2020 STRATEGIC PLAN
BUILDING A BETTER FUTURE WITH WATER

Central Arkansas Water
Essential & Exceptional
Dear CAW Customers, Stakeholders, and Employees:

If you are reading this letter, you probably have a vested interest in the future of CAW and our water supply in central Arkansas. While implemented in January of 2017, this plan is entitled the Central Arkansas Water 2020 Strategic Plan because it represents the future, not the present or past, of CAW. We will use the initiatives, goals, and objectives set forth in this plan to guide the tasks to be accomplished as part of CAW’s every day operations while building a better future for the utility, our customers, our stakeholders, and our employees.

I believe we are on the verge of a new era for water utilities, and that CAW is leading the way. This plan is intended to help CAW capitalize on opportunities by charting a course to navigate the economic, political, and regulatory climate in which we do business. The foundation of this plan is the vision of “Building a Better Future.”

Building a Better Future does not merely refer to new or additional pipes in the ground. Yes, CAW certainly desires to insure that its infrastructure is adequate to meet the needs of our customers; that is our primary responsibility. But, CAW’s vision is broader than that. CAW is also working to build better communities, better partnerships, and better workers, while protecting the environment and assuring affordable water for all our customers.

Water is a requirement of life. Our communities require water to grow and flourish. Therefore, while working to achieve a better future, everything we do will be driven and measured by four principals encapsulated in the word LiVE. CAW will continue to supply central Arkansas with high-quality water. But, CAW shall also provide and develop leadership within a culture of innovation while assuring value in both the products and services we provide and empowering our employees and customers to better the utility, themselves, and the communities in which we operate.

Throughout this utility’s history, we have demonstrated that a stable supply of affordable, clean water fills a vital need for the region, its businesses, its residents and its guests. As Chief Executive Officer of this wonderful utility, I am honored to present this 2020 Strategic Plan. Please take time to read it and think about your role in helping us achieve our goal to be a world class utility.

Sincerely,

C. Tad Bohannon, Chief Executive Officer
WHAT WE ENVISION

OUR MISSION

To enhance the quality of life for Central Arkansas by delivering high-quality water and dependable service that exceed customer expectations; protecting and ensuring a long-term water supply for future generations; and serving as responsible stewards of public health, utility resources, and the environment.

OUR VALUES

PROFESSIONALISM
I will be courteous and responsible in my dealings with others and will adhere to the technical and professional standards of my job.

INTEGRITY
I will display honesty in my work and interactions with others and will adhere to high moral and ethical standards. I will be fiscally responsible and conservative in the use of funds and resources entrusted to our utility.

CONTINUAL IMPROVEMENT
I will search for a new and better way of doing things, embracing new technologies and sustainable business practices. I will seek ways to enhance my own professional development, as well as that of my co-workers.

TEAMWORK
I will support my co-workers with enthusiasm, work collaboratively and do my part to ensure CAW achieves its goals.

UNITY
I will work in harmony with others to ensure a positive, safe, and healthy work environment. I will consider the needs and viewpoints of customers and community stakeholders and work collaboratively with each. I will appreciate the diversity and value the differences that each individual brings to any situation.

RESPECT
I will treat others with high regard, fairness and consideration.

EXCELLENCE
I will work to ensure that Central Arkansas Water meets and exceeds “world class” standards and the expectations of those I work with and the customers we serve.
Central Arkansas Water (CAW) and water utilities across the nation face common challenges: rising costs, aging infrastructure, increasingly stringent regulatory requirements, population changes, and rapidly changing workforces. The Effective Utility Management (EUM) framework was developed to help utility managers identify and address their most pressing needs. Systematically applied EUM approaches help utilities improve their products and services, increase community support, enhance the stewardship of their infrastructure, improve operating efficiencies, respond to current and future challenges, and ensure a strong and viable utility long into the future.

