

Metropolitan District Commission
 STRATEGIC  PLAN

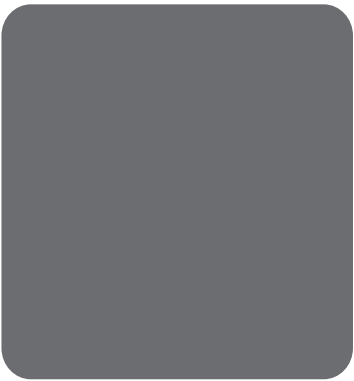
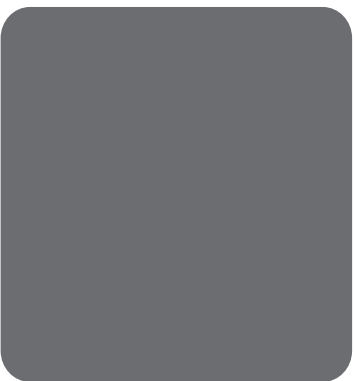


Table of Contents

Mission & Core Values

Forward	.....	1
Methodology	.....	3
Strategic Goals	.....	5
Implementation Steps	....	11
Summary	.....	12

Mission

“The mission of the MDC is to provide our customers with safe, pure drinking water, environmentally protective wastewater collection and treatment and other services that benefit the member towns.”

Core Values

- Excellent, reliable customer services
- A stable, dedicated, skilled and diverse workforce
- Sound planning and financial management
- Continual environmental compliance and stewardship of the watershed
- A safe and healthy workplace
- A program to continually improve our performance
- Open communications and transparency with our member towns and stakeholders
- A workplace and contract service climate of acceptance and inclusion that values and promotes cultural awareness, tolerance and respect
- Active participation in programs designed to develop a skilled and economically viable local workforce capable of fulfilling MDC's Strategic Goals.



Produced by
Parsons Brinckerhoff

Cover Photographs:
Kayakers on the Connecticut
River (top right). Nepaug Dam
(bottom left).

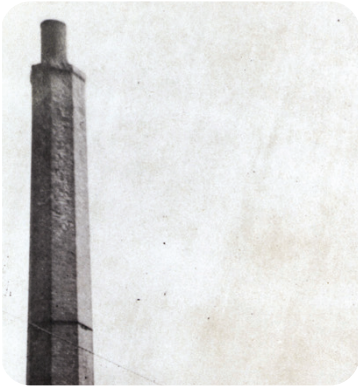
Forward

The greater Hartford area has changed a great deal since the inception of the MDC in 1929, when Charles Goodwin understood the pressing need for a regional solution to water, wastewater and other services. While Hartford and the surrounding member towns have grown and modernized since that era, the need for regional services to support ongoing growth and economic development in the Capital region remains. In continuing the 75-year tradition of building and maintaining a superb water/wastewater infrastructure for the region, we are well-positioned to expand our mission and become an even more vital regional service provider for decades to come. Our mission and core values have been refined as part of our strategic planning process, and we will continue down the path of continuous improvement as a premier public agency, working with our customers and stakeholders for the future of the region.

A Proud History

The history of successful growth in Hartford and its surrounding communities is inextricably linked to the development of the region's magnificent water infrastructure system. From Hiram Bissell and the early Hartford Water Works in the 1850s to Charles A. Goodwin and the inception of the MDC in the 1920s, these and other visionary leaders understood the need to build a water supply infrastructure that anticipated the future growth of the region, and they were bold enough to deliver on the vision. From the first reservoir at Lord's Hill built in the 19th century with 10 million gallons of capacity, to today's system that includes reservoirs with 40 billion gallons of active supply (and the potential to secure an additional 16 billion gallons of capacity for future development) and a wastewater collection system that processes 70 million gallons per day of wastewater from eight towns - the evolution of the region's water and wastewater infrastructure is a story of remarkable planning, foresight and engineering skill.

For more than 75 years the MDC has played a critical role in this development story and in the successful growth of the Capital region. From our early days as a provider of water and sewer services to Hartford and four other towns, we have successfully achieved our mission of expanding, improving and maintaining the region's water and wastewater infrastructure, now serving an expanded customer base of eight member towns and other surrounding communities. We have also enhanced our value as a regional provider by expanding into solid waste, hydroelectric generation and Riverfront Park maintenance services. Today we continue the tradition of excellence that created the early water supply system for Hartford and continue to be an important catalyst for future economic growth and development in the Capital region.



