



CITY OF SAN DIEGO WATER DEPARTMENT

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# Strategic Business Plan Update



*Updated*

*March 2006*

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## A Message From The Water Executive Team

The Water Department Strategic Business Plan was implemented on July 1, 2004 following approval by the Public Utilities Advisory Commission and the City Council. This document provides a one-year update and status report.

The Strategic Business Plan (SBP) was developed using our own employees and stakeholders as the driving forces to identify issues and areas of opportunity for improvement. We also enlisted the help of other industry leaders to ensure we were moving in the right direction. The strategic planning process included careful examination of the water utility industry, our organization's capabilities and the dynamic forces that impact the City of San Diego Water Department. The Strategic Business Plan provides a comprehensive and cohesive approach to ensure achievement of the Department's business goals.

The Strategic Business Plan set out six key strategies to fulfill its mission "To provide San Diego with Safe, Reliable, Cost-Effective Water and Outstanding Customer Service in an Environmentally Sensitive Manner." They are:

- Build Public Trust, Partnerships and Customer Satisfaction
- Employee and Workforce Development
- Demand Accountability
- Effectively Use Existing Water Resources and Obtain Alternative Supplies
- Augment Revenue Streams and Control Costs
- Acquire and Implement Appropriate Information Technology

After the first full year of implementation of the Strategic Business Plan, the Water Executive Team has undertaken a review of its status and developed this updated plan. One of the implementation goals set out in the SBP was development of a performance monitoring system using the Balanced Scorecard approach. That system was successfully developed and data collection has begun and will be reported to the Water Executive Team on a regular basis. Additionally, our review indicated that of the approximately 125 tactics associated with the six strategies listed above, 75 tactics have either been completed or have been merged with other similar tactics or changed circumstances have made them unnecessary. Other tactics have been modified during the employee team development of the strategy scorecards. This updated plan lays out the remaining tactics and provides the timeframes for their implementation.

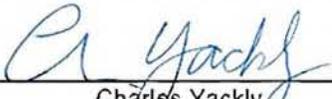
**Message (continued)**

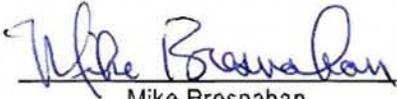
We are in a period of great change in the way the City of San Diego government is organized, managed and operates. It is impossible to say at this time what these changes may mean for the Water Department or how those changes may impact the department's Strategic Business Plan. The best we can do is to proceed with our plan as currently laid out and to make modifications to it in the future as the changes to the City government and their impacts on the Water Department become more fully known.

This Strategic Business Plan is a living document which will continue to be updated and modified as necessary to ensure that the department continues to progress towards its vision "to be a Best-in-Class water utility for our customers." Making this vision a reality requires the commitment and dedication not only of the Water Executive Team but of all of the members of our department.

Many employees have participated in the development and implementation of the Strategic Business Plan either through the strategic assessment process, the development of the strategy scorecards or through tactic development and implementation. Your contributions are greatly appreciated and your continued support and participation will ensure continuing success for the department in improving its operations and in providing improved services to our customers and the San Diego community.

**THE WATER EXECUTIVE TEAM**

  
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The City of San Diego Water Department provides potable and recycled water to the United States' seventh largest city. The department's leaders aspire to constantly improve the department's operations in order to create the highest value for its customers. The Water Department began developing the Strategic Business Plan (SBP) following a Management Review study of the department conducted by Black and Veatch Corporation in 2001. The purpose of the SBP is to align all of the departments programs and activities around its core mission and to enhance efficiency, effectiveness and accountability in all areas of service delivery.

Development of this plan included analysis of current work practices compared to industry "best practices" through a Self-Assessment process in which staff teams interviewed employees throughout the department. It included input from significant stakeholders such as the City Council, the Public Utilities Advisory Commission (PUAC), the City 10, the Manager's office and other City Departments. It also included analysis of industry trends, and development of core business goals and objectives and strategies to achieve them. Six strategies with numerous associated tactics were identified which if achieved would significantly improve operations of the department. The goal of the plan was ultimately to provide a means for the Water Department to optimize its work processes and all of its programs and resources around its mission: *To provide San Diego with Safe, Reliable, Cost-Effective Water and Outstanding Customer Service in an Environmentally Sensitive Manner.*

The SBP was finalized during FY 2004 and was reviewed and approved by both the PUAC and the City Council in June 2004. Implementation of the Plan began in July 2004. In the first year of implementation, the Department Balanced Scorecard, and scorecards for each of the six strategies have been completed. Additionally, more than half of the listed tactics have been either implemented or otherwise resolved. An optimization process for Engineering was also completed resulting in consolidation of certain engineering functions. Finally, a Communications Plan is under development which will help ensure that both internal and external stakeholders are informed of the progress of the SBP as well as other department initiatives and information in a timely, appropriate and consistent manner.

It should be noted that the SBP is not a static document. It will be adjusted and revised from time to time as circumstances change both within and outside of the department and as we see the results of implementing its strategies and tactics. This update document is the first such revision to the plan. It lists the remaining tactics associated with the six strategies as they were revised during the strategy scorecard development process and during review by the Water Executive Team. Additionally, it provides the scorecards that have been developed for each of the six strategies and the department's Balanced Scorecard. The performance measures included in these scorecards will allow the department to ensure its continued implementation of the SBP is on track and resulting in improved operations.



### *Vision*

To be a “Best-in-Class” Water Utility for our Customers

### *Mission*

To provide San Diego with Safe, Reliable, Cost-Effective  
Water and Outstanding Customer Service in an  
Environmentally Sensitive Manner

### *Values*

- To listen to, focus on and respond to customers and community in order to provide best-in-class service;
- To hold employees accountable for achieving the best value for the customers by basing decisions on solid business cases and environmental sensitivity;
- To maintain a nurturing culture where employees respect, support and value each other in a high-performing team environment;
- To celebrate successes in achieving results that are attributable to professionalism, innovation and resiliency;
- To practice open, honest and clear communications;
- To promote conservation and preservation of water resources; and
- To be open and responsive to the needs of the City of San Diego while fulfilling the fiduciary responsibilities of the Water Department.



### Significant Accomplishments

Significant accomplishments achieved by the Water Department in improving efficiency and service:

- First water agency in the country to combine a Bid-to-Goal management tool with ISO 14001 Certification
- Successfully implemented optimization program for efficient management of water system and energy demands with the use of Supervisory Control and Data Acquisition (SCADA) technology
- Consolidated certain engineering functions to improve communications and reduce redundancy
- Proactively stays in touch with and responds to customers' needs by regularly seeking their input on customer satisfaction surveys left on doors following service calls and website customer service questionnaires
- Water rates paid by City residents contain the full cost of providing service, yet remains one of the lowest among local agencies. Further, unlike many other water agencies in the area, San Diego does not use any tax revenue and relies solely on revenue generated from providing service to its customers
- Reviewed and updated existing Service Level Agreements to ensure that services provided by other City departments are aligned with the Department's mission. Additional monitoring and reporting mechanisms have been established to provide oversight and management
- Conversion to monthly billing resulted in the generation of nearly twice as many bills annually (3 million) as previously issued by the Department's billing and payments sections. Ongoing monitoring of its payments processing work flow, assessment of incoming call complaints, and continual cross training allowed the section to absorb this additional work without adding additional staff
- Established an Office of Customer Advocacy to provide utility customers an additional mechanism by which their concerns, suggestions and service needs may be addressed
- Implemented plan to have all Department vehicles fitted with GPS technology, which will track vehicle location throughout the day. Technology will result in improved productivity, quicker emergency response and increased employee accountability
- Implemented efforts to reduce San Diego's dependence on imported water, which include online survey rating effectiveness of water conservation methods, a satellite imaging project and the coordination of the annual water conservation poster contest and calendar

