Advisory Group

Phased approach proposal and mock dashboard

Subject: Introduction of Rate-Payer Centric Performance Dashboard and Metrics

Date: January 4, 2024

To: Board of Directors
Calaveras County Water District

Dear Members of the Board,

I am writing to inform you about the implementation of a groundbreaking initiative aimed at enhancing transparency and accountability within our CCWD agency—the deployment of a Rate-Payer Centric Performance Dashboard.

This strategic tool will serve as a comprehensive platform for assessing the performance of CCWD, leveraging industry-standard metrics.

Throughout the upcoming year, we are committed to evaluating our operations through the lens of rate-payers, ensuring that their interests are at the forefront of our decision-making processes. The performance dashboard will provide real-time insights into critical aspects of our services, enabling us to make data-driven decisions for continuous improvement.

The key industry-standard metrics we will be utilizing on the performance dashboard include:

1. **Customer Satisfaction** - Measuring the satisfaction of our rate-payers through surveys and feedback mechanisms.

- **Customer Satisfaction Surveys:** Measure overall customer satisfaction with service quality, reliability, and communication. Regularly conducted surveys provide valuable feedback.

- **Break/Fix Incident Resolution Rates:** Track the percentage of customer Break/Fix Incidents that are resolved within set timeframes. High resolution rates indicate responsiveness and effective customer service.

- **Number of Customer Inquiries:** Monitor the volume of customer inquiries regarding billing, service issues, and information requests. Lower inquiry rates suggest clear communication and efficient service delivery.

- **Social Media Engagement:** Analyze online sentiment and feedback through social media platforms. Engaging with customers online provides insights into needs and concerns.

2. **Service Reliability and Availability** - Monitoring the reliability and availability of water and wastewater services to meet the needs of our communities.

- **Mean-time-to-repair (MTTR)** — Measure the average time it takes to repair a reported problem from customer.

- **Emergency Response Times:** Measure the time taken to respond to and resolve water or wastewater emergencies. Faster response times minimize impacts on communities and safeguards public health.

3. **Operational Effectiveness**-Assessing the efficiency of our processes to optimize resource utilization and minimize operational costs:

- **Non-Revenue Water (NRW) Rates:** This measures the percentage of water lost without generating revenue (leakage, meter inaccuracies, etc.). Lower NRW rates indicate efficient infrastructure management.

- **Compliance Rates:** Measure compliance with regulatory standards for water quality, wastewater treatment, and environmental protection. Consistent compliance demonstrates responsible operation.

- **Customer Outage Duration (COD):** Measures the average duration of water or wastewater service interruptions. Lower COD signifies reliability and efficient response to disruptions.

- **Maintenance Expenditure per Mile of Pipelines:** Tracks the average cost of maintaining pipelines per mile. Reduced costs indicate efficient resource allocation and maintenance practices.

4. **Financial Management** - Ensuring the financial stability of the agency to maintain long-term viability and deliver reliable services to rate-payers:

- **Debt-to-Equity Ratio:** Indicates the agency's reliance on debt to fund operations. A healthy ratio demonstrates financial stability and manageable debt levels.

- **Operating Expense per Unit of Water Sold:** Tracks the cost of delivering water per unit. Lower operating expenses indicate efficient usage of resources.

- **Capital Investment per Customer:** Measures the agency's investment in infrastructure renewal and expansion per customer. Consistent investment ensures long-term service sustainability.

- **Rate Affordability Index:** Assesses the water and wastewater bills' burden on customers compared to income levels. Maintaining affordability ensures equitable access to services.

5. **Safety and Reliability:**

- **Number of Safety Incidents:** Track the frequency and severity of accidents and injuries involving employees and infrastructure. Low incident rates indicate strong safety protocols and risk management practices.

- **Infrastructure Condition Index:** Evaluate the overall condition of pipelines, treatment facilities, and other critical infrastructure. Maintaining a high index ensures system reliability and avoids potential failures. (We will collaborate on the development of a CCWD-specific index that acknowledges the complexity of the district operations.)

- **Investment in Cybersecurity:** Track investments in cybersecurity measures to protect critical infrastructure and data from cyberattacks. Adequate investments demonstrate proactive risk mitigation.

These metrics align with industry best practices and will enable us to demonstrate a commitment to excellence and accountability. Regular updates on the performance dashboard will be provided to the board, allowing for informed discussions and decisions to further enhance the overall service delivery of our agency.

To a large degree, much of this data already exists in many forms, and simply needs to be organized to show trends, areas of concern, or other changes requiring attention.

Are we getting Better or Worse?

We look forward to the positive impact this Rate-Payer Centric Performance Dashboard will have on our agency's operations and our relationship with the communities we serve. Your support and engagement in this initiative are crucial as we strive to create a more responsive and accountable water and wastewater services agency.

Our plan is to identify and agree on the data necessary/available to produce the above metrics and to begin reporting on these results on a monthly basis. We will be working with the External Relations Committee to formalize the process and will look forward to our first organizational meeting next month, currently scheduled for January 12.

Please consider this a formal Request for Information on an ongoing basis for the data necessary to produce these metrics.

Please also consider this a request for a standing Agenda item at future CCWD Board Meetings and External Affairs Committee meetings.

