

MEMORANDUM

DATE: April 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>We are currently in the final stage of developing a Statement of Work with the vendor. This is the first step in creating a project plan.</p> <p>We are in the planning phase for the implementation activities.</p>	<p>On Track</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>Contracts have been approved and accepted. Project planning is in progress and an integration overview took place April 18.</p>	<p>On Track</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>Request For Proposal responses from consultants have been evaluated and a consultant selected. Consultant work is progressing.</p>	<p>On Track</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>Progress has been made on tracking attendance at safety training, review of safety policies, and hearing conservation. First quarter of 2017 was also very favorable in terms of the number of recordable injuries reported with only one year to date.</p>	<p>On Track</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 is complete and was presented to the Board Planning Committee in February as planned.</p> <p>DMWW staff received a draft of the entire consultant report on February 21, 2017. Engineering staff has provided comments back to the consultant.</p> <p>We hope to receive the final Long Range Plan Report by the middle of May.</p>	<p>Progressing 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>Recommendations will be incorporated into the 5-year CIP and presented to the Finance and Audit Committee in June.</p>	
<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 have been received and installed.</p> <p>Staff has met with RO manufacturers and has completed the basis for design for the fourth RO skid. 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 final plans and specifications for the installation of this equipment. Our goal is to complete the plans and specifications for this project during the second quarter of 2017.</p> <p>Equipment will then be installed and load tested as soon as it is received.</p>	<p>Progressing with equipment delivery time being critical to timely project completion</p>