

*Your
Sewer
District...*

**Keeping
our
Great
Lake
great.**

STRATEGIC PLAN 2013-2016

**NORTHEAST OHIO REGIONAL
SEWER DISTRICT**

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Executive Director's Message

It is with pride that I introduce our Strategic Plan for 2013 through 2016. The Senior Staff Team created this Strategic Plan to chart the course of the Northeast Ohio Regional Sewer District over the next four years. Our vision is to lead the region as the premier environmental organization protecting our waterways.

To help us achieve this vision, the Strategic Plan consists of five areas on which we will focus our efforts: Operational Excellence, Fiscal Responsibility, Customer Service, Community Partnerships, and Organization and Employee Effectiveness.

These areas are the foundation of our Strategic Plan and consist of many ambitious objectives. Therefore, it will require the talent, commitment, and drive of every District employee for its successful implementation.

With the support of our employees, I am confident that the Strategic Plan will serve as a road map to achieve our vision. Our success will benefit the environment, the region, and the people we serve.



Julius Ciaccia, Jr.

EXECUTIVE SUMMARY

Purpose of Strategic Plan

The Northeast Ohio Regional Sewer District (the “District”) is a political subdivision of the State of Ohio. It was established by court order in 1972 to convey and treat wastewater in Cleveland and surrounding communities.

This Strategic Plan integrates Continuous Improvement methods and tools to ensure that the District will be positioned to meet any future challenges, stay true to the Mission and Vision, and provide customers with an environmental leader that is committed and able to enhance the quality of life in the region and protect their water resources.

Strategic Planning Process and Inputs

During the fall of 2012, the District developed an RFP seeking services to lead and facilitate the District’s Strategic Planning Process. The District was seeking a firm that would be able to ensure that the Mission, Vision, goals, and areas of strategic focus continue to be properly aligned, including all necessary elements to meet the organization’s commitment to fulfill obligations in the areas of wastewater treatment, stormwater management, and capital improvement.

Of all the firms that responded to the RFP, the District selected local consulting firm Improve Consulting and Training Group to lead the effort. Improve Consulting's Strategic Planning Model integrates both Continuous Improvement and Organizational Change Management methods/ tools to ensure that plans are not only operational, but sustainable as well.

The Strategic Planning Process focused on gaining insight and input from two sources: 1) the District's Senior Staff and 2) the Board of Trustees. By focusing efforts on these sources, Improve was able to gain a comprehensive view of what Senior Staff saw as the strengths and areas of opportunities for the District and confirm that the Senior Staff's Vision and plans aligned with the Board's Vision.

This Strategic Plan clearly outlines a path for the District to fulfill its obligations by leveraging its strengths and focusing efforts on the identified areas of improvement, thus making the District's Vision a reality.

Strategic Planning Process

Step 1 – Engage Senior Staff: The District’s Senior Staff have been involved throughout the Strategic Planning Process. Improve Consulting conducted individual assessments with eleven (11) key District Senior Staff from different functional areas to better understand, from their perspective, what is working well and identify opportunities for improvement, prior to engaging in the Strategic Planning Process. Upon completion of the assessments, it was clear that the District had as many strengths related to each of the five identified areas of focus as it did areas of opportunity, implying that while the District does have many opportunities to focus improvement efforts, it also has many opportunities to leverage its strengths to make those improvements.

Step 2 – Conduct Strategic Planning Session 1:

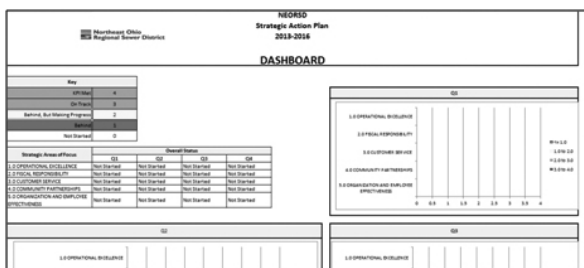
Upon completion of the assessments, Improve Consulting facilitated a full-day session with the District Senior Staff on Tuesday, October 23, 2012, to 1) review and revise the District’s Mission and Vision Statements, 2) review assessment findings, and 3) create strategic actions to align with strategic focus areas and goals. The results were new Mission and Vision Statements, strategic areas of focus that align with the new Mission and Vision, and clearly stated objectives for each of the five areas of focus.

