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PALM BEACH COUNTY

WATER UTILITIES DEPARTMENT

STRATEGIC SUSTAINABILITY PLAN

| APRIL 2016 |



| WUD's Customer Service Center |

MESSAGE FROM THE DIRECTOR



The Palm Beach County Water Utilities Department (WUD) chooses to be a *Best in Class Utility*. Over the past several years, WUD has been transforming from a growth driven utility to a sustainable utility. This transition is ongoing and will be achieved by shifting WUD's focus from simply depending on growth, to a strategy of making smart operational and investment decisions to build a financially-sound and operationally-driven sustainable utility. Over the next five years, FY 2016 to FY 2020, WUD will focus on achieving continued excellence through our five established strategic objectives related to **Safety, Program Management, Asset Management, Communication, and Strategic Planning**.

For the Strategic Planning component, WUD has developed our Strategic Sustainability Plan (SSP). The SSP was designed with the help of our Strategic Initiative Team and built upon the fundamentals of past initiatives to drive our Mission to provide the "Best Water, Best Service & Best Environmental Stewardship." The foundation of our SSP is embodied in the Circles of Excellence approach, whereby each initiative; **Workforce, Community, Environment, Infrastructure, Financial Responsibility, and Operational Excellence**, supports all other initiatives leading us on our journey to become a Best in Class Utility.

As we progress, we will face challenges to embrace, address and conquer. Over the next five years, we will lose approximately 20% of our long term staff due to retirement. While the loss of this institutional knowledge will have an effect, these challenges will become opportunities for others through enhanced employee development and recruitment. We are on course to implement \$400 million of capital improvement projects, more than half of which will be repair and replacement projects. We will integrate our software programs and become a technology-integrated Smart Utility. We continuously seek to ensure the highest quality products and services through operational excellence and technological leadership. Most importantly, we insist on creating a 'safety-first' culture and team oriented working environment for all. This SSP outlines the steps we will take to achieve our strategic objectives in a fluid and dynamic manner to becoming a sustainable utility and a *Best in Class Utility*.

Sincerely,

Jim Stiles
Water Utilities Department Director



| Green Cay Wetlands |

ACKNOWLEDGEMENT

WUD recognizes and appreciates the feedback and participation provided by WUD employees, managers, advisors, and outside consultants in the preparation of this Strategic Sustainability Plan (SSP). The participants represent an extensive collection of historical and technical knowledge and experience related to the development and operation of one of the top utilities in the United States.

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WUD: A BEST IN CLASS UTILITY



| Western Region Wastewater Treatment Facility |

ORGANIZATIONAL OVERVIEW

WUD is a county-owned utility governed by the Palm Beach County Board of County Commissioners (BCC) that provides potable water, wastewater, and reclaimed water services to approximately 569,000 people located mostly within roughly 1,300 square miles of unincorporated Palm Beach County. WUD is an enterprise fund that is self-supported through utility revenues and bound by capital bond covenants. WUD currently owns over \$1.3 billion in assets. Utility rates are established by the Palm Beach County Board of County Commissioners, which also approves the Department's annual Operating Budget and five year Capital Budget. A Utility Advisory Board of utility stakeholders provides advice and feedback on utility issues.

WUD serves residents and businesses in unincorporated Palm Beach County, as well as the Village of Royal Palm Beach, the City of Greenacres, and the Town of Haverhill. On May 1, 2013, WUD assumed responsibility for operating and maintaining the assets and providing water and wastewater service to the customers of the former Glades Utility Authority (GUA), which includes the Cities of Belle Glade, Pahokee, and South Bay in western Palm Beach County. Through the establishment of inter-local agreements, WUD additionally provides bulk services to the Village of Palm Springs, the Town of Lake Clarke Shores, Seacoast Utilities, and the Cities of Lake Worth, Boynton Beach, and Atlantis.

UTILITY SYSTEM CHARACTERISTICS

WATER SYSTEM		SEWER SYSTEM	
treatment capacity (MGD)	104	treatment capacity (MGD)	66.7
miles of pipe	2,411	miles of gravity sewer	1,257
fire hydrants	18,181	miles of force mains	594
valves	35,357	miles of vacuum mains	4
air relief valves	659	lift stations	898
		manholes	31,740
		valves	3,822
		air relief valves	763
RECLAIMED WATER SYSTEM			
miles of pipe	62		
flush hydrants	109		
valves	520		
air relief valves	108		
vacuum relief valves	24		

WUD owns and operates five regional water treatment plants with a total treatment capacity of 104 million gallons per day (mgd). Wastewater treatment in the WUD service area is provided by four regional wastewater treatment facilities, the Southern Region Water Reclamation Facility (SRWRF), the Western Region Wastewater Treatment Facility, the Western Region North Wastewater Treatment Facility and the East Central Region Wastewater Treatment Plant (ECR). The SRWRF has a treatment capacity of 35 mgd; the Western Region Wastewater Treatment Facility has a capacity of 6.5 mgd; and the Western Region North Wastewater Treatment Facility has a capacity of 1.2 mgd. All of these facilities are owned and operated by WUD. In addition, WUD owns 24 mgd of capacity in the ECR, which is operated by the City of West Palm Beach. WUD also maintains multiple operations and service centers that are located throughout its service area to provide efficient and effective service to its stakeholders.



| Western Region North Wastewater Facility |

reclaimed customers. Over the past decade, WUD has undertaken steady and significant growth that has resulted in an increase of approximately 41,000 customer connections. The purchase of utilities providing service to the Town of Royal Palm Beach in 2006 and the absorption of the GUA in 2013 additionally resulted in marked increases in customers served by WUD, as well as additional refurbishment and replacement costs, to undertake the rehabilitation necessary to bring the systems up to WUD standards.