## Significant Accomplishments (continued)

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- Implemented efforts to reduce San Diego's dependence on imported water, which include online survey rating effectiveness of water conservation methods, a satellite imaging project and the coordination of the annual water conservation poster contest and calendar
- Forged partnerships with other organizations to initiate the process of evaluating the benefits and feasibility of using solar and other alternative energy sources
- Broadened and flattened classification structures by combining 17 different types of positions from four (4) different job class series into one streamlined job class series comprised of six position types
- Developed an electronic library of performance review documents with standard memo templates, performance evaluation documents and over 100 different standardized master plans
- Established a Medical Program resulting in: 1) shortening of the accommodations process by 70%, 2) retention of 75% more employees than prior to program inception, and 3) significant savings of workers compensation and rehabilitation funds
- Became the second public agency in the nation and the only water agency in California to receive International Association of Continuing Education and Training (IACET) Accreditation. IACET Accreditation allows the Water Department to offer continuing education training accepted by the State of California for various types of certification and registration
- Maintains Club 70: A partnership between READ/San Diego and the Water Department to enhance math and reading comprehension skills for Water Department employees



The City of San Diego Water Department manages one of the largest and most complex water storage, treatment and delivery systems in the world. The water system extends over 404 square miles serving nearly 1.3 million residents with an average of 208 million gallons of water per day (MGD). To achieve its mission, the Water Department provides the following services:

### **Water Quality**

In the more than 100 year history of the City of San Diego Water Department, the City has never sold a drop of water deemed unsafe by any local, state or federal agency. That is a record the Department is proud of and one it is determined to continue. During a normal year about 10-20 percent of the City's water supply is made up of local rainfall and is captured in one of their reservoirs. The remaining 80-90 percent is imported via the Metropolitan Water District of Southern California (MWD) and the San Diego County Water Authority (CWA). A 242 mile-long aqueduct brings Colorado River water from Lake Havasu to the southland. The MWD blends Colorado and State Project water for San Diego to achieve the highest quality for treatment and taste. The water is then transferred to the San Diego treatment plants at Miramar, Alvarado and Otay reservoirs via pipelines operated by CWA. A small portion of our water also comes to us as treated, import water purchased from the Skinner Treatment Plant in Rancho California.

### **Lakes and Recreation**

The City has offered the public recreational use of its reservoirs since 1913 when the nucleus of the present water storage system was purchased from private operators. The City of San Diego is widely recognized as a pioneer in the multiple use (for recreation) of water supply reservoirs. The public is provided supervised recreational access to all of the City's reservoirs for a variety of traditional outdoor activities including fishing, boating, canoeing, kayaking, sailing, hiking, picnicking, waterfowl hunting, etc. In addition, a highly popular water contact program offering seasonal access for water-skiing, jet skiing and windsurfing was implemented with the approval of the City Council in 1989.

### **Water Conservation**

The City of San Diego has an active and award-winning Water Conservation Program. These very well established and executed water conservation programs help residents, commercial businesses and community organizations save money on their water bill and conserve water. Touted water conservation programs established and managed by the Water Department include: Commercial, Industrial and Institutional Water Conservation Survey Program; Commercial Landscape Survey Program; Guaranteed Water Program; High-Efficiency Clothes Washer Voucher Program; Kids Water Conservation Corner and Poster Contest; Landscape Watering Calculator; Plumbing Retrofit Ordinance Compliance; Residential Water Survey Program; Ultra Low-Flush Toilet Voucher Program; Water Conservation Garden; and Water Conservation Survey.

### **Recycled Water**

In San Diego water is too precious a resource to be used just once. To meet future water demands and avoid shortages, while reducing our dependence on imported water, the City of San Diego has built the North City Water Reclamation Plant and the South Bay Water Reclamation Plant. These plants treat wastewater to a level that is approved for irrigation,

## Services (continued)

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manufacturing, and other non-drinking, or non-potable purposes. The North City Plant has the capability to treat 30 million gallons a day and the South Bay Plant can treat 15 million gallons a day. Recycled water, also referred to as reclaimed water, gives San Diego a dependable, year-round, locally controlled water resource. Using recycled water is cost-effective, reliable and good for the environment. Careful monitoring by state health officials and water quality-control agencies ensures that recycled water produced by the City of San Diego meets all federal, state and local water quality standards.

## Infrastructure and Capital Improvements

The Water Department's Capital Improvements Program was initiated in July 1998. A series of highly visible water main breaks, the need to increase treatment plant capacity to meet the City's future needs, upgrade the aging water system infrastructure, increase treated water storage capacity, as well as to be responsive to a compliance order from the State of California Department of Health Services to upgrade numerous facilities led to the development of a multi-year program to improve water infrastructure throughout the City. The Water Department Capital Improvements Program is committed to creating a safe and reliable water treatment and distribution system with state-of-the-art facilities at the lowest possible cost to our customers.



## STRATEGY AND IMPLEMENTATION SUMMARY

### STRATEGIC FOCUS AREAS

The City of San Diego Water Department is committed to leveraging strengths and opportunities and proactively addressing challenges and threats to achieve its mission and vision in a manner that is consistent with its values. In support of this commitment, the Water Department has identified the following strategic focus areas to guide its efforts:

#### **Strategy 1: Build Public Trust, Partnerships and Customer Satisfaction**

Build public trust, support and confidence with all internal and external stakeholders, which include the Mayor, City Council, other City departments and agencies, employees and rate payers. Provide timely, informative and accurate information.

#### **Strategy 2: Employee and Workforce Development**

Develop and maintain a flexible, well trained, motivated and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened through employee training.

#### **Strategy 3: Demand Accountability**

Enhance and be accountable for performance in order to increase productivity and make the Department more cost-effective. This will also improve the Department's ability to focus on important requirements more effectively and efficiently. Develop and report on valued performance goals that link to service objectives so that employee responsibility and accountability assists in accomplishing goals.

#### **Strategy 4: Effectively Use Existing Water Resources and Obtain Alternative Supplies**

Effectively manage existing water resources and develop sufficient alternative water supplies to meet future demands.

#### **Strategy 5: Augment Revenue Streams and Control Costs**

Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.

#### **Strategy 6: Acquire and Implement Appropriate Information Technology**

Develop comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the Department.

Details regarding each of these strategic focus areas appear on the following pages.



## STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010

### STRATEGY 1: BUILD PUBLIC TRUST, PARTNERSHIPS AND CUSTOMER SATISFACTION

Build public trust, support and confidence with all internal and external stakeholders, which include the Mayor, City Council, other City departments and agencies, employees and rate payers. Provide timely, informative and accurate information.

#### Tactics Completed in 2005

- Participate in more community events, such as fairs, parades, and school events to share the Department's rich history, its services and its commitment to the community.
- Create suggestion forms via Internet mail to give people an opportunity to provide feedback on how the Department is doing.

#### Tactics Currently Underway

- 1) Use the Department's lobbyist to assist with educating State and Federal Agencies on the Department's achievements and needs and to shape future regulations.
- 2) Implement an enhanced Speakers Bureau Program, which includes presentations on key Department issues including water supply, history, where the Department is going and how customers, stakeholders and employees can help the Department achieve goals and objectives.
- 3) Establish periodic workshops/meetings for Mayor, City Council, the Public Utilities Advisory Commission and others, to discuss Water Department issues and provide updates on topics impacting the Water Department. Regularly report on commitments made.
- 4) Find opportunities to be innovative in the water industry by piloting new opportunities to build partnerships on projects.

#### Tactics to Be Implemented 2006

- 5) Develop a Communications Plan to interact with and educate stakeholders on services provided.
- 6) Develop and implement a Customer Survey to monitor service performance and track key performance measures.
- 7) Use the Department's lobbyist to assist with educating State and Federal Agencies on the Department's achievements and needs and to shape future regulations.

## STRATEGY 1 (continued) Tactics to Be Implemented in 2006

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- 8) Develop and implement a Department-wide process that tracks and monitors customer inquiries, service requests and complaints for timely resolution and follow-up to ensure outstanding customer service.
- 9) Integrate Station 38's role in the Department's emergency operations process.
- 10) Enhance the Water Department's image through participation on appropriate water industry boards and bodies for policy and agenda setting.



## STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010

### STRATEGY 2: EMPLOYEE AND WORKFORCE DEVELOPMENT

Develop and maintain a flexible, well trained, motivated and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened through employee training.

#### Tactics Completed in 2005

- Continue enhancements to the Water Department Performance Library, providing supervisors with all the necessary tools to communicate with and evaluate employees to work standards and expectations, and mechanisms to aid employee development.
- Continue the Internship Program for engineers and administrative positions.
- Encourage employees' use of City educational incentive programs such as certification pay, registration pay, tuition and certification reimbursement.
- Provide classroom and on-the-job training to ensure a flexible and well trained workforce.
- Implement a Department-wide Medical Program so that employees, supervisors, managers and other departments assist with employees' return to work after injury.
- Develop consistent, accurate and reflective performance standards for all employees.
- Enhance the New Employee Water Academy for field/plant construction and maintenance employees to include all required specialized training for DHS Distribution Operator certification. Also, ensure employees understand and apply all Cal-OSHA requirements while performing daily tasks and provide hands-on field training.
- Review and identify classifications that would be conducive to centralized hiring.

#### Tactics Currently Underway

- 1) Build and encourage high-performing teams by incorporating into all performance plans and templates expectations of specific attitudes and behaviors that are key ingredients to effective teamwork.

## Strategy 2 (continued) Tactics Currently Underway

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- 2) Continue enhancing the Training Section by supporting the Section's International Association of Continuing Education and Training accreditation status, which enables it to provide services such as specialized training for Water Systems Technician, continuing education for Water classifications and Instructional System Design Model. Maintain accurate and timely training records.
- 3) Continue current employee development programs, such as Club 70, to assist employees to improve their test taking skills.

## Tactics to Be Implemented 2006

- 4) Evaluate, recommend, update and enhance Department's reward and recognition programs, including performance-based reward programs, in order to meet the objective of motivating employees to maximize productivity and achieve their full potential. Continuously assess the effectiveness of each program through surveys and other employee feedback mechanisms.
- 5) Develop a Department Succession Plan to ensure institutional knowledge is captured. Create a team to review and determine key positions throughout the Department and develop recruitment and training strategies to mitigate problems caused by turnover.
- 6) Develop leadership training modules for supervisors to enhance leadership, organization and communication skills.

## Tactics to Be Implemented 2007-2008

- 7) Create a partnership with educational institutions to enhance the Department's ability to establish a broad pool of qualified candidates.
- 8) Identify existing classifications where duties can be collapsed into one classification series, excluding the Water Systems Technician classification.
- 9) Create a program to provide methods of professional development training to all classifications within the Water Department.

## Tactics to Be Implemented 2009

- 10) As part of employee development, encourage employee participation on boards and committees in professional organizations by incorporating such discussions in employee performance evaluations.
- 11) Promote internal Water Department rotations among engineering, field and administrative employees to allow the opportunity to expand their depth of knowledge and increase work skills.
- 12) Evaluate and make recommendations for a formal New Employee Orientation Program.
- 13) Survey employees to assess the effectiveness of mandatory-by-law training.



## **STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010**

### **STRATEGY 3: DEMAND ACCOUNTABILITY**

Enhance and be accountable for performance in order to increase productivity and make the Department more cost-effective. This will also improve the Department's ability to focus on important requirements more effectively and efficiently. Develop and report on valued performance goals that link to service objectives so that employee responsibility and accountability assists in accomplishing goals.

#### **Tactics Completed in 2005**

- Provide continuous feedback to employees, ensuring outstanding behavior and performance is immediately recognized and conversely inappropriate behavior or performance is immediately addressed in a timely and appropriate manner through continuous communication, coaching and the training of supervisors and managers.
- Create an environment that encourages and rewards people for accountability and consistently being a high performer.
- Participate in industry benchmarking and standards setting efforts such as QualServe Benchmarking Clearinghouse.
- Identify and monitor roles, responsibilities and accountabilities for all employees.
- Ensure external contracts are monitored and enforced.
- Develop Service Level Agreements (SLAs) that recognize and acknowledge good service as well as provide performance metrics to identify substandard service and trigger correction or cancellation provisions as warranted.
- Ensure that SLAs are focused on and support requirements that are linked to a strategic goal.
- Create an SLA Coordinator/Analyst who is responsible for reviewing and updating SLAs needed. This position should report to the Business Operations Division Manager.
- Ensure that standard operating procedures for each job classification are documented and each employee understands their responsibilities.

### **STRATEGY 3 (continued) Tactics Completed in 2005**

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- Develop an effectiveness and efficiency survey for business units that provides feedback on meeting business objectives and how successfully the Department uses resources to produce desired results.

#### **Tactics to Be Implemented 2006**

- 1) Enhance system for providing feedback to service providers based on objectively measured performance metrics and ensure external contracts are monitored and enforced.
- 2) Evaluate and implement Bid-to-Goal, as appropriate, Department-wide.
- 3) Periodically post and verbally communicate reports to subordinates, peers and management on how well Department teams are meeting their performance measures

#### **Tactics to Be Implemented 2007-2009**

- 4) Establish “Standards of Work Conduct” Department-wide for all classifications. Begin with Customer Support during the Bid-to-Goal process.
- 5) Periodically review and update existing Department and/or division policies and procedures and take necessary steps to ensure employees are familiar with and comply with them.

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## STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010

### STRATEGY 4: EFFECTIVELY USE EXISTING WATER RESOURCES AND OBTAIN ALTERNATIVE SUPPLIES

Effectively manage existing water resources and develop sufficient alternative water supplies to meet future demands.

#### Tactics Completed in 2005

- Actively protect City's watersheds through education and partnerships with developers and other stakeholders.
- Develop and manage the annual Water Purchase Plan in the most cost-effective way.
- Implement the Water Systems Operation Optimization Plan to operate the system in the most efficient and cost-effective manner.

#### Tactics Currently Underway

- 1) Develop new, and strengthen existing, partnerships with other water agencies and private industry to provide the City with opportunities to augment water sources and more effectively use existing facilities and sources.
- 2) Develop City-10, PUAC, Mayor and City Council relationships to be supportive of, and advocate for, this strategy.
- 3) Actively pursue working with CWA and MWD to maximize water deliveries through existing water sources and incentive programs to effectively utilize the City's water system assets.
- 4) Pursue future, and protect and leverage existing, water and capacity rights.
- 5) Execute capital projects to reduce City's imported treated water purchases.

#### Tactics to Be Implemented 2006

- 6) Review and modify Council Policies 400-9 (Action Plan for City's Future Water Supply), 400-4 (Emergency Storage) and 400-11 to reflect the Water Department's strategic direction.

#### Tactics to Be Implemented 2007-2009

- 7) Implement the San Diego Water Department Long-Range Water Resources Plan (to the fullest extent that funding allows). Develop and implement programs to meet the following objectives of the plan for alternative water supplies and enhance existing programs by 2010:
  - a. Groundwater treatment program 10,000 acre-feet per year;
  - b. Recycled water program 15,000 acre-feet per year;
  - c. Groundwater storage program 20,000 acre-feet per year;

## STRATEGY 4 (continued) Tactics to Be Implemented 2007-2009

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- d. Conservation program 32,000 acre-feet per year;
- e. Water transfer program 5,000 acre-feet per year; and
- f. Develop and implement a desalination program (brackish groundwater and/or ocean water) by the year 2012.



## STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010

### STRATEGY 5: AUGMENT REVENUE STREAMS AND CONTROL COSTS

Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.

