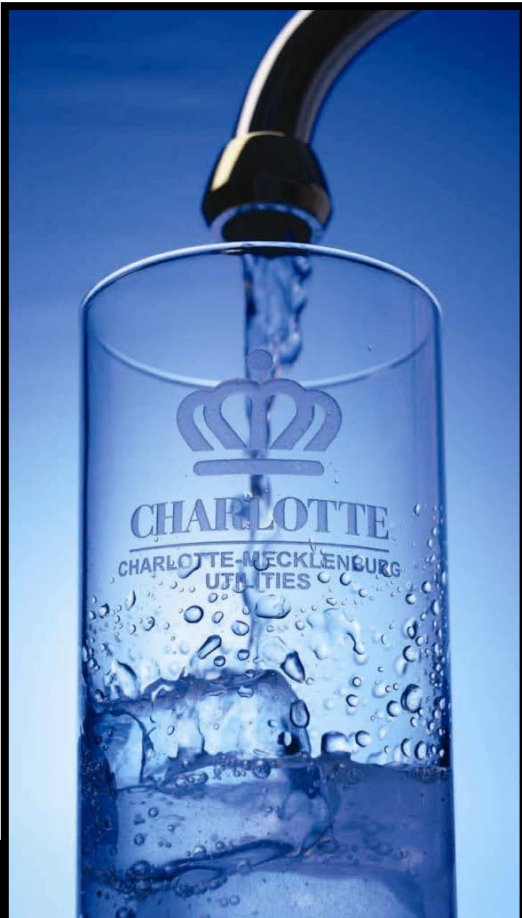


STRATEGIC OPERATING PLAN FY2014/FY2015



CHARLOTTE-MECKLENBURG UTILITY DEPARTMENT

Clean Water for a Healthy Community

Report prepared July 2013



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Executive Summary

INTRODUCTION

Charlotte-Mecklenburg Utility Department (CMUD) was established in 1972 when the City of Charlotte and Mecklenburg County combined its water and sewer systems. Today CMUD is the largest public utility in the Carolinas, serving over 255,000 water service accounts and maintaining over 8,000 miles of pipe.

CMUD's core business is to provide safe drinking water and safely transport and treat wastewater for the Charlotte-Mecklenburg community. CMUD is organized into seven internal divisions that contribute to accomplishing the organization's objectives. A citizen Advisory Committee comprised of seven members representing neighborhoods, civil engineers, water-sewer contractors, financial experts, real estate developers, and Mecklenburg towns is charged with reviewing:



Capital Improvement Programs, proposed changes and implementation of the water and sewer rate methodology, and proposed changes in the policy for extending water and sewer service.

CMUD's plans for FY2014 TO 2015 contain new actions designed to further align our priorities with our vision and mission and the goals and objectives of the City.

VISION AND MISSION

Vision

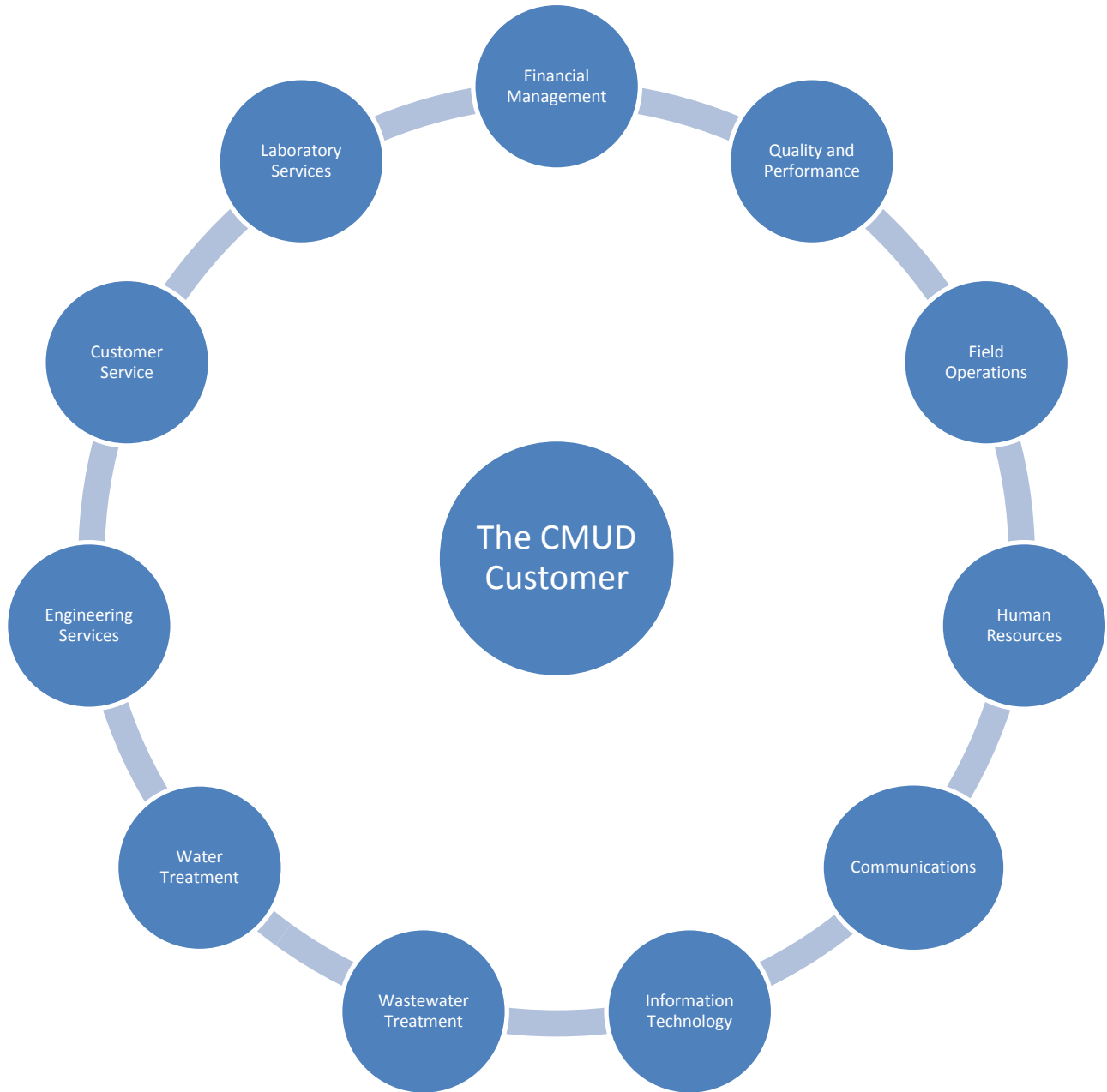
We will be the recognized leader in the region, state, and nation by contributing to the health, safety, and economic well-being of our customers; in protecting and conserving our natural resource and environment; and in providing for the growth and development of our employees.

Mission

We are committed to customer satisfaction and confidence by providing responsive services, reasonable rates, system capacity, and effective communication. We provide safe and sufficient drinking water by protecting, treating, and distributing drinking water. We protect the environment by collecting and treating wastewater, reusing residuals beneficially, and regulating system discharges. We accomplish our mission through well-trained employees dedicated to customer service.

ORGANIZATION CHART

CMUD’s core business is providing safe drinking water and safely transport and treat wastewater for the Charlotte-Mecklenburg community. CMUD is organized into seven internal divisions that contribute to carrying out the organization’s objectives. However, the divisional representation of a traditional organizational chart does not sufficiently capture the new focus on the customer. Thus, our leadership has decided to represent our organization in a new graphic manner to clearly demonstrate our path forward:



NEEDS AND CHALLENGES

- **Regional Environmental and Water Supply Management** – The South Carolina vs. North Carolina Water Rights law suit was settled at the end of calendar year 2010. However, the management of our **regional water supply** will continue to be a key issue, particularly as unusual bouts of extended drought or extreme wet weather occur. Participation in groups such as the Catawba-Wateree Water Management Group and responding to the state’s Water Allocation Study recommendations will be among the necessary actions undertaken by CMUD. Continual planning and development of regional partnerships are needed to form the foundation to meet future wastewater treatment needs. In 2013, CMUD helped to lead and co-sponsored the publication of the *Defining and Enhancing the Safe Yield of a Multi-Use, Multi-Reservoir Water Supply* report in conjunction with the Water Research Foundation, with assistance from the Catawba-Wateree Water Management Group. This tailored collaboration project provides best practice guidance, integrating forecasted climate change, and identifies methods to potentially improve safe yield of the water supply.
- **Financial Challenges:**

As of June 30, 2013, CMUD experienced savings from its \$291.1 million operating budget. Savings were the result of several assertive measures undertaken to control costs while maintaining service. CMUD has responded to an uncertain economy and changing growth patterns in the service area. Some of these conservative measures are one-time events and should not be anticipated to necessarily reoccur in the future:

 - Debt service was less than budgeted by \$2.9 million
 - Although we are working diligently to fill all vacancies, we have averaged approximately 50 vacancies throughout FY 2013; \$1.4 million of savings will be a result of position vacancies still open. As of June 30, 2013, approximately 50 vacancies remain and we continue to aggressively seek to fill them.
 - Power savings of \$2.1 million was realized because of a variety of reasons; primarily this was achieved because of pumping less water due to greater than average rainfall and by pumping at off-peak times to effectively utilize Duke Energy’s Share Program which reduces the rate paid.
 - Chemical savings were \$112 thousand. CMUD staff believes that the economy affected the ability of the vendors to pass through an anticipated price increase. This same year pricing will be sought again, but may not be available if the economic situation changes.
 - Miscellaneous contractual savings of \$768 thousand primarily resulting from contract savings at Field Operations.

Financial statistics of note include:

- CMUD Operating Budget for FY13 is \$291,085,960 (includes debt service and PAYGO)
- The capital improvement budgets are:
 - (1) Water CIP FY13 \$28,375,000
 - (2) Wastewater CIP FY13 \$52,983,400
- There are 746.25 funded FY13 Positions with approximately 50 current vacancies.
- CMUD total revenues are projected to be approximately \$1.0 million under expectations.
 - Details by revenue categories are:

○ Volumetric revenues	\$13.2 million under
○ Capacity and connection revenues	\$4.4 million over
○ Availability and Fixed Fees	\$0.6 million over
○ Other One-Time Rev	\$7.1 million over

(Including Sale of Land, Stormwater Reimburse, Lab Fees)
- Debt ratios as of 6-30-2013, the latest numbers available (unaudited) are:

○ Debt Service Coverage	1.92
○ Fund Balance to annual budget	70%
○ Debt service percent to total revenue	47%
○ PAYGO (of capital funding)	88%

As of June 30, 2013, it is anticipated that the fiscal year-end (June 30th) revenues will be under expectations by approximately \$1 million. This reduced revenue is largely due to wet weather. Customers used less water in the tiers associated with irrigation resulting in lower than anticipated volumetric consumption. For the overall CMUD budget, operational expenses are forecasted to remain within expectations; however, there is a concern with the revenue outlook moving into FY14. The weather continues to be unseasonably wet leading to lowered consumption. CMUD expects to meet the financial challenges this year, but the need for conservative forecasting of future water consumption and continued vigilance with operational expenses is clear. Weather variability, such as extremely wet or extremely dry conditions, and economy related water usage variability pose significant financial risk when forecasts are tracking within approximately 1% of actual observed consumption.

- **Performance Challenges:**
 - **Contracting and procurement** process changes within the City have driven the need for additional resources to maintain the complex contracting challenges CMUD faces. We have realigned resources to maintain service levels with contracting. We will

continue to evaluate the need for more support in the financial and administrative areas in the future.