Operating expenses have grown from \$95.6 million to \$154 million from fiscal year (FY) 2006 through FY 2014, amounting to an average annual increase of 4.79% excluding acquisitions. WUD additionally continues to improve and increase the efficiency of its water and wastewater infrastructure, requiring the dedication of additional resources to the refurbishment and repair of areas of the system where rehabilitation is needed. As a result of intensive infrastructure study and system analysis, WUD has identified the need to provide for over \$5 billion in repair and replacement costs throughout its service area over the next 40 years. WUD has planned for this investment need and adopted systematic Program Management to enable the utility to implement the necessary rehabilitation projects within the required time period.

After a sustained period without rate increases, in 2007 WUD received authorization from the BCC to implement annual incremental rate increases that are tied to the rate of inflation through the Consumer Price Index for Utilities Water and Sewer Maintenance. The indexing of WUD rates is vital to maintaining the utility's ability to undertake necessary repair and replacement of critical infrastructure. By tying rate increases



| WTP 9 Sodium Hypochlorite Tanks |

WUD currently employs a workforce of 575 highly skilled and trained full time employees. WUD will be impacted by the retirement of many longtime staff in the coming years and is implementing succession planning to ensure that the utility has the necessary staff in place to continue the tradition of excellence that the retiring staff has established within WUD. The combination of stringent hiring practices and the continued education and cross training of current employees will ensure that the exceptional training and skill sets within WUD will be nurtured and maintained.

WUD currently serves approximately 250,000 potable water and 220,000 wastewater service connections. Additionally, WUD provides reclaimed water to approximately 90 bulk

to the rate of inflation, WUD is able to proactively balance utility rates with the cost of providing top quality water and wastewater service to its customers while avoiding large rate increases. Due to the system health of the infrastructure acquired as a



| WTP 3 Clearwell #1 Odor Control System |

result of the absorption of the Royal Palm Beach and GUA utilities, the cost to operate and maintain WUD's water and wastewater systems exceeded the rate of inflation during the previous strategic planning period. However, WUD was prudent in planning for these increased costs and utilized financial reserves and other resources to maintain the lowest monthly utility bill possible without requiring any additional rate increases. As a result of these prudent financial planning decisions, WUD rates remain among the lowest and most cost effective in Florida. The current average bill for residential customers with water and wastewater service is \$47.99. The combination of indexed rates and systematic Program Management will ensure that WUD rates remain highly competitive while providing for

the ability to undertake necessary projects in an efficient and cost-effective manner.

As a result of the changing needs of the utility and its customer base, WUD is no longer primarily focused on the continued growth and expansion of its water and wastewater systems in decision-making related to the operations, maintenance, and investments in assets of the utility. WUD has successfully transitioned to a focus on anticipating and undertaking the actions necessary to sustain a well maintained and financially sustainable utility, while maintaining flexibility should the need or opportunity for growth arise.

WUD anticipates that shifts in demographic, regulatory, and environmental factors within Palm Beach County and South Florida area will continue to impact the manner in which WUD conducts the business of operating and maintaining one of the largest utilities in Florida. In addition, political factors such as growth management decisions and development trends will also need to be anticipated and addressed. For example, an aging population and workforce, increased regulation of water resources by state and federal agencies, a more informed and engaged customer base, and the requirement to produce water of the highest quality will influence WUD's ability to operate. The SSP provides the road map and the planning framework that will allow WUD to monitor its performance against the established strategies and adaptively manage the utility through any future operating conditions and challenges.



| WTP 11 Newly Constructed 5 MG (Million Gallon) Water Storage Tank |

RECENT ACCOMPLISHMENTS

The past several years have presented a challenging environment due to the severe downturn in the economy. Despite these challenges, WUD has been extremely successful in securing financial stability through the expansion of its customer base and diversification of financial resources, expanding Green Initiatives, achieving renewable energy goals and energy efficient practices, and implementing high quality management processes.

FINANCIAL STABILITY

- Acquisition of the Royal Palm Beach Service Area 12,000 customers – 2006
- Development and acquisition of the former GUA 10,500 customers – 2013
- Securing \$14M in grants for capital improvements to the former GUA infrastructure
- Diversification of WUD financial resources through the utilization of federal and state grants and appropriation

GREEN INITIATIVES

- The implementation of full wastewater recovery at the SRWRF and expansion of the provision of reclaimed water to communities and golf courses for irrigation, which resulted in a reduction of millions of gallons of demand on the surficial aquifer in South Florida
- The construction and maintenance of the Green Cay and Wakodahatchee wetlands for wastewater effluent treatment, aquifer recharge and community enjoyment

- The construction of infrastructure for the provision of millions of gallons of reclaimed water to supply Florida Power & Light's West County Energy Center

ENERGY EFFICIENCY

- Achievement of energy reduction goals (10% reduction in kWh/dwelling and implementation of renewable energy sources, 5% of energy portfolio)
- Implementation of 165 kW of solar photovoltaic energy and a 475 kW cogeneration facility at SRWRF
- Installation of energy recovery devices at Water Treatment Plant 11 in the Glades Region, a reverse osmosis plant that demands higher energy use than traditional WTPs

MANAGEMENT PROCESSES

- Establishment of Program Management services and a Project Delivery Schedule to reorganize WUD's Capital Improvement Plan in a way that allows for the implementation and management of projects in a coordinated fashion
- Development and initial implementation of an effective asset management program to begin the transition to a sustainability platform
- Transition to a SharePoint communications system that allows for more efficient document sharing and intradepartmental communication

STRATEGIC OBJECTIVES

WUD has established five ambitious and narrowly focused Strategic Objectives that will advance WUD to become a *Best in Class Utility*. The Objectives are generally described below and will be realized through the achievement of the underlying goals, initiatives, and strategies that will be implemented through the strategic planning process. Success in implementing the Objectives will be measured by the attainment of Key Performance Indicators (KPIs) that will be developed to implement the SSP and establish firm benchmarks of improvement and growth.