Central Arkansas Water was among the first water utilities in the nation to adopt the EUM approach. Central Arkansas Water’s 2020 Strategic Plan continues to rely on the EUM approach and focuses on the Ten Attributes of Effectively Managed Utilities:
ABOUT THE UTILITY

WHO WE ARE

Central Arkansas Water is a metropolitan public drinking water utility that serves a population of approximately 450,000. CAW has 135,000 residential, commercial, industrial, and master-metered customers in Pulaski, Saline, Lonoke, Grant, and Perry counties. The utility currently is a core partner in a regional initiative to secure future raw water sources for the entirety of central Arkansas, an urban area with a population of more than 750,000. Our most valuable resources include—303 exceptional employees, 2,493 miles of pipe, a 515 square mile service area, 3 water treatment facilities, 30 booster stations, 29 remote storage facilities, 2 raw water sources, and 13 wells—with an average consumption of 59.4 million gallons per day (MGD).

CAW relies upon the strategic planning process to align the mission and values of our utility with the strategies, objectives, goals and tasks of everyday operations. The strategic plan is an important tool that provides focus and direction for all employees to ensure we achieve our operational goals. Each strategic initiative is supported by a team of employees with diverse backgrounds, skillsets and areas of expertise. Our strategic plan represents the future of CAW. We will use the initiatives, goals, and objectives set forth in this plan to build and ensure it is a better future for our customers, our stakeholders, and our employees.

OUR COMMITMENT TO EXCELLENCE

TRANSPARENCY IN ALL ACTIVITIES AND ON ALL ISSUES

FOCUS ON INFRASTRUCTURE REPLACEMENT AND PROCESS IMPROVEMENTS

DELIVERY OF AFFORDABLE, HIGH-QUALITY WATER

INNOVATIVE, NATIONALLY RECOGNIZED WATERSHED PROTECTION MEASURES

BEST EMPLOYEES IN THE BUSINESS

2020 STRATEGIC INITIATIVES

| SI 1 | Enhance Customer Confidence, Experience and Understanding |
| SI 2 | Enhance Stakeholder Engagement |
| SI 3 | Optimize Infrastructure Performance and Increase Infrastructure Reliability |
| SI 4 | Enhance Operating Excellence through Innovation, Leveraging of Technology, and Business Process Improvements |
| SI 5 | Develop, Maintain, and Recruit a Diverse, Sustainable, High-Performing Workforce |
| SI 6 | Assure Long-Term Financial Stability and Integrity of Utility |
| SI 7 | Ensure Delivery of High-Quality Water for Future Generations |
STRATEGIC INITIATIVE 1
Enhance Customer Confidence, Experience and Understanding
EUM: Customer Satisfaction; Stakeholder Understanding and Support

INCREASE CAW’S UNDERSTANDING OF CUSTOMER EXPECTATIONS AND PERCEPTIONS
1. Identify all classes of customers (internal, external, wholesale, retail, builders, service providers, etc.) and tailor outreach
2. Conduct broad-scale customer surveys every two years, commencing in 2018, to ensure CAW is informed about customer opinions, desires, and concerns, and enhance other means of obtaining customer feedback

IMPROVE THE CUSTOMER SERVICE EXPERIENCE
1. Collect and analyze customer feedback, comments from community involvement, and customer surveys to prioritize future customer communications and service enhancements
2. Improve customer experience by increasing ease of and options for services available online
3. Develop a service scheduling program for field services that establishes timelines and protocols to provide CAW field services by the end of 2018
4. Adopt “first-call” resolution program as the primary measurement for customer service operations

EFFECTIVELY COMMUNICATE CAW’S MISSION, CHALLENGES, AND OPPORTUNITIES TO CUSTOMERS
1. Educate customers and increase community awareness on issues, projects, services, and the value of tap water
2. Maximize effective reach and efficiency of all available communication channels to better inform customers

STRATEGIC INITIATIVE 2
Enhance Stakeholder Engagement
EUM: Stakeholder Understanding and Support

CAPITALIZE ON THE HIGH LEVEL OF CAW BOARD ENGAGEMENT
1. Focus CAW Board meetings on strategic planning and current strategic achievements
2. Present and request CAW Board input on CAW policies and procedures

INCREASE COMMUNITY/STAKEHOLDER UNDERSTANDING AND ENGAGEMENT
1. Develop outreach program to actively engage a more diverse stakeholder base
2. Establish effective Citizens Water Academy (or suitable alternative) and hold first class in 2017