- As some improvement in the economy has occurred, additional needs have unfolded for engineering/land surveys associated with extension of service and capital project implementation. In the past, these needs were met through a combination of in-house staff and external contracts. During the economic downturn, in-house **survey capacity** was reduced by reassigning employees to other priority vacancies and through attrition. A surveying benchmarking study in FY10 demonstrated that cost savings could be experienced if more of the increased need is met with in-house staff. **Staffing will be added in FY14 along with a continued effort to maintain a lowered vacancy rate.**
- **Technology solutions** for maintaining, enhancing, and expanding efficient use in CMUD operations, particularly in field applications, have been outlined. Specific areas of resource concerns include sustaining and growing the Work and Asset Management (WAM) implementation, Laboratory Information Management (LIMS) data integration, System Protection technical support, Meter Management systems, and general reporting/data management. These tools are invaluable for providing consistent, responsive, transparent customer service and for responding to regulatory requirements. Contractors have been used for the initial large scale implementation, but ongoing long term customization, maintenance and support will now be required and can best be provided internally. As customers' expectations around immediate data availability increases and regulatory demands change, CMUD needs to greatly improve information delivery to field staff as they interact with external customers while at various locations in the field.
- A City Manager sponsored evaluation of CMUD **customer service** was completed in October 2011. Implementation of the resulting 40 Point Improvement Plan began immediately. As of June 30, 2013, over 65% of the identified items have been instituted as part of a continuous improvement process. In FY2013, the Customer Service Division continued reorganization around a new vision with an emphasis on performance management, quality assurance, and a customer centric culture. Significant improvements in data gathering and process reliability have been established. The use of temporary employees has been required in order to stabilize and improve. These temporaries reached a peak of 37 in 2008 as problems with metering equipment and processes began surfacing. As process improvements have been put in place, this number has been reduced to 24 current temporary positions. CMUD will be making an effort to further reduce temporary staffing in FY14. Some temporary positions will need to be transitioned to regular staff positions in order to maintain the improvement level that has been achieved. Further, a backlog of service orders related to maintaining large water meters also needs to be addressed. If unmaintained, these large meters represent a significant challenge to revenue collection and customer service. Likewise, another objective of the 40 Point Plan was to build a knowledge base around potential new water metering solutions. This knowledge base will support a Water Meter Upgrade Program Request for Proposal (RFP) which will guide the CMUD metering solution of the future. Based on pilot data

and additional research, CMUD developed a draft RFP scope for the future metering solution in May 2013. This scope will now be completed and issued as a RFP in FY14. Another suggested project was to explore a customer assistance program. Scoping of this assistance project has begun.



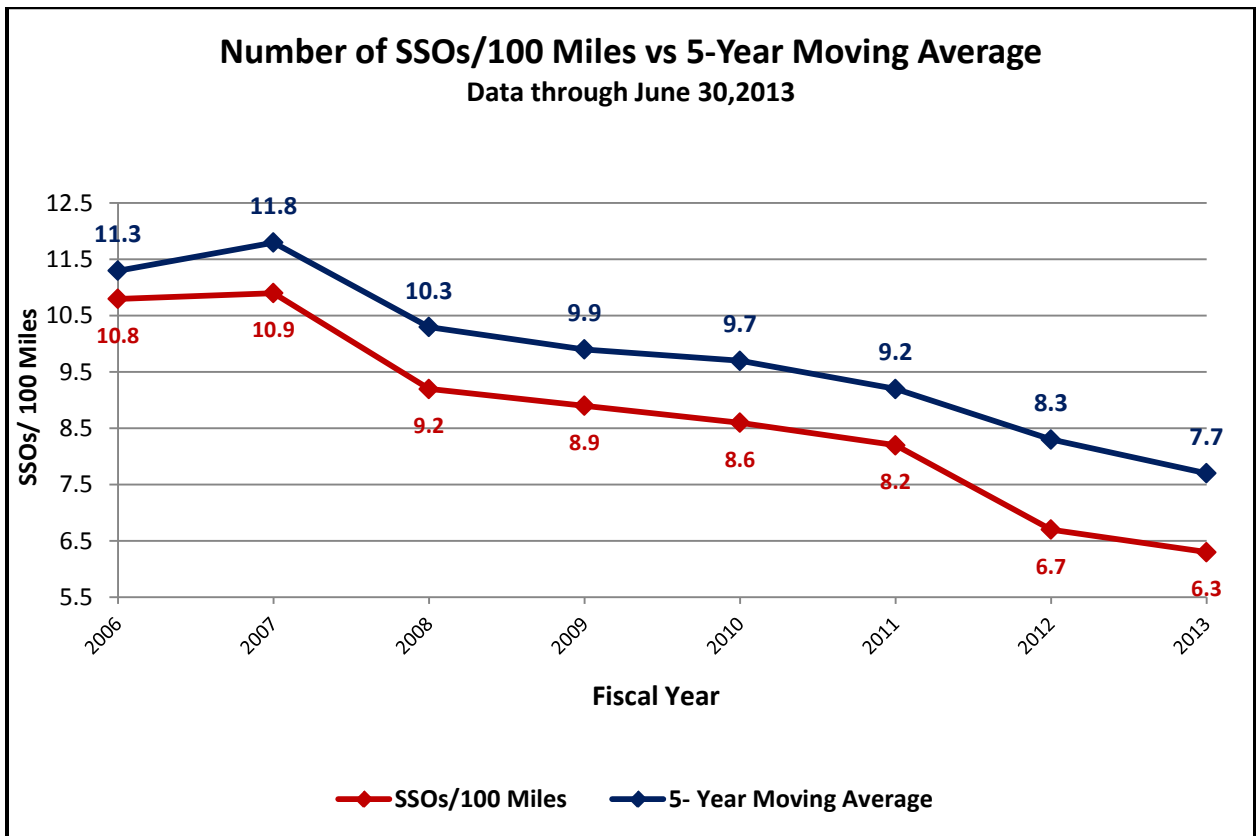
Pilot plant consumption testing as a water meter upgrade research tool

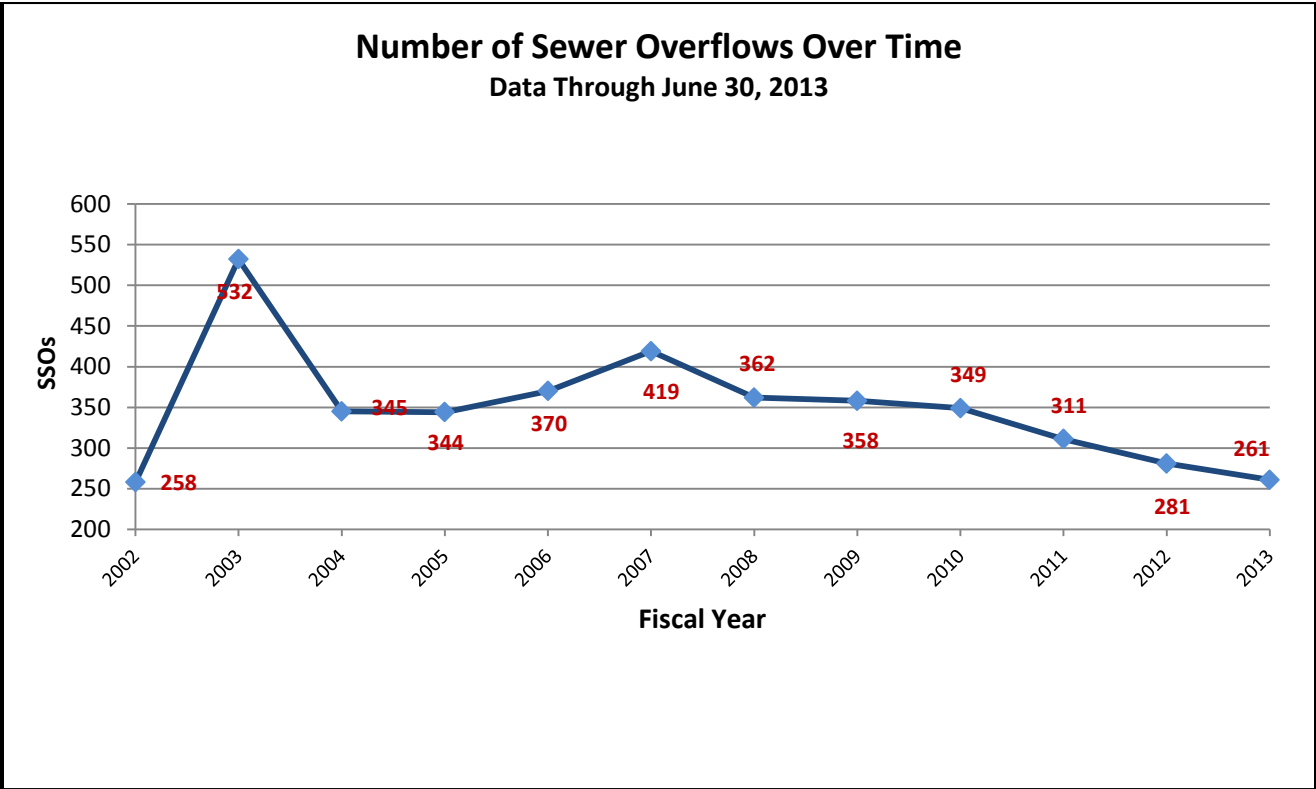
- **Operational Challenges:**

- Reduced levels of **maintenance** to plant equipment and piping systems increases the risk of equipment failure. This results in higher risk of failure to satisfy customer service requirements and environmental impacts. Measures have been taken to re-focus resources on maintenance throughout the treatment, collection, and distribution system as crews were added in FY13 by filling long-term vacancies. The CMUD system includes over 8,000 miles of pipe, 5 wastewater treatment plants, 3 water treatment plants, and more than 70 lift stations. This maintenance focus has introduced an expanded need in the field operations area. For the calendar year of 2012, CMUD locates staff received 125,331 locate requests. Actual locates performed were 73,439 for a 58.6% completion rate. Although CMUD staff members have been providing locating services, a proposed regulatory change further increases the scope and workload expected, with the new regulatory requirements necessitating locating underground water and sewer lines ahead of any third party excavation with greater accuracy. Further, this proposed update to the damage prevention law has a provision for civil penalties for inadequate location. Additional staffing will provide for better responsiveness to the current existing 120,000+ annual NC One-Call requests for Mecklenburg County, along with staging CMUD to meet some of the requirements of the amended act should it pass. **Staffing will be added in FY14 along with a continued effort to maintain a lowered vacancy rate.**
- Resource needs also exist in the treatment plants, and an additional position is needed to allow all work shifts to be covered safely and consistently across all plant **operations**. Typically, a minimum of two operators are maintained per shift at each plant site to ensure the security of the facility and the safety of the operations. However, one additional position is required to make this a consistent approach at each treatment facility. Since the possibility for security events and the complexity of some operations have increased, CMUD will need to minimize the time periods that operators are alone at plants. Thus, the number of treatment plant operations will

slightly increase in order to safely cover all shifts. **Staffing will be added in FY14 along with a continued effort to maintain a lowered vacancy rate.**