#### Tactics Completed in 2005

- Develop an effective cost and performance tracking mechanism for Service Level Agreement's (SLA's) requirements including SLA provisions providing for effective enforcement and mitigation.
- Prepare and prioritize the elements of a strategy containing designated areas and efforts to pursue optimum funding opportunities.
- Cooperate with other departments through the SLA process, or alternative means, to ensure all revenue due is received and routine audits are performed (e.g. lakes concessions, developer fees, property leases, etc.).
- Provide extended oversight and involvement of Water Policy Division personnel to identify potential cost sharing opportunities in the form of development agreements and related cost sharing/ revenue producing partnerships.
- Establish working relationships with other departments and organizations to provide relevant input to the Water Department's long and short term financial plans allowing for the timely receipt of requirements to meet annual budget preparation schedules and long-term plan updates.
- Ensure that SLAs are re-justified and reprioritized for funding each year as a part of the budget development process based on past performance criteria and Department priorities.

#### Tactics Currently Underway

- 1) Review existing contracts to ensure that all affected employees are knowledgeable of the services to be received and that appropriate amounts are being charged for contractual services.
- 2) Enhance the contract monitoring system to track actual revenues versus expected revenues to be received.
- 3) Monitor the Department's portfolio of real property in order to identify opportunities to maximize the yield from sales and leases.

#### Tactics to Be Implemented 2006

- 4) Effectively employ consultants, lobbyists and industry organizations to influence legislation and proactively position the Water Department to maximize grant opportunities and minimize cost impacts.

## **STRATEGY 5 (continued) Tactics to Be Implemented 2006**

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- 5) Establish aggressive participation in legislative workgroups to enhance grant opportunities and avoid cost impacts.
- 6) Develop strict procedures and processes for the review and revision of all fees and charges. Review and adjust existing fees and charges every 3-5 years to ensure they reflect the actual costs of providing service or an appropriate market rate of return.
- 7) Identify City or other agency water system facilities that can be leased or shared to enhance revenue or reduce costs. The review would include particular emphasis on reclaimed water, water storage, transportation and treatment facilities as well as water exchanges.
- 8) Improve long-term financial planning by updating on an annual, or more frequent basis, the existing 10 year revenue and expense projections. The 10-year plan should be enhanced by developing comprehensive and detailed capital and operating cost and revenue projections, as well as an analysis of the adequacy of existing rates and financing.
- 9) Establish an effective organizational structure, with the appropriate expertise in the Water Policy Division, to administer the Department's legislative affairs.

## **Tactics to Be Implemented 2007-2009**

- 10) Place responsibility for administering budget to lowest applicable level, such as the senior supervisor level. Ensure each employee responsible for a budget is trained and able to access current budget data.
- 11) Require purchase justification for budgeted and non-budgeted equipment outlay over \$5,000.
- 12) Designate a project manager to be responsible for any operations and maintenance initiative greater than \$100,000. The project manager must adhere to the standard project management methodology and develop a project concept and/or business case justification as required.
- 13) Develop and implement a structured Business Case justification process for new and existing CIP projects and other initiatives over \$500,000.
- 14) Perform cost of service study updates on a regular basis, e.g., every 3 to 5 years or in conjunction with rate cases.
- 15) Implement an improved water meter calibration and replacement program to ensure the appropriate amount of revenue is received for water deliveries.



## STRATEGIES AND TACTICS TO BE COMPLETED 2006 - 2010

### STRATEGY 6: ACQUIRE AND IMPLEMENT APPROPRIATE INFORMATION TECHNOLOGY

Develop comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the Department.

#### Tactics Completed in 2005

- Create an IT steering committee made up of the WET.
- All Water/Wastewater bills will be reviewed to ensure they are within expected levels based on historical consumption.
- Develop and implement a schedule for retiring and replacing standard personal computer systems.
- The effort to implement new technologies should be led by business/operational staff rather than IT staff. A “Business Process Champion” should be appointed for each IT project.

#### Tactics Currently Underway

- 1) Replace Customer Information System (CIS) with a Customer Relationship Management System (CRMS), which interfaces with other financial and purchasing systems.
- 2) Develop a comprehensive data management strategy.
- 3) Project annual and long-range IT cost estimates and contingencies and incorporate these into the development of financing plans and Department priorities.
- 4) Establish a proactive IT security environment within City security guidelines.

#### Tactics to Be Implemented 2006

- 5) Establish an IT operating committee consisting of peers and subject matter experts who will use the current Information System Master Plan for IT decision-making and to recommend project prioritization.
- 6) Update the Water Information Systems Master Plan to comply with the Strategic Business Plan and with the City IT Strategic Plan.
- 7) Perform reviews of potential IT fatal system failures and determine impact on the Department.

## **STRATEGY 6 (continued) Tactics to Be Implemented 2006**

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- 8) Regularly evaluate existing IT services, technologies and systems and deploy process improvements and/or new systems/technologies where appropriate in order to avoid redundancies.
- 9) Implement and enforce procedures for business staff and IT staff to perform IT project management.
- 10) Implement automated meter reading to commercial meters as well as residential meters for which it is cost-effective to do so.
- 11) Develop and implement a Water/MWWD IT strategy to enhance communications and to optimize similar projects and policies.
- 12) Evaluate need and provide appropriate end-user training for all IT systems.

### **Tactics to Be Implemented 2007**

- 13) Integrate Geographic Information System (GIS) data with other Water Department applications in order to provide spatial data access.
- 14) Enhance Department's e-government system to improve customer access.

### **Tactics to Be Implemented 2008-2009**

- 15) Replace Sewer Water Infrastructure Management (SWIM) with a Computerized Maintenance Management System (CMMS).
- 16) Use wireless technologies, as appropriate.



### Management Structure

The Water Department ultimately reports to the citizens of San Diego through the Mayor and City Council. The day-to-day leadership and operational responsibility rests with the Water Department Director and Water Executive Team. The Water Executive Team consists of the Director, Assistant Director, Division Deputy Directors, Division Assistant Deputy Directors and Human Resources Manager. (See Appendix A for an Organizational Chart).

The Water Department is divided into five (5) divisions: Administration (including Business Operations and Human Resources); Customer Support; Engineering and CIP Management; Water Operations; and Water Policy and Strategic Planning. The Department receives no revenues from sales or property taxes. It operates solely on funds from rates and service charges. In accordance with the provisions of the City Municipal Code, these funds are administered in an enterprise account separate from the City of San Diego's General Fund.

### Personnel Plan

The FY06 Annual Budget shows the following staffing by division:

Administration Division	3.33
Assistant Director/Business Operations	35.00
Human Resources Program	32.50
Customer Support Division	225.00
Engineering and CIP Management Division	79.00
Water Operations Division	481.56
Water Policy and Strategic Planning Division	<u>33.00</u>
	889.39