1. SAFETY
2. PROGRAM MANAGEMENT
3. ASSET MANAGEMENT
4. COMMUNICATION
5. STRATEGIC PLANNING

SAFETY

Nothing is more important than maintaining a safe work environment for all employees and customers. This culture must be solidified with WUD employees, consultants, and stakeholders embracing a "Safety-First" mindset. To achieve this Objective, WUD has built an operating culture that highlights the importance of safety for all employees and stakeholders through all tiers of the organization. WUD recently restructured the division of Environmental Health & Safety and is developing a utility-wide safety steering team that will focus on establishing a mind set within WUD that safety is everyone's responsibility.

Future initiatives to implement this Objective include:

- Establishment of safety programs and measures to reduce time lost due to injuries
- Improving vehicle safety and WUD employee responsibility while operating County vehicles
- Reorganization of the safety training program to provide for uniform scheduled training that is integrated across Department Divisions



| WUD's Utilities Emergency Command Center – CMF (Central Monitoring Facility) |

PROGRAM MANAGEMENT

The ability to coordinate the implementation of necessary projects identified within a Capital Improvement Plan in an effective and cost efficient manner is a hallmark of a *Best in Class Utility*. WUD is installing systematic Program Management to successfully deliver larger, contractor-based projects as it embarks on the development and implementation of its \$400 million Capital Improvement Plan (CIP). Program Management will allow WUD to direct groups of related projects in a coordinated way to obtain control and benefits that are



| Management Review of Maximo in Use |

ASSET MANAGEMENT

An effective asset management solution must manage and optimize the use of all assets to ensure greater reliability, dependability, and performance. WUD maintains over \$1.3 billion in assets of which a large portion are underground and out of sight. WUD is establishing an effective asset management program to operate and maintain these assets and to prioritize our investment and resources to repair and replace aging infrastructure over the coming decades. The ability to gather and analyze data about asset operations will allow WUD to move from corrective (repairs made after a problem occurs) to preventative (maintenance dictated by past experience) to predictive maintenance (performed based on data indicating repairs are needed). WUD is currently focused on developing a comprehensive platform on which to grow the asset management program and provide the Best Service per current industry standards. WUD has additionally completed an assessment of its current business practices and how they correlate with effective asset management to provide recommendations for implementing the Department's Enterprise Asset Management goals.

Future actions to implement this Objective include:

- Improving WUD's utilization of the Maximo Computerized Maintenance Management System (CMMS) to implement the Enterprise Asset Management process
- Execution of the road map that was developed based on prioritization of recommendations generated out of the Assessment and Recommendation Report to most effectively implement the Maximo CMMS, including tasks required, resources needed, and firm timeframes for task completion
- Execution of Maximo training for employees across WUD to allow for greater and more effective understanding of the Asset Management program and utilization of Maximo
- Coordination of monitoring systems such as GIS, SCADA and CIS to the Maximo platform to provide for fully integrated Enterprise Asset Management Program

COMMUNICATION

A better informed and connected employee workforce will result in the provision of more efficient service to utility stakeholders, improved morale throughout WUD, and more effective execution of the vital services undertaken by WUD throughout the County. WUD is committed to keeping all employees and stakeholders informed about all the developments and opportunities within the organization through various resources and scheduled events. In an initial effort to realize this Objective, WUD's Idea Team (WIT) was formed to develop and implement programs that engage employees as an information resource. The WIT publishes the "Grapevine" and WUD journals on a periodic basis and schedules events to engage employees such as "Breakfast with Jim." WUD's SharePoint site has been developed to be a one stop resource for information, events and document-sharing,

and WUD is in the process of engaging specific social media resources to provide further employee and community outreach.



| Asset Management Program in Operation |

not always available when managing projects on an individual basis. Program Management will also allow WUD to increase its annual capital expenditures, improve the consistency and transparency of project delivery and promote staff development. WUD anticipates the implementation of \$80 million in annual project packages on or ahead of schedule, within budget, and meeting industry standards in order to provide the *Best Water* to our customers.

Future actions to implement this Objective include:

- Completion of CIP project analysis, Master Program Schedule and Project Delivery System
- Expansion of program staff training and education to improve efficiency in the implementation of the CIP, such as the achievement of Project Management Professional certification by team members
- Improvement of the functionality of the CIP through technological upgrades to allow information to be exported to SharePoint for project and reporting purposes
- Review and update of construction administration processes and procedures, as well as the technical specification library
- Successful completion of project packages on time and within budget



| WTP 11 New Water Storage Tank Site |

Future actions to implement this Objective include:

- Enhanced document and content management through the SharePoint site to allow for ease in information access and exchange, as well as providing for increased efficiency in the production of work product, as errors will be minimized and there will not be a need to "reinvent the wheel" in the production of a variety of core WUD documents and forms
- Expanded employee education and training will provide for increased employee engagement, as well as cross training that will result in a more highly skilled and flexible workforce, enabling the Department to more effectively respond to future needs and challenges



| WUD Central Regional Operations Communications Center |



| Southern Region Water Reclamation Facility |

STRATEGIC PLANNING

WUD will achieve its Mission and associated Strategic Objectives through the development and implementation of this SSP. The SSP identifies Overarching Goals for WUD, which will be realized through the implementation of the "Circles of Excellence" Initiatives. The Initiatives include: Workforce, Community, Environment, Infrastructure, Financial Responsibility, and Operational Excellence. By assigning meaningful strategies and KPIs that correspond to a specific Initiative in support of the Overarching Goals, WUD will measure progress towards achievement of the Strategic Objectives, make the necessary adjustments to adaptively manage the progress of the utility, and develop an organizational culture that is focused on continuous improvement. Figure 1 below provides an illustration of our Circles of Excellence approach.

FIGURE 1: CIRCLES OF EXCELLENCE



PURPOSE OF THE STRATEGIC SUSTAINABILITY PLAN

The purpose of the SSP is to fulfill WUD's Mission and to adaptively respond to changing opportunities and challenges faced by the utility and our stakeholders.