Lord's Hill Reservoir built in the 19th century with a 10 million gallon capacity

A Different Set of Challenges Today

In anticipating the future needs of our customers, the MDC faces challenges that are markedly different from those in previous decades. In our early days, we had to expand our system to handle the dynamic growth of communities surrounding Hartford; now our customer base is stable, and, in fact, consumption and revenues from potable water have declined in recent years due to conservation and other factors such as loss of water-intensive industry. In earlier decades we needed to build political support for expanding our reservoir system; now we enjoy more water capacity than is currently required, but face increasingly stringent regulatory requirements for drinking water quality and wastewater collection, treatment and discharge. From the earlier challenges of building an expanded water supply network, we now face challenges of keeping our significant and aging infrastructure in good repair - at significant cost. Other current challenges include continuing to employ a diversified workforce to deal with the levels of attrition that will occur as baby boomers retire and making full use of the rapidly-changing technology that is increasingly at the core of today's work processes.

Anticipating Tomorrow: The Need for a Strategic Plan

To meet the challenges of today and manage the increasing pace of change that is a fact of contemporary life, the MDC and our stakeholders need a road map - a clear plan for where the agency is headed. This Strategic Plan is that road map, a document that communicates the critical goals for the MDC and then identifies objectives through which those goals will be achieved. This Strategic Plan has been created in a manner that has allowed for input from a broad audience of stakeholders, including our management, staff, Commissioners, member-town executives and community representatives.

Methodology

The team applied PB's Strategic Planning Process to prepare the MDC Strategic Plan, outlined in Figure 1 below.