BE RECOGNIZED AS A RESPONSIBLE, INNOVATIVE LEADER IN THE INDUSTRY BY THE GENERAL PUBLIC, OUR CITY PARTNERS, THE STATE LEGISLATURE, AND LOCAL AND NATIONAL ORGANIZATIONS
1. Report CAW’s performance related to “Partnership for Safe Water” water quality goals and regulatory compliance no less than annually
2. Report CAW’s accomplishments and challenges to key stakeholders at least quarterly
3. Track, regularly report, and effectively engage in legislation relevant to CAW and the water industry
4. Develop sustainable low-income customer assistance program valid under Arkansas law
5. Advance industry knowledge and CAW’s reputation by offering regional and statewide industry training; documenting and publishing process or other improvements that can be utilized by other water providers; and promoting employee engagement in the water industry through targeted participation in workshops, presentations, workgroups, and research efforts
STRATEGIC INITIATIVE 3
Optimize Infrastructure Performance and Increase Infrastructure Reliability
EUM: Operational Resiliency; Operational Optimization

MAXIMIZE PERFORMANCE OF EXISTING INFRASTRUCTURE
1. Continue CAW's progress under “Partnership for Safe Water” distribution performance criteria by submitting the Distribution Baseline Report by the end of 2017 and the Distribution Self-Assessment by the end of 2019
2. Participate in AWWA, AMWA, and other utility benchmark surveys to ensure and analyze comparative results to ensure CAW's infrastructure performance meets or exceeds that of industry peers
3. Continue development and implementation of asset management tools, such as the valve inspection program, to minimize asset life-cycle costs

IMPROVE LONG-TERM RELIABILITY OF INFRASTRUCTURE
1. Complete renovations to the Ozark Treatment Plant that address identified operational deficiencies and aging components
2. Complete renovation of Wilson Pump Station 1A to eliminate performance issues and replace aging electrical and mechanical equipment
3. Replace at least 25,000 feet of 2-inch galvanized pipe per year until average pipe break rate for galvanized pipe is under AWWA benchmark of 33 breaks per 100 miles of pipe
4. Locate, test and replace, as needed, all “un-locatable” valves
5. Develop schedule to review emergency response plans and risks from man-made or natural disasters; conduct regular disaster response exercises and modify ERPs as necessary

STRATEGIC INITIATIVE 4
Enhance Operating Excellence through Innovation, Leveraging of Technology, and Business Process Improvements
EUM: Operational Resiliency

EVALUATE INDUSTRY BEST PRACTICES TO IDENTIFY COST EFFECTIVE INNOVATIONS AND SOLUTIONS TO PROVIDE OPERATING EXCELLENCE
1. Develop utility-wide process engineering and review capabilities to analyze and, as appropriate, document and improve CAW's business processes
2. Expand number of cross-departmental teams to increase coordination of activities and reduce costs
3. Institute a project management program to ensure successful execution of both operational and capital projects

ENHANCE INFORMATION TECHNOLOGY CAPABILITIES
1. Complete Maumelle Billing Conversion to CAW Customer Information System in early 2017
2. Complete IT Master Plan and begin implementation of cost-effective recommendations with 2018 budget process
3. Develop and implement simplified online employee evaluation process, and online hiring/application process
4. Identify emerging technology trends and adjust current technology based on changing business requirements
5. Develop and implement document management solution
6. Provide system users with training, on-going support, and resources for all business applications
STRATEGIC INITIATIVE 5
Develop, Maintain, and Recruit a Diverse, Sustainable, High-Performing Workforce
EUM: Employee and Leadership Development

RECRUIT, DEVELOP, APPROPRIATELY REWARD, AND RETAIN A HIGH-PERFORMING, INNOVATIVE, VALUE-DRIVEN, INFORMED, PASSIONATE, AND DIVERSE WORK FORCE COMMITTED TO ACHIEVING CAW’S MISSION AND STRATEGIC GOALS

1. Evaluate workforce programs to ensure CAW’s ability to successfully recruit and retain talented, diverse employees
2. Expand relationships with community and educational organizations to effectively broaden training and diversify recruitment efforts, and explore feasibility of local high schools and colleges offering industry specific certifications and/or job readiness programs
3. Explore and establish effective alternative employment programs such as internships and externships
4. Ensure total compensation package is competitive while balancing costs to the organization and adjusting as needed
5. Implement skill-based compensation where appropriate

