

2002 Gold Award for Competitiveness Achievement

AWMA's 2002 Gold Awards for Competitiveness Achievement were presented to:

- City of Boca Raton Utility Services Department
- Butler County (Ohio) Department of Environmental Services
- Fort Wayne City Utilities
- City of Henderson (Nevada) Department of Utility Services
- Honolulu Board of Water Supply
- Houston Department of Public Works and Engineering – Water Production Branch
- JEA (Jacksonville, Florida)
- Los Angeles Department of Water and Power
- Miami-Dade Water and Sewer Department
- Minneapolis Water Works
- Nashville Metro Water Services
- Newport News Waterworks
- Norfolk (Virginia) Department of Utilities
- Santa Clara Valley Water District
- City of Scottsdale Water Resources Department
- Tempe Water Utilities Department

For the past two years, the **City of Boca Raton (Florida) Utility Services Department** participated in a competitiveness process that improved many areas within both the organization and its operations. Although a bit different than more common benchmarking and competitive analysis initiatives, the process used some elements from those types of initiatives. The core of the Boca Raton Utility Services process, known as the SPIT DUST (Strategic Planning in the Department of Utility Services Teams), is the use of employee action teams that develop and implement the action plans to improve the organization and its operations. The activities and ideas of the employee action teams led to numerous improvements, including:

- Laptop computers in field vehicles with real-time communication
- Increased employee training opportunities
- A proactive safety incentive program
- A preventive maintenance program for treatment facility equipment
- An employee recognition program
- A more effective employee performance evaluation process

Since it is centered on employee groups and involves all of the department's employees, the process has improved organizational efficiency, communication and employee morale.

Butler County (Ohio) Department of Environmental Services (BCDES) thinks and acts like a privately owned utility, while keeping the high level of quality customer service that government does best. In 1998, BCDES embarked on an improvement journey that resulted in the organization meeting its goal to be the best, most competitive utility in Ohio. BCDES even bid competitively against the private providers for the operation of the wastewater services of a nearby county. A competitive gap analysis was performed in 1998, and over the next three years the organization succeeded in closing that gap. BCDES is no longer a target for the private providers. The success of the department is attributed to the cooperation of the 150-member staff of dedicated, talented and creative people and the support of the Butler County Board of Commissioners, who have high expectations for the department. With a staggering annual growth rate of over six percent, BCDES is controlling costs, providing high quality water and sewer service and exhibiting exceptional environmental stewardship through its public outreach programs. The department was proud to announce that no rate increases for water or sewer service would be enacted in 2002 – the first time in 12 years. That is a testament to the hard work that BCDES does to stay competitive. This public utility wears two hats – the governmental hat that truly cares about the public it serves, and the private hat that works diligently to be lean and mean.

Fort Wayne City (Indiana) Utilities has demonstrated competitiveness through benchmarking, employee development, fiscal responsibility, innovation and excellence in customer service. A competitiveness assessment and a series of reengineering successes proved this publicly managed utility was competitive with privately managed utilities. As a result, the City began projects to reduce competitive gaps in other departments and is taking steps toward implementing best practices identified in the competitiveness assessment. Through the use of Six Sigma, the City of Fort Wayne and Fort Wayne City Utilities demonstrate that they are committed to employee development, innovation and, ultimately, becoming more competitive. Fort Wayne City Utilities is moving systematically and steadily to position itself as a business-oriented public utility. Its progress shows how utilities can reengineer and show quick wins – improving productivity and decreasing costs.

The **City of Henderson, Nevada, Department of Utility Services** provides water, reclaimed water and wastewater services through a system that includes an 18-mgd water treatment plant, a 24-mgd water reclamation facility, six pumping stations and nine reservoirs for reclaimed water to irrigate golf courses, medians and cemeteries. Some of the Utility's main achievements over the past several years include:

- The water treatment plant is currently in the process of completing an upgrade to utilize state-of-the-art ultraviolet (UV) disinfection.
- The laboratory received the 2001 Project of the Year award from the National Association of Industrial and Office Parks for its state-of-the-art facility.
- The City established a team to evaluate the existing capital improvement projects (CIP) process and recommend improvements. Once fully implemented, the plan will estimate future funding needs for new utility infrastructure and repair/replacement of existing infrastructure.
- The Utility installed touch-to-read automated technology on approximately half of the City's meters during 2000 and 2001. It is currently retrofitting all of the City's meters with a radio-read technology.