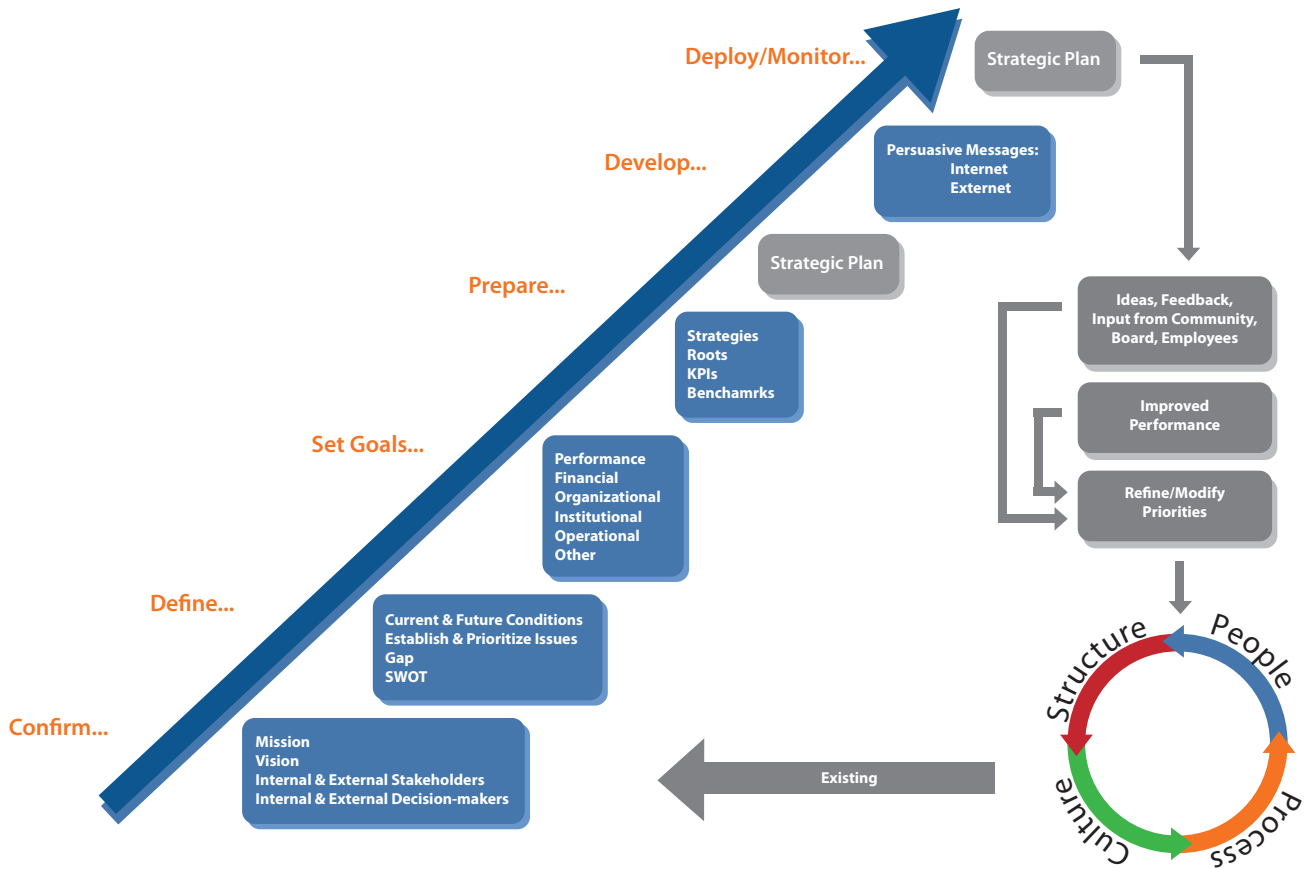


Figure 1. Strategic Planning Process

An important aspect of the strategic planning process is that it involves all aspects of the MDC enterprise (structure; people; process; culture) and results in a plan that leads to tangible, measurable objectives and actions. The Strategic Plan will become the framework through which the MDC sets its operating budget, capital planning and annual goal setting priorities in coming years.

Interviews

The first step in the MDC Strategic Planning process was the “Confirm” phase. The consultant team conducted an extensive series of interviews with MDC management and staff, MDC Board Commissioners, and other key MDC stakeholder officials from member towns and other organizations in the Greater Hartford region. The purpose of these interviews was to confirm the “as is” situation at the MDC: What are the critical challenges facing the District, short term and long term? What are the Agency’s strengths and weaknesses in terms of dealing with these challenges? What opportunities are there for MDC to improve its performance in furtherance of its mandate? The project team compiled the results of these interviews and developed a preliminary “SWOT” analysis – a summary of MDC strengths, weaknesses, external “threats” and opportunities. A summary of critical strategic issues for MDC that were identified through the interview process was also prepared.



Nepaug Dam
Burlington, CT

Survey

In the second step of the “Confirm” phase the project team distributed an on-line questionnaire to all MDC staff, Board Commissioners and town representatives. The questionnaire was structured in a way to elicit responses on a broad range of strategic questions from as large a group of MDC stakeholders as possible. One hundred and fifty four people participated in the questionnaire process and the results confirmed to a large degree the strategic priorities identified through interviews.

Workshops

The knowledge gained from the interview and questionnaire processes allowed the project team to prepare for the “Define”, “Set Goals” and “Develop” phases, which included several full-day workshops with MDC management and staff, Board Commissioners, and member town officials. Through these structured workshops the project team facilitated while working groups assessed the “as is” situation of the MDC and the preliminary “SWOT” analysis, and then formulated a group of high level strategic goals to cohesively address its challenges and build on opportunities.

The first workshop focused on “internal” MDC organizational issues such as Human Resources and Customer Service, and a group of strategic goals were defined that will improve MDC’s organizational capacity and effectiveness over time. The second workshop focused on “external” issues such as strategies for optimizing the MDC water supply and for deciding how to move forward in solid waste management. The strategic goals developed through the workshops will provide the framework for MDC to more effectively prioritize future business decisions and then build consensus and buy-in as those decisions are executed. The workshop process allowed MDC management, Commissioners and other stakeholders to work together with the consultant team in a collaborative and inclusive atmosphere. The attendees confirmed the “as is” situation as indicated through the “Confirm” phase of the project. They then defined the strategic requirements that would lead the MDC to a desired “to be” condition, by establishing high level strategic goals to address challenges and exploit opportunities. The final step of the workshop process was when workshop participants, while working in small groups, further developed the ultimate structure of the MDC Strategic Plan by recommending management actions for each of the high level strategic goals that had been identified.

Ultimately the “Set Goals’ and “Develop” stages of the MDC strategic planning process will result in MDC managers incorporating the recommended actions into annual performance goals and key performance indicators.