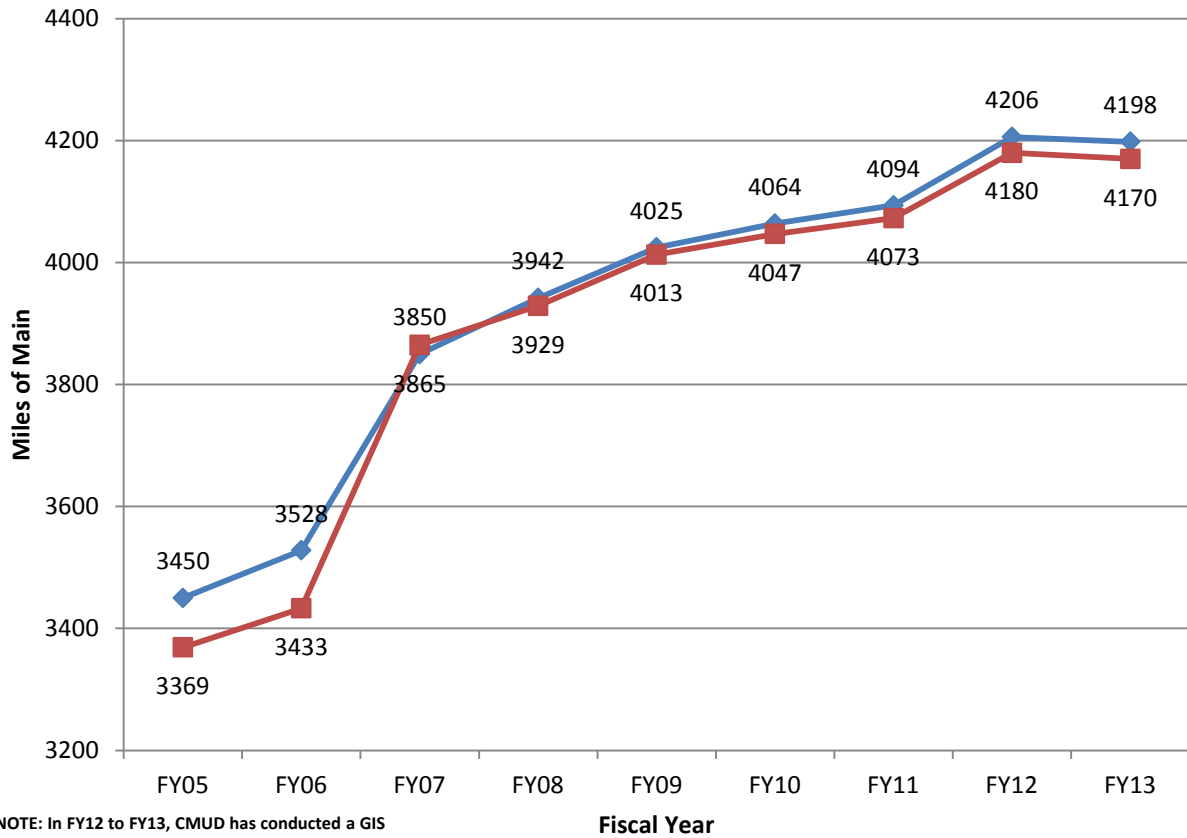
- **Reducing the number of Sanitary Sewer Overflows (SSOs)** remains a challenge in the CMUD system. CMUD has resolved the EPA Administrative Order to reduce sewer spills, which was a formal regulatory agreement requiring the completion of a list of actions within a specified time frame. Despite completion of these concerted actions, SSOs have not been sufficiently decreased, and still occur too often. In the past due to unfunded vacancies, CMUD had been challenged to perform the labor intensive work necessary to clean sewer lines to remove grease build-up that significantly contributes to sewer overflows. Significant progress was made filling vacant positions, training new hires, and maintaining additional crews in FY13. An ongoing focus on maintaining a low level of vacancy and high productivity will be required to continue reducing the number of SSO's. Further, the 70 lift stations in the sewer system must be monitored and evaluated on a continuous basis. The lift stations are not staffed and constitute a high risk for overflow if they are not physically visited on a frequent and regular basis. This effort has been supported by contract labor in the past, but is a skillset that will be better maintained in-house for consistency and reliability.





- Resources normally responding to **water leaks** may be diverted to respond to SSOs and SSO prevention. SSOs are a matter of public health. This caused water leak response time to increase to an average of 30+ days in FY11. Water leaks result in loss water and can cause property damage and increase the number of calls for service from customers. Restoration of some field operations crews, along with the use of private contractors in FY2012 and FY2013, has stabilized and reduced our response times. Greater focus on reducing water leaks occurring in our 4000 plus miles of distribution main has begun and will increase in FY14.

System Growth: Miles of Main
Through June 30, 2013



NOTE: In FY12 to FY13, CMUD has conducted a GIS review of the system which removed some mains which may have been counted twice. The system has not contracted.

◆ Water ■ Wastewater

STRATEGY AND PLANNING

Over the past several years, CMUD has experienced several challenges and transitions. Responding to these challenges and transitions has required deliberate evaluation and planning. Effective planning requires that we know not only what we want to accomplish, but also what resources we have and how best to use them. Successful planning identifies the obstacles we face and determines what change is needed to succeed. The strategic planning process defines major projects and initiatives, and anticipates significant needs, challenges and risks. Strategic planning is a continuous process. In many ways, the thought process utilizing Leadership Team collaboration is as valuable as the final plan itself. The planning must be completed with our core principles in mind:

- Providing safe drinking water and efficient sewer service to our community year after year.
- Maintaining exemplary financial management.
- Providing excellent customer service.

Long Range Strategic Plan

To assist in periodically refreshing the department’s long range strategy, a SWOT (strengths, weaknesses, opportunities, and threats) analysis is deployed by the CMUD Leadership Team. Our FY2012 analysis resulted in the identification of strengths, weaknesses, opportunities and threats shown below.

	Helpful to achieving the objective(s)	Harmful to achieving the objective(s)
	Strengths	Weaknesses
Internal Origin (attributes of the organization)	<ul style="list-style-type: none"> • Quality people – diverse, flexible, nimble, creative/knowledge, well-trained, team ethic, dedication 	<ul style="list-style-type: none"> • Adequate Staff Resources going forward – more cross training for redundancy is needed, more procedures, more use of technology; Knowledge retention
	<ul style="list-style-type: none"> • Strong Financial Positions - AAA bond rating, competitive rates, adequate funding 	<ul style="list-style-type: none"> • Manage financial factors – mitigate large annual rate increases, mitigate variable revenue stream, cut debt without loss in maintenance
	<ul style="list-style-type: none"> • Good utility capacity – reliability, compliance with Safe Drinking Water Act, compliance with Clean Water Act, Biosolids handling, sufficient lines to support growth 	<ul style="list-style-type: none"> • Manage Customer relations and service access/delivery – develop brand/image, improve performance to maintain customer support, increase satisfaction
	<ul style="list-style-type: none"> • Leadership focus on continuous improvement, sustainability, innovation, communication, engagement with City and industry 	<ul style="list-style-type: none"> • Agility – be more preventive with our actions and less reactive, do more root cause analysis, measurement and control of the right things
	<ul style="list-style-type: none"> • Community Support and Awareness – public education, environmental awareness, improving customer service relationship, stakeholder interest and support 	<ul style="list-style-type: none"> • Silo (work) mentality has to be removed – City; Division to division; Individual

External Origin (attributes of the environment)	Helpful to achieving the objective(s)	Harmful to achieving the objective(s)
	Opportunities	Threats
	<ul style="list-style-type: none"> • Financial Viability - Develop alternative revenue sources 	<ul style="list-style-type: none"> • Threats to infrastructure and Operational resiliency
	<ul style="list-style-type: none"> • Operational Resiliency - Develop/implement all hazard emergency preparedness plan 	<ul style="list-style-type: none"> • Challenges to water supply – water resource adequacy, IBT, product quality
	<ul style="list-style-type: none"> • Customer Satisfaction – continue to enhance customer service 	<ul style="list-style-type: none"> • Instability in economy, politics, regulations, etc. – challenge to planning and financial viability
	<ul style="list-style-type: none"> • Stakeholder Understanding and Support - Implement comprehensive communications plan for internal and external 	<ul style="list-style-type: none"> • Potential loss of partnerships – Duke Energy, Counties like Union, York, and Cabarrus, other water users, etc.
	<ul style="list-style-type: none"> • Community Sustainability and Water Supply Adequacy - Expand and strengthen regional partnerships 	<ul style="list-style-type: none"> • Identifying and maintaining needed resources – need stakeholder understanding and support ; need strong leadership, qualified staff, technical resources, security, tools

The results of a SWOT analysis and discussion are then used to develop the key list of long term objectives (shown below). These objectives are reflected in our Balanced Scorecard as Initiatives and Measures.

OBJECTIVES FOR STRENGTHS AND WEAKNESSES (INTERNAL FOCUS)
PRODUCT QUALITY
Meet all requirements of the Safe Drinking Water Act and Clean Water Act.
CUSTOMER SATISFACTION
Manage Customer Relations & service access/delivery.
EMPLOYEE & LEADERSHIP DEVELOPMENT
Promote employee and leadership development.
EMPLOYEE & LEADERSHIP DEVELOPMENT
Encourage Wellness.
OPERATIONAL OPTIMIZATION
Define and prioritize staff resources to optimize operations.
FINANCIAL VIABILITY
Maintain stability in financial management by maintaining fund balance ratio of 50% of operating fund budget, debt-to-PAYGO capital funding mix of 60-40 and debt coverage ratio greater than 1.8.
OPERATIONAL RESILIENCY
Foster culture of agility and adaptability.
COMMUNITY SUSTAINABILITY
Engage in Citywide efforts for change management and continuous improvement.
INFRASTRUCTURE STABILITY
Reduce risk management exposure

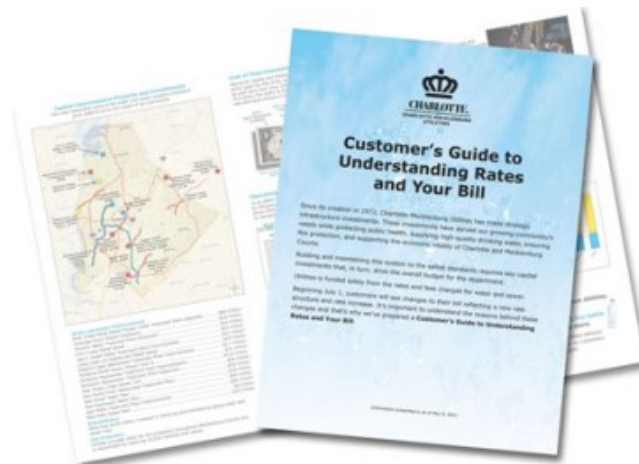
OBJECTIVES FOR OPPORTUNITIES AND THREATS (EXTERNAL FOCUS)
OPERATIONAL RESILIENCY
Complete development and implementation of the All Hazards Emergency Preparedness plan.
COMMUNITY SUSTAINABILITY AND WATER RESOURCE ADEQUACY
Continue a leadership role in regional water resources planning and ensure long term availability of water supply
STAKEHOLDER UNDERSTANDING AND SUPPORT
Develop and Implement a Comprehensive External Communication Plan.
STAKEHOLDER UNDERSTANDING AND SUPPORT
Expand and Strengthen external partnerships
OPERATIONAL RESILIENCY
Develop agility in response to risks.
FINANCIAL VIABILITY
Expand alternative revenue sources.
CUSTOMER SATISFACTION
Enhance Customer Service

CMUD's long range strategic plan includes a multipronged approach to several core Utility topics detailed below:

Core Topic: Financial Management

Strategy:

CMUD will continue to offer competitive rates. CMUD's AAA bond ratings have saved ratepayers millions of dollars as a result of securing low interest rates. Rates and fees will be set to recover the full cost of operating, financing, maintaining, replacing, and expanding the Utility as needed. Rates and fees are based on equitable distribution of the costs to provide service. Effort will be made to maintain a fund balance ratio of 50% of operating fund budget, debt to PayGo capital funding mix of 60/40, and debt coverage ratio of 1.8.



To re-focus on equitable distribution of costs and recovering full operational costs, a comprehensive rate methodology study was completed in FY2011. The rate methodology study involved citizen input and is expected to help address public concerns about *how* customers are charged for water and sewer service. It defines the next evolution in the rate structure by addressing public concerns about rate equity, environmental and economic sustainability, water conservation, and affordability. CMUD's competitive rates result from effective management, strategic use of technology, and managed competition efforts. Over the years, CMUD has maintained some of the lowest rates in the region.

