

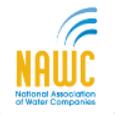


EFFECTIVE UTILITY MANAGEMENT IN ACTION

UTILITY CASE EXAMPLE

Austin Water

September 2020



Austin Water

For over 100 years, Austin Water has been committed to serving Austin, Texas customers by providing safe, reliable, high-quality, and affordable water services.

Beginning in 2016, Austin Water adopted Effective Utility Management (EUM) as a building block of its strategic planning and business planning processes. Since conducting its first EUM Self-Assessment—drawing on “Effective Utility Management: A Primer for Water and Wastewater Utilities” (the EUM Primer)—in the summer of 2016, Austin Water has taken an incremental approach to address its highest priority EUM Attributes. Austin Water recently released their Strategic Plan 2023, reflecting a focus on priority EUM Attributes and acting in support of the City of Austin’s overall strategic direction. This plan enables Austin Water to adapt to changing conditions and technologies.



Austin Water’s EUM Implementation at a Glance

System Profile



Austin, TX
Southern U.S.



Lower Colorado River



Combined Water + Wastewater
Municipal Department



Last Water Treatment Plant Expansion 2014
Last Wastewater Treatment Plant Expansion 2006



Governance by Austin City Council,
Council’s Water Utility Oversight
Committee, and Water and Wastewater
Commission



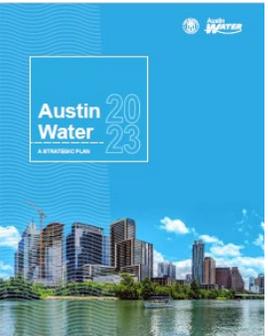
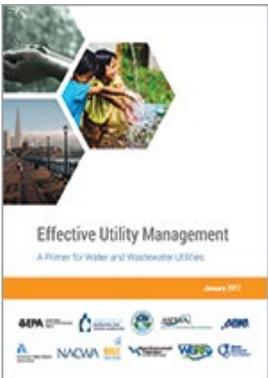
	Water	Wastewater
Population Served	1.1 million	1.1 million
Lines	3,949 miles	2,930 miles
Plant Capacity	335 MGD	150 MGD

Austin Water’s first introduction to Effective Utility Management (EUM) came during the 2015 Utility Management Conference (UMC) held in Austin. Prior to 2015, Austin Water utilized the City of Austin’s city-wide performance-oriented planning and budget process as the platform for its strategic and business planning process. This process, however, was by design a generic framework for use among all city departments and therefore did not fully address all of Austin Water’s water utility-specific operational needs. Recognizing this misalignment, the managers that attended UMC believed the EUM presentation was serendipitous, coming at a time when executive management had expressed interest in finding a framework that emphasized and enhanced continuous improvement in a water sector utility context.

The EUM presentation at UMC 2015 planted a seed that continues to bear fruit today.

– Anna Bryan-Borja, Chief Support Services Officer

Austin Water chose EUM for its ability to catalyze internal discussions regarding priorities for improvement and the help it provides with goal alignment across the organization. Since the beginning of their EUM journey, Austin Water has deliberately taken an incremental (one step at a time to avoid overwhelming their internal staff capacity) and systematic approach to EUM implementation.

2015	2016	2017	2019	2020
<p>Learns about EUM Primer concepts and tools at UMC.</p> <p>Begins internal interest in advancement of utility management.</p>	<p>Executive Team conducts Self-Assessment and identifies top four EUM priority attributes:</p> <ul style="list-style-type: none"> <i>Customer Satisfaction</i> <i>Employee and Leadership Development</i> <i>Infrastructure Stability</i> <i>Stakeholder Understanding and Support, including Affordability</i> 	<p>Creates an Engagement Team to support the Focus Four teams.</p> <p>Hosts kick-off meeting followed by a day-long intensive workshop between Focus Four teams.</p> <p>Develops "Right Now" scorecard for Focus Four Attributes.</p> <p>Creates Action Plans with next steps and future deliverables.</p>	<p>Publishes a Monthly Performance Dashboard that highlights key performance measures and strategic initiatives in the Focus Four Attributes.</p> <p>Releases Austin Water 2023: A Strategic Plan.</p>	<p>Completes a second Self-Assessment.</p> 
				

Self-Assessment Process with Team

The first Self-Assessment was conducted by Austin Water’s Executive Team, consisting of the Director, Assistant Directors, and Chief Officers. Individuals conducted the Self-Assessment on their own and then came together during a retreat to discuss their results. After plotting everyone’s assessment on a rating and ranking graph, the team discussed and came to a consensus on the following attributes: **Customer Satisfaction, Employee and Leadership Development, Infrastructure Stability, and Stakeholder Understanding and Support including Affordability** and named them the Focus Four Attributes.