Prepare Strategic Plan

The consultant team carefully documented the results of the workshops, and compiled the work products from these sessions into a draft strategic planning document. In this “Prepare” phase the consultant also evaluated the output from the MDC workshops in comparison to “best practices” and industry trend data in order to help MDC staff assess options and find solutions that will be optimal for the MDC.

Ultimately the successful development and implementation of a Strategic Plan must be viewed as a continuum; a process is undertaken through which an organization addresses its current situation in a coherent manner and then improves itself over time. There is no finish line, and a first Strategic Plan document should be viewed as the early steps on the continual improvement path. To be meaningful the plan will be updated regularly as conditions change and new opportunities arise.

The MDC has successfully begun its strategic planning process and as this foundational plan is deployed in coming months and initiatives outlined in its pages are undertaken and monitored, the District will continue to strengthen and prepare itself for the decades ahead.

Strategic Goals

This section outlines the key strategic goals that will guide our decision making in future years. The goals are organized into Business Goals (1-4), which focus on business lines (Drinking Water, Wastewater Collection and Processing, Solid Waste, and New Business), and Organizational Goals (5-10), which focus on internal functions and processes that are critical to achieving the overall business goals.

Business Goals



Goal 1: Water

Protect supply for future generations & develop revenue potential

One of MDC's great strategic strengths is our water supply system. The two active reservoirs, Barkhamsted and Nepaug, provide more than adequate supply for the nearly 400,000 customers served by the MDC. Although it needs to be secured, there is a potential significant reserve supply in the West Branch Reservoir at Goodwin Dam and Colebrook River Lake at Colebrook Dam on the West Branch of the Farmington River. Through management and protection of our superior watershed system (one of the few Class A systems remaining in the U.S.), and through our two water filtration and treatment plants, we continue to provide the highest quality drinking water to our customers and have the capacity to do so for the foreseeable future. In fact, one of the opportunities for revenue growth is to leverage our water supply asset and expand our potable water customer base.

Objectives

1. Expand the customer base to optimize use of water assets and grow revenue
2. Ensure future viability of the water infrastructure
 - Implement the asset management program in order to fully assess and prioritize potable water infrastructure needs, maintain system in good repair and ensure that there is system redundancy where necessary
 - Budget for all necessary infrastructure maintenance and improvements
3. Protect the watershed to ensure continued high water quality
 - Implement specific strategies including the purchase of land and development rights where necessary to protect the water supply
4. Increase water supply source capacity
 - Explore and secure additional water rights to potential well development in Glastonbury
 - Secure rights to water for water supply purposes from the West Branch of the Farmington River
5. Promote and employ conservation of water



Goal 2: Wastewater

Protect public health and water quality & achieve a state-of-good repair

The MDC has taken a major step towards meeting our Wastewater goals through the initial implementation of the Clean Water Project that is now underway. This multi-billion dollar initiative will address, in a comprehensive way, three major regulatory challenges facing MDC: combined sewer overflows (CSOs), sanitary sewer overflows (SSOs), and required reductions in nutrient loads from treated wastewater. The successful management of the project will continue to be a critical priority.

Other Wastewater priorities will include ongoing upgrades to the four wastewater treatment facilities and efforts to contain or offset operation and maintenance cost increases at the Wastewater Treatment plants. The District will implement a Capacity Management Operations and Maintenance Program to improve asset management and maintenance procedures.

Objectives

1. Develop programs to meet or exceed all regulatory requirements
2. Manage the Clean Water Project successfully and with transparency in management to satisfy all requirements of the Long Term Control Plan (LTCP), the SSO program and Nitrogen reduction.
3. Achieve state of good repair for plants, pump stations and conveyance infrastructure through asset management and prioritized investments
4. Contain treatment costs (e.g., cogeneration of electricity) and expand revenue (e.g., increase bio-solids processing volumes)



Goal 3: Solid Waste

Study feasibility of a solid waste business to enhance value potential

Since 1984, we have successfully operated the Mid-Connecticut waste-to-energy processing facility under contract with the Connecticut Resource Recovery Authority (CRRRA). This plant processes solid waste received from 70 Connecticut towns for use in the affiliated waste to energy plant that produces electricity. Our relationship with the CRRRA has improved over the past few years and the operations of the plant have benefited from upgraded maintenance procedures. However, the plant employs outmoded technology and our contract with the CRRRA expires in 2012. Therefore, a critical strategic decision needs to be reached: whether to continue or end the relationship with CRRRA after 2012; or to terminate, in an economically feasible manner, the District's current involvement in waste-processing; or to create a new MDC involvement with member town approval in waste-processing based upon the careful analysis of available and economically viable technology. The criticality of this decision is based in part on the impact to the employees and the potential resulting operational disruptions.

