

DES MOINES WATER WORKS
Board of Water Works Trustees



2201 George Flagg Parkway | Des Moines, Iowa 50321-1190 | (515) 283-8700 | www.dmww.com

MEMORANDUM

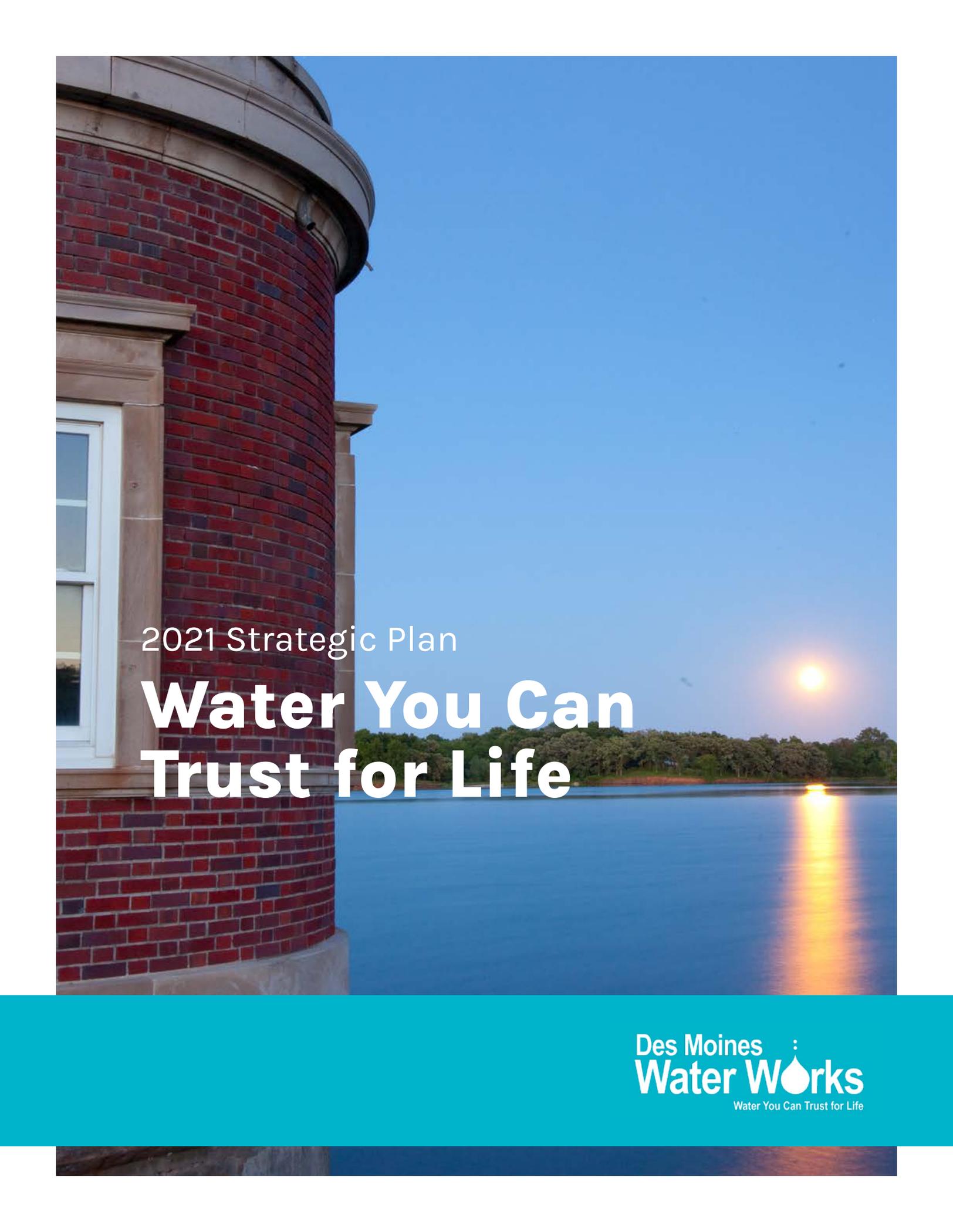
DATE: October 29, 2021

TO: Board of Water Works Trustees

FROM: Ted Corrigan, CEO and General Manager

SUBJECT: DMWW Strategic Plan

I am excited to share with you the enclosed Strategic Plan, the framework which will guide our Utility for the next five years. We have had an exceptional level of engagement from the community and other stakeholders, who have provided valuable insights and helped identify the priorities that are most important to our customers, and the community at large. Together with the leadership of our Senior Management Team, we have developed an ambitious, but achievable plan, which will allow us to overcome both current and future challenges. It represents our pathway forward and we look forward to launching it and building a stronger, more diverse Utility.



2021 Strategic Plan

Water You Can Trust for Life

Des Moines :
Water Works
Water You Can Trust for Life



Executive Summary

The demands of our work lives seem to grow every year. We become so focused on the day-to-day, it becomes difficult to step back and see the broader picture; to see not only what is most important today but what will become most important tomorrow. We must be purposeful in our planning.

In 2021, Des Moines Water Works completed a facilitated strategic planning process. This process has generated input from leaders in our community, from our customers, from DMWW employees, and from other stakeholders across the Des Moines metro area. The process has resulted in an incredibly rich data set which has helped us understand customer expectations, recognize opportunities, and identify priorities to address the needs of today and prepare for the needs of tomorrow.

It is clear that our stakeholders expect DMWW to be leaders in the water industry, ensuring access to **safe, clean drinking water for all**. They expect us to be good stewards of our financial investments, of the environment, and of the infrastructure our predecessors entrusted to us. They expect us to **plan for the future**: the future workforce, changes in climate, and growth in the metro area -- and they expect us to do all of this in a **fair and equitable** manner.

We rise to the challenge.

Contents

2

Executive Summary

4

How We Got Here

8

2021 Strategic Plan

10

Strategic Initiatives