The **Honolulu Board of Water Supply (HBWS)** is a publicly owned and operated, self-supporting, semiautonomous government agency of the City and County of Honolulu. The HBWS is the municipal water services provider on the island of Oahu and also provides selected business services to other Honolulu municipal agencies, the neighbor islands of Kauai and Maui, and other public utilities in the Pacific Rim. The HBWS provides an average 150 mgd of potable water through 1,900 miles of pipeline using more than 160 reservoirs and pumping station sites. In 1999, HBWS initiated a five-year transformation program to improve competitiveness and customer service throughout its service domain. This program, QUEST (Quality Utility Employees Succeeding Together), emphasizes customer service and employs a participative design and implementation approach to involve employees and their labor unions. The HBWS actively pursues and values partnership with labor to assure proposed changes are mutually beneficial whenever possible. QUEST seeks permanent quantum performance improvement. The program's substantial savings to date are real, permanent and cumulative. HBWS has saved over \$17 million in operating costs due to activities associated with the QUEST program. The QUEST program provides a model for transforming government organizations in Hawaii and is expected to deliver similar additional savings in operating costs as it moves to completion.

Houston Department of Public Works and Engineering Water Production Branch. The City of Houston began a long-term program

in 1997 to improve its competitive posture, achieving parity with the most efficient private utility operating companies. This program involved:

- extensive improvements to the utility's technology utilization through implementation of state-of-the-art SCADA and CMMS systems
- managing chemical and electrical costs
- expanding the skill base and flexibility of the workforce
- streamlining purchasing and inventory control systems
- implementing more cost-effective coagulation strategies at surface water treatment plants.

Efficiencies achieved by implementation of this program resulted in a 28 percent staffing reduction through attrition and a 14 percent reduction in annual overhead and maintenance costs. Chemical costs at the surface water plants were reduced at the same time the utility was adopting the stringent turbidity goals of the Partnership For Safe Water. Electrical costs remained relatively constant in a rising rate environment. These efficiencies were achieved while maintaining the quality of water and service delivered to customers. Achievement of this goal was evidenced by a 99.8 percent customer satisfaction rating throughout the period. The Water Production Branch has become cost competitive and is preparing to launch the second phase of its competitiveness program.

JEA's record of technical and service excellence evolves from its dual goals: to make customers lives better through reliability, growth, accessibility and accountability, and to help the community prosper and succeed. JEA – which serves Jacksonville and northeast Florida–combined talents, strategy, strategic initiatives and values to develop processes that are efficient and provide better service to its customers. By fundamentally changing a traditional vertical management structure, JEA provided an opportunity for all employees to better respond to customer expectations and demonstrate a continued commitment to building community. As a whole, the company works to implement the strategic plan, which is guided by the following core values: do the right thing; personal safety; well being and development; honesty and trust; and, innovation and creativity. TargetSmart, a process-centered, data-driven work system that makes every employee accountable for results, will drive JEA to design products and services that meet external and internal customer needs safely and efficiently. By creating a self-disciplined TargetSmart approach, JEA can accelerate process and system changes that will improve workplace safety, increase customer satisfaction and loyalty, eliminate waste, reduce variation, improve cycle time and reduce costs – resulting in higher levels of performance. These fundamental changes are critical to JEA's success in this competitive world.

The **Los Angeles Department of Water and Power (LADWP)** is the largest municipal utility and one of the most complex water systems in the country. While the focus for improving the LADWP is often multifaceted, the primary areas of focus have been in information technology, infrastructure management and workforce development. To increase effectiveness, LADWP is implementing four major technology systems: a consolidated SCADA system; a computerized maintenance management system utilizing MAXIMO; a project management and capital improvement program using Primavera; and, a customer relationship management system. Management of infrastructure increases reliability, controls O&M costs and improves customer service. In its Cement-Lining Program, LADWP lined between 500,000 and one million feet of pipe each year over the past decade. The Main Replacement Program installed an average of 130,000 feet each year for the last decade, and water meters are being replaced with a goal of having 667,000 completed within the next 10 years. Finally, the LADWP is developing a highly skilled and productive workforce. Its Productivity Measurement System saved tens of millions of dollars over the last decade and continues to produce major dividends. Making use of the Mutual Gains Bargaining process and involving employees in the development of the strategic plan greatly improved employee relations and buy-in.