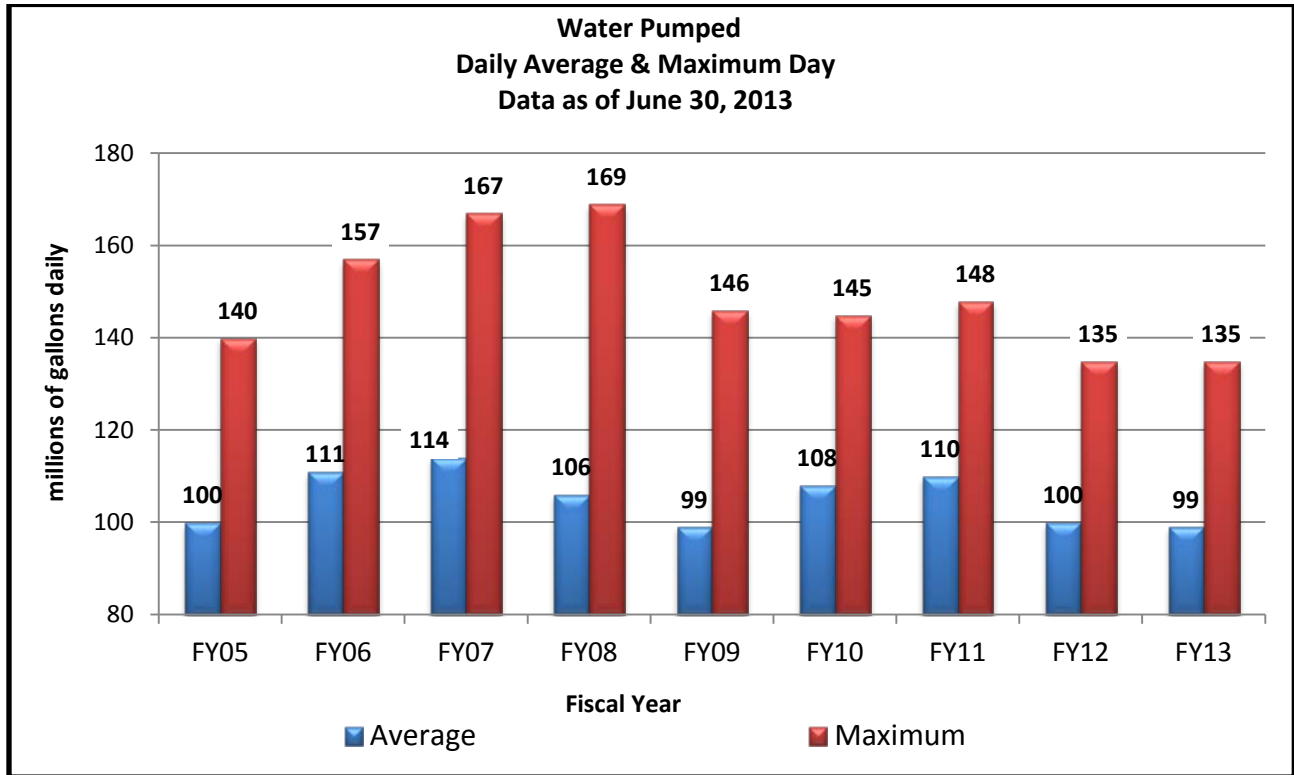
Core Topic: Drinking water quality

Strategy:

Provide water treatment and distribution to reliably, consistently, and efficiently produce and distribute drinking water that meets or surpasses all regulatory requirements and that is aesthetically pleasing to customers. This will be accomplished through a multi-barrier approach by protecting and utilizing the highest quality supply source(s), operating and maintaining modern treatment facilities to high standards,

protection from contamination caused by backflow and/or distribution system deficiencies, and monitoring and measuring water quality throughout the system.

Performance levels will be improved, sustained, and monitored through active participation in the Partnership for Safe Water and through audited compliance with other industry standards.



Core Topic: Interbasin Transfer (IBT)

Strategy:

The existing IBT Authorization Certificate issued by N.C. regulators allows for up to 33 mgd of IBT from the Catawba River basin to the Rocky River Basin on any single day each year. CMUD will extend indefinitely the ability to comply with this Authorization by timely and accurate monitoring of actual and committed IBT amounts and by planning for and developing infrastructure that controls future IBT amounts.

The existing Authorization excludes service to the Goose Creek Basin of Mecklenburg County. CMUD will provide service to its entire service area, including Goose Creek basin, by obtaining authorization from NCDENR to include the basin within the IBT area.

Core Topic: Water Metering

Strategy:

Meter all water usage to provide accurate, timely data that is used for:

- Customer billing
- Detection of leaks downstream of meters
- Resolution of billing complaints
- Customer account management
- Evaluation of system performance

Water metering is accomplished through a reliable, consistent, cost effective process utilizing one or more service providers that minimizes risk, provides for ongoing technology and process updates, instills customer confidence, and that complies with industry standards.

AWWA standards are followed to estimate the ratio of revenue (metered) to non-revenue water. Metering accuracy within AWWA standards will be maintained through the proper maintenance, replacement, and/or calibration of metering equipment and through an established metering and billing audit program.



Comparison visits to other Utilities for Meter Strategy

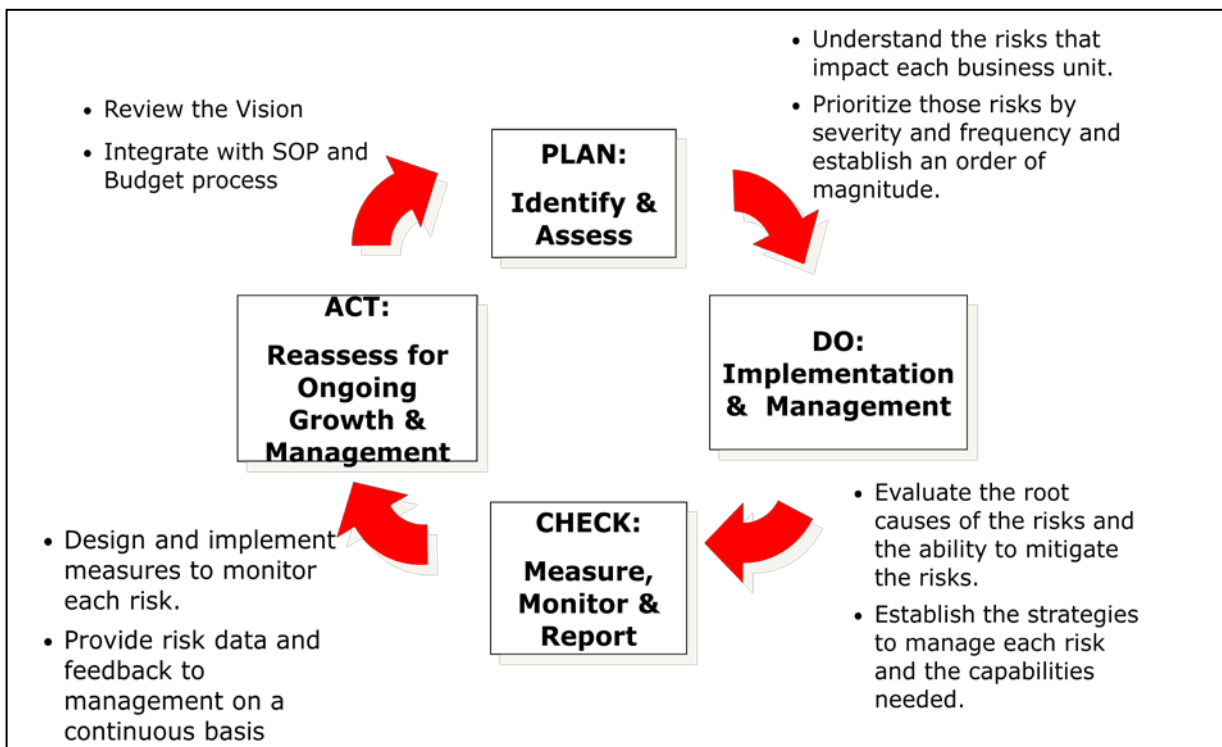
Core Topic: Risk Management

Strategy:

Improve the reliability, safety, and cost control capabilities of the operation, management, financing, and expansion of the utility system by developing enhanced risk management practices. Identification and mitigation of risks will be an integral part and consideration of each significant action by CMUD. The types of risk to be considered include risks to the public, risks to employees, risk to the environment, risk

to the economies of the service area, financial risks to the utility, risk of reduced service levels, and risk to the good reputation of the City and CMUD.

Significant actions include development of study recommendations and implementation of study results, design and construction of infrastructure, large maintenance and/or rehabilitation projects, development of capital investment plans, recommendation of capital and operating budgets, recommendation of changes to rates and fees and/or rate and fee methodology, and the purchase of major equipment. In each case, deliberate decisions will be made and communicated about acceptable risk and mitigation levels. Risk Management is coordinated at the Department level, but is the responsibility of each CMUD employee.



RISK PROFILE IMPROVEMENT PLAN

Core Topic: Wastewater Treatment

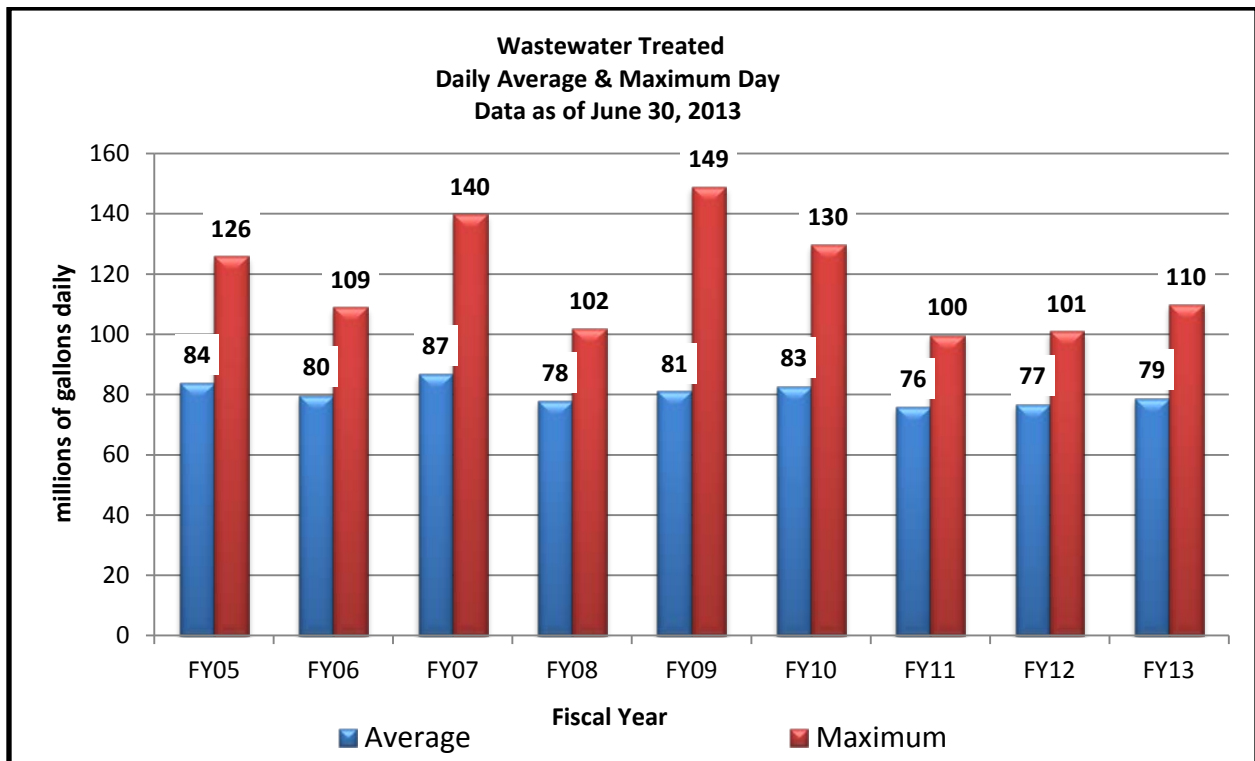
Strategy:

Wastewater produced by CMUD’S customers is treated reliably, consistently, and efficiently to produce effluent that meets or surpasses all regulatory requirements, protects the environment and is aesthetically pleasing to customers. This is accomplished through management of discharges into the wastewater collection system, operating and maintaining modern treatment facilities to high standards, and monitoring and measuring water quality throughout the system. Effluent is discharged

in accordance with existing and future NPDES Discharge Permits. CMUD will develop programs and options to reduce wastewater production and to reduce the volume and pollutant loading discharged to surface waters.

Wastewater flows will be managed between various treatment plants operated by CMUD or by CMUD’s partners. Regional wastewater management plans will be developed and implemented in a way that maximizes regulatory compliance and environmental protection and minimizes costs and risks for CMUD’s customers and for the region.

Performance levels will be improved, sustained, and monitored through audited conformance to continuous improvement via ISO 14001 Environmental Management System standards and other appropriate industry standards.