We owe a debt of gratitude to all of these stakeholders for the direction they have provided and for the trust they have placed in DMWW, its employees, and its Board.

This Plan is a monumental step toward reaching our goals and meeting these expectations. We take pride in these responsibilities and look forward to updating our stakeholders and our communities on our progress in the coming months. We sincerely thank you for your continued support.



A handwritten signature in blue ink that reads "Ted Corrigan".

Ted Corrigan
CEO and General Manager,
Des Moines Water Works



How We Got Here

Strategic Plan Development

Acknowledgements

The 2021 Strategic Planning initiative would not have been possible without the insight, guidance, and engagement from the Des Moines community, employees, our utility peers, and a Strategic Plan Community Advisory Group.

Planning Background

Des Moines Water Works (DMWW) is an independently operated public utility providing drinking water to approximately 600,000 people in the Greater Des Moines area. As the largest water utility in Iowa, it is among the largest 100 utilities in the country and is recognized as an industry leader. In 2010, the utility last completed a Strategic Plan to guide the utility's progress into the future. Over the recent few years, the utility has experienced changes in leadership and staffing and faced new challenges due to the COVID-19 Pandemic. In early 2021, utility leadership initiated a strategic planning effort in earnest to provide a clear roadmap for the next five years and reframe the utility's commitment to providing water you can trust for life.

Engaging and Listening to Our Community

COMMUNITY ADVISORY GROUP: A Community Advisory Group (CAG) consisting of approximately 18 community stakeholders represented varying interests and portions of the community throughout the strategic planning process. The CAG membership included large and small customers, local leaders, economic planning representatives, employees, Board members, and DMWW leadership. The CAG met three times to serve as a consultation group that provided local knowledge and helped define the utility's Mission, Core Values, and Goals/Objectives. The insight provided by the CAG helped to facilitate a plan that more accurately represents broad community perspective.

The group used data collected from community and stakeholder input to provide guidance on services DMWW offers that are tailored towards defined customer values and are responsive to future trends and customer needs.