Step 3 – Conduct Strategic Planning Sessions 2-4: On Tuesday, November 20, 2012, Friday, December 28, 2012, and Friday, January 4, 2013, Improve Consulting facilitated half- and full-day sessions with District Senior Staff to 1) review the Vision and Mission Statements, Strategic Areas, and Strategic Objectives, and 2) develop actions and metrics for each Strategic Objective. The District Staff were able to identify measurable actions and KPIs for all the identified Strategic Objectives.

Step 4 – Engage the Board: On Thursday, December 20, 2012, Improve Consulting made a presentation to the Board of Trustees about the 2013-2016 Strategic Planning Process. The meeting was held during the Board’s regular session and was held in the Public Meeting Room at the District’s 3900 Euclid Avenue facility. After hearing the presentation, the Board agreed that the Senior Staff’s Vision and plan was aligned with what they envisioned and subsequently gave their approval to move forward.

Step 5 – Create Evaluation and Control Methodologies: Upon the Board’s approval to move forward, Improve Consulting worked with District Senior Staff to create a comprehensive strategic plan reporting process and format that resulted in the creation of a comprehensive Dashboard. The Dashboard will be used to track the progress for each Strategic Objective and their associated metrics each quarter.

The Dashboard will be housed in a central location and each “Owner” for the Strategic Actions will access it on a specified date each quarter to provide updates. These collective updates are carried over and graphically displayed to provide a snapshot of the overall progress made for each Strategic Objective to date.



Strategic Plan Dashboard

These updates are also synced with a Quarterly Report that will be provided to the Board. By utilizing this simple tracking report and Dashboard, the District will be able to quickly evaluate its progress on an ongoing basis, hold its staff accountable, and ensure that no actions are overlooked.

Step 6 – Determine Action Plan Follow Up: To ensure that the District is on track and achieving the desired outcomes, Improve Consulting will conduct formal reviews with the District at the three-, six-, and nine-month marks to evaluate progress on the five strategic areas of focus and their associated objectives and actions. The Senior

Staff will be responsible for reporting to the public and the Board on their progress. The Executive Director will provide updates to the Board through the Quarterly Reports pulled from the Strategic Plan Dashboard.

Major Themes of the Plan

Through a comprehensive analysis of the input from the District's Senior Staff and Board, several themes emerged to guide the development of the Strategic Plan. The District's devotion to enhancing quality of life in the region and protecting its water resources remains the core function of the District. The District must be cognizant of utilizing the right people in the right places to achieve even greater operational excellence and continue to work towards fostering increased communication and collaboration with partners. The District must also work to ensure a sustainable future by focusing on organization and employee elements, such as succession planning and generational alignment. Finally, the District's ability to actively enhance the quality of life in the region and protect its water resources through innovation, fiscal responsibility, and community partnerships requires the creation of an organizational culture that encourages teamwork, innovation, adaptability, customer service at all levels, and continuous improvement through recurring evaluations of its operations and services.

GUIDING STATEMENTS

Our Vision

Be the environmental leader in enhancing quality of life in the region and protecting its water resources.

Our Mission

Provide progressive sewage and stormwater management through innovation, fiscal responsibility and community partnerships.

Core Values

The District is committed to:

Environmental Stewardship

Initiating and maintaining effective practices of environmental sustainability through commitment to a better tomorrow, a healthy environment, and strong communities.

Ethics, Honesty, and Transparency

Maintaining the highest standards with our customers, our business partners, and each other.

Customer Focus

Individual and organizational commitment to providing value-added service to our external and internal customers. Includes attitude, knowledge, technical support, and quality service in a timely manner.

Balanced and Informed Decision Making

Quality decisions based on objective metrics, analysis of our systems, customer needs, and organizational goals.

Progressive Culture

Initiating and facilitating positive changes. Embracing and promoting innovation that benefits the District, our industry, and the region.

Accountability

A consistent willingness to accept responsibility, account for one's actions, and deliver on individual and collective commitments.

Respect

Demonstrating high regard, value, and consideration for self, others, community, and environment.

STRATEGIC AREAS OF FOCUS

1 *Operational Excellence*

Strategic Objective(s)	
1.1	Operate and maintain the wastewater system to achieve regulatory compliance.
1.2	Adapt business processes to evolving changes in the industry, the environment and regulations.

Delivering on our commitments, complying with regulations, improving systems operations and internal business processes, and implementing programs.