One Step at A Time

After the Self-Assessment, the Executive Team went through a six-month planning period. Within this planning period, the team developed a three-year roadmap and deliverable timeline for each of the Focus Four Attributes. The Executive Team then established four Focus Four teams consisting of one team leader and 10–15 other staff members from around the utility. In order to further support the Focus Four teams, Austin Water also created an Engagement Team, led by their Public Information Office. The Executive Team was very involved and ultimately confirmed who would be participating on these teams and drafted team charters for each team.

Immediately following a Director-led Focus Four teams kick-off meeting, Austin Water held a day-long intensive workshop for the Focus Four teams to discuss EUM and create Action Plans, including future deliverables. Austin Water gained valuable feedback and obtained better solutions by having everyone at the table. This enabled strong alignment among Focus Four team members related to the next steps for moving forward. The first step for each Focus Four team was to develop a “Right Now Scorecard” that displayed metrics of the utility’s current state and metrics specific to the Focus Four Attributes. These scorecards were the first internal deliverable for each Attribute team.



Chief Support Services Officer Anna Bryan-Borja plots attributes on a rate and rank graph.

Schedule	Meeting
Weekly	EUM team huddles
Monthly	Performance management meetings
Quarterly	Division manager meetings
Bi-Annual	Leadership summit
Bi-Annual	Executive Team retreat
Annual	EUM workshop
Annual	Business planning series

Austin Water has frequent meetings to ensure Focus Four teams and the Executive Team keep moving forward with EUM implementation through consistent communication.

Moving forward, Austin Water took a systematic approach to integrate EUM concepts at its utility. The approach created a valuable sense of discipline for each of the Focus Four teams. The overall direction is guided by the Chief Support Services Officer, who is the Executive Team’s designated sponsor of the EUM initiative. In addition, the EUM Project Manager coordinates weekly and monthly activities of the Focus Four teams. The EUM Project Manager’s role is to bring consistency to the timing and content of information that is reported by all the teams. Each week the teams gather for a team huddle hosted by the EUM Project Manager. The Focus Four Attributes are monitored weekly and progress is documented and updated on whiteboards. In addition, a comprehensive monthly performance management meeting is held with the Director and Executive Team. This consistent schedule for communication allows the EUM Team Leaders to engage in discussions, receive feedback from the Director and Executive Team, and continuously move forward.

In order to bring more visibility to Austin Water’s continuous improvement efforts, in 2019, the Engagement Team developed and began publishing a Monthly Performance Dashboard that highlights key performance measures and strategic initiatives across the utility. Focus Four teams are also refreshed annually by “graduating” some current team members and bringing new team members on board.

Workforce Benefits of EUM

Austin Water’s workforce has experienced a variety of benefits from the selection of Employee and Leadership Development as a Focus Four EUM attribute. For example, Human Resources has focused on reducing the vacancy rate by widening their recruiting and community outreach activities to be more inclusive and increasing the overall applicant pool. The hiring team has attended recruitment fairs focused on recruiting trade school graduates, veterans, at-risk youth and previously incarcerated citizens who are re-entering the workforce. Once employees are hired, the newly created Talent Development Division will educate, develop, and help retain high-performing employees needed for an effective utility. In 2018 to emphasize social equity in the workplace, Austin Water’s Employee and Leadership Development team considered forming an affinity group called the Phoenix Group, a support system for current employees that have been previously incarcerated.

The Phoenix’s Group purpose would be to share ideas and learn new skills that would help them be successful throughout their careers. The team sent a survey to all utility employees to measure the interest in creating this affinity group. Later that year, a steering committee was established, representing a variety of divisions across the utility and a mix of experience levels ranging from entry-level technician to supervisor to division manager.