Objectives

1. Determine future relationship with CRRRA
 - Prepare for future cost liabilities
 - Evaluate risk vs. benefit of alternatives
 - Get buy-in from towns on future solid waste decisions
2. Study potential to build on solid waste experience in order to evaluate additional revenue opportunities and services to the towns



Goal 4: New Business Opportunities

Expand revenue opportunities of existing plant & human capital assets

The Commission enacted an Ordinance on October 1, 2007 to charge a sewer service fee to those customers provided both District sewer and water service. The service fee, to be based upon water use, will pay solely for debt service related to the federal and state orders and permits. Nonetheless, both management and the Commission recognize that there are a number of approaches we could take to increase our revenue base. Given the expected infrastructure upgrades to sustain the District's desired service level, in addition to the Clean Water Project, it is an

important priority for us to evaluate increased revenue sources that could help offset future water rate increases, sewer service fees, and or/ ad valorem tax increases. As part of our strategic planning effort, we will establish objective and transparent investment criteria that will allow for various revenue enhancement opportunities to be evaluated and prioritized taking into consideration cost and benefit, risk, and fit with our core mission and core competencies.

Objectives

1. Implement short-term “revenue opportunities” through expanded and/or value-added services
2. Create a portfolio of other new business initiatives, including additional services to the towns, ranked by potential return, risk, and ease of implementation

Organizational Goals

The organization and our individual employees have demonstrated tremendous professionalism, diligence and engineering skill over the years. Our systems and operations could not have been created and maintained so effectively without the superb core competency and motivation of our staff members. There are many recent examples of exemplary achievements by the organization; including the sophistication of water testing procedures, the early and innovative use of Geographic Information Systems (GIS) to analyze infrastructure information and the successful implementation of two hydroelectric facilities that generate electricity from the West Branch of the Farmington River.

In order for us to handle our current challenges and achieve the business goals outlined above, the MDC must continue to build organizational strength. The following organizational goals address critical strategic areas for organizational improvement.



Goal 5: Long-Term Planning and Budgeting

Create an integrated and comprehensive long-term planning process

The large capital program commitments required to support the Clean Water Project, as well as other needed infrastructure improvements, make it vitally important that we establish a comprehensive and integrated long-term planning process. Our management has undertaken a number of important initiatives in support of this goal, such as the 50-Year Water Supply Plan that is updated every five years, the asset management system under development, the Capacity, Management, Operations and Maintenance (CMOM) system and centralized maintenance management system that are also in the process of being implemented.

These planning elements need to be integrated into a 15-year rolling capital planning process, through which all capital requirements and associated funding requirements are evaluated, prioritized and updated yearly. The District Board and other stakeholders, such as the member towns, need to be fully informed regarding the long-term capital plan and the financial requirements to support our programs and operating needs and play a proactive role in steering our capital and operating decisions.

Objectives

1. Establish a sound financial basis for our future
2. Encompass all State of Good Repair, growth and regulatory compliance needs
3. Identify new business opportunities and strategies for revenue growth



Goal 6: Human Resources

Maintain a skilled, effective, stable and diverse workforce responsive to changing demands, technology and customer expectations

The MDC draws on tremendous human capital strength in performing our day-to-day operations. Our culture is defined by long-term employment and a broad base of institutional knowledge. The typical employee is proud of the vital services we provide and is motivated to help us achieve our goals. However, as with most, if not all, public institutions in America today, we face significant human resource challenges. These include retirement of the senior employees and the resulting loss of experience and institutional knowledge, the need to continue to diversify the workforce to better reflect our customer base and the heightened importance of training and skill development in an era of advancing technology and accelerating change.

For us to meet our business goals it is critically important that clear objectives be set to strengthen, continue to diversify and further motivate the most important of our assets – our people. These objectives will be shaped by the following criteria:

1. Work Systems (including but not limited to work and job design and compensation and recognition);
2. Workforce Diversity reflective of Affirmative Action Plan goals;
3. Employee Education, Training and Development (including but not limited to practices, policies and issues related to employee training and development);
4. Employee Well Being and Satisfaction, and Work Environment (that promotes acceptance and inclusion of all employees and disavows discrimination and harassment towards any employee).

