

MEMORANDUM

DATE: December 12, 2017

TO: William Stowe, CEO and General Manager

FROM: Ted Corrigan, Chief Operating Officer
Peggy Freese, Chief Financial Officer

SUBJECT: 2017 Utility Goals Update

Staff has committed to providing the Board of Water Works Trustees with quarterly updates on the utility’s 2017 goals. Six goals have been developed to move the utility towards greater efficiency, better planning, and improved employee health. An update on our 2017 goals is provided below.

Goal	Update	Status
<p><u>Customer Information System</u></p> <ul style="list-style-type: none">• By June 30, 2017, develop detailed project plan for implementation of new billing and customer information system.• By December 31, implement Phase I of conversion to new billing and customer information system based on key milestones as established in the project plan, on time, within budget, and within the stated scope of the project.	<p>Project plan has been developed. Project implementation has begun. The project Core Team has undergone initial training. “Discovery” or fit/gap analysis has been completed with the vendor. Vendor is working on system configuration and initial data conversion.</p>	<p>Goal Met</p>

<p><u>PCI Compliance</u></p> <p>Implement conversion to PCI compliant electronic payment solution by June 30, 2017, including appropriate and timely customer communication on significant changes to electronic payment offerings.</p>	<p>Development of webservices and various integration points have been completed and are currently in testing. Staff is currently working on end user training schedules as well as conversion and cutover planning related to Customer Portal. Additional testing and customer communication activities are scheduled for December 2017, with implementation to occur in Q1 2018.</p>	<p>Will be completed Q1 2018</p>
<p><u>Cost of Service Review</u></p> <p>By September 1, facilitate review of Cost of Service methodology by an outside consultant, evaluate recommendations and develop action plan for implementation of changes.</p>	<p>Consultant has conducted their review and provided initial comments. We are coordinating with the consultant on their development of a new COS model.</p>	<p>Will be completed in 2018</p>
<p><u>Safety</u></p> <p>Reduce OSHA recordable injures for 2017 to not more than 75% the industry average: industry average is 12, DMWW goal is 9.</p> <ul style="list-style-type: none"> • Develop tracking system for safety training attendance. • Review four safety policies through the CSC. • Focus on Hearing Conservation and Competent Person Training. 	<p>There have been only three recordable injuries in 2017 which puts us well below our goal of 9 or fewer. A scanning system has been implemented for tracking training attendance within the card access system. Safety policy review continues on a quarterly basis as planned with confined space, hot work, chemical spill response, and respiratory safety policies reviewed this year.</p>	<p>Goal Met</p>
<p><u>2040 Long Range Plan and CIP Update</u></p> <ul style="list-style-type: none"> • Finalize the Main Replacement model portion of Long Range Plan and present to the Planning Committee in February. • Engineering review of final consultant report completed by March 1. 	<p>The Main Replacement Model portion of the Long Range Plan was completed and presented to the Board Planning Committee in February as planned.</p> <p>Recommendations from the Long Range Plan have been incorporated into the 5-year CIP which was presented to Finance and Audit in June.</p> <p>The final Long Range Plan was received and filed at the September Board meeting.</p>	<p>Goal Met on a modified schedule</p>

<ul style="list-style-type: none"> • Final Long Range Plan Report and present to Planning Committee in April. • Complete update of 5-year CIP and present to Finance and Audit Committee in April. 		
<p><u>Saylorville Water Treatment Plant</u> Produce 7.5 MGD with cold water temperatures (52F) by year end (equivalent to 10 MGD with warm, summer water temperatures).</p> <ul style="list-style-type: none"> • Receive and install remaining Ultra Filtration (UF) Membrane Modules first quarter 2017. • Complete design for fourth Reverse Osmosis (RO) skid installation by April 1, 2017. • Receive delivery of RO membranes by October 1, 2017. • Complete installation of fourth RO skid by December 31, 2017. • Load test Saylorville Water Treatment Plant components to identify any other factors which will prevent production of 10 MGD in 2018 and document any deficiencies found. • Develop a plan to resolve any deficiencies by year end. 	<p>UF membrane modules needed to fully populate all four UF trains were received and installed.</p> <p>Staff met with RO manufacturers and completed the basis for design for the fourth RO skid. Final plans and specifications for the installation of this equipment are nearly complete.</p> <p>Permitting for this project has been very challenging. DNR will not review the project for permitting until plans are complete. Their review is expected to take six months. Lead time for membrane equipment is very long, typically six to eight months. Because of this long lead time, we will likely purchase the membrane and pumping equipment directly to accommodate our schedule.</p> <p>Staff is moving forward with development of. Our goal is to complete the plans and specifications for this project during the fourth quarter of 2017.</p> <p>Existing equipment at the Saylorville Plant was load tested for a short period of time on July 19th. A production rate of 9.8 MGD was achieved for portions of the day. Additional load testing efforts conducted later in the year were unable to achieve a 10 MGD production rate.</p>	<p>Progress was made on all tasks. UF membrane installation, RO design, and load testing tasks were completed.</p> <p>Design and permitting have delayed ordering of RO membranes. RO installation task will not be completed in 2017.</p> <p>Goal Not Met.</p>