DMWW is thankful for the support and insights provided by the following CAG members:

- **Andrea Boulton**, DMWW Board Member
- **Lori Leo**, DMWW Union Leadership
- **Rachelle Bastow**, DMWW Staff
- **Dylan White**, DMWW Staff
- **Carl Voss**, City of DSM City Councilor
- **Pam Cooksey**, City of DSM Assistant City Manager
- **Matt McCoy**, Polk County Supervisor
- **Bob Rice**, Polk County Director of Public Works
- **David Jones**, Ankeny City Manager
- **Anne Bacon**, Executive Director IMPACT
- **Rob Denson**, President Des Moines Area Community College
- **Sonja Reyes**, Human Rights Commission - Office of Latino Affairs
- **Luke Nelson**, Norwalk City Manager
- **Amy Jennings**, DMWW Park Foundation President and Executive Director Greater Des Moines Leadership Institute
- **Kathryn Kunert**, VP MidAmerican, Central Iowa Water Trails Board
- **Joseph Jones**, Executive Director at The Harkin Institute for Public Policy & Citizen Engagement
- **Jay Byers**, President and CEO Greater Des Moines Partnership

Utility Benchmarking

The DMWW Strategic Planning benchmark analysis evaluated five utilities: **Denver Water, Phoenix Water, WaterOne, Louisville Water,** and **DMWW**, and their strategies towards stakeholder engagement. Each utility provided insights regarding their strategic plan, annual budget along with funds dedicated to Operations & Maintenance (O&M)/ Capital Improvement Plan (CIP); customer rates and rate designs; distribution system size and needs; annually, the average amount of non-revenue water produced; and employee demographics.

The Benchmark analysis provided a side-by-side comparison of each participant profile and their response to “Diversity & Inclusion Goals,” “Customer Engagement,” “Customer Service Assessment,” “Measuring Affordability,” and “Service Goals.” This analysis informed best practices and generated comparative recommendations for DMWW to consider as the 2021 Strategic Plan was developed. It provides a comparison to benchmark for industry alignment.

The analysis provides some offerings of best practices and lessons learned:

- Focus on continuous improvement as a core business philosophy
- Learn by doing for successful program implementation
- Explore employing new tools to reach new audiences
- Encourage process and operational improvement submittals by employees
- Form tactical work groups for strategic plan initiatives
- Identify champions or sponsors for initiatives
- Conduct project closeout assessments, identify lessons learned, and best practices
- Invest in the future by investing in employees
- Plan for cyber threats

Several key areas of focus were drawn from this analysis and offered recommendations the utility could align with as the 2021 Strategic Plan formalized. Recommendations focused on the following areas:

- Staff succession planning
- Dedicated diversity, equity, and inclusion
- Social media engagement
- Strengthening frontline customer service
- Rate study
- Education and community programming

Data Collection

The strategic planning effort employed an approach that featured a variety of data collection methods and multiple sources to produce a comprehensive understanding of community, customer, and employee insights regarding the service DMWW provides. The 2021 Strategic Plan was developed through input collected through community and stakeholder surveys, desktop analysis using community data assessment, benchmarking, a Community Advisory Group, employee/retiree virtual listening tours, virtual and social engagement, and management team oversight and decision-making.

VIRTUAL ENGAGEMENT: DMWW’s Think Downstream website (thinkdownstream.com) was transformed to provide interested stakeholders a forum to learn, engage, and share their ideas for the utility’s future. English and Spanish versions of the community surveys were made accessible to members of the community. Input was also gathered at the Latino Film Festival and through “quick poll” surveys to help refine priorities of the public, to supplement the survey data.

SOCIAL MEDIA: DMWW’s social media channels (Facebook, Instagram, and Twitter) were used to communicate information about the strategic planning effort and solicit engagement. Social media is widely used throughout the Des Moines service area and accessibility to devices among residents is high. Early community analysis

The survey also revealed that a significant majority of those who participated are single-family home owners. While the survey received nearly equal participation between income levels, it was heavily slanted toward homes with internet usage. While paper surveys were available, none were employed.

Based on overall sentiments from the responses, the public desires the utility to focus on improving the perception of the quality of water delivered to the homes and businesses of customers in the Des Moines area. Participants stressed the need to provide more educational resources regarding best practices of water usage to inform customers who are not following the current information published by DMWW. To communicate information regarding water services from DMWW, it is recommended that this additional information is inserted with the billing statements, as there was a strong preference among the participants to receive information in that form.