Increased variability in a number of areas requires WUD to be nimble and adaptive in meeting future challenges. The SSP establishes sustainability as the primary focus and element of strategy development over the next five years. The SSP also provides an opportunity to implement the principles of Effective Utility Management (EUM) and to align WUD through shared Initiatives and Strategies, so that every employee understands how they contribute to WUD's Mission and Overarching Goals. KPIs will be used to measure success in implementing the Initiatives and Strategies. The implementation of the SSP will allow WUD to become a Best in Class Utility and maintain its stature as a national leader in the production and provision of water, wastewater and reclaimed water services.

STRATEGIC SUSTAINABILITY PLANNING PROCESS

In the development of this SSP, WUD employed a comprehensive approach to develop a current snapshot of utility operations and finances, define a strategy for WUD to continue to refine its business practices over the next 5 years, and develop a framework to manage and monitor the performance of the SSP.

STEP 1: SITUATIONAL ANALYSIS

STEP 2: STRATEGY DEVELOPMENT

STEP 3: STRATEGIC INITIATIVES & IMPLEMENTATION

Figure 2 below provides an outline of the Strategic Planning Process

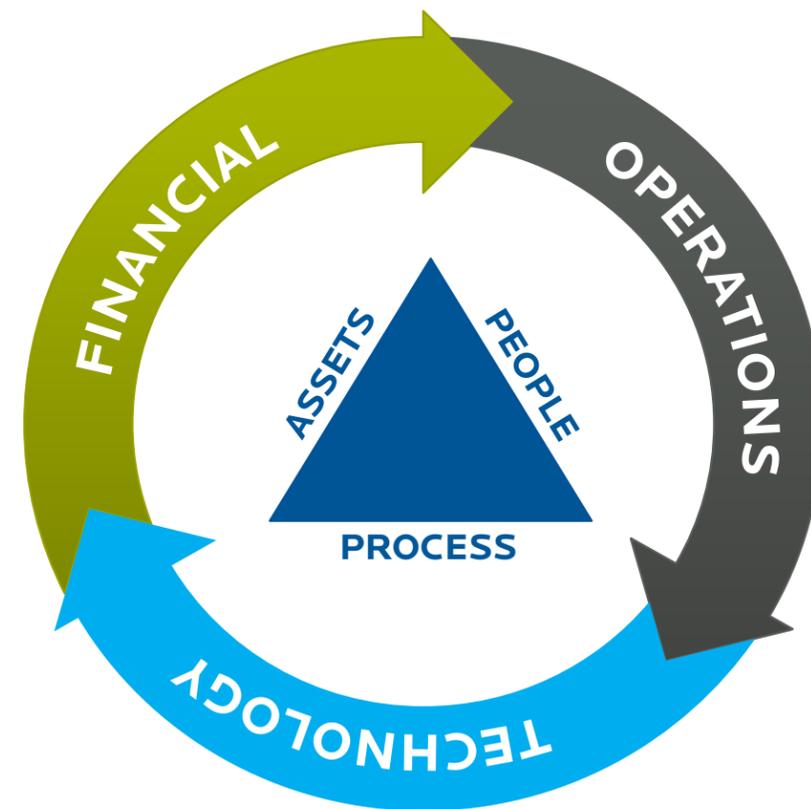
FIGURE 2: STRATEGIC SUSTAINABILITY PLANNING PROCESS TABLE



COLLABORATIVE, COMPREHENSIVE, & ACTION ORIENTED

SITUATIONAL ANALYSIS

WUD conducted an extensive review of the goals and objectives contained within its previous strategic plan and measured the success or failure in realizing these objectives within the previous planning period. The review also analyzed the utility's ability to assess the realization of its strategic goals on an annual basis and adjust business practices in adaptively managing operations to meet those goals. WUD also conducted an assessment of the current operating environment to determine the most important strategic opportunities available in order to be in alignment with the Overarching Goals of the organization. As a result of the review and the completion of multiple workshops, strategic planning sessions, and team-building exercises, WUD staff has identified the five most significant strategic opportunities for establishing the path of the utility in the next five years.



1. WORKFORCE PLANNING
2. MAINTENANCE AND DEVELOPMENT OF TECHNOLOGY
3. ENERGY EFFICIENCY & SUSTAINABILITY
4. ASSET MANAGEMENT PLANNING AND BEST PRACTICES
5. BETTER CUSTOMER SERVICE

In aggregating the data necessary to determine priority areas of focus in the next five years, WUD facilitated a survey to benchmark the 10 Attributes of the EUM Framework. The survey was structured to elicit responses on a respondent's role and tenure within the utility, the importance of the 10 EUM attributes to WUD, and the performance and success of the previous strategic plan.

Table 1 below provides descriptions of the 10 EUM attributes.