### **Review and Evaluation Process**

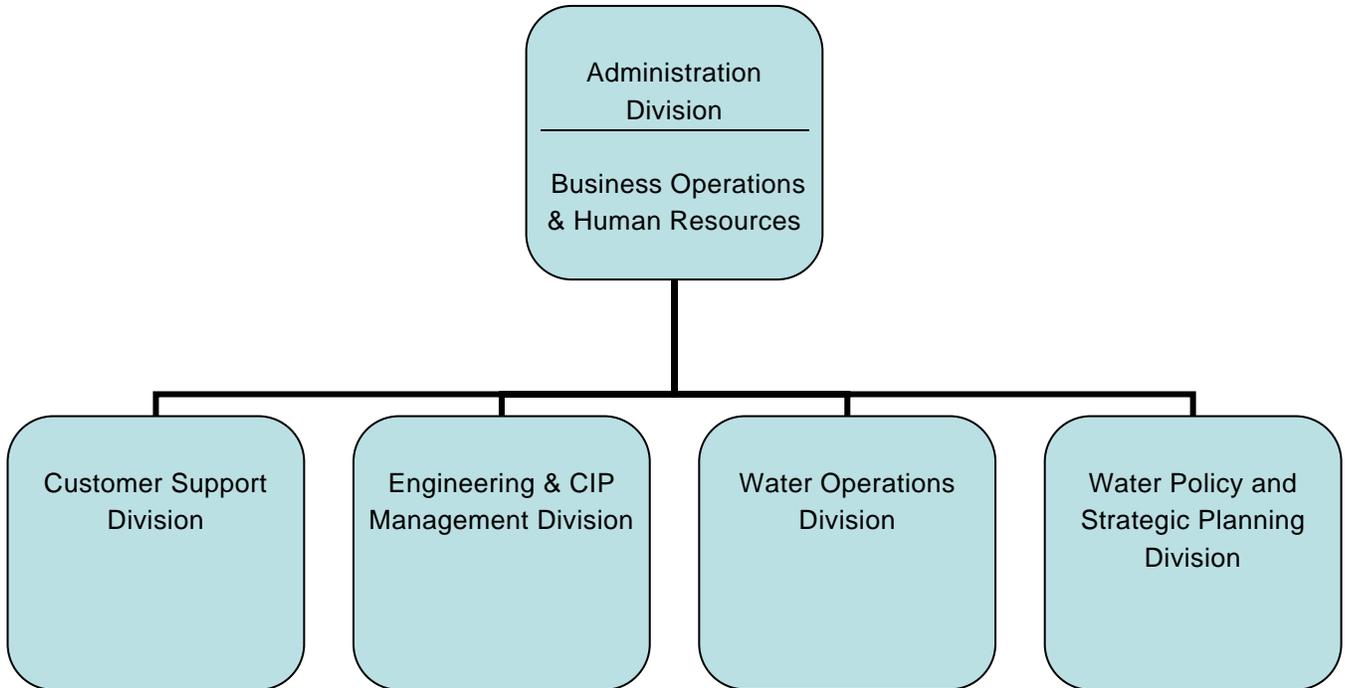
The Water Department has adopted a Balanced Scorecard approach for support in assessing its progress in achieving the goals, strategies and tactics put forth in this plan. In overarching Department-wide Balanced Scorecard, as well as Strategy Level Scorecards with clearly delineated performance measures, have been developed and will be used in the evaluation process. (See Appendix B for details regarding scorecards.)

A “plan, do, check” approach should be embraced with this strategic planning document viewing it as a guide to be periodically revisited and updated versus a rigid roadmap to a fixed and unmovable target for success. The Water Executive Team believes the goals, strategies, tactics and performance objectives put forth in this document are realistic. However, recognizing the dynamic environment that surrounds and impacts the Department, a reshaping of some strategies and tactics may become necessary to successfully impel change and provide optimal service to the citizens of San Diego.



## APPENDIX A – ORGANIZATION CHART

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## APPENDIX B – BALANCED SCORECARD

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The department's strategic direction, strategies and related tactics provide the goals and objectives for the performance measurement system. This framework aligns the department's tactics with its ongoing operations. The strategic goals and objectives span four perspectives: Financial, Learning and Growth, Internal Business Process, and Customer. For each goal and objective, short- and long-term measures are identified in order to ensure the department is meeting its objectives.

Use of the four perspectives of the Balanced Scorecard approach ensures that the department is measuring activities across its whole range of functions and not emphasizing one area at the expense of others. The four perspectives cover the following areas:

**Financial** – Emphasizes cost efficiency and focuses on economic value and return on investment.

**Customer** – Focuses on identifying what the department's external customers value and their expectations of the department.

**Internal Business Process** – Focuses on key business processes and where the department must excel in order to meet its goals and objectives.

**Learning and Growth** – Focuses on department employees, quality of internal information systems and the effects of organizational realignment to help accomplish goals and objectives.

The next four pages provide the department's balanced scorecard showing the above four perspectives. The subsequent pages provide the scorecards for each of the department's six strategies.

# DEPARTMENTAL SCORECARD

**Customer – To achieve our vision, how should we appear to our customers?**

<b>Strategy</b>	<b>Goal(s)</b>	<b>Objectives</b>	<b>Measures</b>	<b>Description</b>	<b>Measure Target</b>	<b>Frequency of Measurement</b>
<b>Build Public Trust, Partnerships and Customer Satisfaction</b>	<b>Build Trust and Support</b>	<b>Build Trust, Support, Enhanced Relationships and Improved Communications with Stakeholders</b>	% of QualServe Performance Measures in the top quartile (Total number of measures the Department ranks in the top quartile/Total Number of Measures)	This is a broad indication of the Department's performance in comparison to other Water Agencies and being in the "Top Quartile" is representative of being "Best-in-Class". The Department reports on a total of 35 indicators for the QualServe program.	50%	Annual
			Drinking Water Compliance Rate (%) = (100) Number of days in full compliance / 365 days	This indicator quantifies the percentage of time each year that a water utility meets all of the health-related drinking water standards in U.S. Environmental Protection Agency Primary Maximum Contaminant Levels.	100%	Annual
<b>Build Public Trust, Partnerships and Customer Satisfaction</b>	<b>Outstanding Customer Service</b>	<b>Improve and Monitor Timely Responsiveness and Delivery of Services to Customers</b>	Customer Service Associated Complaints = (1000) Total Customer Service Associated Complaints/Total Number of Active Customer Accounts	This measure represents the tracking of associated complaints throughout the department both for internal reporting purposes and in order to compare relative performance with other water utilities.	1) Top 25% Quartile in QualServe 2) 25% Reduction per thousand customer from previous year	Annual
			Customer Satisfaction Index Score	The annual survey with our customers will assess the overall performance of the Department as it pertains to building trust, support, enhanced relationships and customer satisfaction.	80%	Annual

**Financial – To succeed financially, how should we appear to our “shareholders” (ratepayers, customers, public)?**

<b>Strategy</b>	<b>Goal(s)</b>	<b>Objectives</b>	<b>Measures</b>	<b>Description</b>	<b>Measure Target</b>	<b>Frequency of Measurement</b>
<b>Augment Revenue Streams and Control Costs</b>	<b>Meet Requirements of Capital and Operating Finance Plan</b>	<b>Effective Water Services through Cost Control</b>	% of Deviation from O&M Expenditures to Annual Budget (Total Expenditures for the Operations and Maintenance/Total Budget for the Operations and Maintenance	This measure represents the Departments effectiveness in planning and executing budgets (excludes CIP, Reserves, and Water Purchases) by evaluating how closely overall expenditures differ from annual budget figures. The Department will be able to better evaluate its current and future funding needs as they relate to the daily operation and maintenance of the Department.	-5% to 0% Annually (expenditures at 95%-100% of annual budget)	Quarterly
		<b>Improve 10 Year Long-Term Financial Planning</b>	Total Annual Operations and Maintenance expenditures / Planned O&M Budget for current year in the 10 Year Finance Plan	This measure will provide a comparison of the actual expenditures as they relate to the finance plan. The calculation is to provide an indication of the Department’s ability to execute its mission within the constraints outlined in the Finance Plan. The Finance Plan is the basis for justifying rates and assuring bondholders of the Department’s financial integrity.	+ / - 5% cumulative + / - 10% annually	Quarterly
			CIP Execution Rate (% = Actual Expenditures/Planned Expenditures in 10 year Finance Plan)	This measure represents the Department’s effectiveness in planning and executing CIP budgets. The calculation is to provide an indication of the Department’s ability to financially execute its CIP mission within the constraints outlined in the Finance Plan. The Finance Plan is the basis for justifying rates and assuring bondholders of the Department’s financial integrity.	90% cumulative	Quarterly
<b>Augment Revenue Streams and Control Costs</b>	<b>Enhance Existing and Develop New Revenue Streams</b>	<b>Maximize Existing Revenue and Optimize Cost Recovery</b>	% of Cost Recovery for Services with Fees and Charges (Revenue received/Cost of the Service)	This measure represents the Departments effectiveness in recovering the costs for services to customers and contractors.	Greater than 90%	Annual