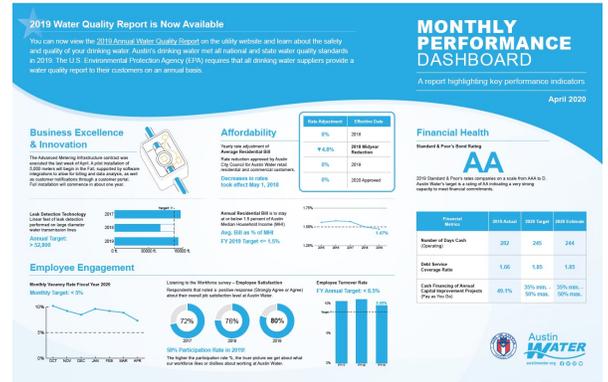
EUM is diversity in action.
 – Scott Morrow, Division Manager of Distribution System Services and Member of Customer Satisfaction EUM Team

The Steering Committee first worked to understand the equity issues shared within the group and to identify an overall vision. They identified training for previously incarcerated employees as an initial benefit and began reviewing available resources. It soon became very clear that the group had some unique challenges, and the existing training would not fulfill the needs. For example, the Steering Committee sponsored a pilot class on basic computer skills, but it was not matched to the skill level of the participants.

The focus then turned to identifying specific aspects of training that the Steering Committee could target. The committee is now working to customize the training and include opportunities for hands-on practice. For example, a pilot class on Non-Verbal Communication Skills was held in 2019. The committee will continue to invest time into the development of appropriate training to ensure a quality program for all participants.

Three Years In

In early 2020, Austin Water released its [2019 Annual Progress Report](#) that highlighted Focus Four accomplishments, metrics, and new initiatives and projects. The table below shows Austin Water’s 2019 accomplishments.



<http://www.austintexas.gov/content/austin-water>
 Austin Water’s Monthly Performance Dashboards are available on the utility’s website for public viewing.

Austin Water's Priority EUM Attributes	Austin Water's 2019 Accomplishments
Customer Satisfaction	<ul style="list-style-type: none"> • Creation of the Customer Experience Assistant Director position to elevate and sustain customer satisfaction • Over 1,113 Austin Water employees were trained with new customer service curriculum • Improved customer experience at call centers with new phone optimization SOP including Spanish-speaking options
Employee and Leadership Development	<ul style="list-style-type: none"> • Establishment of the Employee and Leadership Development Assistant Director position to promote employee professional growth, high job satisfaction, and a safe and supportive work environment • Safety team initiated new programs to improve work environment in areas of operations
Infrastructure Stability	<ul style="list-style-type: none"> • Infrastructure team established a renewed infrastructure risk framework that defined standards for probability and consequences of asset failure • With the new standard, engaged over 100 staff to inventory and assess condition and risk of over 8,000 assets at more than 200 water and wastewater pumping and treatment facilities
Stakeholder Understanding and Support, including Affordability	<ul style="list-style-type: none"> • No rate increase for customers in 2019 and rates are projected to remain unchanged in 2020 and 2021 • Enhanced funding for affordability programs to assist low income customers in the Customer Assistance Program

To gather more information and ensure EUM is fully benefitting the utility for the coming years, Austin Water decided in 2019 to start their second Self-Assessment. This round intends to gather as much feedback as possible from throughout the organization. In addition to the Executive Team, mid-managers, supervisors, and superintendents were invited to conduct the Self-Assessment and were sent specific questions. This Self-Assessment will address challenges and concerns over the past couple of years and ensure the future of EUM continues to be strong at Austin Water. Austin Water is finalizing these Self-Assessment results and will be launching the EUM Refresh later this year.

In early 2020, while Austin Water was in the midst of planning the EUM Refresh, the COVID-19 crisis hit. Austin Water, like other utilities around the country, focused intensely on protecting its critical infrastructure and the safety of its workforce. Following the City of Austin's Stay Home – Work Safe order, more utility employees began working from home than ever before. Although some activities were temporarily delayed, the EUM Focus Four teams rapidly adapted and continued to make steady progress on their deliverables using remote meeting technologies. The Infrastructure Stability team reported that the change of routine had reinvigorated participation in their team meetings, and the Employee and Leadership Development team even experienced breakthrough progress on a key metric during the crisis.



A Focus Four team comes together to discuss deliverables and next steps.