While the DMWW website was found by the participants to be relatively easy to use, several participants suggested distributing additional information related to water service via e-mail or on social media to reinforce the information to customers.

Participants were asked about cost and services. A clear response was gleaned from this analysis. Participants indicated they believe they should not have to choose between affording water and having safe, good quality water.

Generally, respondents indicated above average levels of satisfaction with the cost of services.



2021 Strategic Plan

A Foundation for the Future

Des Moines Water Works is committed to providing excellence in service to its customers and to be an employer of choice within central Iowa. The 2020 Census indicates that central Iowa and the Des Moines metropolitan area is the fastest growing community in the state. As our community continues to grow in population, so too must we plan for growth in our services, investments in infrastructure, and water resources. Investing today will help save money for the utility in the longer term. The 2021 Strategic Plan provides proactive solutions to build the foundation and offer early solutions for the future.

We believe service is at the heart of everything we do – protecting public health, advocating for water quality, being an appropriate steward of our natural resources, and being an employer of choice in our community.

We are committed to consistently providing reliable, affordable, and high-quality drinking water.

Our Mission

The utility's mission sets the overall strategic direction for everything outlined in this Strategic Plan. Our mission is:

Leading and advocating to deliver water you can trust for life.

As Central Iowa's Water Utility, We Value:



Leadership

DISTINCTIVE LEADERSHIP & ADVOCACY

We do all we can to lead the state and industry by pushing boundaries and moving our utility beyond expectations. We have the courage to continually question ourselves to shape a better future for our community. We do this by meeting today's needs while planning for those of tomorrow.



One Team

COLLABORATIVELY WORKING TOGETHER

We work to be an employer of choice by making it a priority to listen, engage, train, mentor, and show appreciation to our team members. A team that feels heard, empowered, and trusted is a team that dedicates themselves to living our Mission. This is our employee-employer promise.



Diversity & Inclusion

EMPOWERING & EMBRACING EVERYONE'S STRENGTHS

We demonstrate our commitment to our team members, customers, and community by presenting everyone the opportunity to provide or receive the best water service possible. Whether through workforce development or listening to our community members, we strive to elevate all voices. In doing so, we make better, more informed and equitable decisions.



Customer Experience

SERVICE SOLUTIONS FOR TODAY & TOMORROW

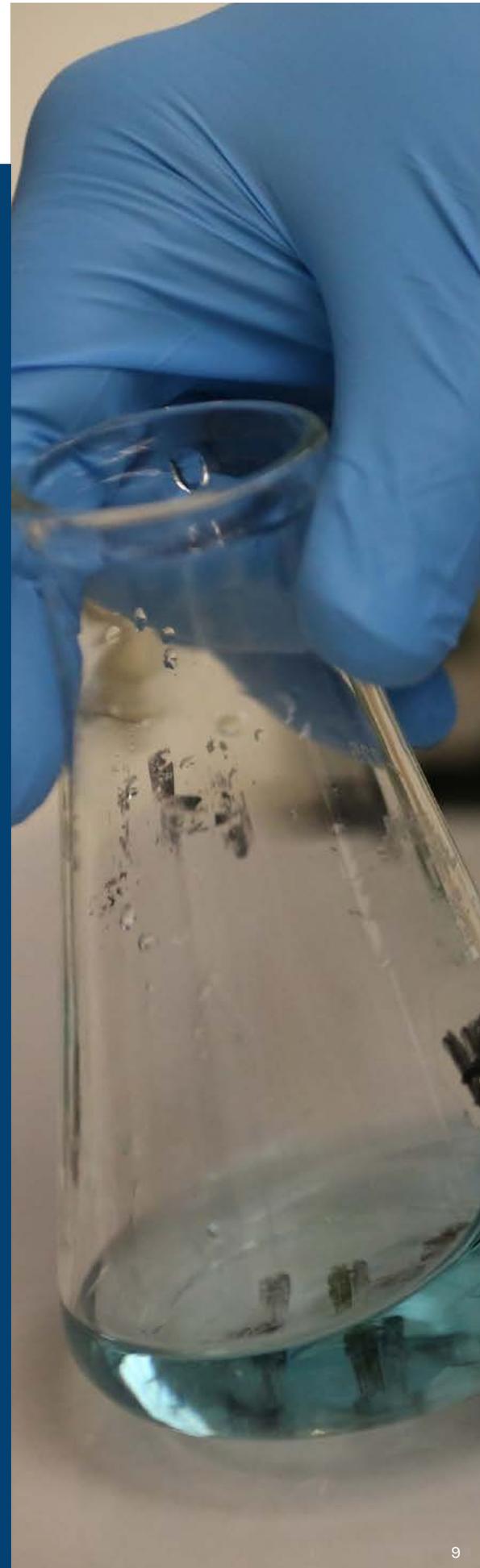
We stand by our promise to always be public servants first. It is our responsibility to deliver safe, high-quality drinking water and find reasonable solutions that help all customers access this water. We aim to meet water needs in our communities by listening first and making decisions that benefit our customers. This allows us to continuously improve and deliver high-quality water for generations to come.



