report. Agenda for this meeting will include any review comments and actions needed to finalize and publish a draft plan, plus organizational arrangements needed to implement the published plan.

STRATEGY IB1:

Integrated System to Measure and Report Performance for Continual Improvement

SPONSOR(S)

Management Analyst, Deputy Utilities Manager / Construction & Maintenance, Laboratory Superintendent

DESCRIPTION OF STRATEGY

Key to the Utilities Department's success is measuring and reporting performance to facilitate appropriately and timely corrective action when desired results are in jeopardy. In the context of the Strategic Business Plan, the measures of success are grouped as either strategic or operational.

Each strategy description includes one or more measures of success which shall be monitored by the strategy sponsors and reported to the Department Director and Management Team if in jeopardy, or on a quarterly basis in any event. Such strategic measures establish an acceptable execution level for each strategy.

A variety of performance measures and reporting channels exist for Department operations and maintenance. While there is no immediate indication that these measures are inadequate, the main aim of this strategy is to comprehensively document all such measures and reporting systems, assess their sufficiency and recommend actions needed to develop an integrated system. In this context, part of the recommendation must consider the various organizational levels to which each measure is reported and under what conditions. It is anticipated that a hierarchy of reporting needs and conditions will be developed that will define which measures are useful for supervisors, managers, the Director and the Assistant City Manager. These measures should produce information on the efficiency with which resources are transformed into goods and services. They should also be used to validate the effectiveness of organizational activities and operations in terms of their specific contributions to program objectives.

Measure(s) of Success: Timely execution of the Implementation Plan and approval by the Director of the recommended list of measures to be directed to her and the Assistant City Manager, including conditions of reporting.

IMPLEMENTATION PLAN

Prepare a report to the Director no later than August 2009, with recommendations concerning performance measures, frequency and method of collection to be reported to (a) the Director, and (b) the City Manager and other external stakeholders.

Factors the report will consider include the following:

1. Success measures for Strategies
 - ◆ Create a matrix to track both stated measures of success and progress of Implementation Plan steps for each Strategy.
 - ◆ Collect status from each strategy sponsor on a quarterly basis and lead the presentations of this information to the Department Management Team.
2. Performance measures for operations and maintenance
 - ◆ Create a team to accomplish the tasks listed below.
 - ◆ Collect all existing measures currently utilized in the utility at all levels to measure operations and maintenance activities. Assess each measure relative to the following:
 1. Is it meaningful?
 2. Is it focused on customer needs and demands?
 3. Is it measurable, auditable and simple to understand?
 4. Is it cost effective to collect and report the data?
 5. Can the data be analyzed over time?
 - ◆ Clearly defining each performance measure
 1. The source of the data for the measure.
 2. The methods used to calculate the measure.
 3. The time frame for which the measure will be reported
 - ◆ Establish performance targets. Determine past performance and target the future expectation.
 - ◆ Establish a benchmark for each strategy
 1. Determine what to benchmark; identify the factors that will have the greatest impact on the performance
 2. Identify the information resource and benchmarking partner such as study group, similar organization or same study etc.
 - ◆ Organize information
 1. Write outline of information
 2. Put into comparing matrix of each strategy
 3. Analyze matrix and collected information
3. Operational Indicators
 - ◆ Water System
 1. Water in compliance with regulations
 1. Number of non-compliance days
 2. Compliance percentage
 2. Distribution system integrity
 1. Number of leaks
 2. Leaks per 100 miles of pipe
 3. Lost water, percentage of water used or accounted for to water treated
 4. Service disruptions per 1000 accounts
 5. Billing accuracy, errors per 1000 accounts
 6. Customer complaints (odor, color, taste)
 7. Operation and maintenance cost per million gallons
 8. CIP execution rate, dollars spent to dollars available

- ◆ Wastewater System
 - 1. Wastewater in compliance with permit
 - 1. Number of non-compliance days
 - 2. Compliance percentage
 - 2. Number of violations issued
 - 1. Industrial sewage discharge
 - 2. Infiltration and Inflow (I & I)
 - 3. Construction stormwater runoff
 - 3. Odor complaints
 - 4. Collection system integrity
 - 1. Number of wastewater overflows
 - 2. Wastewater overflows per 100 miles of pipe
 - 5. Operation and maintenance cost per million gallons
 - 6. Reclaimed water, percentage of reclaimed water used or accounted for to water produced
 - 7. CIP execution rate, dollars spent to dollars available

STRATEGY IIA1:

Five-Year Operating Budget and Financing Plan for the Wastewater / Stormwater Enterprise Fund

SPONSOR(S)

Utilities Analyst

DESCRIPTION OF STRATEGY

The City of Escondido Wastewater / Stormwater Fund is facing a number of challenges that will require careful fiscal planning and diligent oversight to resolve. The challenges of the increasing costs of materials and equipment required to ensure efficient operations, the increasing regulation and mandated programs, the need to maintain staff pay and benefits competitive in the industry, staffing level limitations, the resolution of the plant and discharge capacity issues and the aging infrastructure make five year planning essential. The strategic plan for a feasible five-year financing plan for operations and capital improvements projects and the related budgets will provide direction in meeting the challenges of the Wastewater / Stormwater Fund and accomplishing the establishment and maintenance of adequate reserves, will allow a rate stabilization reserve to be funded and maintained and provide for funding for emergencies that arise. An updated rate study should be performed to give credibility to the five-year Strategic Plan budget and revenue needs.

The HARRF Capacity issue represents a potentially significant expenditure over several years. Considerations should include the timing of various stages of construction, type of funding and potential cost of debt service to customers to construct the necessary infrastructure. This information should be integrated into the Financial Plan as soon as it is available.

It is essential that the City government and management be committed to the goals of this strategy. It may require some difficult decisions to be made.

Assistance in development and evaluation of adequate resources for funding operations and infrastructure improvements and in obtaining financing for the improvements will be done with assistance and review by the Finance Department.