TABLE 1: EUM ATTRIBUTES

PRODUCT QUALITY	CUSTOMER SATISFACTION
Produces potable water, treated effluent, and process residuals in full compliance with regulatory and reliability requirements and consistent with customer, public health, and ecological needs.	Provides reliable, responsive, and affordable services in line with explicit, customer-accepted service levels. Receives timely customer feedback to maintain responsiveness to customer needs and emergencies.
EMPLOYEE AND LEADERSHIP DEVELOPMENT	OPERATIONAL OPTIMIZATION
Recruits and retains a workforce that is competent, motivated, adaptive, and safe-working. Establishes a participatory, collaborative organization dedicated to continual learning and improvement. Ensures employee institutional knowledge is retained and improved upon over time. Provides a focus on and emphasizes opportunities for professional and leadership development and strives to create an integrated and well-coordinated senior leadership team.	Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations. Minimizes resource use, loss, and impacts from day-to-day operations. Maintains awareness of information and operational technology developments to anticipate and support timely adoption of improvements.
FINANCIAL VIABILITY	OPERATIONAL RESILIENCY
Understands the full life-cycle cost of the utility and establishes and maintains an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. Establishes predictable rates—consistent with community expectations and acceptability—adequate to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs.	Ensures utility leadership and staff work together to anticipate and avoid problems. Proactively identifies, assesses, establishes tolerance levels for, and effectively manages a full range of business risks (including legal, regulatory, financial, environmental, safety, security, and natural disaster-related) in a proactive way consistent with industry trends and system reliability goals.
COMMUNITY SUSTAINABILITY	INFRASTRUCTURE STABILITY
Is explicitly cognizant of and attentive to the impacts its decisions have on current and long term future community and watershed health and welfare. Manages operations, infrastructure, and investments to protect, restore, and enhance the natural environment: efficiently use water and energy resources; promote economic vitality; and engender overall community improvement. Explicitly considers a variety of pollution prevention, watershed, and source water protection approaches as part of an overall strategy to maintain and enhance ecological and community sustainability.	Understands the condition of and costs associated with critical infrastructure assets. Maintains and enhances the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels, and consistent with anticipated growth and system reliability goals. Assures asset repair, rehabilitation, and replacement efforts are coordinated within the community to minimize disruptions and other negative consequences.
STAKEHOLDER UNDERSTANDING AND SUPPORT	WATER RESOURCE ADEQUACY
Engenders understanding and support from oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions. Actively involves stakeholders in the decisions that will affect them.	Ensures water availability consistent with current and future customer needs through long-term resource supply and demand analysis, conservation, and public education. Explicitly considers its role in water availability and manages operations to provide for long-term aquifer and surface water sustainability and replenishment.

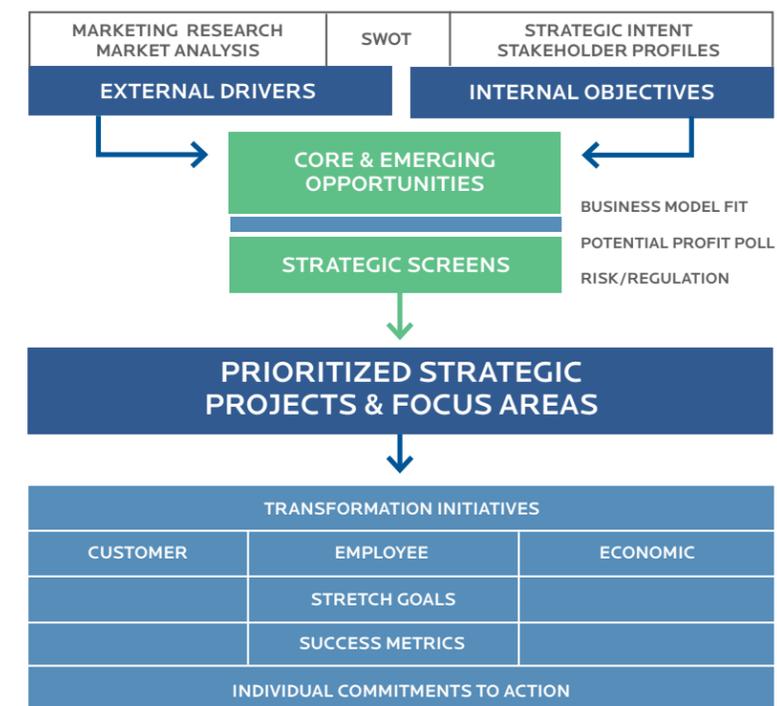
WUD staff was directed to rank the ten attributes in order of priority and importance, as well as success in meeting the attributes through the implementation of programs aimed at meeting the goals of the previous strategic plan. Product Quality, Customer Satisfaction, and Employee and Leadership Development were ranked as the three most important

attributes by WUD employees. They also represented the three attributes that had been most effectively achieved by the utility. The SSP was then developed to reflect and implement the EUM attributes based on the results of the Situational Analysis and identification of the Strategic Objectives.

STRATEGY DEVELOPMENT

After assessing the current status of utility operations and WUD's success in implementing the previous strategic plan, WUD initiated a process to determine and prioritize the Strategic Objectives that will facilitate the achievement of WUD's overarching goals through the implementation of the SSP that is aligned with current industry trends and practices. As a result, WUD incorporated specific strategies to support Initiatives covering key areas such as product quality, workforce engagement, community outreach, sustainability, program management, and renewal and replacement funding. WUD also added a new Initiative: Operational Excellence. The Operational Excellence Initiative focuses on providing a high quality of utility services while appropriately managing existing assets. Figure 3 outlines the strategy development process.

FIGURE 3: STRATEGY DEVELOPMENT PROCESS



STRATEGIC INITIATIVES & IMPLEMENTATION

The SSP framework detailed herein is dynamic and provides WUD with the ability to make timely adjustments in order to reset the strategies and KPIs, monitor and adjust the implementation and management of the SSP through all tiers of WUD, and measure performance against the established Overarching Goals in real time.

STRATEGIC SUSTAINABILITY PLAN COMPONENTS

WUD's MISSION

WUD prides itself on being a forward thinking organization that produces and delivers the highest quality water to customers, provides outstanding wastewater services and customer service.

The aspirations of WUD are embedded in the organization's Mission and are found throughout this SSP. All employees will be accountable to the operational performance and success of the SSP and continued fulfillment of WUD's Mission.



OUR MISSION IS TO PROVIDE THE: BEST WATER, BEST SERVICE & BEST ENVIRONMENTAL STEWARDSHIP

The Mission is the central component of the SSP that is intended to drive every employee to operate in a manner that positively impacts WUD. The SSP is further supported by specific Overarching Goals, Initiatives, Strategies, and KPIs that are necessary to guide WUD's direction and allow for adaptive management of the utility along with monitoring the performance of individual employees and divisions.

OVERARCHING GOALS

Overarching Goals outline specific ambitions that will guide WUD over the next five years. The Goals were identified by the Leadership Team and are more general and aspirational in nature than the Strategic Objectives established by WUD.