Objectives

1. Determine staffing model(s) to ensure required skills and resources for existing and future organizational needs and focused on succession planning
2. Continue to recruit, develop and retain a diverse workforce at all levels of the organization
3. Follow through on the board-approved comprehensive affirmative action plan, focusing on achieving the workforce goals set forth in the plan
4. Develop a quality workforce by securing, enhancing and maintaining a staff that will be able to achieve the mission effectively
5. Enhance the safety program to ensure continued safe operation and limit employee workplace injuries
6. Develop an organizational culture that promotes and accepts change



Goal 7: Community Business & Workforce Relations

Foster District policies to enhance the capacity of local small, disadvantaged, minority and women's businesses workforce

As the MDC makes infrastructure investments, we recognize that embracing race/gender neutral contracting policies is mutually beneficial to the local community. The currently limited local utility construction business and workforce capacity will challenge the region to receive financial benefits from the Program. Moreover, as the existing workforce transitions - from retired workers to a new workforce - an influx of out-of-state businesses will likely occur, increasing project costs.

Objectives

1. Provide a legally documented basis for District to modernize its policies to encourage race/gender neutral project employment and business involvement.

2. Foster support for State and local sponsored programs which optimize small, disadvantaged, minority, and women's businesses, and development of local workforce to address the project's needs.



Goal 8: Stakeholder Communications

Develop program that enhances public service, improves stakeholder communications, and creates a customer service-oriented culture

While the MDC has provided critical services to the Capital region in a safe and reliable manner for decades, this Strategic Planning process has brought to light the fact that many customers and stakeholders do not completely understand our mission or have complete confidence in the our ability to expand our services successfully. The entire organization needs to be committed to providing the highest levels of customer service. We have an opportunity to improve our public image and build support for our future programs through a more focused approach to customer service through improvements to communications and information systems.

Objectives

1. Improve operations that directly impact customer service
2. Improve coordination and communication with member towns, customers and stakeholders
3. Enhance our image as a regional public service provider



Goal 9: Continuous Improvement

Create a culture focused on quality, innovation and learning

It is clear this is a period of great challenge for our organization. As described earlier in this document, the challenges of earlier decades have been replaced with new challenges that require new skill sets, new attitudes, and new ways of doing business. The MDC has a history of applying innovative practices, such as our GIS application, to improve processes and enhance services, and we are currently working on a number of transformational improvements, such as implementation of an enterprise asset management system. To optimize our organizational effectiveness, however, we need to institutionalize our quality improvement and enhance our management processes.

Objectives

1. Establish a framework for continuous improvement (methodology, training)
2. Create a lessons learned/feedback process
3. Foster teamwork and cross-functional collaboration
4. Establish standards and performance measures
5. Incentivize performance

Goal 10: Board Governance

Adhere to the highest standards in process and practice that promote and ensure integrity, compliance, accountability and transparency

The 29 member volunteer MDC Board plays a critical role in providing overall leadership and guidance to the MDC organization; approving and overseeing the allocation of MDC capital and operating resources; and serving as the body representing the various interests of the member towns and other MDC stakeholders.

The Board provides oversight and governance on specific MDC issues through its standing bureaus, committees, and special committees. (There are currently fourteen bureaus and committees in all.) The Board is led by the Chairman, who is elected by the Board members.

Objectives

1. Confirm the understanding on the part of all Board Commissioners as to their roles and responsibilities, including establishment of an orientation program for all commissioners.
2. Define the ongoing working relationship between the Board and MDC management and staff, including the development of protocols and guidelines for commissioners' contact with staff and working committee meetings.
3. Develop improved communication vehicles for Board members and other MDC stakeholders.

Implementation Steps

To be effective, a Strategic Plan must be implemented in the context of an overall business management structure. The graph below provides an overview of how the Strategic Plan will fit within our ongoing management processes. In effect, the Strategic Plan provides the framework through which specific business goals are developed (the “Business Plan”); these goals in turn are reflected in annual operating and capital budget submissions and, ultimately, are driven down to individual management goals and performance measures. Going forward, any significant initiative or use of resources should be evaluated in terms of its fit and contribution to the overall objectives of the Strategic Plan. All MDC stakeholders (Commissioners, management, town members) should be aligned in their understanding of our strategic priorities. At the same time, the Strategic Plan should be reviewed and updated as appropriate on a regular basis to reflect new developments and needs of the agency.