This strategy for a feasible five-year financing plan for operations and capital improvement projects and the related budgets will need to be revisited and revised regularly as conditions change. Considerations include:

- Develop a five-year operating budget and capital improvement program and related revenue requirements. Budgets should adequately provide for cost of service, inflation, growth and maintenance
- Plan and pursue rate increase adjustments to meet budget requirements and accommodate debt requirements and inter-generational responsibilities

- Establish and fund a rate stabilization reserve as part of the process
- Bond funding will require coordinating projects with the best timing for volatile debt markets
- Consider performing feasibility studies for significant bond funded projects
- Research, planning, awareness and commitment to take advantage of available grants / loans will ensure the City is prepared when opportunities present themselves
- Incorporate increased costs for regulations and mandated programs
- Implement project management with clear roles and responsibilities
- Customers & ratepayers should be invited members of an ad hoc committee that reviews budget projections and rate proposals

Measure(s) of Success: Timely execution of the Implementation Plan as well as:

- Creation and maintenance of adequate reserves
- Projection of adequate rates to cover budgets measured by comparing revenues to budgeted revenue
- Projection of adequate pressures on operating budget costs measured by comparing expenditures to budgeted operating costs
- Continual and simultaneous planning, construction and completion of capital projects within budget measured by project management

IMPLEMENTATION PLAN

- In keeping with the City's budget development process, develop and maintain a current 5-year capital improvement program budget effective July 1, 2009 through June 30, 2010. Budget is prepared annually in March – May for next one year period
- Through the City's budget process, develop and maintain a current one year operating budget effective July 1, 2009 through June 30, 2010. Budget is prepared annually in January – April for next one year period
- Review current operating budgets on an ongoing basis. Document unusual expenditures quarterly; adjust budgets in March if necessary
- Update five-year budgets quarterly to reflect changes in circumstances
- Commission a rate study to include cost of sales and projected revenue requirements. Update as circumstances change
- Plan and implement regular rate adjustment requests, allowing adequate time for Prop 218 notification requirements
- Develop a comprehensive five-year calendar showing significant dates for Wastewater / Stormwater operating budgets, capital improvement program, capital projects planning, rate adjustments, and known future cost increases

STRATEGY IIA2:

Five-Year Operating Budget and Financing Plan for the Water & Lakes / Open Space Enterprise Fund

SPONSOR(S)

Utilities Analyst

DESCRIPTION OF STRATEGY

The City of Escondido Water & Lakes / Open Space Fund is facing a number of challenges that will require careful fiscal planning and diligent oversight to resolve. The challenges of obtaining an adequate water supply and necessary conservation, the increasing costs of materials and equipment required to ensure efficient operations, the increasing regulation and mandated programs, the need to maintain staff pay and benefits competitive in the industry, staffing level limitations, the mussel invasion in the lakes, maintenance of Daley Ranch, the condition of the Lake Wohlford dam and the aging infrastructure make 5 year planning essential. The strategic plan for a feasible five-year financing plan for operations and capital improvement projects and the related budgets will provide direction in meeting the challenges of the Water & Lakes / Open Space Fund, will provide for establishment and maintenance of adequate reserves, will allow a rate stabilization reserve to be funded and maintained and provide for funding for emergencies that arise. An updated rate study should be performed to give credibility to the five-year Strategic Plan budget and revenue needs.

The Water & Lakes / Open Space face the issues of the Lake Wohlford Dam and the Canal / San Pasqual Undergrounding that represent a potentially significant expenditure over several years. Considerations should include the timing of various stages of construction, type of funding and potential cost of debt service to customers to construct the necessary infrastructure. This information should be integrated into the Financial Plan as soon as it is available. The Quagga Mussel invasion of regional water supplies presents an unspecified challenge that will require resources to combat its spread.

It is essential that the City government and management be committed to the goals of this strategy. It may require some difficult decisions to be made.

Assistance in development and evaluation of adequate resources for funding operations and infrastructure improvements and in obtaining financing for the improvements will be done with assistance and review by the Finance Department.

This strategy for a feasible five-year financing plan for operations and capital improvement projects and the related budgets will need to be revisited and revised regularly as conditions change. Considerations include:

- Develop a five–year operating budget, capital improvement program and related revenue requirements. Budgets should adequately provide for cost of service, inflation, growth and maintenance
- Plan and pursue rate adjustments to meet budget requirements and accommodate debt requirements and inter-generational responsibilities
- Establish and fund a rate stabilization reserve as part of the process
- Bond funding will require coordinating projects with the best timing for volatile debt markets
- Consider performing feasibility studies for significant bond funded projects
- Research, planning, awareness and commitment to take advantage of available grants / loans will ensure the City is prepared when opportunities present themselves
- Incorporate increased costs for mandated programs
- Implement project management with clear roles and responsibilities
- Customers & ratepayers should be invited members of an ad hoc committee that reviews budget projections and rate proposals

Measure(s) of Success: Timely execution of the Implementation Plan as well as:

- Creation and maintenance of adequate reserves
- Projection of adequate rates to cover budgets measured by comparing actual revenues to budgeted revenue
- Projection of adequate pressures on Operating Budget costs measured by comparing actual expenditures to budgeted operating costs
- Continual and simultaneous planning, construction and completion of capital projects within budget measured by project management

IMPLEMENTATION PLAN

- Current 5–year capital improvement program budget is in effect July 1, 2009 through June 30, 2010. Budget is prepared annually in March – May for next one year period
- Current one year operating budget is in effect July 1, 2009 through June 30, 2010. Budget is prepared annually in January – April for next one year period
- Review current operating budgets on an ongoing basis. Document unusual expenditures quarterly; adjust budgets in March if necessary
- Update five–year budgets quarterly to reflect changes in circumstances
- Commission a rate study to include cost of sales and projected revenue requirements. Update as circumstances change
- Plan and implement regular rate adjustment requests, allowing adequate time for Prop 218 notification requirements
- Develop and maintain a comprehensive five–year calendar showing significant dates for Water & Lakes / Open Space Operating budgets, Capital Improvement Program, capital projects planning, rate adjustments, and known future cost increases

STRATEGY IIB1

Effective Internal Controls

SPONSOR(S)

Management Analyst

DESCRIPTION OF STRATEGY

It is the intent of the Utilities Department to maintain a useful, cost-effective system of internal controls as part of its routine business model aimed to best manage public resources.