Stewardship

THE ENVIRONMENTAL & FINANCIAL BLUEPRINT FOR OUR WATER FUTURE

We take pride in our responsibility to protect source water quality, natural resources, and the financial investments of the utility. We foster a sense of collective stewardship by practicing ethical conduct that respects our employees, puts rates collected from our customers to good use, and safeguards the environment. Through deliberate collaboration with stakeholders, we will employ innovation and strategy that supports sustainable water quality practices. We work to secure our water future by making sound financial decisions and striving to reduce our impact to the environment, so that we can deliver clean water to our customers well into the future.



Strategic Initiatives

Our Priorities

It is recommended an initiative champion(s) be identified for each implementation tactic. The champion should represent the voice of utility management and serve as a sounding board, advocate, and quality assurance/assessment advisor.

2022 Priorities

Core Values	Strategic Initiative	Implementation Tactics
	<p>Determine formal direction the utility will take with regard to regional governance for the utility across central Iowa.</p>	<ul style="list-style-type: none"> Engage in partnering discussions to develop a Memorandum of Understanding for governance of a regional production utility, should that be the chosen path forward for central Iowa.
	<p>Invest in and develop an employee succession planning initiative that includes a focus on staff levels, training, recognition, succession, and retention to build and support a more robust and diverse employee experience and allow DMWW to become an employer of choice in central Iowa.</p>	<ul style="list-style-type: none"> Employ an outside consultant to help facilitate employee succession, retention, and organizational assessment planning effort. Identify obvious gaps in staffing levels, skill sets, and succession planning. Provide regular opportunities and forums for employee feedback and engagement to strengthen the employee experience and improve organizational transparency and communication.
	<p>Formally recognize and plan how the utility values Diversity and Inclusion as a part of its business and service in the community and foster an environment that enriches the employee and customer experiences.</p>	<ul style="list-style-type: none"> Employ an outside firm/advocate to help facilitate a utility-wide D&I planning effort. Form a D&I Task Force comprised of members of the Board, management team, staff, and community with the goal to advise and consult on D&I efforts into the future. Formalize a Community Advisory Group, comprised of diverse backgrounds and affiliations, to provide the utility with a community perspective.

Core Values	Strategic Initiative	Implementation Tactics
	<p>Update employee onboarding and training to educate new and existing staff about the utility’s Mission and Service Vision and Core Values and how they can be a utility champion in the next five years.</p>	<ul style="list-style-type: none"> Develop internal tools/messaging for introducing and rolling out Strategic Plan Vision, Service Mission and Core Values. Provide quarterly communications to employees with ongoing initiatives, progress, opportunities to engage, and provide input.
	<p>Develop and implement a broad community and employee education campaign that is focused on utility Mission, source water and drinking water quality, financial investments, and natural resources.</p>	<ul style="list-style-type: none"> Update utility communications plan to reflect 2021 Strategic Plan initiatives. Consider assessment and engagement tools to provide customers the opportunity to offer feedback on service experiences.
	<p>Be deliberate in how all portions of the community are engaged and served by the utility.</p>	<ul style="list-style-type: none"> Conduct customer assessment such as “Voice of the Customer.”
	<p>Set realistic expectations for Capital Improvement Plan implementation.</p>	<ul style="list-style-type: none"> Expand treatment capacity to ensure adequate water supply and treatment based on regional outcomes. Replace existing distribution system infrastructure at a level that will reduce main breaks and duration of customer water outages.