**Internal Business Process – To satisfy our customers, what business processes must we excel at?**

<b>Strategy</b>	<b>Goal(s)</b>	<b>Objectives</b>	<b>Measures</b>	<b>Description</b>	<b>Measure Target</b>	<b>Frequency of Measurement</b>
<b>Demand Accountability</b>	<b>Provide Valued Service Through Accountability</b>	<b>Hold All Employees Accountable to Meet a High Level of Performance</b>	Percent of Employee and Supervisor Performance Review Conferences completed within 30 working days of the Rating Period (Number of Employee and Supervisor Performance Review Conferences Completed within 30 working days of the Rating Period/Total Number of Evaluations Due)	This measurement represents the Department's efforts to communicate performance expectations to the employees. In completing the conference, feedback is provided to employees by evaluating their performance against the expectations and documenting the feedback.	100%	Annual
		<b>Continuously Improve Departmental Operations</b>	Percent of Employees Participating in a Bid-to-Goal Program (Number of employees in a Bid-to-Goal program/total number of employees)	This measures the efforts to include all employees in a Bid-to-Goal program resulting in efficient operations and further achievement in becoming a competitive organization.	100%	Annual
<b>Demand Accountability</b>	<b>Obtain Valued Services and/or Products at Cost Competitive Prices</b>	<b>Hold Service Providers Accountable to Meet Established Performance Expectations</b>	Percent of Service Level Agreements (SLA) that meet established Performance Measures (Total number of SLA's meeting established Performance Measures/Total number of SLA's)	This measurement represents an efforts to ensure receipt of services that conform to the SLA requirements. The inclusion of trackable performance measures in SLA's with other City departments which will assist the Department in obtaining valued services at the expected service levels and strengthen collaboration with service providers.	100%	Quarterly

**Internal Business Process – To satisfy our customers, what business processes must we excel at? (continued)**

Strategy	Goal(s)	Objectives	Measures	Description	Measure Target	Frequency of Measurement
<i>Effectively Use Existing Water Resources and Obtain Alternative Supplies</i>	<i>Manage and Protect Existing Water Resources</i>	<i>Optimize Existing Water Resources</i>	Percent Reduction of Net Treated Water Purchases (acre feet per year) compared to FY03	This measurement represents the Department's efficiency at reducing net treated water purchases to maximize use of local water facilities and reduce reliance on imported treated water.	10% Reduction FY05 and FY06 5% annually thereafter through 2010	Annual
<i>Acquire and Implement Appropriate Information Technology</i>	<i>Plan, Implement, and Maintain Technologies to Enhance Customer Service and Workforce Productivity</i>	<i>Effectively Plan for Technology</i>	Percent of information technology projects with budget of \$100,000 or more using standard planning methodology (Number of projects with a budget of \$100,000 or more that planned the project using standard methodology/total number of projects with a budget of \$100,000 or greater)	Using a standard planning methodology facilitates projects being completed on time and within budget and meet the Department's requirements. This measure will also compliment the Department's efforts to ensure that information technology projects for new applications or major enhancements to existing applications are properly reviewed prior to acceptance as a project.	100%	Annually

**Learning & Growth – To achieve our vision, how will we sustain our ability to change and improve?**

Strategy	Goal(s)	Objectives	Measures	Description	Measure Target	Frequency of Measurement
<i>Employee and Workforce Development</i>	<i>Knowledgeable and Highly Skilled Employees</i>	<i>Provide Education and Training to Develop an Efficient and Flexible Workforce</i>	<p>Training Hours per Employee = Total of qualified formal training hours for all employees / Total FTEs worked by employees during the reporting period</p>	<p>To measure the quantity of formal training utility employees are actually completing. The measure represents the Department's commitment in developing employees and improving morale to retain employees and reduce injuries by providing quality education.</p>	<p>32 hours averaged per employee annually</p>	<p>Quarterly</p>
			<p>Employee Health and Safety Rates</p> <p>Incident Rates = (Number of Recordable Injuries and Illnesses/total hours worked by all employees during the reporting period) 200,000</p> <p>Frequency Rates = (Number of lost time cases/total hours worked by all employees during the reporting period) 200,000</p>	<p>The measure quantifies the days lost from work due to illness or injury and can aid in identifying training needs and accessing the quality of training.</p>	<p>At or Below SIC/Risk Management Target</p>	<p>Quarterly</p>

**Learning & Growth – To achieve our vision, how will we sustain our ability to change and improve? (continued)**

Strategy	Goal(s)	Objectives	Measures	Description	Measure Target	Frequency of Measurement
<i>Effectively Use Existing Water Resources and Obtain Alternative Supplies</i>	<i>Develop Alternative Water Resources</i>	<i>Implement the "Long Range Water Resource Plan" 2010 Goals</i>	Volume of Alternative Supplies Produced (Volume of alternative supplies produced in the current fiscal year / Total volume of 2010 Goals)	This measurement represents the Department's efforts and progress in accomplishing the Long Range Water Resource Plan 2010 goals for alternative water supplies.	100% of goals by 2010	Annual

# STRATEGY SCORECARDS

**STRATEGY #1: BUILD PUBLIC TRUST, PARTNERSHIPS AND CUSTOMER SATISFACTION**

**Strategy Statement: Build public trust, support and confidence with all internal and external stakeholders, which include the Mayor, Council, City Manager, other City Departments and Agencies, employees and rate payers. Provide timely, informative and accurate information, resulting in support of all Water Department initiatives.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
<b>Build Trust and Support</b>	<b>Build Trust, Support, Enhanced Relationships and Improved Communications with Stakeholders</b>	% of QualServe Performance Measures in the top quartile = Total number of measures the Department ranks in the top quartile/Total Number of Measures	This measure reports Water Department performance relative to the water utility industry. This reports the percentage of indicators in the QualServe Benchmarking program, which the department ranks within the top 25 percent. The benchmarking program examines functional areas including Customer Relation, Business Operations, Water Operations, and Organizational Development.	50%	Annual
		Drinking Water Compliance Rate (%) = (100) Number of days in full compliance / 365 days	This measure quantifies the percentage of time each year that a water utility meets all of the health-related drinking water standards in the U.S. National Primary Drinking Water Regulations. Non-compliance is measured by the receipt of a Notice of Violation from the California Department of Health Services (CDHS) to the Water Department director.	100%	Quarterly
		Stakeholder Satisfaction Index	Conduct an annual survey with the Mayor's Office, Council Offices, and PUAC members to assess the overall performance of the department as it pertains to building trust, support, enhanced relationships and customer satisfaction with these key stakeholders.	90%	Annual

**STRATEGY #1: BUILD PUBLIC TRUST, PARTNERSHIPS AND CUSTOMER SATISFACTION (continued)**

<p><b>Outstanding Customer Service</b></p> <p><b>Improve and Monitor Timely Responsiveness and Delivery of Services to Customers</b></p>	<p>Customer Satisfaction Index</p>	<p>The annual survey with our customers will assess the overall performance of the Department as it pertains to building trust, support, enhanced relationships and customer satisfaction.</p>	<p>80%</p>	<p>Annual</p>
	<p>Customer Service Associated Complaints = (1000) Total Customer Service Associated Complaints/Total Number of Active Customer Accounts</p>	<p>This measure represents the tracking of associated complaints throughout the department both for internal reporting purposes and in order to compare relative performance with other water utilities.</p>	<p>1) Top 25% Quartile in QualServe 2) 25% Reduction per thousand customer from previous year</p>	<p>Annual</p>
	<p>Response Rate to Inquires &amp; Complaints within one business day = # of inquires or complaints responded to within allotted timeframe/total number of inquires or complaints</p>	<p>This measure represents the Department's commitment to Customers by establishing an expectation to provide customers with information regarding their inquiry or complaint within one business day of receipt.</p>	<p>85%</p>	<p>Quarterly</p>
	<p>Crew Services Survey Score = # of negative survey responses/total number of surveys distributed</p>	<p>The survey allows the customer to send us their feedback about our work and the level of service the Water Department is providing</p>	<p>&gt; 15% negative</p>	<p>Quarterly</p>