Strategic Actions	Metrics
<i>Develop and implement enhanced control strategies to meet current permit requirements as assets are built.</i>	<i>Permit requirements met.</i>
<i>Develop, implement, and manage quality metrics for construction projects.</i>	<i>80% of quality metrics for complex projects met.</i>
<i>Execute Project Clean Lake to comply with consent decree.</i>	<i>Consent decree requirements met.</i>
<i>Implement asset management continuous improvement process.</i>	<i>Maintenance Key Performance Indicator (KPI) target metrics achieved.</i>
<i>Develop and implement automation target KPI metrics.</i>	<i>Automation KPI target metrics achieved.</i>
<i>Implement right-sized Information Technology systems through effective IT Governance to support the District's strategic objectives.</i>	<i>IT Governance framework to align information technology objectives with District objectives developed. 95% of the accepted customer business requirements met in system implementations.</i>
<i>Enhance interface between Operations, Engineering & Construction, and Finance during Capital Improvement Program (CIP) Planning.</i>	<i>CIP Development Process streamlined resulting in fewer unplanned process from the previous year Capital Project List. Financial cash flow provided earlier in CIP process.</i>
<i>Develop standard procedures to enhance interdepartmental coordination on regulatory compliance.</i>	<i>Standard procedures followed.</i>

STRATEGIC AREAS OF FOCUS

1 *Operational Excellence* (cont.)

Strategic Objective(s)	
1.3	Increase the functionality of regional stormwater assets to resolve and/or reduce the critical consequence of flooding, erosion, and catastrophic failure.
1.4	Identify and strengthen key organizational competencies to run daily business and implement the strategic plan.

Delivering on our commitments, complying with regulations, improving systems operations and internal business processes, and implementing programs.

Strategic Actions	Metrics
<i>Implement, operate, and manage the stormwater inspection and maintenance program.</i>	<i>Baseline inspection of Regional Stormwater System completed. External maintenance contracts in place. Community agreements in place.</i>
<i>Design and construct stormwater projects.</i>	<i>Stormwater CIP delivered.</i>
<i>Develop standards and implement master plans.</i>	<i>Regional stormwater system master planning activities completed within 5 years.</i>
<i>Design and implement an effective organization and workforce structure to carry out the District's mission.</i>	<i>Annual review of departmental organizational structures conducted.</i>
<i>Develop and implement a strategy to determine the proper balance of internal/external resources.</i>	<i>Business Case Evaluation (BCE) methodology implemented.</i>

2 *Fiscal Responsibility*

Strategic Objective(s)	
2.1	Exercise responsible financial management.
2.2	Utilize funding alternatives to minimize customer financial burden.

*Demonstrating organization and financial stewardship
in the use of public funds and property.*

Strategic Actions	Metrics
<i>Operate within the 5-year Rate Study parameters.</i>	<i>Annual budgets operate 95%-98%.</i>
<i>Deliver a cost effective Capital Improvement Program (CIP).</i>	<i>Engineering & Construction KPI target metrics achieved.</i>
<i>Evaluate and determine long-term billing & collection structure.</i>	<i>Long-term billing study completed. 100% of accepted recommendations implemented.</i>
<i>Find opportunities to reduce cost of Project Clean Lake projects.</i>	<i>>5% reduction from estimated cost achieved.</i>
<i>Meet or exceed investment benchmarks.</i>	<i>Merrill Lynch 1-3 Year Index met or exceeded. 90-day US Treasury Bill met or exceeded.</i>
<i>Improve accounts receivables collection.</i>	<i>Billing to collection ratio greater than 95% is achieved.</i>
<i>Provide annual long-term financing plan.</i>	<i>Annual long-term financing plan published.</i>
<i>Meet debt service coverage.</i>	<i>Senior debt > 1.25 achieved. Total debt > 1.05 achieved.</i>
<i>Maintain strong credit rating.</i>	<i>AA+ or above obtained.</i>

3 *Customer Service*

Strategic Objective(s)	
3.1	Provide timely and effective responses to customer concerns and inquiries.
3.2	Connect, respond and incorporate feedback from our customers.
3.3	Establish a commitment to customer service among all District employees.

Understanding customer expectations, providing timely and informative customer issue resolution, providing education, and delivering quality service.