Ongoing Priorities:

Core Values	Strategic Initiative	Implementation Tactics
	<p>Operate, maintain, and reinvest in our facilities in a manner that respects our investments, employees, customers, environment.</p>	<ul style="list-style-type: none"> ◆ Leverage varied source water facilities to respond to emerging contaminants, regulations, and health advisories. ◆ Evaluate potential impacts of climate change on utility operations. ◆ Prioritize reinvestment in existing Treatment and Distribution infrastructure to maintain long term viability. ◆ Plan for production capacity expansion to comfortably meet customer demand.
	<p>Actively recruit job candidates that will champion the utility's work in the community and represent the diverse populations within.</p>	<ul style="list-style-type: none"> ◆ Partner with community leaders to help the utility identify recruitment opportunities and relationships with new staff.
	<p>Grow clean water advocates throughout central Iowa.</p>	<ul style="list-style-type: none"> ◆ Grow in diversity and inclusion in the William G. Stowe Citizen Water Academy. ◆ Identify and implement opportunities to spotlight community water advocates. ◆ Explore and identify opportunities for the utility to partner with other groups, organizations, and municipalities to implement innovative approaches to ensuring safe water for all.
	<p>Evaluate and determine alternative funding mechanisms to finance infrastructure needs.</p>	<ul style="list-style-type: none"> ◆ Consider bonds, loans, or other non-typical funding mechanisms.
	<p>Assess the utility's approach to rate structure and affordability.</p>	<ul style="list-style-type: none"> ◆ Evaluate retail rate structure and affordability. ◆ Create a plan to educate the public on how customer rates are used, rate structure, and why increases are necessary.

