AGENDA ITEM  4-c

☐ CONSENT ITEM  FOR MEETING OF:  April 15, 2013

☐ NEW BUSINESS  FROM:  CEO/General Manager

☐ OLD BUSINESS  SIGNATURE:  [Signature]


SUBJECT:  FY2013 Strategic Initiatives and 2012 Strategic and Objective Accomplishments

SUMMARY:  Each year the Strategic Initiatives are produced through the CEO/General Manager's office and provided to the Utilities Commission. The Vision, Mission, Strategies, and Objectives are accomplished and supported by five (5) tactics which are selected by the CEO/General Manager; the tactics are depicted under each objective. The CEO/General Manager determined for 2013 that some tactics will be continued as existing priorities and then updated, revised, and added other tactics. The Vision, Mission, Strategies, and Objectives are currently being retained from previous years’ versions. There is currently a review of all components of the Strategic Initiatives ongoing and a “mid-term” revision is expected.

The 2012 Strategic and Objective Accomplishments are discussed under the continuing summary of this item on the next page. The Tactics, in a listing format, follow the accomplishments.

The Strategic Initiatives will again be posted on the UC’s website and distributed internally.

RECOMMENDED ACTION:

Ratification of FY2013 Strategic Initiatives and acknowledgment of strategic and objective 2012 accomplishments.

[Signature]
AGENDA ITEM 4-c (CONT.)
FOR MEETING OF: April 15, 2013

SUMMARY (cont.):
Some of the strategic and objective accomplishments (not inclusive) for calendar year 2012 are listed below. Each annual accomplishment falls under at least two of the U.C.'s five strategic objectives, and most support three or greater.

ACCOMPLISHMENTS –
Continued to meet or exceed regulatory requirements in operations as well as reporting. Consistent application and enforcement of "no free service", non-preferential treatment, and enforcement and maintenance of strong ethics policies throughout utility operations. Adherence to conservative and cost effective financing policies. Ongoing prioritizing of capital investment and planning. Dedicated and experienced work efforts by employees, with reinforcement of strong ethical leadership, ultimately leading to unbiased, good business decisions. Implemented an Attorney-Client Fee Agreement for U.C. legal counsel, additional internal legal assignments ensuring operational legal integrity and legal assistance in strategy and visioning. Ongoing evaluation and plans for redesigning business processes to improve ratepayer satisfaction and improving efficiency; includes training for Directors and staffing reorganization. Continuance of the preservation of the U.C.'s property ownership rights and retainage of existing U.C. property for current and future utility purposes.

Rate Comparisons – Electric & Water Resources – Continued low rates for electric and water resources. Remained in lowest third of state in all electric rate class comparisons and for water resources comparisons within Volusia County. Realized through efforts in power supply purchases and phased approach to water reclamation required rate increase (12% required instead of 25% by borrowing for capital requirements).

Financial Activity – UC continued its very stable financial condition in 2012. This was realized throughout one of the most historically challenging economic periods as well as abnormal weather patterns. Through refinancing opportunities and availability of unrestricted funds, $9.2 million long term debt removed during FY2012. Realized no comments in FY2012 audit; no deficiencies in internal control nor material weaknesses nor non-compliance instances. Overall net position/net assets of about $5.7 million even with decreasing revenues of almost $5 million. Reductions in operating expenses, as well as management of required CIP projects, enabled a strong operating margin to continue. Annual Inventory Count in the U.C.'s Warehouse produced only a $500 net book value adjustment.


Water Resources - Well maintained utility systems and available capacity for growth - FY2012 Unused Water Plant Capacity - 53% and Wastewater Plant Capacity - 47% (FY2011 - 53% unused water and 54% unused wastewater plants). The system water loss for 2012 was down to .50% adjusted* (gross loss 3.88%, then adjusted for unmetered losses due to flushing hydrants, breaks, fires, etc.); the second lowest adjusted water loss in 30 years, realized through proper management of resources and ongoing large water meter replacement program. Selected a new
SUMMARY (cont.):

Water Resources (cont.) - WRF Biosolids service vendor and process, for an approximate $76,500 annual reduction. Ongoing operational management and reclaimed water disposal options enabled continual avoidance of any river discharges for over 41 months (3.4 years), as of the end of 2012. A very effective free chlorine treatment of the U.C.’s water distribution system occurred this past year, proven by field testing, last treatment period for the U.C. was at the end of 2008. In connection with the Glencoe Water Treatment Plant Filter Upgrades Project (completion early 2013), creative and astute operational choices by employees minimized supplemental water purchases from the Port Orange interconnect and system demands and pressures were maintained consistently.

Support Areas –

Continued management and promotion of energy audit program, as of 12-31-12, approximately 1,490 customers requested and/or received an energy audit since program inception. At the end of 2012, 45 rebates processed totaling 10,314.40. (42 residential and 3 commercial). Rebates for added insulation, higher SEER central AC, solar attic fans, LED EXIT signs, duct leak repair and window solar screens.

Implemented cost effective means for outage reporting – posting on UC website (electric outage and boil water notices), enhanced texting capabilities for select U.C. employees for outage communications, and utilizing the local radio station. Bill Template revisions implemented for lessened processing and production times, lowered costs in labor and supplies, reinstated monthly bill message. U.C. is nearing completion of electric meter replacement phased approach to electric ERT meter replacement has avoided electric rate increase. Realized efficient execution of exit plan for the discontinuance of Communications Services (Internet); increased storage space, speed, and stability of existing data backups; implemented an interim disaster recovery site, and completed IT transition for U.C.’s Finance Applications to Virtualization and Cloud technology.