Internal controls are defined as an integral aspect of an agency's ongoing performance management system that provides reasonable assurance that the following objectives are being achieved:

- Operational effectiveness and efficiency
- Quality (accuracy and timeliness) of financial reporting
- Compliance with applicable laws and regulations

Internal controls are comprised of the plans, policies and procedures actually practiced to meet all desired results (mission, goals, objectives, performance measures, etc.). They provide the agency and all stakeholders with affirmative indications of performance levels, and the prevention / early detection of errors or fraud.

While stressing the importance of well-thought-out internal controls as a component of good stewardship of public resources, it is similarly key to understand the limitation of any system designed by humans. They can be undermined by unanticipated "honest" mistakes and judgment errors, as well as intentional acts of dishonesty and collusion. In that context, internal controls are recognized as part of an ongoing culture shared by each employee in the Utilities Department to provide best and highest value utilization of the public resources entrusted to it.

There are five generally recognized categories of standards for internal controls. These are control environment, risk assessment, control activities, information and communications, and monitoring. This strategy will specify the review of sufficiency of operative internal controls in these categories over a reasonable period of time and on a continual basis going forward. It is noted that the strategic planning process itself provides for periodic review of certain of these internal control measures, and these connections are cited when pertinent in the Implementation Plan below.

Measure(s) of Success: Timely execution of the Implementation Plan, which is designed to be reported to management as part of periodic reviews of Strategic Plan implementation.

IMPLEMENTATION PLAN

Control Environment: ethical and accountable organizational culture

- Commitment to competence (all strategies concerning Strategic Goal IVC)

Risk Assessment: management of projected internal and external threats

- Setting clear agency goals and objectives (Strategic Planning Process)
- Analysis and operational risks (Strategic Planning Process)

Control Activities: ensure full execution of organization's directives

- Top level performance review (Strategic Planning Process)
- Workforce management (all strategies concerning Strategic Goal IV)
- Information technology (sponsor review completion by 1/2010)
- Vulnerable physical assets (sponsor review completion by 1/2010)
- Performance Measures (Strategy IB1)
- Segregation of duties (sponsor review completion by 1/2010)
- Execution of transactions / events (sponsor review completion by 1/2010)
- Record access and accountability (sponsor review completion by 1/2010)

Information and Communications: comprehensive communication

- Relevant, reliable and timely communication (Strategy IIIB1)

Monitoring: assess performance and promptly resolve undesirable variances

- Ongoing internal (Strategies IB1, IIIA1)
- External and special case internal (sponsor to create process to track and / or initiate as appropriate by 2/2010. Consider establishment of internal audit function. Also, sponsor to lead during periodic strategic planning process to incorporate new strategies on emergent issues requiring high level of organization's resources to resolve.)
- Submit and review quarterly updates with the Assistant City Manager

STRATEGY IIB2:

Develop a Method and Priorities to Improve Key Internal Processes

SPONSOR(S)

Management Analyst

DESCRIPTION OF STRATEGY

The Escondido Utility Department is initiating an ongoing, planned effort toward business process improvement and development. As a first step, the Department has undergone an extensive strategic business planning process, the ultimate goal of which is to ensure that alignment exists between the individual employee job and the overall Vision and Mission of the Department. In doing Strategic Planning, the Department is ensuring that it is “doing the right things.” Following-up with Process Improvement will help the Utility to ensure that it is “doing things right.”

As the Department progresses in its execution of this and future Strategic Plans, the organization will be recognizing and seizing opportunities to continuously improve its efficiency and effectiveness. An important part of this effort is Process Improvement. Simply defined, Process improvement is a series of actions taken to identify, analyze, and improve existing processes within an organization to meet new goals and objectives. There are many formalized methods for improving processes including tools used to make small/focused improvements such as Process Mapping, Benchmarking, and Best Practice application; and there are tools used to make radical changes to performance such as Business Process Improvement and Business Process Reengineering.

As a part of this Strategic Planning effort, the Department has established a list of processes in need of improvement. It is not logical or realistic to tackle all Department issues in a single year, so the Escondido Strategic Planning Team has proposed a priority order to these analyses. The current list of processes for analysis follows:

Billing – update billing process to better meet customer and utility needs

Contracts, PSAs and Insurance Processing

New Employee Processing

HR Screening Consistency

Efficient use of Chemicals in Treatment Process

Lack of Consistency in Water Shut-off or Turn-on policy after hours.

Inefficient Budget Balancing

Staff versus Needs

City Department Responsibilities

Organization Structure

Maintenance – PST and CST at WTP/WWTP

Location of Admin Support

Financial Funding, Bonds

It is recommended that the Department begin Process Improvement by using the Process Mapping tool. This Method yields many beneficial outcomes: documents current pathways

to customer satisfaction, identifies actions to reduce process cycle time, decreases defects, reduces costs, establishes customer-driven process performance measures, reduces non-value-added steps and increases productivity. Process Mapping consists of two basic steps: First, an “as is” process map is created to depict every step in a current process. This map is analyzed for redundancies, loop-backs, bottlenecks, etc. Second, a “to be” map is created to depict the process with only optimal steps included. Ideally, processes should be stable (rendering the same result consistently) and capable (meeting performance expectations). Benchmarking (capturing relevant performance comparison data to improve the local process) is a very useful tool when used in conjunction with Process Mapping.