MEASURE AND IMPROVE EMPLOYEE SATISFACTION LEVELS

1. Continue periodic employee satisfaction survey and take appropriate action for improvement
2. Develop and maintain a comprehensive employee communication program to ensure timely two-way communication, to include weekly messages from the CEO
3. Communicate the value of CAW's total benefits package as part of overall compensation through annual statements to employees

EXPAND EMPLOYEE SKILLS AND TECHNICAL TRAINING TO DEVELOP AND PREPARE EMPLOYEES FOR FUTURE POSITIONS, AND INCREASE SPAN OF EMPLOYEE CERTIFICATION AND LICENSING

1. Develop and periodically review training programs with an emphasis on professional and leadership development in order to cultivate and increase pool of leader talent (succession plan)
2. Improve knowledge and skill transfer to support workforce sustainability and develop knowledge management protocols for retaining and transferring essential, intellectual and tacit knowledge of employees
3. Promote continuous improvement for all employees, including development of continuous improvement training programs
4. Expand breadth of recommended or required certifications and licenses, as appropriate, and increase employee attainment of such, including exploration of project management certification for engineers and others

ASSURE SAFETY AND SECURITY OF EMPLOYEES

1. Develop safety protocols, improve training, and redefine work methodologies to improve safety of all employees and reduce the number of accidents, lost time days, job reassignment due to accidents, etc.
2. Improve work conditions, surroundings, and performance protocols to reduce opportunities for employees to be placed in at risk locations and/or confronted with undesirable actors
STRATEGIC INITIATIVE 6
Assure Long-Term Financial Stability and Integrity of Utility
EUM: Financial Viability

BE FISCALLY STRONG AND FINANCIALLY STABLE
1. Maintain accurate 5-year forecast of rates, operating costs, capital expenditures, and cash reserves
2. Maintain bond rating at current or improved levels; ensure CAW financial metrics meet or exceed guidelines set by CAW Board
3. Continue to receive GFOA awards for the completeness and transparency of CAW's Annual Financial Plan and Comprehensive Annual Financial Report
4. Explore capital alternatives and present results to CAW Board by the end of 2017

ACHIEVE EFFICIENCIES AND INCREASE REVENUES THROUGH INCREASED COLLABORATION WITH STRATEGIC PARTNERS, AND DEVELOP ADDITIONAL SOURCES OF REVENUE (OR REDUCTIONS IN COSTS) AS A MEANS TO MAINTAIN AFFORDABLE RATES
1. If presented, pursue opportunities to expand CAW's customer base through cost-effective mergers with other utilities
2. Continue to work with MAWA and existing wholesale customers to develop intermediate and long term service strategies for water customers in central Arkansas
3. Actively explore and develop revenue opportunities that readily relate to CAW core competencies and are consistent with CAW mission and values

ENHANCE HIGH STAKEHOLDER CONFIDENCE IN FINANCIAL PROCEDURES, RATES AND BUDGETS
1. Re-examine current rate model, determine needs for 2020-2022, and present recommendations to CAW Board by September 2019
2. Conduct comprehensive study of rates charged by regional (Arkansas) and national utilities of similar size; present findings to the CAW Board
3. Explore alternative rate structures regarding allocation of operating costs and capital investment return
4. Explore potential rate targets for low-income customers utilizing EPA affordability standards and present results to CAW Board
5. Maintain clean financial audit opinion; have auditors review at least one sensitive business process each audit cycle, i.e. travel expense
STRATEGIC INITIATIVE 7
Ensure Delivery of High-Quality Water for Future Generations
EUM: Water Resource Adequacy; Product Quality

IDENTIFY AND SECURE ADDITIONAL SOURCES OF WATER SUPPLY
1. Plan and secure additional water resources to augment or replace current supplies, including emergency water supply sources
2. Finalize acceptable water storage contract for DeGray Lake