The vacancy rate is a key metric published in Austin Water’s strategic plan and Monthly Performance Dashboard. As a utility comprised of more than 1,200 employees, Austin Water strives to keep the vacancy rate low-tackling workforce attrition while at the same time providing internal promotional opportunities that create new vacancies. This metric declined from 8.8% in March 2020 to 5.3% in July 2020, because Austin Water’s Human Resources team adapted to remote hiring methods and continued to fill vacant positions. Since February 2020, the Human Resources team has hired more than 135 people. The improvement in vacancy rate has put a significant number of “boots on the ground” to serve Austin Water’s customers.

Aligning with City Government

Austin Water has fully integrated EUM into its strategic and annual business planning. In 2018, Austin Water released Austin Water 2020: A Strategic Plan, which prominently featured EUM and the Focus Four teams. In 2019, the plan was refreshed and expanded into [Austin Water 2023: A Strategic Plan](#), which complemented the City of Austin’s Strategic Plan while continuing to highlight EUM. The utility’s plan aligns with the City of Austin’s strategic plan known as Strategic Direction 2023, which includes six focused outcomes: Culture and Lifelong Learning, Economic Opportunity and Affordability, Government That Works for All, Health and Environment, Mobility, and Safety.

Austin Water’s Strategic Plan supports the City’s Strategic Direction while directly incorporating the ten EUM Attributes, as well as specific strategies to improve their selected Focus Four Attributes. They have revised mission, goals, and strategic initiatives to reflect EUM attributes and the City’s Strategic Plan.

EUM strategies guide us as we look to the future and prepare to meet the challenges ahead.

– Greg Meszaros, Director

Austin Water’s strategic goals for 2023 are:

- Strengthen customer value and stakeholder understanding and support
- Protect the water supply and promote community sustainability
- Protect the public health and safety by providing high-quality water services
- Ensure infrastructure stability and operational optimization
- Maintain strong financial viability to ensure a balanced cost structure and affordable rates

These goals draw on and directly reference the ten EUM Attributes (e.g., stakeholder understanding and support, infrastructure stability, operational optimization, and financial viability). Austin Water then integrates EUM into its annual business planning through this process:

- The City of Austin has an annual planning process that leads into budget
- Focus Four teams may propose funding for new initiatives that support their Attributes
- A staffing plan supports Focus Four Attributes and other strategic initiatives

The combination of these three avenues have enabled Austin Water to build connections between EUM priority areas, goals, and the City’s business planning process. Austin Water has annual schedules which assure leadership attentiveness as well as the ability to evaluate performance on an ongoing basis. These performance evaluations, strategic initiatives, and the EUM framework will help guide Austin Water in the coming years.

Lessons Learned

Take the first step and go for it! Austin Water recognizes that implementing an EUM initiative can appear daunting. Austin Water found, however, that once the first step is established, utilities can build on it incrementally at a pace consistent with organizational capacity. These incremental steps have brought lasting changes for Austin Water over the past three years.

EUM requires scheduled time and coordination. Austin Water has four teams each with 10–15 staff members and acknowledges the scheduling challenges. Austin Water utilizes online meetings to allow people at the 15 various locations to participate efficiently. In the second Self-Assessment, Austin Water will gather feedback on best practices to coordinate meetings.

Build diverse teams with membership across the utility. Austin Water’s EUM teams include representatives of all levels of the organization, from front-line workers to executives. The team members come from a variety of backgrounds, including operations, engineering, finance, information technology, support services, and administrative support. Austin Water management believes that these diverse teams have brought forward more interesting and innovative improvement strategies than a team drawn from one silo would have generated.

Maintain momentum with EUM. Austin Water uses employee celebrations to maintain positive feeling around EUM and to keep it at the forefront of the organization’s thinking. EUM is a continual improvement process undertaken over time that requires consistent attention. Austin Water wants to ensure that staff are motivated to continue with EUM through celebrations and EUM awards.



Employees gather for the annual EUM Teams Workshop to stay updated on Focus Four progress.



Interested in learning more about EUM in Action?
Check out the [2018 Effective Utility Management in Action: Utility Case Examples](#) with the following five utilities:

Murfreesboro Water Resources Department
Columbus Water Works
Lehigh County Authority
Scottsdale Water
Boston Water and Sewer Commission