It is recommended that the analysis include participation of the Finance Department regarding the processes related to billing, water shut-off and turn on policies, contracts, PSAs and insurance processing, inefficient budget balancing and financial funding, and bonds. It is recommended that the analysis include participation of the Human Resources Department regarding the processes related to new employee processing and HR screening consistency.

Measure(s) of Success: Timely execution of the Implementation Plan.

IMPLEMENTATION PLAN

Fiscal Year 2009:

Form a Process Improvement Committee not later than 7/2009.

Confirm Priority Order of Processes to be assessed not later than 9/2009.

Assess At Least Three Processes in FY2010 with recommendations in a report to the Director not later than 9/2010.

STRATEGY IIIA1:

Develop & Implement a Coordinated System for Collecting, Measuring, and Positively Reacting to Delivered Customer Service

SPONSOR(S)

Supervising Chemist/Wastewater and Program Coordinator/Water Conservation and Labor-Management Partnership Committee

DESCRIPTION OF STRATEGY

In order for the Utilities Department to provide reliable, responsive, and affordable services in line with exceptional customer service levels, this strategy will aid the City in evaluating customer service in the most efficient and responsive manner.

As one of the core business goals outlined in this Strategic Plan, the Utilities Department is committed to providing excellent customer service to its customers—both external and internal. Customer service includes the following: providing reliable, responsive, and affordable services, receiving timely customer feedback, and responding to customer needs and emergencies. Key external customers include the rate payers of the City's Utilities Department including water and wastewater. Key internal customers include employees within the Utilities Department, the Fire Department, and other departments within the City.

The Utilities Department will work with the Labor Management Committee consisting of representatives from each division within Utilities, Human Resources, Escondido City Employee Association and Teamsters. The Sponsors will assist the division supervisors in creating reasonable standards and updating their standard operating manuals to ensure that the goal of excellent customer service is accomplished. The Sponsors will also be responsible to develop and implement a baseline customer service survey. The Sponsors will give quarterly status reports to the Director of Utilities.

It is important to use communication and investigation methods to assess how current service offerings are meeting customer needs, both internal and external, and to evaluate service delivery efficiency, effectiveness and quality. Some of the objectives of providing excellent customer service are determining customer service gaps, identifying any service levels that may need to be reduced or increased, and continually making adjustments to improve effectiveness. A baseline survey will be conducted in the first year.

To implement this strategy and to keep costs low, the Committee will utilize or expand programs and communication formats that are already in place. Some of the internal programs include the Consumer Confidence (Drinking Water Quality) Report, Customer Comment Cards, City's web site, AZTECA Program, and FISH training. Other programs that can be vehicles for disseminating information and receiving feedback from customers are local events including the Escondido Street Faire, Grape Day Festival, National Night Out and Civic Faire.

Measurement is critical to improving customer service by focusing efforts on key customer concerns, clarifying expectations, facilitating decision making, and most importantly learning and improving. The Labor Management Committee will evaluate internal measures such as emergency response times, and resolving issues within a timely manner. A Standard Operating Procedure will be a guide for each division of the Utilities Department to provide the same level of exceptional customer service.

The second goal of this strategy is to evaluate the information that was collected and analyzed and to set goals within a specific amount of time for each division to increase customer service delivery and customer satisfaction. At the end of each designated period the Sponsors will work with the division supervisor to measure the success and to evaluate and make changes to the standard of operation procedure if necessary to achieve that goal. For example the division may want to set a goal for general call responsiveness to twenty-four hours and emergency calls to 30 minutes. An example calculation could be: $100 \times (\text{number of calls responded to within "x" minutes} / \text{total number of calls during reporting period such as a month})$. The division may want to set a goal for the number of calls for which a problem was resolved within a specified time of the first call, determined by the division. An example of this calculation would be $100 \times (\text{number of calls that met the goal} / \text{by total number during the specified period such as a month})$. At the end of the 5-year period, the Sponsors will assess the success of its customer service implementation by conducting a follow-up survey of both internal and external customers and comparing the responses from that with the baseline survey.

Measure(s) of Success: Timely execution of the Implementation Plan.

IMPLEMENTATION PLAN

The following matrix defines the actions and the milestones along with any fiscal impact for implementing this strategy.

Action	Dates	Metric
Task #1. Assess the current level of customer service <ul style="list-style-type: none"> ▪ Research external & internal customer surveys from other agencies ▪ Develop and conduct a baseline survey for both internal and external customers ▪ Evaluate the baseline surveys and report findings to each supervisor 	Ongoing process Jan 2010 April 2010	
Task #2 Provide customer service training for employees <ul style="list-style-type: none"> ▪ Enroll current employees who haven't had the FISH training and register new employees within 3 months of hire ▪ Re-implement customer service training with Escondido University ▪ Provide annual refresher training on 	Ongoing February 2010 2011, 2012, 2013,	100% Employee

customer service through Escondido University	2014	Participation
<p>Task #3 Expand or update existing tools or policies</p> <ul style="list-style-type: none"> ▪ Sponsors will work with each division to include customer service goals in their Standard Operating Procedure Manuals ▪ Update Division’s customer comment cards ▪ Utilize the City’s AZTECA program for reporting and tracking complaint calls 	<p>October 2009</p> <p>June 2009</p>	100% of the division
<p>Task #4 Evaluate customer service goals as stated in each divisions Standard Operating Procedure Manual</p> <ul style="list-style-type: none"> ▪ Collect Data from phone surveys using AZTECA data and report to division supervisors ▪ Re-evaluate and update SOPs to increase customer service goals 	<p>June 2010, Dec. 2010, June 2011, Dec. 2011, June 2012, Dec. 2012, June 2013, Dec. 2013</p> <p>Periodically as needed</p>	<p>Customer service complaint rates</p> <p>Technical quality complaint rate, Call responsiveness, Service Start/Stop Responsiveness</p> <p>First Call Resolution</p>
<p>Task #5 Conduct ongoing feedback from customers and evaluate ongoing customer satisfaction goals</p> <ul style="list-style-type: none"> ▪ Update City website to include a link from Utilities web page for customers to fill out a survey and provide comment ▪ Using surveys, customer comment cards, response from direct mailing (Consumer Confidence Report), web responses, events, team will compile responses from customers and report findings to division supervisors ▪ Conduct a statistically valid phone survey of external customers and compare results with the survey that was conducted in 2009 	<p>December 2009</p> <p>6-month intervals beginning June 2010</p> <p>October 2013</p>	<p>Percent positive or negative customer satisfaction survey</p>