Core Topic: Treatment Capacity

Strategy:

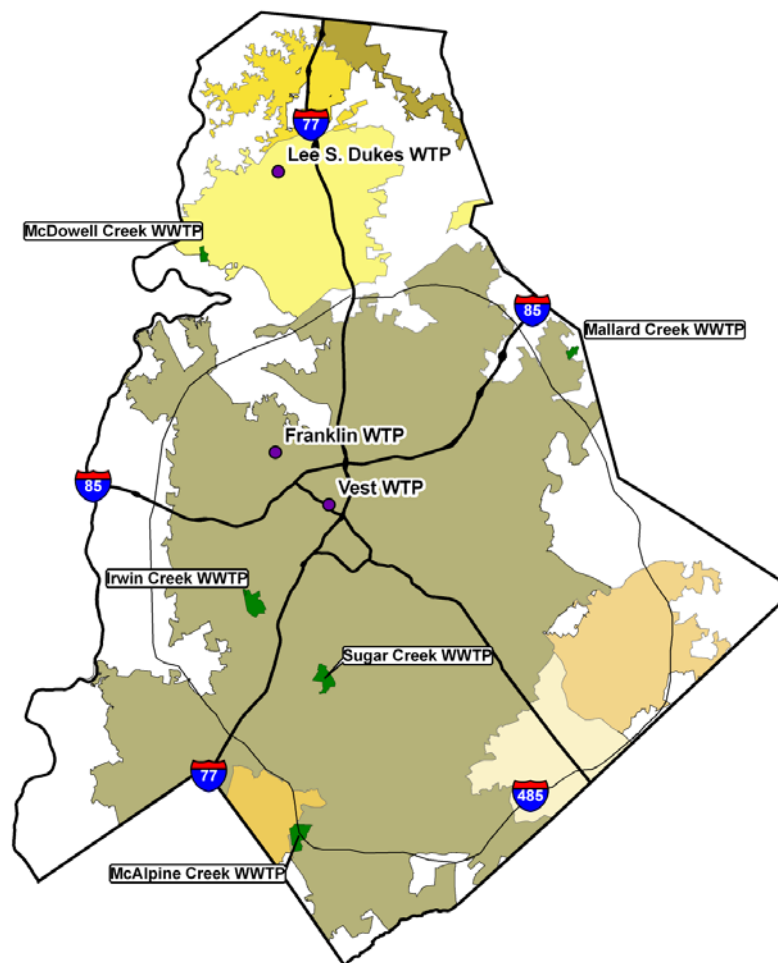
CMUD will maintain reserve capacity for water and wastewater treatment that is at least 20% above the average daily demand as measured over the course of each calendar year. Before reserve capacity falls below 20%, studies will be completed to determine how to restore and maintain the reserve capacity goals.

Reserve capacity needed to meet peak demands will be maintained at 30% above the average of the highest peak demand experienced over the previous three calendar year period.

Effective treatment capacity, (average and peak), will be increased as needed through reliable reduction in demands, regional partnerships, increased utilization of existing facilities, expansion of existing facilities, and/or construction of new facilities.

Available treatment capacity will be determined based on reliable plant capabilities, NPDES Permits, and other appropriate factors. The amount of capacity used will be monitored and communicated.

Planning and Engineering will be further embedded into operations and maintenance to provide design and contract administration and support for construction, operations, and maintenance of capital facilities to ensure system infrastructure stability and capacity.



Core Topic: Collection and Distribution System Capacity System Capacity
Strategy:

CMUD provides maintenance of infrastructure to effectively deliver treated water and collect wastewater through over 8,000 miles of water and sewer mains. Focus continues on the reduction of sanitary sewer overflows (SSOs) in the collection system and maintaining a high level of leak repair response in the distribution system.

Less frequent equipment maintenance, due to funding constraints, increases the risk of repeated and unexpected equipment failure. This results in higher repair and replacement costs due to deferred maintenance. Measures will be taken to re-focus on maintenance throughout the treatment, collection, and distribution system and will need to be monitored and measured for results.



Core Topic: Continuous Improvement / Competitiveness
Strategy:

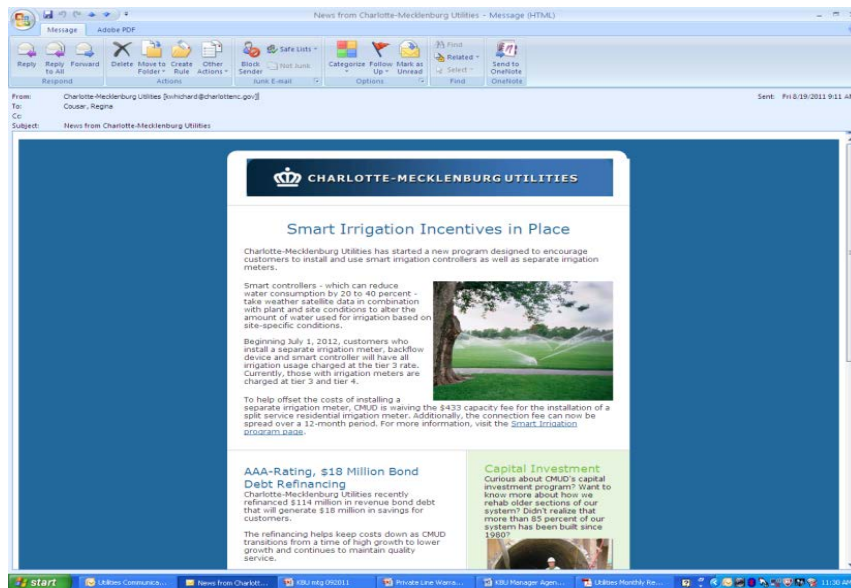
CMUD will increase performance levels using continuous improvement processes and techniques coordinated at the Department level and implemented at the Division level. Continuous improvement program will be used to achieve and maintain operational and economic competitiveness and will be coordinated with the Balanced Scorecard/Business Planning process.

Continuous improvement processes will encourage and support operations and management of the Utility in accordance with recognized best practice standards such as ISO, AWWA, NELAP, and other as appropriate. Compliance with those standards will

be measured and confirmed by the establishment and implementation of periodic and recurring audit procedures.

Core Topic: Communication
Strategy:

CMUD will communicate with customers, elected officials, employees, regulators, and stakeholders to assure that operation and management of the Utility is transparent, well understood, and meeting the needs of each group. Communication will be coordinated with City Corporate Communications and generally delivered by CMUD Communication Team. A new communications plan will be developed and updated periodically that prioritizes issues and delivery methods.



e-News from the Charlotte-Mecklenburg Utility Department



Shown: Tour of water treatment for the International Federation of Municipal Engineers.

Core Topic: Customer Service

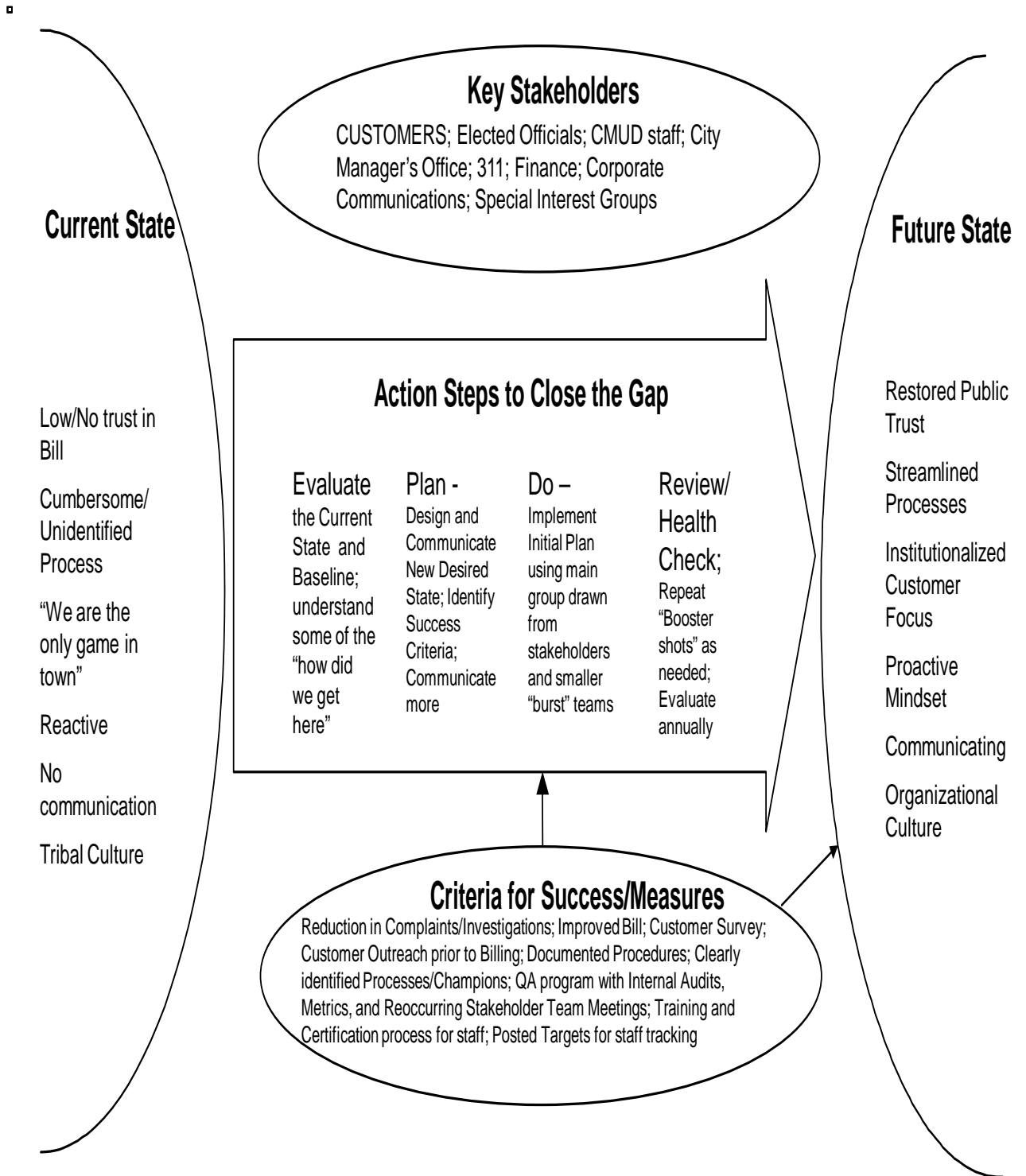
Strategy:

CMUD will implement the strategic actions identified in the 40 Point plan and obtain certification to a best practice standard for ongoing performance management.

An Evaluation Project initiated by the City Manager was completed in September 2010. The evaluation has led to a valuable reset in the strategic plan for customer service. A field audit of 9,000 meters was completed in the summer of 2010 as part of the evaluation and has led to an ongoing internal operational audit of meter reading equipment. A benchmark study was completed to evaluate current policies related to delinquency, payment arrangements, account holder requirements and leak adjustment practices. The benchmark study highlighted areas where CMUD led other water service organizations and where CMUD could improve.



Shown: Customer Service neighborhood fair to assist with billing.



BLUEPRINT FOR 40 POINT IMPROVEMENT PLAN

Core Topic: Biosolids Management

Strategy:

Biosolids are the nutrient-rich organic materials resulting from the treatment of domestic sewage at a wastewater treatment facility. Through biosolids management, solid residue from wastewater treatment is processed to reduce or eliminate pathogens and minimize odors, forming a safe, beneficial agricultural product. Farmers and gardeners have been recycling biosolids for ages. Biosolids can be applied as fertilizer to improve and maintain productive soils and stimulate plant growth. They also are used to fertilize gardens and parks and reclaim mining sites. Biosolids are carefully monitored and must be used in accordance with regulatory requirements.

CMUD will continue to manage its biosolids program with a best practice EMS which is ISO 14001:2004 certified (or equivalent) by an external audit process. The Environmental Management Systems (EMS) emphasizes commitment to continuous improvement and pollution prevention. A Biosolids Master Plan will be created to review past practices for return on investment, sustainability, and to project the best path forward.



Biosolids are land applied to farm land in the region.

Core Topic: Information Management

Strategy:

CMUD will increase our use of technology in the field to provide better service to our customers. Additional emphasis will be on the deployment of technology to assist with metrics for monitoring and measurement, and the use of technology for conformance to best practice standards. Technology will be a tool that assists in the improvement in business processes as part of the continuous improvement effort.

Core Topic: Employee Training and Development

Strategy:

CMUD will hire and maintain a skilled diverse workforce. Due to higher requirements for entry-level positions in the utility field, CMUD has at times experienced difficulty finding qualified applicants. The strategy will be to remove any barriers in the hiring and onboarding process to insure a timely hiring schedule. Once hired, training and skills development process will focus on internal training opportunities supplemented by external development courses as needed to maintain a known level of technical and professional expertise.



Crews use robotic cameras to check wastewater pipes

ACCOMPLISHMENTS

Over the past several years, CMUD has achieved numerous accomplishments. The most recent significant achievements include:

- **Providing safe drinking water and efficient sewer service to our community year after year.** CMUD consistently meets Environmental Protection Agency's *Safe Drinking Water Act* and *Clean Water Act* requirements.
- **Maintaining exemplary financial management.** CMUD's AAA bond ratings have saved ratepayers millions of dollars as a result of securing low interest rates.