THE 6 OVERARCHING GOALS ARE:

1. ALIGN WUD'S WORKFORCE WITH THE DEPARTMENT'S BUSINESS PRIORITIES
2. MAINTAIN FISCAL RESPONSIBILITY
3. CONTINUE THE TRANSITION FROM A GROWTH-DRIVEN TO A SUSTAINABLE UTILITY

They provide the desired long term direction to be realized through the implementation of associated Strategies and KPIs within an identified Initiative.

4. MAINTAIN OPERATIONAL EXCELLENCE AND TECHNOLOGICAL LEADERSHIP
5. DELIVER PROACTIVE COMMUNICATION
6. MAINTAIN AN UNCOMPROMISING COMMITMENT TO PRODUCT QUALITY, PUBLIC AND EMPLOYEE HEALTH, AND SAFETY AND THE ENVIRONMENT

INITIATIVES

Initiatives are broad categories that represent the general areas of work required to accomplish WUD's mission. Ongoing WUD activities are assigned to different Initiatives based on the relationship to a given Initiative within a specific Overarching Goal. They do not change substantially from year-to-year and are the

core areas of implementation, or "Circles of Excellence," that enable WUD to achieve its mission. Initiatives contain identified Strategies for successful implementation and associated KPIs to measure performance.

THE 6 INITIATIVES ARE:

1. WORKFORCE
2. COMMUNITY
3. ENVIRONMENT
4. INFRASTRUCTURE
5. FINANCIAL RESPONSIBILITY
6. OPERATIONAL EXCELLENCE

STRATEGIES

Strategies outline specific actions that must be taken within and across various Initiatives on an individual and simultaneous basis within WUD. The successful execution of a particular

Strategy will enable WUD to accomplish the Overarching Goals and Mission of WUD.

KEY PERFORMANCE INDICATORS (KPIs)

WUD's performance in meeting specific Strategies within this SSP will be measured through the implementation of KPIs. KPIs are measurable steps and actions that are assigned to an individual or a team as a part of implementing specific Strategies. They contain specific performance measures and timeframes for completion and are practical for existing conditions. Each identified Strategy is assigned a KPI that provides practical standards for the measurement of success related to the achievement of the defined strategy.

KPIs will form the backbone of WUD's performance management system and will provide definitive measurements of employee and team success. Importantly, the KPIs have been developed to complement and reinforce one another, allowing for the aggregation of successes through the Department and across Initiatives. They will be utilized to demonstrate the progress being made throughout WUD as related to an objective baseline.

The following sections provide detailed outlines of the Overarching Goals, Initiatives, Strategies, and KPIs.



FIGURE 4: FUNCTIONAL LAYOUT OF THE SSP COMPONENT

STRATEGIES

Enhance employee development and implement a knowledge transfer program

Drive accountability and transparency

Improve employee engagement, internal Department communication and collaboration, and reward employee performance through increased recognition



Ensure compliance with all regulatory and permitting requirements

Be an environmental steward in everything we do

Develop a safety-first culture to improve employee health and safety in the workplace

Efficiently provide a high-quality of water and adequate levels of service to all customers





Implement an enhanced community relations program

Improve customer engagement and outreach through social media, PBC Water's website, and other communication channels



OVERARCHING GOALS

ALIGN WORKFORCE WITH BUSINESS PRIORITIES

MAINTAIN FISCAL RESPONSIBILITY

**MISSION:
BEST WATER,
BEST SERVICE
& BEST
ENVIRONMENTAL
STEWARDSHIP**

UNCOMPROMISING COMMITMENT TO PRODUCT QUALITY, PUBLIC AND EMPLOYEE HEALTH, SAFETY AND THE ENVIRONMENT

TRANSITION FROM GROWTH-DRIVEN TO A SUSTAINABLE UTILITY

DELIVER PROACTIVE COMMUNICATION

MAINTAIN OPERATIONAL EXCELLENCE AND TECHNOLOGICAL LEADERSHIP

STRATEGIES

Align rate structures to reflect conservation, full costs of providing services, and affordability

Secure adequate funding for high-priority projects

Utilize effective asset management principles with prioritization of R&R projects to ensure an efficient and cost-effective outlay for infrastructure replacement

Utilize prudent financial planning and implement financial risk mitigation measures to ensure the credit worthiness of PBC Water



Maintain adequate service capacity for enhanced emergency and security preparedness and response in case of unexpected events

Optimize implementation of Asset Management Plans (AMP) and the Capital Improvement Program (CIP) through the use of alternative analysis and effective program management

Ensure PBC Water has adequate infrastructure and resources to address or adapt to the impacts of climate change




Implement a comprehensive ISO 55000-based life-cycle asset management strategy and program that optimizes maintenance and R&R for PBC Water's assets

Innovate through the implementation of industry-leading technologies to become a smart utility




INITIATIVES

-  WORKFORCE
-  COMMUNITY
-  ENVIRONMENT
-  INFRASTRUCTURE
-  FINANCIAL RESPONSIBILITY
-  OPERATIONAL EXCELLENCE

The following section provides detailed outlines of the Overarching Goals, Strategies, and Key Performance Indicators.