STRATEGY IIB1:

Department Communication Plan

SPONSOR(S)

Deputy Utilities Manager / Wastewater

DESCRIPTION OF STRATEGY

Many of the programs of the Utilities Department rely on understanding and support from oversight bodies as well as communicating and reporting to a wide-range of both internal and external stakeholders including community and watershed interests, regulatory bodies, ratepayers, political leaders, governmental and water agencies, City departments such as City Manager, Finance, Engineering, Planning, and Building. A list of stakeholders by category with departmental position assigned as key point of contact is attached.

By establishing an open two-way communication with the stakeholders the Department enhances the ability to ensure the needs of all its constituents. This also aids in the completion of all programs in a timely, cost effective manner with minimal conflicts.

Measure(s) of Success: Timely execution of the Implementation Plan.

IMPLEMENTATION PLAN

1. Use the Labor Management Committee to address communication needs. This committee, or ad hoc subcommittee, may be responsible for working with each departmental position that is assigned as the key point of contact to:
 - ◆ Identify projects that require support or may impact a stakeholder
 - ◆ Develop means of reporting (i.e. e-mail, letters, website, hotline, etc.)
 - ◆ Determine frequency of communication
 - ◆ Assess Department's success with its stakeholders outreach via a feedback survey, yearly beginning in 2010
2. Designate an ad hoc committee as needed to provide outreach to stakeholders on potential rate/debt increases based on water rate study
3. Communicate with labor as referenced in strategy IVB1.

Stakeholders and Assigned Departmental Points of Contact

CUSTOMERS / RATEPAYERS - DEPUTY UTILITIES MANAGERS

- Commercial/Industrial
- Residential
- Agricultural
- Fire Dept.
- Developers
- Rincon Water, Valley Center, VID, San Diego, Vallecitos W D & Cal Trans
- Future agency customers – Olivenhain, Santa Fe and San Elijo

REGULATORS - DEPUTY UTILITIES MANAGERS, ENVIRONMENTAL MANAGER, LABORATORY SUPERINTENDENT

- APCD
- County Health
- CDPH
- RWQCB
- EPA
- FERC
- DSOD
- OSHA
- ADEQ
- Army Corps
- Fish and Wildlife

ENVIRONMENTALISTS – ENVIRONMENTAL MANAGER

- Escondido Creek Conservancy
- San Elijo Lagoon Conservancy
- San Diego Coastkeeper
- Surf Rider
- Sierra Club

CITY DEPARTMENTS – DIRECTOR OF UTILITIES

- City Manager
- Finance
- Building
- Engineering
- Planning
- General Employees

LABOR ORGANIZATIONS – LABOR MANAGER COMMITTEE (STRATEGY IVB1)

- Teamsters
- ECEA
- ACE
- Supervisor

STRATEGY IVA1:

Safe Working Environment

SPONSOR(S)

Senior Water Distribution Supervisor, Wastewater Collection Superintendent

DESCRIPTION OF STRATEGY

The City of Escondido desires to provide a safe work environment for all of our employees and to consistently assess and involve all levels of the organization in maintaining a safe working environment. The overall strategy is one where employees are provided assistance through a combination of enforcement, consultation, education and training while adhering to appropriate budget considerations and constraints.

Measure(s) of Success: Timely execution of the Implementation Plan as well as measured reductions in workplace injuries and accidents and compliance with the City's Injury and Illness Prevention Plan (IIPP).

- Enhanced Facility Safety Committees to Promote Employee Safety Empowerment
- Promote Awareness and Share the Impact of Employee Administrative Cost of Injuries
- Reinforce the Workplace Benefits of a Reduction in Lost Work Time / Hours
- Place Emphasis on the Workplace Standard Operating Procedures (SOP) Training.

IMPLEMENTATION PLAN

The City has established outcome goals and performance goals that will focus activities on key areas to accomplish its safety mission and address the four strategic goals. The Utilities Department will use the combination of enforcement, outreach, voluntary assistance and innovative partnering with departments, manager and field supervisors, employee associations and committees to meet the expressed goals.

Safety Goal #1

Enhanced Facility Safety Committees to Promote Employee Safety Empowerment

- Enhance employee safety committees to allow for additional input at periodic but regular meetings with field staff, implement by July, 2009
- Utilize the Safety Committee to maintain open communications with the employees and to actively update them on current and recently changed OSHA safety rules, implement by April 1, 2009

Safety Goal #2

Improve Workplace Safety and Health for all Employees, as Indicated by Fewer Hazards, Reduced Exposures, Fewer Injuries, Illnesses and Fatalities

Reduce three of the most prevalent types of injuries and causes of illnesses by 15% by implementing the following:

- Implement all elements and programs of the Injury and Illness Prevention Program (IIPP); update review of compliance by August 1, 2009
- Correct unsafe conditions as identified in the facility inspections and address unsafe acts to prevent reoccurrence; corrections to be made within 30 days of receipt of unsafe condition report
- Coordinate education and training strategies to reduce the hazards targeted by our performance goals; implement by July 1, 2009

Safety Goal #3

Reinforce the Workplace Benefits of a Reduction in Lost Work Time/Hours.