Thank you for your attention to this matter.
Sincerely,
Francisco de la Cruz
CCWD Advisory Group

Change Management Strategy: Convincing a Water & Sewer Agency Board to Adopt Industry Metrics

Challenge: Persuading elected board members to implement industry standard metrics for improved oversight and management, avoiding potential voter recall.

Solution: A 3-phased approach focusing on education, collaboration, and transparency:

Phase 1: Education and Awareness

- **Transparency Report:** Compile a data-driven report highlighting current agency performance using readily available data. Identify areas lacking robust metrics and showcase the benefits of industry standards.

- **External Expert Presentation:** Invite a respected industry professional to present on the value of standardized metrics for improved efficiency, public trust, and risk mitigation.

- **Board Member Trainings:** Conduct tailored workshops for board members, explaining key metrics, data analysis techniques, and their role in effective oversight.

Phase 2: Collaboration and Implementation

- **Metric Selection Workshop:** Facilitate a collaborative workshop with board members and agency staff to identify priority metrics aligned with agency goals, regulatory requirements, and local community needs.

- **Pilot Project Launch:** Implement a pilot project using selected metrics in a specific department or operational area. Demonstrate the practical value of data-driven insights for decision-making.

- **Feedback and Refinement:** Gather feedback from stakeholders on the pilot project and refine the chosen metrics and data collection systems based on their input.

Phase 3: Transparency and Sustainability

- **Public Dashboard:** Develop a user-friendly online dashboard showcasing key metrics, performance trends, and benchmark comparisons with other agencies. Promote transparency and public engagement.

- **Regular Reporting:** Integrate metric reports into board meetings and public communications, highlighting successes, challenges, and action plans for improvement.

- **Community Outreach:** Conduct town hall meetings or online forums to explain the importance of metrics and answer public questions about agency performance.

Addressing Recall Concerns:

- **Focus on Public Benefit:** Frame the adoption of metrics as a proactive measure to enhance service quality, accountability, and ultimately, community well-being.

- **Highlight Potential Risks:** Discuss the potential consequences of neglecting industry standards, including regulatory non-compliance, operational inefficiencies, and potential service disruptions.

- **Demonstrate Commitment:** Showcase the board's dedication to continuous improvement and transparency by clearly articulating action plans and timelines for metric implementation.

Additional Tips:
- **Leverage Technology:** Utilize data visualization tools and dashboards to simplify complex data for easier comprehension.

- **Celebrate Successes:** Recognize and share positive outcomes achieved through data-driven decision-making, building trust and engagement.

- **Maintain Momentum:** Regularly review and update metrics to ensure they remain relevant and aligned with evolving agency goals and community needs.

By implementing this multi-phased strategy, we can build a compelling case for industry standard metrics adoption, address recall concerns, and ultimately empower the board to make informed decisions that benefit the agency and the community they serve.

The key is to focus on education, collaboration, and transparency, demonstrating the value of metrics for improved oversight, efficient management, and ultimately, enhanced public trust in the water and sewer agency.

CCWD OVERALL PERFORMANCE DASHBOARD

Metrics Overview

Metric	January 1/31/24 20%	February 2/28/24 20%	March 3/31/23 20%	April 4/30/24 20%	May 5/31/24 20%	Total 100%	Final Grade
Customer Satisfaction	1%	1%	50%	50%	75%	35%	F
Break/Fix Resolution	1%	10%	25%	30%	40%	21%	F
Customer Inquiries	85%	86%	75%	75%	75%	79%	B-
Social Media Engagement	5%	15%	20%	30%	45%	23%	F
Mean Time To Repair	1%	55%	55%	60%	65%	47%	F
Emergency Response Times	95%	95%	97%	99%	100%	97%	A+
Non-Revenue Water Rate	1%	25%	25%	30%	45%	25%	F
Compliance Rates	100%	100%	100%	95%	95%	98%	A+
Customer Outage Duration	76%	74%	70%	85%	75%	76%	C+
Maintenance Expense/Mile	1%	65%	88%	74%	55%	57%	D
Debt-to-Equity Ratio	1%	65%	70%	40%	70%	49%	F
Operating Expense/HCF	1%	5%	15%	65%	75%	32%	F
Capital Investment/Customer	1%	65%	65%	75%	75%	56%	F
Rate Affordability Index	35%	40%	42%	40%	40%	39%	F
Safety Incident Rate TRIR	100%	100%	100%	75%	75%	90%	A
Infrastructure Condition Index	45%	45%	45%	45%	50%	46%	F
Investment in Cybersecurity	76%	80%	85%	90%	95%	85%	B+
CCWD Average	37%	54%	50%	62%	68%	56%	--

Target Achievement Scale—% of Metric Target Achieved

Grade Range	Scaled Grade Range	Grade Letter	Eval Points
97%	94%	A+	2
93%	80%	A	1
90%	87%	A-	0
87%	84%	B+	1
83%	80%	B	0
80%	77%	B-	1
77%	74%	C+	1
73%	70%	C-	0
70%	67%	C	0
67%	64%	D+	0
60%	57%	D	1
0%	-3%	F	10

Curve Amount

3%

Adjust the Curve Amount to change the grade distribution in the Grade Scale table.