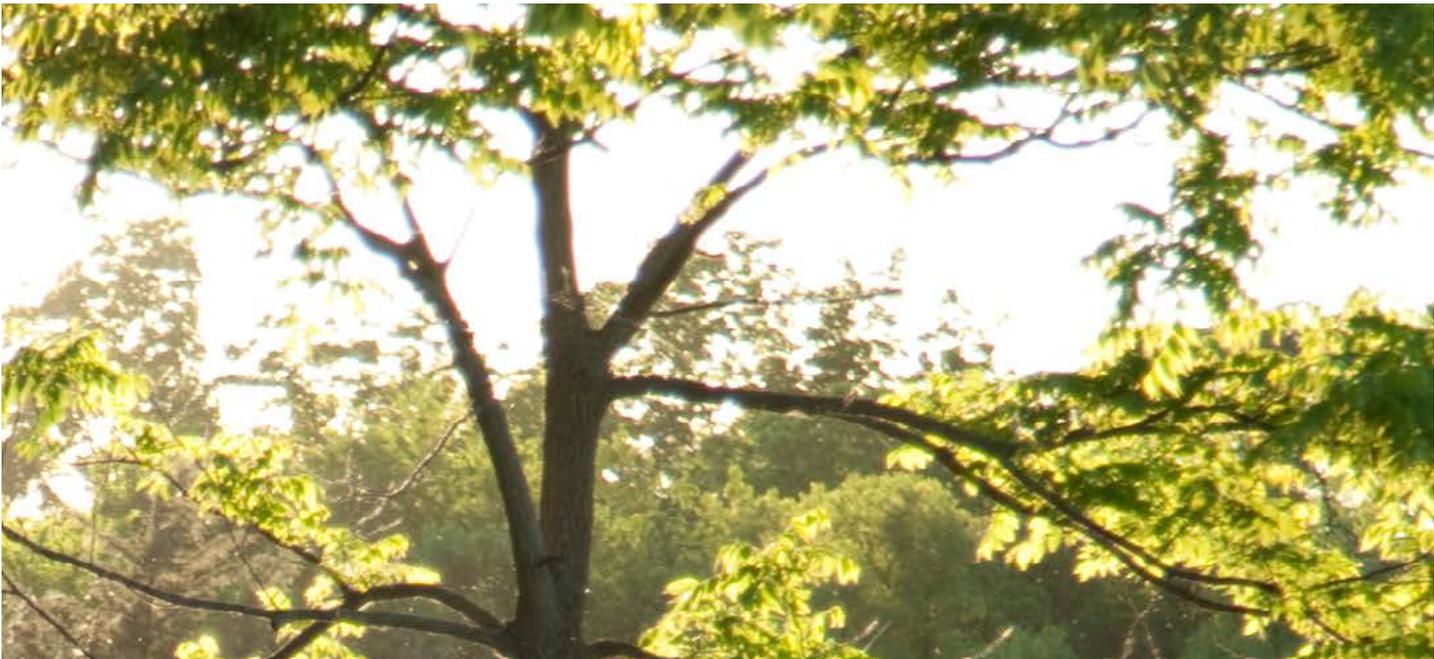
Core Values	Strategic Initiative	Implementation Tactics
	<p>Invest in dedicated D&I training for all staff in the utility.</p>	<ul style="list-style-type: none"> Consider employing an outside consultant with D&I Employee Training specialization to lead education plan development and implementation.
	<p>Test and maximize intelligent use of existing technology in customer-centric systems to better inform and drive utility decision-making across all departments of the utility.</p>	<ul style="list-style-type: none"> Harness data from utility technology, including EAM, GIS, CIS, AclaraOne, etc. to support strategic decision making.
	<p>Continue to ensure compliance with all necessary regulations, advisories, and operational permits, including risk management, business continuity and cybersecurity.</p>	<ul style="list-style-type: none"> Continue to actively monitor and test source waters for emerging contaminants and toxins. Evaluate different advanced treatment solutions and additional source waters with reduced contaminants.
	<p>Strategically demonstrate the utility's commitment to its Mission through social content and digital platforms that are mobile-ready and through other channels necessary to reach the underserved customers in the community.</p>	<ul style="list-style-type: none"> Ensure equitable access to information and service by solving for known language barriers. Actively engage the entire community to participate and champion attitudinal or behavioral changes desired by the utility.
	<p>Be an industry leader and advocate for water resources including innovation research that further demonstrates our values of customer experience, employee experience, and guidance.</p>	<ul style="list-style-type: none"> Explore research funding mechanisms (grants, partnerships, etc.) to support exploration and research by the utility. Study sources of where contaminants such as ammonia are initiating to provide community information and guidance. Study industry trends and practices regarding predatory bottled water marketing to immigrant populations grounded in bottled water research. Explore taste and odor measurement and experience. Explore research opportunities through partnerships focused on Harmful Algal Bloom prediction, prevention, and mitigation.

Milestone Recommendations

2021	2022	2023
<ul style="list-style-type: none">◆ Accept and adopt the 2021 Strategic Plan.◆ Commence development of a communications/marketing plan to introduce the 2021 Strategic Plan to employees, customers, and stakeholders by the end of 2021.◆ Initiate employee succession planning initiatives by the end of 2021. Select consultant to organize and begin early assessment.	<ul style="list-style-type: none">◆ Complete Voice of the Customer assessment by the end of 2022.◆ Initiate employee listening opportunities by the end of Q1, 2022.	<ul style="list-style-type: none">◆ By the end of 2023, a rate analysis should be complete.

Each Year

- ◆ Senior Management Team should workshop Strategic Planning initiatives for upcoming year. Focus on evaluating current actions, ongoing needed investments, prioritizing next year initiatives, and budgeting for next fiscal year (no later than Q2).
- ◆ Review regulatory and environmental conditions that need to be accounted for in initiative implementation.
- ◆ Report progress and results at the end of each year to Board of Trustees, employees, and customers to demonstrate success, challenges, and future tactics to be prioritized.



Des Moines :
Water Works
Water You Can Trust for Life

Des Moines Water Works
www.DMWW.com