## STRATEGY #2: EMPLOYEE AND WORKFORCE DEVELOPMENT

**Strategy Statement: Develop and maintain a flexible, well trained, motivated and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened through employee training.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
<b>Knowledgeable and Highly Skilled Employees</b>	<b>Provide Education and Training to Develop an Efficient and Flexible Workforce</b>	Training Hours per Employee = Total of qualified formal training hours for all employees / Total FTEs worked by employees during the reporting period	To measure the quantity of formal training utility employees are actually completing. The measure represents the Department's commitment in developing employees and improving morale to retain employees and reduce injuries by providing quality education.	32 hours averaged per employee annually	Quarterly
		<p>Employee Health and Safety Rates -</p> <p>Incident Rates = (Number of Recordable Injuries and Illnesses/total hours worked by all employees during the reporting period) 200,000</p> <p>Frequency Rates = (Number of lost time cases/total hours worked by all employees during the reporting period) 200,000</p>	The measure quantifies the days lost from work due to illness or injury and can aid in identifying training needs and accessing the quality of training.	At or Below SIC/Risk Management Target	Quarterly

## STRATEGY #2: EMPLOYEE AND WORKFORCE DEVELOPMENT (continued)

**Strategy Statement: Develop and maintain a flexible, well trained, motivated and accountable workforce through proactive recruitment strategies and planning. Retain institutional knowledge, and maximize employee potential, by ensuring that knowledge and skills are continually developed and broadened through employee training.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
	<i>Provide Programs And Mechanisms for Departmental Acquisition and Retention of Institutional Knowledge</i>	Complete Development of Department Succession Plan	This measure is to ensure completion of a Plan. The creation of a Department Succession Plan will address the critical need to ensure retention of institutional knowledge whether technical, professional or management/leadership and fill projected skills and knowledge gaps in an efficient and effective manner throughout the organization.	July 1, 2006	Quarterly Status from Progress Reports
<i>Improve Recruitment and Selection Effectiveness and Efficiency</i>	<i>Improve Recruitment and Selection Processes</i>	Vacancy Rate = # of budgeted positions vacant(100)/Total number of budgeted positions	This measures the staffing level of budgeted positions, which relates to the effectiveness and efficiency of recruitment and selection processes.	=< 6% averaged annually	Periodically
<i>Foster a Work Environment that Values Employee Accomplishments</i>	<i>Acknowledge Employee Accomplishments</i>	Reward & Recognition Participation = # of supervisors issuing rewards & recognition/total number of supervisors	This is a measure of the department's current efforts to educate supervisors through its communication efforts (e.g., the e-newsletter, presentations at senior staff meetings, department business meetings, etc.).	90% annually	Quarterly

### Strategy #3: DEMAND ACCOUNTABILITY

**Strategy Statement: Enhance and be accountable for performance in order to increase productivity and make the Department more cost-effective. This will also improve the Department's ability to focus on important requirements more effectively and efficiently. Develop and report on valued performance goals that link to service objectives so that employee responsibility and accountability assists in accomplishing goals.**

Goal	Objective	Measure	Description	Measure Target	Frequency of Reporting
<b>Provide Valued Service Through Accountability</b>	<b>Hold All Employees Accountable to Meet a High Level of Performance</b>	Percent of Employee and Supervisor Performance Review Conferences Completed within 30 working days of the Rating Period (Number of Employee and Supervisor Performance Review Conferences Completed within 30 working days of the Rating Period/Total Number of Evaluations Due)	This measurement represents the Department's efforts to communicate performance expectations to the employees. In completing the conference, feedback is provided to employees by evaluating their performance against the expectations and documenting the feedback.	100%	Annual
	<b>Continuously Improve Departmental Operations</b>	Number of Service Connections to Full Time Equivalents (FTE's) (Number of Service Connections / Number of FTE's)	This measure shows the ratio of service connections to FTE's to become a Best-in-Class utility, representing the Department's efficiency in continuing to service the increasing customer base.	+ / - 5% of 376	Annual
		Distribution System Water Loss (100 (Volume of water distributed - Volume billed to customers) / Volume of water distributed)	This measure represents the Department's water loss as compared to the efficiency of system operations.	Not greater than 7%	Annual
		Percent of Employees Participating in a Bid-to-Goal Program (Number of employees in a Bid-to-Goal program/total number of employees)	This measures the Department's efforts to include all employees in a Bid-to-Goal program resulting in efficient operations and further achievement in becoming a competitive organization.	100%	Annual

### Strategy #3: DEMAND ACCOUNTABILITY (continued)

**Strategy Statement: Enhance and be accountable for performance in order to increase productivity and make the Department more cost-effective. This will also improve the Department's ability to focus on important requirements more effectively and efficiently. Develop and report on valued performance goals that link to service objectives so that employee responsibility and accountability assists in accomplishing goals.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
<b>Obtain Valued Services and/or Products at Cost Competitive Prices</b>	<b>Hold Service Providers Accountable to Meet Established Performance Expectations</b>	Percent of Service Level Agreements (SLA) that meet established Performance Measures (Total number of SLA's meeting established Performance Measures/Total number of SLA's)	This measurement represents the Department's efforts to ensure receipt of services that conform to the SLA requirements. The inclusion of trackable performance measures in SLA's with other City departments which will assist the Department in obtaining valued services at the expected service levels and strengthen collaboration with service providers.	100%	Quarterly
		Percent of external service provider evaluations that meet or exceed expectations (Total number of evaluations meeting or exceeding expectation/number of evaluations)	This measurement represents the Department's efforts to ensure receipt of consultant services that conform to the contract requirements. Completing formal evaluations will assist the Department in obtaining valued services at the expected service levels and strengthen collaboration with consultants.	100%	Quarterly
		Percentage of Vendor Performance Evaluation Forms Completed for Department Purchase Orders (Total number of Vendor Performance Evaluation Forms Completed/Total number of Vendors Performance Evaluation Forms sent out for Completion)	This measure represents the Department's effort to provide feedback and evaluate contracted services for Water Department Purchase Orders.	100%	Quarterly

**Strategy #4: EFFECTIVELY USE EXISTING WATER RESOURCES AND OBTAIN ALTERNATIVE SUPPLIES**

**Strategy Statement: Effectively manage existing water resources and develop sufficient alternative water supplies to meet future demands.**

Goal	Objective	Measure	Description	Measure Target	Frequency of Reporting
<b>Manage and Protect Existing Water Resources</b>	<b>Optimize Existing Water Resources</b>	Percent Reduction of Net Treated Water Purchases (acre feet per year) compared to FY03	This measurement represents the Department's efficiency at reducing net treated water purchases to maximize use of local water facilities and reduce reliance on imported treated water.	10% Reduction FY05, 10% Reduction FY06, 5% annually thereafter through 2010	Annual
		Percent Reduction of Purchased Water Supply (Total Water Supply Purchased/Total Water Demand)	This measurement represents the Department's efficiency in reducing our reliance on imported water.	2% reduction through 2010	Annual
<b>Protect Existing Water Resources and Water Rights</b>	<b>Protect Existing Water Resources and Water Rights</b>	Percent of Agencies Utilizing the Water Department's Guidelines (Count number of the following agencies utilizing guidelines: City of San Diego, County of San Diego, Chula Vista, Escondido, Poway / Five)	This measurement represents the Department's efforts to protect existing water resources.	100% by April 2006	Annual
		Development and Approval of San Dieguito Watershed Management Plan	This measurement represents the Department's efforts to protect existing water resources.	April-06	Annual
		Groundwater Management Plans Adopted	This measure represents the Department's progress toward developing groundwater supplies.	2006 - 1 plan, 2007 - 1 additional plan, 2008 - 2 additional plans	Annual

**Strategy #4: EFFECTIVELY USE EXISTING WATER RESOURCES AND OBTAIN ALTERNATIVE SUPPLIES (continued)**

**Strategy Statement: Effectively manage existing water resources and develop sufficient alternative water supplies to meet future demands.**