PROVIDE THE HIGHEST WATER QUALITY THAT EXCEEDS ALL REGULATORY STANDARDS AND PRESERVES CONSUMER CONFIDENCE
1. Continue CAW’s progress under “Partnership for Safe Water” treatment performance criteria by submitting Treatment Baseline Report by the end of 2017, and Treatment Self-Assessment by the end of 2020
2. Ensure high quality water throughout delivery system by developing proactive managing and monitoring practices from source to tap
3. Develop and implement appropriate strategies to respond to regulatory changes, and to assure customers that CAW water continues to be of the highest quality
4. Develop internal capacity to model water quality in CAW’s distribution system
5. Meet ADH water treatment optimization criteria

EFFECTIVELY AND EFFICIENTLY MANAGE SOURCE WATER QUALITY
1. Assess progress under the Lake Maumelle Watershed Management Plan and establish scope of operations for continued implementation of the goals and strategies set forth in the plan through the adaptive management process
2. Establish schedules to study activities set forth in the Recreation Management Plan and implement recommendations set forth in other recent watershed related studies
3. Develop short and long term plans for Watershed Center of Excellence
4. Implement vulnerability assessment recommendations to eliminate or reduce hazards to water quality within the watersheds of the source lakes
5. Proactively monitor water quality and environmental parameters within the source lakes, rivers and tributaries; collect and analyze watershed specific data to access the impacts of natural and man-made influences within the source lakes and watersheds
6. Develop staff to support the Pulaski County SET program
7. Improve implementation of forest and land management initiatives

“Water is the driving force of all nature.”
— LEONARDO DA VINCI
STRATEGIC PLANNING TEAM

BOARD OF COMMISSIONERS
Anthony Kendall, Chair
Jay Hartman, Vice Chair
Carmen Smith, Secretary
Eddie Powell, Commissioner
Roby Robertson, Ph.D., Commissioner
John Braune, Commissioner
Kandi Hughes, Commissioner

MANAGEMENT STAFF
C. Tad Bohannon, Chief Executive Officer
Thad Luther, P.E., BCEE Chief Operating Officer
David Johnsn, General Counsel
Robert Hart, P.E., BCEE Technical Services Officer
Becky Linker, Chief Administrative Officer
Jeff Mascagni CPA, CGFM Chief Financial Officer
Terry Bice, Director of Distribution
Randy Easley, Director of Water Quality
Jim Ferguson, P.E., Director of Engineering
Kevin Hall, Director of Environmental Health and Safety
Douglas Shackelford, Director of Public Affairs and Communications
Allen Vincent, Director of Information Services
Doug Graham, Assistant Director of Water Production
Vince Guillet, GIS Manager
Jane Hurley, Education and Outreach Specialist
Dale Kimbrow, Manager of Regionalism and Future Water Source
Blake Weindorf, Assistant Director of Distribution
Mary Dyson, Management Secretary
CAW AWARDS  2001 – 2016
Gold Award for Exceptional Utility Performance, AMWA, 2001
America’s Crown Communities Award, National League of Cities, 2001
Big Heart Award, Watershed Human and Community Development Agency, 2005
Public Agency of the Year, Sierra Club of Arkansas, 2006
The International Davey Award, 2012
Platinum Award for Utility Excellence, AMWA, 2012
Jack Evans Regional Leadership Award, Metroplan, 2012
Diversity Award, AWWA, 2013
Leadership in Fitness Award, AR Governor’s Council on Fitness and Baptist Health, 2013
Best Tasting Drinking Water, Central District AWW&WEA, 2014 – 2015
Government Recycler of the Year Award, Arkansas Recycling Coalition, 2015
Sustainable Water Utility Management Award, AMWA, 2015
GFOA Certificate of Achievement for Excellence in Financial Reporting, 6 years
GFOA Distinguished Budget Presentation Award, 6 years
Outstanding Performance Award, Arkansas Workers’ Compensation Commission, 15 years

CAW STAFF AWARDS  2001 – 2016
GLEN T. KELLOGG LEADERSHIP AWARD RECIPIENTS
Fred Glover, 2001       Marie Crawford, 2007
Bruno Kirsch, Jr., 2006 Dale Kimbrow, 2014
Ron Brown, 2006         Blake Weindorf, 2016

PURCHASING MANAGER OF THE YEAR, NIGP, 2016
Elizabeth Tuck-Rowan

SAFETY PROFESSIONAL OF THE YEAR, AWEA, 2014
Robert Martin