

Chris Lovelace
Program Manager
Alabama Rural Water Association

Common Challenges for Utility Managers

- Aging infrastructure
- Rate issues
 - Prioritize demands for utility expenditures
 - Long-term rate adequacy strategy
- Customer satisfaction and confidence with services and rates

Common Challenges for Utility Managers

- Operational issues
 - Labor and material costs
 - Regulatory compliance and new requirements
- Workforce complexities
 - Attracting and keeping reliable and competent staff
 - Succession planning
- Knowledgeable and engaged board members

The Well Managed Utility

- Ten Management Areas framed as outcomes
- Building blocks for utility performance improvement: where to focus and what to strive for
- Most water and wastewater utilities pay attention to these areas and likely perform well in at least some of them
- Fit into, draw on, and support asset management, long-term business planning, continual improvement management systems

The Ten Areas

- Product Quality
- Customer Satisfaction
- Infrastructure Stability
- Community Sustainability & Economic Development
- Stakeholder Understanding and Support
- Employee Leadership and Development
- Operational Optimization – Energy and Water Efficiency
- Operational Resiliency
- Water Resource Adequacy
- Financial Viability

Product Quality

- Clean and safe water
- Produce potable water, treated effluent, and process residuals:
 - Full compliance with regulatory and reliability requirements
 - Consistent with customer, public health, and ecological needs
 - Consistent with local economic development and business needs

Customer Satisfaction

- Know what your customers expect in service, water quality, and rates
- Set goals to meet these expectations
- Help your customers understand the value of water
- Develop a way to gather feedback from your customers, review the feedback, and then act on it

Employee Leadership and Development

- Enable a workforce that is competent, motivated, adaptive, and safe working
- Ensure employee institutional knowledge is retained and improved on over time
- Create opportunities for professional and leadership development

Operational Optimization

- Ensure on-going, timely, cost-effective, and reliable performance improvements in all facets of operations (i.e., continual improvement culture)
- Minimize resource use, loss, and impacts from day-to-day operations (e.g., energy and chemical use, water loss)
- Maintain awareness of information and operational technology developments to anticipate and support timely adoption of improvements

Financial Viability

- Ensure revenues adequate to recover costs, fund timely maintenance, repair, and replacement of assets, and provide for reserves
- Establish predictable rates, consistent with community expectations and acceptability – discuss rate requirements with customers, board members, and other key stakeholders

Infrastructure Stability

- Understand **costs** and **condition** for each system component
- Understand operational performance factors (e.g., pressure)
- Plan for system component repair and replacement over the long-term at the lowest possible cost
- Coordinate asset repair, rehabilitation, and replacement within the community to minimize disruptions and other negative consequences

Operational Resiliency

- Identify threats to the system (legal, financial, non-compliance, environmental, safety, security, and natural disaster) – conduct all hazards vulnerability assessment
- Establish acceptable **risk levels that support** system reliability goals
- Identify how you will manage risks and plan response actions – prepare all-hazards emergency response plan

Community Sustainability & Economic Development

- Be active in your community
 - Be aware of, or participate in, discussions of community and economic development
 - Get to know local business needs and be aware of opportunities for new residential or business customers
- Align Utility Goals: to be attentive to the impacts utility decisions will have on current and future community and watershed health
- Align Utility Goals: to promote community economic vitality and overall improvement

Water Resource Adequacy

- Ensure water availability consistent with current and future customer needs:
 - Long-term resource supply and demand analysis
 - Conservation
 - Public education
- Understand the system role in water availability
- Manage operations to provide for long-term aquifer and surface water sustainability and replenishment

Stakeholder Understanding and Support

- Create understanding and support from oversight bodies, community and watershed interests, and regulatory bodies:
 - Service levels
 - Rate structures
 - Operating budgets
 - Capital improvement programs
 - Risk management decisions
- Actively engage with the community and customers:
 - Understand needs and interests
 - Promote the value of clean and safe water