Miami-Dade Water and Sewer Department (MDWASD) partnered with the employee unions to improve the efficiency of the department by creating the Partnership Optimizing the WASD's Efficiency & Reengineering (POWER) Program. The POWER Program provided an opportunity for all employees to participate in the decision-making process and share in any potential savings. MDWASD employees were encouraged by the department director and union presidents to make suggestions to improve the efficiency of the department. Over 3,500 suggestions were received. The suggestions were reviewed, prioritized and many were easily implemented, while others needed a Process Improvement Team (PIT) to review, evaluate and make recommendations. Hundreds of efficiency innovations were implemented across the board that resulted in \$13.7 million in documented cost savings. In addition to the specific cost savings initiatives, \$52 million per year was reduced in the operations and maintenance expenditures. At the same time, there

were no employee lay-offs and the water and sewer rates decreased. The employees also shared in the savings as the Board of County Commissioners approved employee bonuses.

The Minneapolis Water Works (MWW) embarked in 1999 upon a five-year Change Management Program. The MWW vision states that the utility will provide customers with quality water and cost effective services in a manner that protects the safety of employees and the environment. Working on developing a more competitive organization during the past three years, the following accomplishments were achieved:

- A competitive assessment compared the MWW to the most efficient public and private utilities in the world. The assessment identified MWW's competitive gap and made specific recommendations to enhance MWW's effectiveness and efficiency and to reduce its operating costs.
- A Change Management Program plan was developed by an MWW steering team. The plan included MWW's competitive and change program goals and measurements. The plans also identified design teams to work on specific areas of the change program.
- The design of MWW's future organization and work practices is being completed primarily by the design teams in the areas of operations and maintenance of plants, facilities and the distribution system.
- The implementation phase will include pilot implementation of the program's design, full implementation of successful pilots and future optimization of the Change Management Program throughout the MWW.

Metro Water Services (MWS) of Nashville provides water to more than 133,000 customers with two water treatment plants, each having a design capacity of 90 mgd. The utility maintains more than 2,500 miles of pressurized water mains, 44 reservoirs and 58 water pumping stations. With a goal of continuous improvement, MWS conducted reengineering efforts through a variety of competitive performance plans, including studies and improvements pertaining to personnel/staffing, energy conservation, purchasing and strategic outsourcing. A partnership between labor and management allowed for extensive employee involvement in the reengineering process. Numerous employee study teams are utilized to focus on individual MWS divisions and cost reduction opportunities. The organization has downsized from 1,025 to its present level of 637 employees. Cross training was maximized for a smaller, more flexible workforce, and a variety of communication methods were used to further inform and involve employees. MWS introduced new technologies for the call center, such as Interactive Voice Response (IVR), and implemented an automated call dispatch system to receive and route calls more efficiently. MWS has an ongoing Waterline Infrastructure Rehabilitation (WIR) program to systematically replace and rehabilitate its production and delivery system. New technologies, such as leak detectors and water quality monitoring devices, were introduced and have led to improvements in customer and employee satisfaction, productivity and cost.

Newport News Waterworks recognizes that the key to achieving competitiveness is to rely on the abilities of all its employees. Waterworks conducts regular strategic planning sessions with a broad cross-section of employees to develop strategies to make it more competitive. It has implemented a program called Target Employee Awareness and Motivation (TEAM) to involve employees in shaping Waterworks' future. Waterworks has long used benchmarking to measure efficiency and to improve future performance. To measure customer satisfaction, a professional survey of customers was conducted and another is planned for the upcoming fiscal year. Waterworks' efforts in managing its resources have had a positive impact in ensuring and improving the City of Newport News' bond ratings. The Newport News City Council continually supports efforts of the Waterworks through rates, operating budgets, bond referendums and support of projects. Assessments performed by various entities and in conjunction with numerous AwwaRF projects have yielded the general conclusion that Waterworks is a well-managed and efficient organization. With over 20 percent of its workforce having more than 20 years of service with Waterworks, the utility recognizes the strength it derives from them and fosters greater employee creativity through mechanisms such as the TEAM efforts.