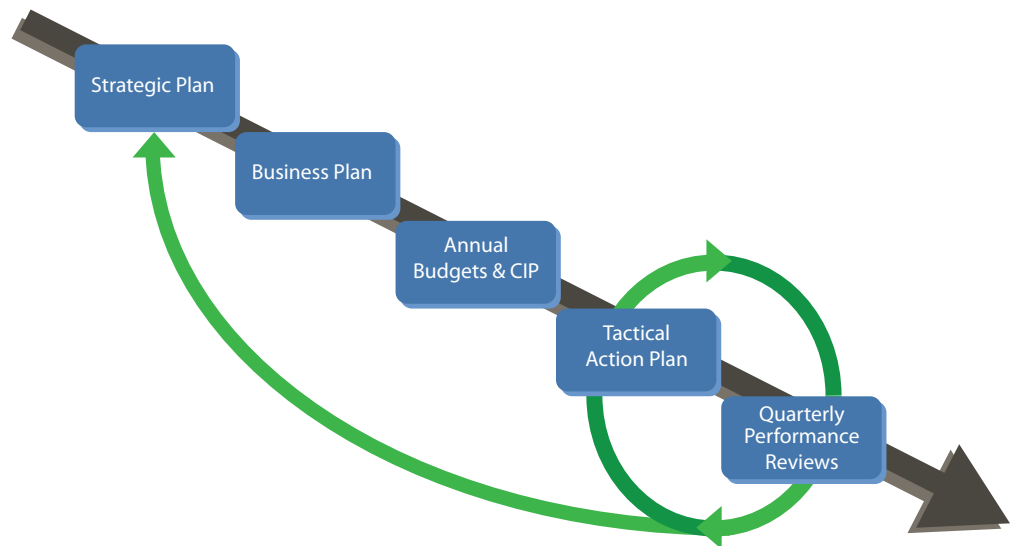


Figure 2. Business Management Model

Each of the ten overall goals in the Strategic Plan contains broad objectives that management will develop into specific improvement initiatives with measurable benefits. Progress in achieving these initiatives will be reported to the Strategic Planning Committee, who shall in turn report to the District Board, on a regular basis. Each activity will include a timeline for achieving results and a budget reflecting any additional resources required to achieve the desired outcome.

Investment Criteria

- Does the activity contribute to the overall mission?
- How does the activity help meet a Strategic Plan objective?
- Does it have adequate organizational and political support?
- Is there a tangible business benefit/return-on-investment?
- Do the benefits outweigh the costs?
- Do we have adequate capacity to undertake the activity?
- Are there better alternatives to this activity in achieving the desired objective?

This decision framework will allow us to assess and justify our various Strategic Plan follow-up initiatives in a consistent manner; it will also provide for objective analysis in operating and capital budget decision making, aligning these annual management processes with the overall strategic planning framework.

Summary

We stand at a critical juncture in our history. Building on the magnificent contributions of the engineers and operators that created greater Hartford's water system over the last 75 years, today we successfully meet drinking water, wastewater disposal and other needs of about 400,000 customers, fulfilling our mission as a vital regional service provider.

However, the kind of foresight and initiative that produced the Capital region's water supply system over the years will be needed for us to continue our success in the future. "Change before you have to." These words of former GE CEO Jack Welch, used to describe the need for ongoing organizational refinement in an age of rapid transformation, are appropriate to the challenge faced by the MDC today. Increased capital investment requirements due to aging infrastructure and tighter regulations; more urgent hiring needs due to baby boomer retirements and changing skill requirements; the need for strategic and objective decision making for critical issues, such as the relationship with CRRA - these and other challenges require us to plan comprehensively for our future and execute our priorities through increased organizational alignment and improved business practices. We have created this Strategic Plan as a roadmap for this effort and we are prepared to work with colleagues, Commissioners and stakeholders to achieve success for future generations to come.

Mission

“The mission of the MDC is to provide our customers with safe, pure drinking water, environmentally protective wastewater collection and treatment and other services that benefit the member towns.”



Metropolitan District
Commission
555 Main Street
Hartford, CT 06142
(860) 278-7850