Share in staff meetings and general divisional meetings and distribute the following information:

- Equate lost time/cost as missed opportunities to effectively utilize budgetary funds for desired divisional tasks or equipment purchases; implement by June, 2009
- Explain the impact of employee injuries from a cost/budget perspective, implement by June, 2009

Safety Goal #4

Place Emphasis on the Workplace Standard Operating Procedures (SOP) Training.

Combine the field knowledge of supervisors and field staff with the administrative experience of the safety division and divisional managers to provide safe and productive Standard Operating Procedures in the following areas:

- Work as a group to identify and describe the Standard Operating Procedures required to safely operate divisional equipment and tools; implement in April, 2009 and complete by October, 2009
- Memorialize in writing the selected SOPs and develop a standard review process for updating the SOPs; complete by December, 2009

STRATEGY IVB1:

Ensure Involvement of Employees to Achieve Reality and Perception of Workforce Empowerment

SPONSOR(S)

The Director of Utilities, Labor-Management Partnership Committee

DESCRIPTION OF STRATEGY

Today's workforce across the nation is faced with challenges of increased workloads due to the economy. The City of Escondido recognizes that the key to any successful city is, first and foremost, its employees. There is no substitute for a knowledgeable, high quality and productive work force. Creating empowered teams, people working with all the direct information, power, recognition, reward and training they need to satisfy their customers and meet the city's goals is one way the city can build on that foundation.

To overcome these challenges and meet the overall business goal of the organization, the Utilities Department shall work with the City of Escondido to create and implement a workforce empowerment plan. The City of Escondido is committed to the ongoing growth of its employees and recognizes employee empowerment as one of the most important strategic methods to motivate employees. Employee empowerment is also a key strategy to enable people who have the need, the answers, and the knowledge, to make decisions about how to best serve their customers.

As many U.S. public and private organizations begin restructuring their corporate cultures with empowered employee teams, employees across the organization will be involved in the decision-making process. Truly empowered employee teams can help those organizations improve customer satisfaction, increase employee productivity, increase quality service to citizens and lower costs.

The goal of this workforce empowerment plan is to foster an organizational culture that attracts, nurtures and retains quality employees. The objective is also to hire and retain employees who are positive and motivated, and who represent the city's core values. An essential step in this workforce empowerment plan is first to evaluate the employee's current sense of empowerment and then develop programs through this strategic plan which will generate or improve employee empowerment, creating a team that excels.

The Labor Relations Committee will be created consisting of one supervisor and one employee from each division in the Utility Department, one representative from the Human Resources Department, and one representative from each of the Labor organizations. The Labor Relations Committee will, among other things, meet quarterly and discuss department morale, go over quarterly employee surveys on job satisfaction and review employee suggestions for improvements or new ideas. The results of the meetings will be reported to the Director of Utilities quarterly.

Near-term Goals

1) Assess the current employee workforce empowerment

Conduct preliminary research by reviewing the following:

- Number of grievances filed in the Utilities Department
- Review most recent employee surveys
- Interviews with HR and the Labor organizations
- Review levels of communication within the department from management to employee and vice versa.

2) Create the Labor Relations Committee

Create a committee based on one supervisor and one employee from each division in the Utilities Department, along with one representative from the Human Resources Department, and one representative from each of the Labor organizations. The committee will:

- Develop internal employee satisfaction surveys
- Conduct quarterly meetings to discuss issues and communication barriers
- Review employee suggestions and satisfaction surveys
- Review number of grievances filed

Long-term Goals

1) Implement programs that empower employees

- Periodic employee satisfaction surveys
- Have all employees take FISH training
- Encourage employees to take courses thru Escondido University
- Create bi-weekly email, Utility Flow, to be sent to all employees.
- Congratulate and reward employees for doing well.
- Quarterly Brown Bag lunches with the Director of Utilities

2) Generate utility-specific class and comp studies to be created periodically

- Employee Empowerment Committee to research agencies to be used
- Salary surveys
- Comparable Job Descriptions for positions

Measure(s) of Success: Timely execution of the Implementation Plan and tracking of the number of valid employee grievances below benchmarked number

IMPLEMENTATION PLAN

Each action listed below in the Plan of Actions and Milestones table has a direct impact to the City of Escondido's ability to develop and maintain excellent labor relations by reducing/maintaining a low level of grievances. The Plan is designed to offer solutions to ensure involvement of employees to achieve reality and perception of workforce empowerment.

Strategy IVB: Develop and maintain excellent labor relations

Action	Dates	Metric
Task #1. Assess the current employee satisfaction level, perception of empowerment and number of grievances filed in the department <ul style="list-style-type: none"> ▪ Conduct internal research ▪ Conduct external research 	July 2009	<ul style="list-style-type: none"> ▪ HR Data ▪ Old surveys ▪ Turnover rate
Task #2 Form a Labor-Management Partnership Committee (LMC) <ul style="list-style-type: none"> ▪ Involve all Unions ▪ Write Charter for LMC ▪ Choose Members ▪ Finalize Charter ▪ Host first meeting by June 1, 2009 	June, 2009	Charter and Agenda for first meeting by June 30 th , 2009
Task #3 Implement programs that will involve and empower employees <ul style="list-style-type: none"> ▪ Develop employee satisfaction surveys to be used quarterly. ▪ Enroll current employees who haven't had the FISH training and register new employees within 3 months of hire ▪ Encourage utilities employees to take classes for training through Escondido University ▪ Brown bag lunches with Director 	Sept 2009 Sept 2009 Ongoing Ongoing	<ul style="list-style-type: none"> ▪ HR Data ▪ Employee surveys
Task #4 Promote role of Human Resources regarding questions and open communication. <ul style="list-style-type: none"> ▪ Labor Relations Committee will work with HR to find ways of direct communication for employees. ▪ Create a UtilityFlow newsletter-email to be sent out bi-weekly to inform all utility employees of current issues/actions in the department and special recognition to employees for jobs well done. 	Ongoing Sept 2009	<ul style="list-style-type: none"> ▪ HR Data
Task #5 Retain High Quality employees by performing class and comp studies periodically <ul style="list-style-type: none"> ▪ Work with ECEA, Teamsters and City Managers office to perform Utility-specific class and comp studies, appropriate positions and agencies to poll for the study. 	July 2010	<ul style="list-style-type: none"> ▪ Class & Comp studies ▪ HR Data

STRATEGY IVC1:

Develop, Fund, and Execute Individual Employee Plans for Training and Certifications.