Several Awards were recently earned for our environmental stewardship and operational efficiency, along with other significant accomplishments:

- Charlotte-Mecklenburg Utility Department has received the **Platinum Award for Utility Excellence** from the Association of Metropolitan Water Agencies (AMWA). AMWA consists primarily of water utility executives for larger public drinking water systems from across North America. CMUD was one of 10 utilities to qualify for the Platinum Award this year. Director Barry Gullet accepted the award on October 22, 2012 along with utility leaders from other communities including New York City, San Diego and St. Paul, Minnesota. To earn this recognition, CMUD was evaluated on achievement of 10 Attributes of Effective Utility Management as established by the U.S. EPA in partnership with several professional associations. The 10 Attributes include: product quality, customer satisfaction, employee & leadership development, operational optimization, financial viability, infrastructure stability, operational resiliency, community sustainability, water resource adequacy and stakeholder understanding & support. These attributes are the heart of the CMUD long term strategic operating plan.



Shown: In October 2012, CMUD Director Barry Gullet received the AMWA Platinum Award for Utility Excellence on behalf of CMUD.

- All five **wastewater treatment plants received 2012 Peak Performance Awards** from the National Association of Clean Water Agencies. These awards are for compliance year 2011. Awards are given in the year following compliance performance. Mallard and McDowell wastewater treatment plants are ranked Platinum for over five years of 100% compliance. McAlpine and Sugar are ranked Gold and Irwin is ranked Silver for their compliance records. All of the plants were submitted again for consideration in the award process for compliance year 2012. The 2013 awards are pending.
- CMUD achieved another milestone on its journey toward full-agency **International Standards Organization (ISO) 14001 Environmental Management System** Compliance. On April 20, 2013, a third-party auditor unconditionally recommended adding Sugar Creek Wastewater Treatment Plant into CMUD's EMS Corporate Certification following a thorough review. Sugar Creek became CMUD's fourth team

- to earn ISO 14001; the EMS covering the wastewater treatment plants (Sugar, Mallard, McDowell) and the CMUD Biosolids program will continue leading the way for the City!
- For calendar year 2012, CMUD professionals at all three of **Charlotte’s drinking water treatment plants received the Area Wide Optimization Program (AWOP) award** from the North Carolina Department of Environment and Natural Resources. Generally speaking, facilities that meet the state’s AWOP criteria are within a top 25th percentile of surface water treatment plants that achieve ‘next level’ higher standards for water quality and protection of public health. The three water treatment facilities - Vest treatment plant on Beatties Ford Road, the Franklin plant on Brookshire Boulevard and the Lee S. Dukes plant in Huntersville – are among only 35 surface water treatment facilities statewide that qualified for this special recognition from NCDENR. These plants met particularly stringent operating and water quality requirements, especially as it relates to consistent removal of turbidity (cloudiness) from drinking water during the treatment process.
 - The water treatment plants are undergoing an accreditation process similar to ISO14001 known as the **AWWA Partnership for Safe Water**. The Partnership is a voluntary program for water organizations designed to **optimize** water treatment plant and distribution system performance through preventative measures, upgrades, and technology applications. It was created through the collaborative effort of the 6 largest drinking water organizations in the US and is managed by the American Water Works Association (AWWA). Franklin WTP has completed phase III of IV, while Vest and Lee Dukes have each completed phase II. CMUD was awarded the AWWA Partnership for Safe Water **Director’s Award in 2013**.



Shown: In June 2013, John Huber received the AWWA Partnership for Safe Water Director’s Award on behalf of CMUD. At left, wearing glasses is Mr. James Chaffee, AWWA President. At right, is Mr. Peter Grevatt, Director, USEPA Office of Ground Water and Drinking Water.

- The **2012 Democratic National Convention** was Charlotte’s chance to shine in the global spotlight. A large assembly of federal, regional, state, City and County agencies teamed up and planned for more than one year to ensure public services

contributed to a smooth and enjoyable event. CMUD employees assumed additional tasks and responsibilities to support the combined effort uptown and worked together to cover 'the home front' and ensure the uninterrupted delivery of water and sewer services *throughout the countywide service area* during this historic event. CMUD played an active role in the DNC Public Works Operations Center (PWOC), which directly supported the public safety Command Center. CMUD employees were among integrated City-led PWOC field response teams that performed more than 200 different work orders during the convention week. CMUD provided key technology leadership and support for the PWOC and elsewhere, and handled logistics for eight drinking water stations throughout uptown. Well-trained and experienced CMUD staff assumed leadership roles in the Charlotte-Mecklenburg Joint Information Center and Critical Infrastructure Resource Center. The fact is, CMUD has engaged in community preparedness for years. With a Comprehensive Emergency Management Program, Continuity Of Operations Plan and mutual aid agreements in place, CMUD has worked directly with City, County, state, and federal agencies, the water industry and many other partners to increase the resilience of the water system (and therefore the community) over time. During events such as CIAA and Speed Street, CMUD staffs the CMPD Command Center. **During 2011-12, CMUD's entire Leadership Team completed National Incident Management System/Incident Command System 100, 200, 700, and 800 level courses to further prepare for potential roles in any disaster or special event.** Some key leadership and program staff completed additional advanced incident management training. Prior to the DNC, the Department of Homeland Security conducted surveys of key CMUD facilities and completed surveys of all remaining facilities in late FY13. In June 2013, as further emergency preparedness tasks, the National Guard conducted training exercises at CMUD facilities.



- The NC American Water Works Association – Water Environment Association (NC AWWA-WEA) is the primary professional association for the water/wastewater industry in NC. At its annual conference on Nov. 11-14, 2012, many of CMUD staff members received prestigious awards and honors. These included:
 - **CMUD won the state-wide competition for the Best Tasting Water.** As part of a tasting competition, a panel of judges selected the winning sample that was produced by the Franklin WTP.



- CMUD Field Operations Manager **Angela Lee** received three awards, including the Raymond “Red” Ebert Award, which represents statewide recognition of her work in the water distribution and wastewater collection part of our industry. Angela also received two national-level awards. The first was a WEF Service Award for her service over the last three years as North Carolina’s delegate to the Water Environment Federation. The second national award is the Arthur Sidney Bedell Award, which honors Angela’s accomplishments and achievements in the wastewater field.



- CMUD Environmental Management Division (EMD) Superintendent **Jackie Jarrell** was installed as the Chair of NC AWWA-WEA. In this capacity, Jackie serves essentially as the association’s CEO and is responsible for oversight of a \$1M+ budget, the activities of 46 committees, and management of the association’s full-time staff. This important role sets the direction of the association, ensures

member needs are satisfied and supports a sustainable future for the organization.



- **Kim Neely**, Supervisor at CMUD’s McAlpine Creek Wastewater Treatment Plant, was selected as North Carolina’s William D. Hatfield Award honoree for his outstanding work and contributions over the years. This national award represents a very significant professional achievement.
- CMUD EMD Maintenance Supervisor **Bob Fritts** was inducted into the Select Society of Sanitary Sludge Shovelers, (“5-S” for short). This is an honor bestowed upon individuals who have consistently contributed volunteer time and energy to support AWWA-WEA over a period of time. Only a few people are invited into this group each year. Bob has long been a leader in our state by advancing the maintenance profession related to water and wastewater.
- **Will Higgins & Ben Silvers** of the CMUD operations staff were a part of the CMUD/Union County Operations Challenge Team, **The Slayers**. The team was a very successful competitor at the NC AWWA WEA Conference. The joint team earned a 1st place finish on the lab event and 2nd place overall. **Hank Lewis** served as their excellent coach.
- CMUD Intern **Alma Beciragic** received the **Carol Bond Memorial Scholarship**, which was created by NC AWWA-WEA in cooperation with employees of the City of Raleigh to commemorate the late Carol Bond and her life-long devotion to environmental education. The scholarship supports Alma’s graduate schoolwork in this area.
- **Vacancy Strategy teamwork** continues to be emphasized. CMUD uses the work of nine teams of employees from all levels of the organization to quickly fill vacancies. These teams created more than seven job aids to ensure consistent approaches in each step of the vacancy-filling process, allowing for the successful filling of 144 vacancies in FY12 and 53 vacancies in the first half of FY13. Further, using new onboarding strategies has meant the establishment of more work crews has been accomplished without a significant increase in safety incidents.



- **New technology from public-private partnerships is being developed to help with ongoing maintenance challenges.** Developed locally through a partnership between UNC-Charlotte and CMUD and marketed by a startup called InfoSense Inc., the SL-RAT, an acoustic approach to locating potential blockages, sometimes referred to as “sound to the ground”, won a 2012 WEF Innovative Technology Award and was named as one of the “10 Technologies That Could Change the Industry” at WEFTEC (Water Environment Federation Technical Exhibition and Conference).



Shown: The SL-RAT in use by the “sound to the ground” team.

- **Technology advances in the online world are also helping to address challenges.** The Office of the Chief Information Officer, Finance, Corporate Communications & Marketing, CharMeck 311 and CMUD successfully launched the Citizen Web Portal (CWP) on www.cmutilities.com and other web pages. Public use of the online services began immediately and particularly picked up momentum during the last week of October 2012. Through the summer, staff tested the web portal to ensure smooth operation. More than 240 City, County, and CMS employees became early adopters of the portal and some provided input before it was live. Some commercial customers were given early access as well. The Customer Web Portal for city services account management went live as scheduled by June 30, 2012. This was a multi-department collaborative effort.
- In 2012, WAM CityWorks go-live for Field Operations, Locates Lift Stations, and other field staffs, including a move to paperless work order process and implementation of the Storeroom module was completed. Over 95,000 service requests processes and 25,000 work orders were initiated. The storeroom module is

a major key to more efficiently managing the 1.9 million dollar field operations inventory as part of the **CMUD assets management approach**, and in reducing system downtime during the annual audit from over 30 days to around 1 day. This project was a collaborative effort between CMUD, E&PM, and Shared Services Technology Management. The team was awarded the 2012 Exemplary CityWorks User Award at the CityWorks User conference. This national award is the only one awarded per year.

- CMUD began publishing and distributing a citizen's 'Guide to Understanding Rates & Your Bill' in 2011. This **customer communications effort** continued in 2012 and 2013, with an expansion of the publication to focus on a guide to all billed city services. Additionally, a new CMUD customer e-newsletter is 2,200 subscribers strong, and growing.

LINKS TO CORPORATE STRATEGY

CMUD has reviewed and updated its Balanced Scorecard initiatives to maintain alignment with the goals of City Council and the mission and vision of our organization.

Serve the
Customer

The Customer Perspective

CMUD is committed to customer satisfaction and confidence by safeguarding the environment and providing responsive services, reasonable rates, system capacity, and effective communication.

Run the
Business

The Internal Process Perspective

CMUD continues to leverage technology and collaborate with other business units in efforts to optimize business processes with the ultimate goal of enhancing customer service.

Manage
Resources

The Financial Perspective

Sound financial management is a responsibility CMUD takes seriously, as we owe it to our ratepayers who support our operation. Effective management and a comprehensive Capital Investment Program contribute to our excellent bond ratings.

Develop
Employees

The Learning and Growth Perspective

Hiring and retaining competent staff is vital to our success. Employee training and development continues to be a high priority for CMUD.

STRATEGIC INITIATIVES

The table below identifies a few of the initiatives CMUD will undertake and how they align with the City’s corporate objectives and/or focus areas. The CMUD FY2013 Balanced Scorecard can be found in Appendix of this report.

	<i>Department Initiative</i>	<i>Linkage to Corporate Strategy</i>
Serve the Customer	Environmental Stewardship: <ul style="list-style-type: none"> • Reduce sanitary sewer overflows • Meet or exceed all requirements of the Safe Drinking Water Act and Clean Water Act. • Define and prioritize staff resources to optimize operations for reduction in overflows and leaks 	Corporate Objective: Safeguard the Environment Focus Area: Environment
Run the Business	Enhance Customer Service: <ul style="list-style-type: none"> • Define and prioritize staff resources to maximize operations by completing customer service optimizations • Develop and Implement a Comprehensive External Communication Plan. 	Corporate Objective: Enhance Customer Service
Manage Resources	Prepare for the Future: <ul style="list-style-type: none"> • Incorporate continuous improvement and performance measures into business practices 	Corporate Objective: Invest in Infrastructure
Develop Employees	Provide Growth for the Future: <ul style="list-style-type: none"> • Promote employee and leadership development by optimizing recruiting and retention methods and further streamlining the vacancy filling process. • Promote employee and leadership development by the expansion of internal certification process. 	Corporate Objective: Promote Learning and Growth

Service Delivery

SERVICES

CMUD is organized around seven service areas. These areas and the services they provide are described briefly below.