The **Norfolk Department of Utilities** provides water to more than 700,000 people in Norfolk, Virginia Beach and Chesapeake, and at area U.S. Naval facilities. Norfolk Utilities has approximately 64,000 service accounts, providing water service and sewer conveyance for Norfolk's residents and businesses. Norfolk Utilities strives to deliver a quality product at the best possible price to its customers. A number of initiatives are in place to ensure that operations are as effective and efficient as possible. The initiatives are coupled with a focus on customer satisfaction. Some of the most notable competitiveness initiatives include:

- Tracking and reporting of performance indicators for each of the seven departmental divisions;
- Participation in the Partnership for Safe Water;

- Increased use of Supervisory Control and Data Acquisition (SCADA) systems;
- Establishment of an e-government team to identify customer enhancements for the Utilities' web site;
- Reengineering efforts in Accounting, Engineering and Customer Service divisions;
- The award of three grants resulting from an increased focus on financial stability;
- Employee development initiatives including Round Table improvement teams, the Communications Team and the annual employee satisfaction survey; and,
- Partnership with a local community college to offer courses on-site for an Associates Degree in Industrial Management.

The **Santa Clara Valley Water District** in California put into action an aggressive program of formal benchmarking and competitive analysis through a number of processes, including an AWWA Qualseve review, a comprehensive water utility audit and competitiveness improvement initiatives. In 1998, the District participated in the AWWA Qualseve self and peer review program. The following year, the Board of Directors of the District initiated a comprehensive performance audit of the water enterprise and, in 2001, the District became a member of the AWWA Qualseve Benchmarking Clearinghouse. The Water Utility completed a three-year strategic plan, with the following vision statement: To be a forward thinking, competitive leader in regional water operations, driven by customer service. Strategic issues for the water utility include: meeting the demands of increased regulations; managing operations and infrastructure to ensure supply reliability; achieving adequate staffing through a flexible workforce; improving coordinated regional water operations; increasing its competitiveness; and improving accountability with external and internal stakeholders. The District has three established labor bargaining units, and management fosters an inclusive, positive working relationship with them all. It utilizes many mechanisms for getting outside advice, including the Bay Area Water Agency Coalition, Bay Area operations and international collaboration.

The City of Scottsdale, Arizona's reputation for innovation and creativity is based upon its receptiveness to employee initiatives. The **City of Scottsdale Water Resources Department** shares the City's values and its many recent achievements are due to employee-driven initiatives to achieve competitiveness and cost-effectiveness in each of its multi-faceted activities. The Department's vision is to improve its competitiveness through periodic assessment and benchmarking with other "best-in-class" municipal utilities. As a result of a 1997 assessment by EMA, Scottsdale embarked upon an employee-driven improvement program, which resulted in an organizational reengineering and has allowed the Department to maintain a customer-to-employee ratio of 1,475:1. To achieve further excellence in competitiveness, Scottsdale recently contracted with the firm Maximus to perform an organizational review. The City's \$200-million, award-winning Scottsdale Water Campus, a state-of-the-art water and wastewater treatment complex, operates on an aggressive staffing plan, with three-person teams working 12-hour shifts. These operators, who have dual certification in both water and wastewater, control 150 water and wastewater facilities utilizing Scottsdale's state-of-the-art SCADA system. The Department's innovative achievements are based upon its efforts to surpass the expectations of Scottsdale's citizens by providing an environment that attracts and motivates a best-in-class workforce.

Starting in 1997, the City of Tempe, Arizona's water utility embarked on a major ongoing effort to improve its levels of efficiency and competitiveness. Five years later, the **City of Tempe Water Utility Department** can look back with satisfaction at several significant achievements. First and foremost, the utility has maintained high levels of service delivery, while containing costs. The utility achieved and maintained the Phoenix metropolitan area's lowest water/wastewater rates for the last three years. In the same period, staffing was reduced over nine percent by attrition, and overall savings were in excess of one million dollars per year for the past four years. A focus on employee training, education and participation has been the key, and the payoff has been significant. The operating savings, combined with a financially healthy retained earnings balance, allowed the utility to embark on a needed six-year, \$190-million capital construction program without significant utility rate increases.

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