SPONSOR(S)

Utilities Maintenance Superintendent

DESCRIPTION OF STRATEGY

The Utility Department is tasked with providing quality services to the community while meeting Regional, State, and Federal regulations. Regulations mandate that the city has qualified staff to operate and maintain these services. This includes certification requirements, on the job training, self-improvement training, and promotional training.

To ensure these mandates are met, managers shall utilize superintendents and supervisors to confirm that their departments are adequately staffed with qualified personnel. Both current and future staffing needs shall be considered when reviewing staff qualifications.

Onsite training may be used as an opportunity for cross training departments as well as earning continued educational credits. Cross training would occur when multiple departments have staff that requires the same type of instruction. Onsite training will reduce travel costs and travel time, thereby lowering the training cost. Staff would be onsite during training; they would be available should an emergency arise.

All employees will be given an equal opportunity to receive both required and advancement type training. The department does have the right to ensure that training does not impact the day-to-day operation of the department. Each supervisor will keep a log of their staffs' training records. The log will include when training is offered and it will be noted whether the employee accepts or declines the training.

Measure(s) of Success: Timely execution of the Implementation Plan as well as the following three indicators with caveats noted:

- Standard of Hours per Employee Preferable to \$ per Employee

Due to the diverse nature of Utilities, each division needs to carefully examine their staffs' certification and training requirements. Requirements within each division directly affect their budget costs based on the number of technical staff employed by that division. Divisions with technical staff need to adjust their budget costs due to more expensive training requirements; therefore, the cost per person may be higher.

- Level of In-House Cross Training

Superintendents and supervisors shall collaborate to establish what types of in-house training would be beneficial for their divisions. Once this has been determined, other divisions shall be notified and given an opportunity to participate. Training may be performed by qualified in-house staff, including managers, superintendents, and supervisors.

- Level of Certification and Degrees

In some cases, certification must be attained before advancement. Every effort shall be made to ensure that an employee has been given the opportunity for advancement. The Supervisor shall encourage each individual during their annual review to maintain certifications and promote higher learning. This will be documented and reviewed annually. It should be noted, however, that personal motivation for improvement is a requirement to make this successful.

IMPLEMENTATION PLAN

- Supervisors will compile a list of requested training and certifications that are needed for their division. These lists will be presented to their superintendent for consideration
- A semi-annual meeting with all utility superintendents will be established in order to review training and certification lists, discuss any changes in certification regulations, and to determine cross-training topics
- A detailed training schedule will be established at the beginning of the fiscal year (July)
- The second annual meeting will be held at the beginning of the year (January) in order to evaluate the training schedule and establish future training budgets

FINANCIAL IMPACT

The previous training budgets may be used as a cost guideline. The following data is from the Water and Wastewater Divisions:

Previous Years Training Budgets

2006/2007	Budgeted	Expenditures
Water	\$37,400	\$37,214
Wastewater	\$45,000	\$32,961

2007/2008	Budgeted	Expenditures
Water	\$42,600	\$22,781
Wastewater	\$48,000	\$28,114

2006/2007	Tuition
Water	\$5,442
Wastewater	\$1,795

2007/2008	Tuition
Water	\$3,297
Wastewater	\$1,477

STRATEGY IVC2:

Develop & Implement a Viable Succession Plan

SPONSOR(S)

Management Analyst, City Human Relations Manager

DESCRIPTION OF STRATEGY

Along with most U.S. public and private organizations, the City of Escondido is facing the challenge of effectively planning and preparing for a projected labor and skill shortage over the next decade. Demographic trends make this period of succession planning markedly different from past decades. By the year 2010, a large percentage of the senior workforce, known as Baby Boomers, will be retiring or considering retirement. Following generations present a numbers gap in available workers to replace Baby Boomers. The attrition of Baby Boomers without sufficient replacements in following generations poses a great risk for labor and "knowledge gaps" in the workforce. Moreover, younger workers are entering the workforce with different attraction and retention needs than their predecessors.

To overcome these challenges and meet the overall business goals of the organization, the Utilities Department (coordinated by the Management Analyst) shall work with the City of Escondido Human Resources Director to create and implement a viable succession plan for the Utilities Department. This strategy describes some considerations in the development of this succession plan.

1) *Attract, engage and retain Generation Y.* One of the most important characteristics that students graduating from college are looking for from employers today is advancement opportunities (NACE Research, 2008). Younger workers are also more mobile and will be seeking jobs that are more challenging with the opportunity to crossover into different job roles.

2) *Engage and retain Baby Boomers.* According to a survey by AARP (2004), 79% of Boomers indicated that they plan to work in some capacity after they turn 65. This suggests that with the correct incentives and vehicles in place, the intellectual capital can successfully be transferred to the succeeding generation of workers. Possible strategies might be keeping retirees part-time on a seasonal or as-needed basis.

An essential step in developing a succession plan is assessing the current workforce trends to assist in determining the anticipated future needs. The sponsors of this strategy may utilize a variety of sources for a comprehensive assessment, including Human Resources data, employee focus groups, surveys, and face-to-face interviews. Future retirees should be part of survey to assess interest in part-time work with the City after retirement.