Goal	Objective	Measure	Description	Measure Target	Frequency of Reporting
<b>Develop Alternative Water Resources</b>	<b>Implement the "Long Range Water Resource Plan" 2010 Goals</b>	Volume of Alternative Supplies Produced (Volume of alternative supplies produced in the current fiscal year / Total volume of 2010 Goals)	This measurement represents the Department's efforts and progress in accomplishing the Long Range Water Resource Plan 2010 goals for alternative water supplies.	100% of goals by 2010	Annual
		Annual FY Expenditures for Alternative Supplies (Annual FY Expenditures for Alternative Supplies/Total Budget for Alternative Supplies)	This measurement represents the Department's accomplishments and continual progress toward obtaining the Long Range Water Resource Plan 2010 goals for alternative water supplies with available financing.	90%	Annual

## STRATEGY #5: AUGMENT REVENUE STREAMS AND CONTROL COSTS

**Strategy Statement: Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
<b>Meet Requirements of Capital and Operating Finance Plan</b>	<b>Effective Water Services through Cost Control</b>	% of Deviation from O&M Expenditures to Annual Budget (Total Expenditures for the Operations and Maintenance/Total Budget for the Operations and Maintenance)	This measure represents the Departments effectiveness in planning and executing budgets (excludes CIP, Reserves, and Water Purchases) by evaluating how closely overall expenditures differ from annual budget figures. The Department will be able to better evaluate its current and future funding needs as they relate to the daily operation and maintenance of the Department.	-5% to 0% Annually (expenditures at 95%-100% of annual budget)	Quarterly
		O & M Costs per Account (Total annual operations and maintenance cost divided by the total number of active customer accounts)	Provides a "bottom line" efficiency measure for the Department. It can be broken down further to see cost/account for specific components (cost centers) or for specific projects, which may help in decision making and budgeting.	increase at a rate lower than the CPI	Quarterly
		Percentage of Activity Groups expending within Specified Annual Budget (Activity Groups within Budget/Total Number Activity Groups)	This measurement will represent the Departments effectiveness in planning and executing its annual budget with a focus on maintaining proper allocations among the various activity groups. By doing so, the Department will be able to better evaluate its current and future funding needs amongst the activity groups and allocating funding accordingly.	70%	Quarterly

## STRATEGY #5: AUGMENT REVENUE STREAMS AND CONTROL COSTS (continued)

**Strategy Statement: Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
	<b>Improve 10 Year Long-Term Financial Planning</b>	Total Annual Operations and Maintenance expenditures / Planned O&M Budget for current year in the 10 Year Finance Plan	This measure will provide a comparison of the actual expenditures as they relate to the finance plan. The calculation is to provide an indication of the Department's ability to execute its mission within the constraints outlined in the Finance Plan. The Finance Plan is the basis for justifying rates and assuring bondholders of the Department's financial integrity.	+ / - 5% cumulative + / - 10% annually	Quarterly
		Total Annual Revenues / Planned Revenues for current year in the 10 Year Finance Plan	This measure will provide a comparison of the actual revenues as they relate to the finance plan. The calculation is to provide an indication of the Department's ability to execute its mission within the constraints outlined in the Finance Plan. The Finance Plan is the basis for justifying rates and assuring bondholders of the Department's financial integrity.	+ / - 5% cumulative + / - 10% annually	Quarterly
		CIP Execution Rate (% = Actual Expenditures/Planned Expenditures in 10 year Finance Plan)	This measure represents the Department's effectiveness in planning and executing CIP budgets. The calculation is to provide an indication of the Department's ability to financially execute its CIP mission within the constraints outlined in the Finance Plan. The Finance Plan is the basis for justifying rates and assuring bondholders of the Department's financial integrity.	90% cumulative	Quarterly
<b>Enhance Existing and Develop New Revenue Streams</b>	<b>Maximize Existing Revenue and Optimize Cost Recovery</b>	% of Cost Recovery for Services with Fees and Charges (Revenue received/Cost of the Service)	This measure represents the Departments effectiveness in recovering the costs for services to customers and contractors.	Greater than 90%	Annual

**STRATEGY #5: AUGMENT REVENUE STREAMS AND CONTROL COSTS (continued)**

**Strategy Statement: Enhance existing and develop new revenue streams to meet capital and operating financial requirements while controlling costs.**

Goal	Objective	Measure	Description	Measure Target	Reporting Frequency
	<p><i>Effectively Leverage Assets, Pursue Grants and Other Partnership Opportunities</i></p>	<p># of New Partnership Agreements</p>	<p>This measure will create a minimum goal to increase partnering agreements each year, i.e. participation agreements with developers, sale of reclaimed water to outside agencies, joint use agreements to share facilities, etc.</p>	<p>Three new agreements annually</p>	<p>Quarterly</p>
		<p>% of Available Grant Funds Awarded (Total Grant Dollars Awarded / Total Fair share of Grant Dollars Available)</p>	<p>This measure represents the Department's effectiveness in obtaining grant funding from available sources. Fair share of grant funds available is based on San Diego's percentage of the population, adjusted for MWD and CWA. If the city of San Diego's population is 4% of the State's population, than the Water Department should receive 4% of the grant funds available for projects that are applicable to the Department. Because CWA and MWD may apply and be awarded for some of the same programs that the Department would benefit from, the Department's "fair share" would be adjusted accordingly.</p>	<p>100%</p>	<p>Annual</p>
		<p>% of Leasable Real Estate Property Leased (Total Amount of Real Estate Property Leased / Total Amount of Leasable Real Estate Properties)</p>	<p>Effectively leverage property assets for maximum revenue development.</p>	<p>90%</p>	<p>Annual</p>

## Strategy #6: Acquire and Implement Appropriate Information Technology

**Strategy Statement: Develop comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the Department.**

Goal	Objective	Measure	Description	Measure Target	Frequency of Reporting
<b>Plan, Implement, and Maintain Technologies to Enhance Customer Service and Workforce Productivity</b>	<b>Effectively Plan for Technology</b>	Percent of information technology projects with budget of \$100,000 or more using standard planning methodology (Number of projects with a budget of \$100,000 or greater that planned the project using standard methodology/total number of projects with a budget of \$100,000 or greater)	Using a standard planning methodology facilitates projects being completed on time and within budget and meet the Department's requirements. This measure will also compliment the Department's efforts to ensure that information technology projects for new applications or major enhancements to existing applications are properly reviewed prior to acceptance as a project.	100%	Annually
		Percent of Information Technology Project Budget Deviation for Department Initiated Projects with a budget of \$100,000 or greater (Total Information Technology Projects Budget Appropriations / Total Information Technology Project Expenditures)	This measure will help the Department to identify information technology projects that are executed within the established budget and ensure steps are taken to resolve deviations as appropriate.	Deviation of 5%	Quarterly
	<b>Deploy Appropriate Technologies</b>	Percent of Projects with Customer Acceptance Criteria (Number of Project with Customer Acceptance Criteria Documentation / Number of Projects)	Developing Customer Acceptance Criteria for all new applications or major application enhancements will help to ensure that projects and systems meet business and technical requirements. Customer Acceptance Criteria are system requirements and their expected/acceptable range of values or outcomes that are categorized by importance to indicate if satisfaction and quality were achieved.	100%	Annually

## Strategy #6: Acquire and Implement Appropriate Information Technology (continued)

**Strategy Statement: Develop comprehensive systems and technologies to significantly improve the efficiency and effectiveness of the Department.**

Goal	Objective	Measure	Description	Measure Target	Frequency of Reporting
<b>Deliver Effective Information Systems Training</b>	<b>Provide Quality User Training</b>	Average Dollars Spent for Information Technology Training per Employee (Department Information Technology Training Costs / Full Time Equivalent (FTE))	This measure represents the Departments commitment to allocating monies toward information technology training.	Baseline with 6 months data in Jan - 06	Annually
<b>Ensure Data Integrity and Accuracy</b>	<b>Develop, Enhance and Enforce Data Management Best Practices</b>	Percent of Systems with Devoted Data Managers (Number of Systems with Data Manager Devoted to Data Management/Number of Systems)	This measure will ensure that a responsible person is assigned to review and update data, comply with and assist in the implementation of established data management policies and procedures.	90%	Annually