OVERARCHING GOALS

TABLE 2: DESCRIPTION OF THE OVERARCHING GOALS

LINE	OVERARCHING GOAL	DESCRIPTION
1	ALIGN WORKFORCE WITH BUSINESS PRIORITIES	<ul style="list-style-type: none"> Ensure that our workforce is properly sized with the required business, leadership, technical skills and competencies to fulfill our Mission and related business processes. Provide the necessary development opportunities and knowledge transfer to ensure accountability and transparency, provide recognition for performance, ensure a safety-first culture, and improve employee engagement and teamwork.
2	MAINTAIN FISCAL RESPONSIBILITY	<ul style="list-style-type: none"> Ensure that we maintain our strong and sustainable financial position, including developing a financial plan and rate structures that reflects conservation, recovering the full cost of providing service, affordability, and adequate funding to meet future R&R needs.
3	TRANSITION FROM GROWTH-DRIVEN TO A SUSTAINABLE UTILITY	<ul style="list-style-type: none"> For many years, we were driven by population growth in our service area. Now, we must become a sustainable utility to ensure our long-term ability to fulfill our Mission.
4	MAINTAIN OPERATIONAL EXCELLENCE AND TECHNOLOGICAL LEADERSHIP	<ul style="list-style-type: none"> Our future success will be driven by our ability to optimize the operations of our physical and non-physical assets, to innovate through the implementation of industry-leading technologies to become a smart utility, and to enhance our emergency and security preparedness.
5	DELIVER PROACTIVE COMMUNICATION	<ul style="list-style-type: none"> We need to develop a modern public relations program and execute proactive and consistent internal and external communications with all major stakeholders, across a variety of communication channels, including social media and our website. Also, we need to continue to work with all regional partners to improve relationships, and influence public policy and regulatory requirements.
6	UNCOMPROMISING COMMITMENT TO PRODUCT QUALITY, PUBLIC AND EMPLOYEE HEALTH, SAFETY AND THE ENVIRONMENT	<ul style="list-style-type: none"> We can never lose our focus and commitment to provide a high-quality product and protect the health, safety, and environment of the general public that we serve and our employees.

INITIATIVE: WORKFORCE



TABLE 3: DESCRIPTION OF THE WORKFORCE STRATEGIES

LINE	STRATEGY	KPI
1	<p>ENHANCE EMPLOYEE DEVELOPMENT AND IMPLEMENT A KNOWLEDGE TRANSFER PROGRAM</p> <p>Implement employee development and knowledge transfer programs, including job rotation and knowledge capture sessions. This will provide growth and development opportunities for our employees, increase the level of business and technical competencies within WUD staff, and address key employee retirements.</p>	<ul style="list-style-type: none"> Department workforce performance score (Overall WUD Score)
2	<p>DRIVE ACCOUNTABILITY AND TRANSPARENCY</p> <p>Ensure that we are a performance-driven utility, with transparency regarding expectations and actual employee performance.</p>	<ul style="list-style-type: none"> Department workforce performance score (overall WUD score with regards to performance accountability and expectations transparency)
3	<p>IMPROVE EMPLOYEE ENGAGEMENT, INTERNAL DEPARTMENT COMMUNICATION AND COLLABORATION, AND REWARD EMPLOYEE PERFORMANCE THROUGH INCREASED RECOGNITION</p> <p>Develop proactive measures to increase employee engagement, facilitate internal Departmental communication, and promote collaboration and teamwork. Provide multiple mediums for employees to communicate their level of engagement, satisfaction, and ideas for improvement. In addition, regularly celebrate employee performance using formal and informal means of recognition, focused on driving the WUD Mission.</p>	<ul style="list-style-type: none"> Department workforce performance score (overall WUD score with regards to employee engagement and collaboration)
4	<p>DEVELOP A SAFETY-FIRST CULTURE TO IMPROVE EMPLOYEE HEALTH AND SAFETY IN THE WORKPLACE</p> <p>Make employee health and safety a top priority in everything we do.</p>	<ul style="list-style-type: none"> Overall WUD safety score (Composite WUD Score: OSHA safety benchmarks and/or audit and WUD established safety metrics)

INITIATIVE: COMMUNITY



TABLE 4: DESCRIPTION OF THE COMMUNITY STRATEGIES

LINE	STRATEGY	KPI
1	<p>IMPLEMENT AN ENHANCED COMMUNITY RELATIONS PROGRAM</p> <p>Develop an enhanced community relations program that includes a proactive community relations strategy that cultivates positive relationships with community stakeholders and regional partners. This will assist in promoting utility programs and foster positive relationships with external stakeholder groups and facilitate support and cooperation on important projects.</p>	<ul style="list-style-type: none"> Implementation of an enhanced community relations program (% of target completion for WUD)
2	<p>IMPROVE CUSTOMER ENGAGEMENT AND OUTREACH THROUGH SOCIAL MEDIA, WUD'S WEBSITE, AND OTHER COMMUNICATION CHANNELS</p> <p>Develop community-based programs and activities through the use of modern communication channels (e.g. website, social media) to increase external and internal stakeholder awareness and interaction. In addition, maintain internal resources and service requirements necessary to meet the needs of the community.</p>	<ul style="list-style-type: none"> Customer satisfaction level (overall WUD level) WUD cumulative customer outreach metric

INITIATIVE: OPERATIONAL EXCELLENCE



TABLE 5: DESCRIPTION OF THE OPERATIONAL EXCELLENCE STRATEGY

LINE	STRATEGY	KPI
1	<p>IMPLEMENT A COMPREHENSIVE ISO 55000-BASED LIFE-CYCLE ASSET MANAGEMENT STRATEGY AND PROGRAM THAT OPTIMIZES MAINTENANCE AND R&R FOR WUD'S ASSETS</p> <p>Implement an asset management strategy and program that identifies people, process and technology gaps relative to the ISO 55000 good-practice asset management framework. Develop improvement initiatives to close these gaps, including specific actions, responsibilities, resource requirements, and timelines.</p>	<ul style="list-style-type: none"> Assessment of the WUD asset management program maturity (overall/aggregate WUD score)
2	<p>EFFICIENTLY PROVIDE A HIGH-QUALITY OF WATER AND ADEQUATE LEVELS OF SERVICE TO ALL CUSTOMERS</p> <p>Always provide high-quality water and reliable water, wastewater and reclaimed water services to all of our customers through focused employee engagement, efficient business operations, and effective utility management.</p>	<ul style="list-style-type: none"> Operational efficiency scorecard that balances adequate capacity cost, water quality, and the required level of service (total aggregate WUD score: adequate capacity, water quality, cost and labor hours, level of service, and customer call center)