Near-term Goals

Assess the current and future workforce needs to determine gaps

- Conduct preliminary internal research by reviewing the following:
 - Turnover patterns by age and years of service (exit surveys/interviews), including retiree turnover to identify risk issues and implications
 - Hiring patterns -number of new hires per year -percentage from within the department, the City, new hires outside of the City to determine expected hiring needs (consider projected distribution of age, service/in the next 5, 10, 15 years)
 - Present and future skill demand and assessment of current supply
 - Key positions in the organization that will open in the next 6 months, year, 18 months, etc.
 - Forecasted cost for recruitment, training, reward programs, mentoring/knowledge transfer programs, other employee programs
 - Identify the rewards that have the largest impact on employee attitudes and behaviors (include targeted demographics)
- Review external research and studies on succession planning, workforce strategy, aging workforce, knowledge/talent management, employee engagement, etc.
- Compare current workforce with external research to diagnose gaps

Long-term Goals

Implement programs that encourage knowledge sharing

- Develop knowledge management and mentoring programs
- Conduct monthly brown bag seminars focusing on specific department or lines of business topics -pair an older employee with a younger employee to develop and present the material at the seminar; this increases employee exposure to different job functions; and career mobility within the organization; cross-training; variety; challenges
- Implement Mentoring program with local colleges

Implement programs that promote career development

- Offer a career mobility program that allows employees to explore other job opportunities within the City but with other teams or departments/divisions
- Provide materials that include a clear career path for advancement/promotion opportunities

Implement programs that promote work/life balance

- Offer flexible work schedules such as flex time, telecommuting, offer phased retirement options

Refer to the attached Implementation Plan for owners, dates, metrics and status of each action discussed above.

Measure(s) of Success: Timely execution of the Implementation Plan

IMPLEMENTATION PLAN

The sponsors of this strategy shall develop a Utilities Department Succession Plan as soon as practicable. The plan will be designed to offer practical solutions to support recruitment, engagement and retention of both current and future employees.

Development of this plan is recognized to be a significant task in the context of ongoing workloads. In that regard, the sponsors shall first develop and gain approval from appropriate authority for a specific Plan of Actions and Milestones required to develop the Succession Plan with needed resource commitment. It is hoped that these efforts can be leveraged for other department succession plans if needed.

The Plan of Actions and Milestones shall be submitted to and approved by appropriate authority no later than September, 2009. The matrix below shall serve as a starting point for the Plan of Actions and Milestones. The sponsors may modify and embellish this matrix, and should complete it with assigned owners (responsible parties) and dates (completion dates) for all actions identified.

PLAN OF ACTIONS AND MILESTONES TO DEVELOP THE UTILITIES DEPARTMENT SUCCESSION PLAN

Action	Owner(s)	Dates (2009)	Metric	Status
Business Goal IV Workforce Quality: To recruit and retain high quality employees who strive for ultimate teamwork in the best interests of the public.				
Strategy X: Develop and implement a viable succession plan				
#1 Assess the current and future workforce needs to determine gaps <ul style="list-style-type: none"> • Conduct internal research • Conduct external research 			<ul style="list-style-type: none"> • HR data • Identification of patterns • Workforce planning projections • Employee focus groups and surveys 	
#2 Implement programs that encourage knowledge sharing <ul style="list-style-type: none"> • Develop knowledge management and mentoring programs • Conduct monthly brown bag seminars focusing on specific department or lines of business topics • Create a knowledge management database online with user-friendly navigation features and incentives to utilize the repository • Develop knowledge sharing forums online for employees to discuss specific topics, current trends and best practices in the field 			<ul style="list-style-type: none"> • HR data • Number of brown bag sessions conducted • Number of documents posted on online database • Number of forums created • Number of hits on intranet sites • Employee surveys 	
#3 Implement programs that promote career development <ul style="list-style-type: none"> • Offer a career mobility program • Provide materials that include a clear career path for advancement/promotion opportunities 			<ul style="list-style-type: none"> • HR data (decrease in turnover) • Employee surveys 	
#4 Implement programs that promote work/life balance <ul style="list-style-type: none"> • Offer flexible work schedules such as flex time, telecommuting, RDO; offer phased retirement options 			<ul style="list-style-type: none"> • HR data (decreased absenteeism, sick leave, turnover) • Employee surveys 	

ACKNOWLEDGEMENTS

The City of Escondido Utilities Department Strategic Business Plan (Plan) was developed in the fall of 2008 with direct input and analysis of requirements from as many stakeholders (including employees) as practicable. The Plan is intended to serve as a vehicle to guide the department's priorities, policies and actions, and to form the basis of continuing dialogue with stakeholders as the Plan is refined to meet changes in the operating environment going forward. The Utilities Department Strategic Business Planning Team provided the major drafting and refinement of the Plan. Team members are listed below:

1. Lori Vereker – Director of Utilities
2. Cheryl Filar – Environmental Program Manager
3. Deborah Jardin – Program Coordinator / Water Conservation
4. Jacob Esparza – Water Treatment Plant Operator I
5. Janet Taylor – Utilities Analyst (Accountant)
6. James Larzalere – Wastewater Treatment Plant Operations Supervisor
7. Nelson Nuezca – Engineer II
8. Richard Walker – Deputy Utilities Manager / Water
9. Cheryl May – Division Coordinator
10. John Burcham – Deputy Utilities Manager / Wastewater
11. Neil Greenwood – Utilities Construction Project Manager
12. Nicki Branch – Supervising Chemist / Wastewater
13. Pete Klein – Utilities Maintenance Superintendent
14. Tim Kwak – Supervising Chemist / Water
15. Vasana Vipatapat – Lab Superintendent
16. Frank Anderson – Wastewater Collection Superintendent
17. Richard LaCarte – Water System Superintendent
18. Tony Smock – Lakes & Open Space Superintendent
19. Dean Cornell – Senior Water Distribution Supervisor
20. Craig Whittemore – Deputy Utilities Manager / Construction and Maintenance