Administration: Provides departmental level functions such as key business decisions, human resources, budget, financial management, rate setting, technology, communications, training, revenue recovery, safety, security, and competitiveness via continuous improvement.

Customer Service: Oversees new connections, service availability and customer account management including bill inquiries, meter reading, leak investigation, and backflow prevention.

Engineering: Provides design and construction of CMUD facilities, water and sewer main rehabilitation and extensions, donated projects, and surveying.

Environmental Management: Manages the treatment of wastewater before it is discharged back into the environment and protects our system by regulating industrial/commercial wastewater discharges, and oil and grease reduction.

Field Operations: Maintains more than 8,000 miles of water and sewer pipe and more than 255,000 service connections.

Laboratory Services: Provides testing of water, wastewater, and industrial users for compliance and manages water quality issues relating to taste, color, and odor.

Water Treatment: Provides treatment and pumping of water to distribute drinking water to customers.

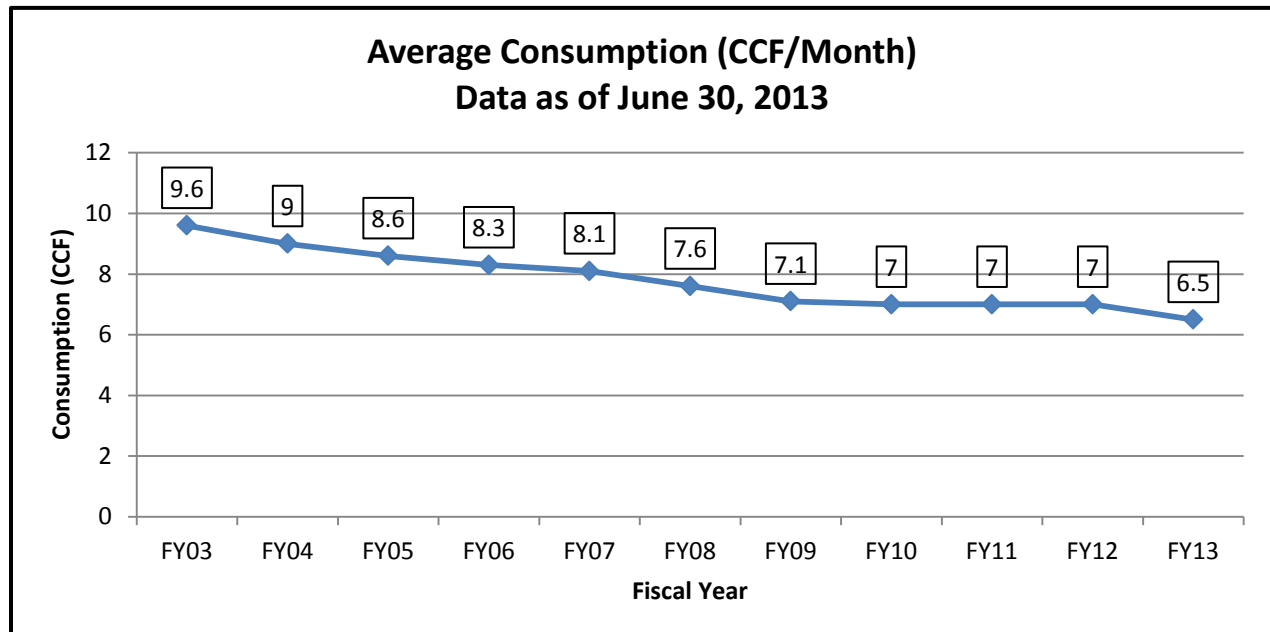


HISTORY and TRENDS

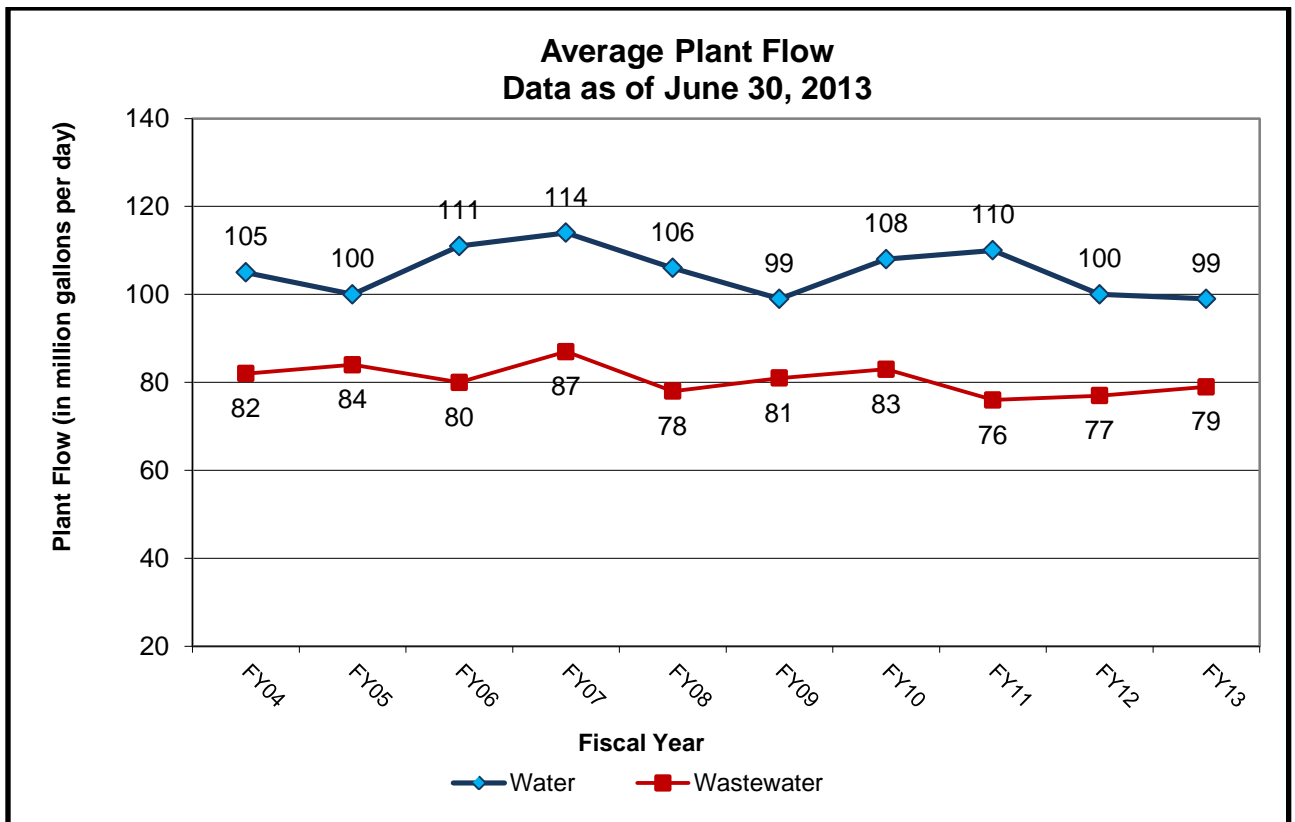
Our customer base and water and wastewater system continued to grow through 2013, although the growth rate has noticeably slowed. The FY2013 statistics show a slight decrease in miles of pipe that is largely due to the completion of a GIS survey project, while the accounts increased due to annexation.

	As of June						
	2007	2008	2009	2010	2011	2012	2013 Final
Water Accounts	237,930	241,637	242,631	245,854	248,257	253,557	257,683
Wastewater Accounts	219,154	222,887	223,855	226,978	229,002	235,157	238,854
Water Mains (miles)	3,850	3,929	4,025	4,064	4,094	4,206	4,198
Wastewater Mains (miles)	3,865	3,942	4,028	4,047	4,073	4,180	4,170

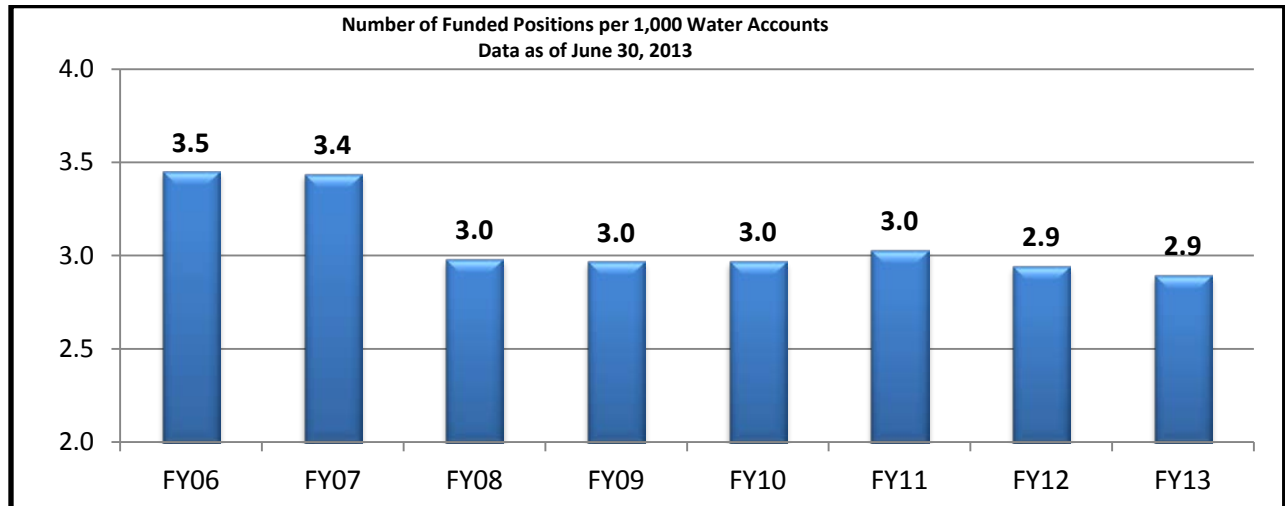
From FY2003 to FY2009, CMUD had seen a decrease in the average consumption per residential account for consecutive years. Average consumption has been nearly flat since FY09 and continued at approximately 7 CCF for FY2012. Following the drought restrictions during FY2008-09, when average consumption declined notably, residential customers have continued to use less water. Evidence indicates that customers have adopted and maintained conservation habits, such as low flow shower heads and low flow toilets. The average consumption decreased again slightly in FY2013.