In 2012, the U.C. was the 6th largest employer in New Smyrna Beach at 154 employees, 1.07% of total city employment, and provided over $3.3 million to the city’s general fund (6% of gross revenues). The U.C. assisted in a community housing program (sponsored by the City’s CRA and Habitat for Humanity) through the U.C.’s existing programs for energy audits and rebates. Continued coordination with the City’s capital projects and streetscapes through the use of Memorandums of Understanding (MOU’s) for the delineation of respective responsibilities; enables a cost effective replacement of U.C.’s utility infrastructure if determined necessary by the U.C. Per their request, a MOU developed by U.C. staff to assist the City of Edgewater with their delayed water infrastructure installation.

The U.C. held two community events, Drinking Water Week (included Water-Wise Garden Fair) and Public Power Week (included an Open House and Static Electric Equipment Display), and participated in the City’s Annual Citizen’s Academy during the Drinking Water Week event by conducting a bus tour of U.C. facilities for the City’s participants. The U.C.’s “We Care Fund” received $2,743 in donations during FY2012 from U.C. customers and internal staff recycling of ink cartridges and cell phones. U.C. participated in the City’s 2012 holiday events by erecting the Christmas star and in the annual Christmas parade – won “Most Related to Theme”. The U.C. Employee Volunteer Corp. selected and sponsored monetary and food donations to a local non-profit assisting homeless and at risk high school students.
FY2013 UCNSB STRATEGIC INITIATIVES

VISION: CONNECTING YOU WITH THE QUALITY OF A NEW SMYRNA BEACH LIFE

MISSION: TO BENEFIT OUR COMMUNITY BY PROVIDING TIMELY, COST-EFFECTIVE AND HIGH-QUALITY PRODUCTS AND SERVICES TO OUR RATEPAYERS.

OBJECTIVE 1: TO GAIN AND RETAIN SATISFIED CUSTOMERS

DEVELOP FINANCIAL PRIORITY ASSESSMENT TOOL FOR PRODUCT/ACTIVITY APPLICATIONS

DEVELOP LINE OF SIGHT PERFORMANCE MEASURES AND BENCHMARKS

SURVEY CUSTOMER SATISFACTION AND VALUE-ADDED WORK PERFORMANCE

ASSESS RELIABILITY GOALS, OPERATION & RESTORATION PERFORMANCE

ASSESS EVOLVING MARKETS FOR RENEWABLE, EFFICIENCY, & CONSERVATION REQUIREMENTS

OBJECTIVE 2: TO ACHIEVE COMPETITIVE PERFORMANCE WITHIN OUR INDUSTRY

DEVELOP STRATEGIC INITIATIVES, HOLD QUARTERLY PLANNING, PROGRESS MTGS, PRODUCE, & REPORT PERFORMANCE

PRODUCE PERFORMANCE MEASURES AND COMMUNICATE PERFORMANCE

INCORPORATE FLEXIBILITY AND IMPROVED COMPETITIVENESS INTO NEGOTIATIONS

CONTINUE/UPDATE 5-10 YEAR WATER RESOURCES MASTER PLAN, INCLUDING AWS

DEVELOP FLEXIBLE RECRUITING PLAN, SUCCESSION PLAN, AND PERSONNEL DEVELOPMENT & TRAINING

OBJECTIVE 3: TO ACHIEVE DEPARTMENTAL GOALS AND MEASURES FOR OUR PRODUCTS AND SERVICES

DEVELOP & REFINE EMERGENCY / RESTORATION AND SAFETY PLANS / METRICS, TRAIN EMPLOYEES

PUBLISH, REPORT, & ASSESS ELEC/WTR RELIABILITY AND RESTORATION PERFORMANCE

CONTINUE DEVELOPMENT AND ASSESSMENT OF POWER SUPPLY OPTIONS

EVALUATE EXISTING AND RECOMMEND NEW RATE/ PRICING CONCEPTS FOR COMMODITIES AND SERVICES

DEVELOP AND PUBLISH NEW BUDGET AND FINANCIAL REPORTS
OBJECTIVE 4: TO ADD VALUE TO OUR ORGANIZATION AND STAKEHOLDERS
REFINE / IMPROVE PERFORMANCE EVALUATIONS AND PAY FOR PERFORMANCE SYSTEM
IDENTIFY AND PROMOTE EXISTING, AND ASSESS NEW, UC PRODUCTS AND SERVICES; PROVIDE STATUS REPORTS
PROVIDE UPDATES ON BUDGET AND OTHER RELATED MATTERS FOR VARIOUS STAKEHOLDERS
PERIODIC AND CONTINUED ASSESSMENT OF TRADITIONAL AND ALTERNATIVE ELECTRICAL POWER SUPPLY AND WATER SUPPLY OPTIONS
DEFINE AND PUBLISH RENEWAL & REPLACEMENT & LONG-TERM CAPITAL PROJECTS AND EVA-BASED / VALUED ADDED METHODOLOGY

OBJECTIVE 5: TO ENHANCE THE QUALITY OF LIFE OF OUR COMMUNITY
MODIFY AND IMPROVE THESE INITIATIVES AS A DYNAMIC TOOL
CONTINUE REVIEW OF SYSTEM & PROJECT MANAGEMENT AND INCORPORATE GIS
ASSESS NEW POLICY DEVELOPMENT IN RESPONSE TO CUSTOMER FEEDBACK
DEVELOP PERIODIC PR, EMERGENCY ORGANIZATIONS, AND KEY ACCOUNTS CONTACTS
REFINE UC WEBSITE AND EVALUATE, DEVELOP AS APPROPRIATE, ONLINE CAPABILITY