Strategic Actions	Metrics
<i>Provide 24 hour access to District information resources.</i>	<i>100% service availability.</i>
<i>Provide customers and stakeholders with timely notification for all known changes, key events and activities.</i>	<i>Planned and delivered notifications documented.</i>
<i>Develop and implement Customer Service KPI target metrics.</i>	<i>Customer Service KPI target metrics achieved.</i>
<i>Regularly request feedback on quality of service. Develop and implement an evaluation process to measure the quality of customer service.</i>	<i>Customer satisfaction rating increased from the current 67%.</i>
<i>Implement key survey recommendations.</i>	<i>100% of accepted recommendations implemented.</i>
<i>Increase utilization of affordability and cost savings programs.</i>	<i>10% increase (annual) in utilization of programs.</i>
<i>Educate and inform employees about District initiatives, projects and activities.</i>	<i>All-employee sessions bi-annually conducted.</i>
<i>Develop a district-wide customer service awareness campaign to promote a culture of customer service that is shared by all District employees.</i>	<i>District-wide customer service awareness campaign for all employees implemented.</i>

4 *Community Partnerships*

Strategic Objective(s)	
4.1	Leverage partner resources to broaden benefits.
4.2	Develop new mutually beneficial strategic partnerships.
4.3	Position the District as an effective environmental leader.

Partnering with a diverse set of organizations and local communities for mutual benefit.

Strategic Actions	Metrics
<i>Ensure timely approval and disbursement of Stormwater Community Cost Share Program funds.</i>	<i>Application and disbursement process completed within an average of 60 days.</i>
<i>Enhance the benefits of Project Clean Lake green infrastructure projects.</i>	<i>1-2 projects implemented with partnership funding.</i>
<i>Develop strategic partnerships to attract future talent.</i>	<i>Number of participating partners increased annually. Partnership driven talent pool increased.</i>
<i>Seek opportunities to grow partnerships throughout the District.</i>	<i>Partnership activity across the District increased.</i>
<i>Promote the District Business Opportunity Program.</i>	<i>Awareness opportunities provided for small businesses to compete. Study completed to define the optimum number of businesses in our service area potentially eligible for Business Opportunity Program certification.</i>
<i>Increase opportunities for business development for Business Opportunity Program certified businesses.</i>	<i>MPower Program with the Commission of Economic Inclusion implemented.</i>
<i>Enhance construction program's Leave Behind in communities.</i>	<i>Green Leave Behind for all collection systems projects greater than \$50M completed.</i>
<i>Sponsor and/or co-sponsor environmental education and research programs and campaigns.</i>	<i>Number of educational and research programs that provide impact within service area increased.</i>
<i>Effectively administer Titles 1 through 5 of the District's Code of Regulations.</i>	<i>Annual compliance report for all titles published to enhance compliance. Communities and customers assisted to achieve compliance with regulations.</i>

5 *Organization and Employee Effectiveness*

Strategic Objective(s)	
5.1	Align, build upon, and sustain key human resources.
5.2	Create an inclusive culture that fosters diversity at all levels of the organization.
5.3	Develop an innovative, flexible and adaptive organizational culture.

Providing opportunities for employees to develop, expecting a high level of performance, aligning human capital and other resources to accomplish goals, and developing organizational core competencies.

Strategic Actions	Metrics
<i>Develop Succession plan to address current and future staffing needs.</i>	<i>Succession plan in place for key roles.</i>
<i>Develop and fully administer a comprehensive Performance Management Process.</i>	<i>100% of eligible employees' performance evaluated using the enhanced Performance Management Process.</i>
<i>Develop Apprenticeship Program for Operations and Maintenance.</i>	<i>Apprenticeship program instituted.</i>
<i>Manage employee development needs as identified through the Performance Management Process.</i>	<i>Managers and supervisors provided with appropriate level of tools to assess skills and close developmental gaps.</i>
<i>Develop additional opportunities for Internships and Co-ops.</i>	<i>Number of Interns and Co-ops hired as full time employees increased.</i>
<i>Develop and implement D & I Strategic Plan.</i>	<i>D & I metrics achieved.</i>
<i>Establish and initiate change management processes District wide.</i>	<i>Awareness and need for change management expanded. Opportunities for utilization initiated.</i>

Conclusion

This Strategic Plan provides a navigational guide for the Northeast Ohio Regional Sewer District over the next five years and the supplemental documents provide a means to evaluate and monitor the District's progress on the elements outlined in this plan. To ensure that the goals set forth in the plan are met by 2016, it is imperative that the District's progress is reviewed each quarter. In addition, due to the ever-changing environment in which the District operates, the overall plan must also be evaluated at those times to ensure that the goals and strategies outlined remain relevant and useful.

This plan outlines many strategies to meet the goals set forth by the District. These strategies are both actionable and measurable. By making the plan not only strategic, but also operational, the District's path to achieving its goals is clear. Now, it is up to all employees of the District to take action, hold each other accountable, and accomplish the necessary tasks needed to ensure that they are able to fulfill their Vision of . . .

“Being the environmental leader in enhancing quality of life in the region and protecting its water resources.”



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