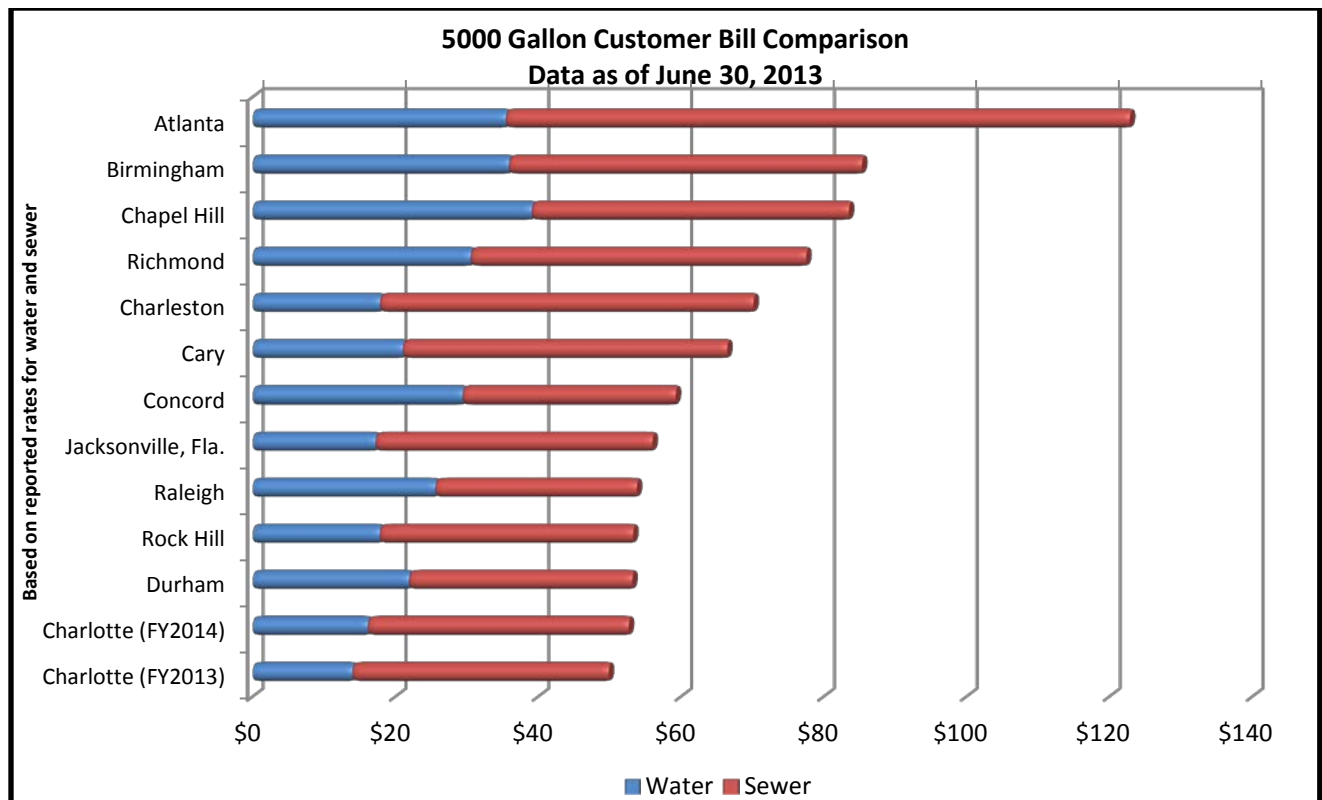
As can be seen in the Average Plant Flow graph below, during the first half of FY2011, with all restrictions lifted and only a mild persistent dryness, the water treatment plants saw a 14% increase in average daily pump rates while the wastewater treatment plants flow remained largely unchanged. By FY2012, average water treatment plant flows had decreased by about 10% as compared to the year prior, with wastewater treatment plant flows holding fairly steady. The gap between the water plant flows and the wastewater plant flows has been consistent and somewhat reflective of weather patterns. This gap is indicative of water being used but not returned to the system, e.g. lawn irrigation and the use of water for the testing and flushing of the distribution system. In FY2013, CMUD saw a slight decrease in water plant flow and a slight increase in wastewater plant flow which can both be attributed to wet weather conditions. Wet weather can lead to inflow into the wastewater treatment system and can cause the decreased consumption of water, particularly consumption associated with irrigation.



Despite an increasing customer base, CMUD has successfully managed resources to minimize operating costs. Optimization, including continuous improvement, competition, and benchmarking help CMUD provide efficient, quality services while minimizing rate increases.



CMUD consistently ranks among the lowest rates for average residential customers in regional and national surveys. This is a result of efficient service delivery and capital financing strategies. The following graph shows 2013 data unless otherwise noted.



Resource Allocation Summary

	FY2009 Budget	FY2010 Budget	FY2011 Budget	FY2012 Budget	FY2013 Budget	FY2014 Budget
Budget	\$246,702,894	\$251,427,753	\$268,734,053	\$288,860,220	\$291,085,960	\$347,718,850
Authorized Positions	813.5	816.5*	791.5	746.25	746.25	761.5
Water CIP	\$63,076,050	\$111,066,000	\$29,084,000	\$67,572,575	\$28,375,000	\$38,075,000
Wastewater CIP	\$169,720,000	\$275,470,000	\$83,262,600	\$50,327,000	\$52,983,400	\$68,280,400

*To reduce expenses, 97 positions were authorized but not funded in FY2010, while there were 87 such positions in FY2011. All other positions have been authorized and funded.

Conclusion

CMUD remains committed to the City's corporate strategy and to providing high-quality, low-cost services to our customers. One primary lesson learned in FY2011 and continued through FY2013 was that CMUD saw the need to shift focus from a high growth oriented utility to a utility focused on sustaining operations and customer service. This is due to the dramatic slowing of growth that has occurred over the recent years. Although CMUD saw some slight increase in growth rate towards the end of FY2013, this lesson learned will impact how we reposition to best respond to customer needs and maintain efficient operations in the future. This strategic operating plan promotes the achievement of organizational goals and objectives as well as continuing CMUD's commitment to providing vital basic services to our customers.

Appendix A: Department Link to Corporate Scorecard



Charlotte-Mecklenburg Utilities Strategy FY 2014 – FY2015

*City
Vision*

*Strategic
Themes*



*Strategic
Principles*

Comprehensive Citizen Service

Serve the
Customer

Safeguard
the
Environment

Run the
Business

Develop
Collaborative
solutions

Enhance
Customer
Service

Manage
Resources

Maintain
AAA Rating

Deliver
Competitive
Services

Invest in
Infrastructure

Develop
Employees

Achieve
Positive Employee
Climate

Promote
Learning &
Growth

Appendix B: FY2014 BALANCED SCORECARD

FY2014 BSC

incentive

City Strategy Vision Component	City Corporate Objective	Utilities Initiative (based on Effective Utility Management)	Measure:	Target:	Leadership Team Sponsors (or other significant responsible party)	Measurement Validation (Specific Actions to complete during the fiscal year)
Serve the Customer	Safeguard the Environment	COMMUNITY SUSTAINABILITY AND WATER RESOURCE ADEQUACY	Continue a leadership role in regional water resources planning and ensure long term availability of water supply	Ensure long term availability of water supply	Barry Gullet	Continue to work with Catawba-Wateree Water Management Group to complete Phase 2 of Basin-Wide SUPPLY Plan which is focused on Water Quality
Serve the Customer	Safeguard the Environment	PRODUCT QUALITY	Meet all applicable requirements of the Safe Drinking Water Act and Clean Water Act.	Ensure public health, safety, and the environment	John Huber/Jackie Jarrell	Maintain 100% compliance for Safe Drinking Water Act AND National Pollutant Discharge Elimination System (NPDES) - Report quarterly to Ensure permit compliance, institute any needed corrective action, and identify preparations needed for future compliance requirements.

Serve the Customer	Safeguard the Environment	PRODUCT QUALITY	Meet all applicable requirements of the Safe Drinking Water Act and Clean Water Act.	Ensure public health, safety, and the environment	Jackie Jarrell	Complete consultant master planning process by October 2013. Begin first five year phase of Biosolids master plan by June 2014.
Serve the Customer	Safeguard the Environment	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Ensure public health, safety, and the environment	Angela Lee/Barry Shearin	Reduce Sanitary Sewer Overflows to below 6.3 per 100 miles of pipe.
Serve the Customer	Safeguard the Environment	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Conserve water and maintain system integrity	Angela Lee/Barry Shearin	Repair Water Leaks - Complete 100% of leak repairs in 8 calendar weeks
Serve the Customer	Safeguard the Environment	INFRASTRUCTURE STABILITY	Reduce Risk Management exposure	Achieve infrastructure stability through proper equipment selection based on life cycle cost and not solely up-front costs.	Jackie Jarrell/John Huber/Angela Lee/Regina Cousar	Identify quality critical process equipment in each operations division by JUNE 2014.
Serve the Customer	Safeguard the Environment	INFRASTRUCTURE STABILITY	Reduce Risk Management exposure	Achieve infrastructure stability through proper equipment selection based on life cycle cost and not solely up-front costs.	Angela Lee/Regina Cousar	Gather data on a sample of equipment in each class for hours not available. Begin to examine and track root causes for lack of availability. Prepare summary report on the sample equipment by June 2014.

Run the Business	Optimize Business Processes	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Expand water loss recovery and revenue by characterizing non-revenue water.	Barry Shearin	1. Establish process and procedures for the development of a department-wide water audit platform. Complete first draft by January 2014. 2. Perform a baseline water audit that characterizes consumption and loss throughout the water system. Complete INITIAL AUDIT by June 30, 2014.
Run the Business	Enhance Customer Service	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Provide more effective data availability across CMUD divisions	Doug Groce	Institute standard data access Process across CMUD divisions and software platforms BY JUNE 2014. Milestones are Q1- development testing completed, Q2 determine appropriate versions and develop standard methods, Q3 implement, monitor and measure, and Q4 complete go live.
Run the Business	Enhance Customer Service	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Deliver innovative, cost effective and timely technology solutions for all divisions of CMUD	Doug Groce/Steve Miller	Complete Advantage AND Service Suite upgrade GO LIVE by March 2014.

Run the Business	Enhance Customer Service	OPERATIONAL OPTIMIZATION	Define and prioritize resources to optimize operations.	Achieve operational optimization by realigning billing cycle routes to balance workload and enhance customer service response.	Doug Groce/Steve Miller	(1) Complete BILLING CYCLE assessment by December 2013 (2) Deliver implementation approach by END OF March 2014.
Run the Business	Optimize Business Processes	OPERATIONAL RESILIENCY	Reduce Risk Management exposure	Achieve operational resiliency through enhancing the departmental safety and risk management profile	Regina Cousar	Identify a behavioral safety consultant by March 2014. Implement initial Behavioral Safety training for 10% of SUPERVISORS by JUNE 2014.
Run the Business	Optimize Business Processes	CUSTOMER SATISFACTION	Manage Customer Relations & service access/delivery.	Provide more information to Internal Customers by use of dashboards, metrics, and internal teams.	Vic Simpson	Develop a team to identify a STRATEGY to increase MANAGEMENT AND STAFF communications. Team established by August 2013. Develop DRAFT STRATEGY by October 2013. Implement STRATEGY by December 2013. SUBMIT Follow up assessment by June 15, 2014.
Manage Resources	Maintain AAA Rating	FINANCIAL VIABILITY	Manage Customer Relations & service access/delivery.	Improve business and financial services	Kim Eagle/Chad Howell/Karen Whichard	Achieve financial metrics presented in the 10 YEAR Financial Model and report information to stakeholders.

Manage Resources	Invest in Infrastructure	COMMUNITY SUSTAINABILITY	Engage in Citywide efforts for change management and continuous improvement.	Continue with the implementation of best practice standards	Myra Zabec	Complete NELAP accreditation for ONE NEW laboratory section by end JUNE 2014.
Manage Resources	Invest in Infrastructure	COMMUNITY SUSTAINABILITY	Engage in Citywide efforts for change management and continuous improvement.	Continue with the implementation of best practice standards	Angela Lee	Achieve submission of Phase III for the Distribution System Partnership for Safe Water report by June 15, 2014.
Manage Resources	Promote Learning and Growth	OPERATIONAL OPTIMIZATION	Engage in Citywide efforts for change management and continuous improvement.	Improve organizational performance by use of KPIs, change management, and Continuous Improvement.	Regina Cousar	Conduct best practice internal lunch and learns - go from quarterly webinars or internal seminars to 6 internal seminars or webinars annually. Conduct at least 2 internal audits for continuous improvement assessments.
Develop Employees	Achieve Positive Employee Climate	EMPLOYEE & LEADERSHIP DEVELOPMENT	Encourage Wellness.	Encourage Wellness: Of employees that enroll, take actions to ensure that at least 70% elect the wellness medical plan	Wellness Team/Carolyn Ross	Conduct at least 2 Wellness Sessions encouraging participation prior to open enrollment. Provide at least 6 monthly reminders on Wellness during FY 2014.

Develop Employees	Promote Learning and Growth	EMPLOYEE & LEADERSHIP DEVELOPMENT	Promote employee and leadership development.	Maintain strength of workforce by implementing better procedures and standards to retain and recruit employees	Bab Westall	Leadership Team to agree on a target for vacancies by September 2013. HR to monitor and report on status of vacancies with respect to target each month. HR to prioritize work for the Vacancy Strategy Teams and implement 2 Core Recommendations from the teams; first one by March 2014 and second by the end of June 2014.
Develop Employees	Promote Learning and Growth	EMPLOYEE & LEADERSHIP DEVELOPMENT	Promote employee and leadership development.	Maintain strength of workforce by implementing better procedures and standards to retain and recruit employees	Bab Westall	Offer at least 3 internal conferences that meet employee learning needs and provide CEU's and PDH's annually.
Develop Employees	Promote Learning and Growth	EMPLOYEE & LEADERSHIP DEVELOPMENT	Promote employee and leadership development.	Maintain strength of workforce by implementing better procedures and standards to retain and recruit employees	Bab Westall	Work collaboratively with other City of Charlotte departments to propose improvements to the Pay Plan by June 2014 focusing on Labor and Trades positions.