INITIATIVE: ENVIRONMENT



TABLE 6: DESCRIPTION OF THE ENVIRONMENT STRATEGIES

LINE	STRATEGY	KPI
1	<p>BE AN ENVIRONMENTAL STEWARD IN EVERYTHING WE DO</p> <p>Implement sustainable and environmentally responsible operating practices and business policies in order to be an environmental steward in everything we do.</p>	<ul style="list-style-type: none"> Implement environmentally responsible programs (actual vs. target results)
2	<p>ENSURE COMPLIANCE WITH ALL REGULATORY AND PERMITTING REQUIREMENTS</p> <p>Ensure that WUD's operations are consistent with all regulatory and permitting requirements.</p>	<ul style="list-style-type: none"> Compliance with all regulatory and permitting requirements (total number of WUD violations)
3	<p>ENSURE WUD HAS ADEQUATE INFRASTRUCTURE AND RESOURCES TO ADDRESS OR ADAPT TO THE IMPACTS OF CLIMATE CHANGE</p> <p>As climate change impacts utilities in Florida, ensure that the WUD maintains adequate water supply.</p>	<ul style="list-style-type: none"> Establishment of WUD water supply targets based on the Consumptive Use Permit, SFWMD drought restrictions, and WUD Flood Management Plan (% completion and/or actual vs. target results)

INITIATIVE: INFRASTRUCTURE



TABLE 7: DESCRIPTION OF THE INFRASTRUCTURE STRATEGIES

LINE	STRATEGY	KPI
1	<p>OPTIMIZE IMPLEMENTATION OF ASSET MANAGEMENT PLANS (AMP) AND THE CAPITAL IMPROVEMENT PROGRAM (CIP) THROUGH THE USE OF ALTERNATIVE ANALYSIS AND EFFECTIVE PROGRAM MANAGEMENT</p> <p>Maintain existing assets and develop an appropriate multi-year CIP through advanced planning, alternative analysis, and the implementation of advanced project delivery methodologies.</p>	<ul style="list-style-type: none"> Program management performance related to project delivery (overall WUD scores) Implementation of the overall WUD Asset Management Plan (actual vs. target results)
2	<p>INNOVATE THROUGH THE IMPLEMENTATION OF INDUSTRY-LEADING TECHNOLOGIES TO BECOME A SMART UTILITY</p> <p>We must continue our history of innovation through the implementation of relevant technologies that will result in WUD becoming an industry-leading smart utility.</p>	<ul style="list-style-type: none"> WUD SMART utility plan implementation (% of target completion dates met)
3	<p>MAINTAIN ADEQUATE SERVICE CAPACITY FOR ENHANCED EMERGENCY AND SECURITY PREPAREDNESS AND RESPONSE IN CASE OF UNEXPECTED EVENTS</p> <p>Ensure that our ability to maintain the required level of service and effective response to unexpected emergencies and events is not jeopardized.</p>	<ul style="list-style-type: none"> Review the existing WUD Emergency and Security Preparedness Plan to establish effective emergency response policies, procedures, and protocols as necessary (% of target policies, procedures, and protocols met)

INITIATIVE: FINANCIAL RESPONSIBILITY

TABLE 8: DESCRIPTION OF THE FINANCIAL RESPONSIBILITY STRATEGY



LINE	STRATEGY	KPI
1	<p>ALIGN RATE STRUCTURES TO REFLECT CONSERVATION, FULL COSTS OF PROVIDING SERVICES, AND AFFORDABILITY</p> <p>Review and modify, as necessary, our rate structures to ensure that they reflect conservation, full cost of providing service, and affordability. Work closely with external stakeholders to solicit input and develop support for the required changes.</p>	<ul style="list-style-type: none"> Affordability (typical monthly bill as a % of median household income) Minimum cash reserve (\$ millions)
2	<p>SECURE ADEQUATE FUNDING FOR HIGH-PRIORITY PROJECTS</p> <p>Properly plan, identify and manage our funding capabilities to ensure adequate financing of high-priority projects.</p>	<ul style="list-style-type: none"> Establish a target WUD financing mix (target % of total WUD financing from cash, debt, and other sources)
3	<p>UTILIZE EFFECTIVE ASSET MANAGEMENT PRINCIPLES WITH PRIORITIZATION OF R&R PROJECTS TO ENSURE AN EFFICIENT AND COST-EFFECTIVE OUTLAY FOR INFRASTRUCTURE REPLACEMENT</p> <p>Plan and prioritize the implementation of the upcoming 40-year infrastructure replacement cycle, estimated at \$5 billion.</p>	<ul style="list-style-type: none"> Implementation of R&R projects (target % of total annual CIP reserved for R&R projects)
4	<p>UTILIZE PRUDENT FINANCIAL PLANNING AND IMPLEMENT FINANCIAL RISK MITIGATION MEASURES TO ENSURE THE CREDITWORTHINESS OF THE WUD</p> <p>Maintain or improve the existing WUD credit rating through sound long-range financial planning and establishment of financial risk mitigation measures.</p>	<ul style="list-style-type: none"> Establish a WUD composite credit rating assessment (WUD actual vs target score)

THE VALUE OF OUR SSP

As we embark on this journey to define the future of WUD, we have developed a Strategic Sustainability Plan that builds on the foundation of previous plans and drives the WUD's Mission of WUD to transform into a "Best in Class Utility." We embrace all the challenges and opportunities detailed herein, and understand that our SSP is a road map to achieve WUD's goals based on OUR situation. As we progress forward, the conditions and realities as outlined herein may differ, but our strategic planning framework is sound and allows us the opportunity to be dynamic and agile through times of certainty and uncertainty alike. We are very excited about the future of WUD, and the SSP is just one of many steps to transition into a "Best in Class Utility."

| WUD's Administration Building |

Palm Beach County
Water Utilities Department