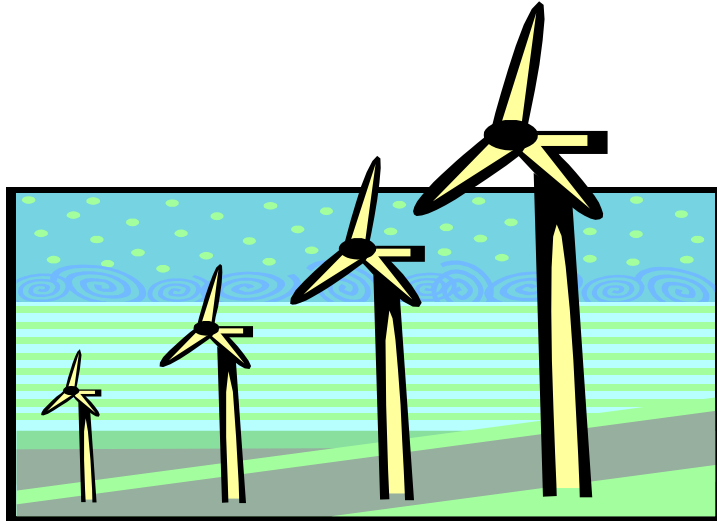


# Water Utilities Department

Customer Service Division, Potable Water Treatment and Delivery Division, and  
Wastewater Collection, Treatment and Disposal Division

## HOP PHASE 1 PERFORMANCE MEASUREMENT ASSESSMENT AND EVALUATION



*(Project No. 2003-P-02.7)*

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## Water Utilities Department

### Customer Service Division, Potable Water Treatment and Delivery Division, and Wastewater Collection, Treatment and Disposal Division

#### Phase 1 Assessment and Evaluation

*An overview survey of the current state of performance measuring and the degree of linkage present among mission statement, organizational objectives, and specific performance indicators in the department*

This publication contains the results of a structured process for evaluating the current state of program performance measurement in a county department. The process was designed and developed by the Management & Program Analysis Section of OFMB/Financial Management Division to facilitate an agency-wide review of the county's performance measurement system. Harnessing Organizational Performance—or HOP—is a collaborative initiative with Palm Beach County's departments. The HOP methodology involves an initial evaluation of the current performance measuring system in a department, and assesses the system according to a common set of HOP criteria. In the process, the work incorporates national benchmark and subject-matter best practices into findings and recommendations concerning the department's existing performance measures. This initial phase of the project is intended as a diagnostic phase; subsequent phases will help guide the department into a re-structuring of its performance measurement program in contextually relevant ways. The long-term objective of the HOP initiative is to verify that the Palm Beach County performance measurement program is:

- A positive tool in gauging organizational achievements;
- An important management tool to aid decision-making;

- A way to connect staff-level activities to higher-level organizational missions and statement of objectives.

The methodology employed in the HOP initiative is designed to allow for a collaborative process of evaluation and assessment of the client department’s current performance measurement system. To this end, MPA has created and utilizes a Client Manual (workbook) to take a team comprised of the client representatives and the Budget Division representative through a series of facilitated meetings.

Following this series of four 2-hour meetings, a consensus point of view emerges concerning the current state of the client’s performance measurement system. In addition, the series of four HOP meetings provides the MPA consultant with useful operational insights and client-specific performance measurement information. The MPA consultant utilizes these insights and information to complete relevant best practices research.

Each of the four HOP meetings covers a “level” of evaluation. Each level of evaluation utilizes a different criterion by which to gauge the current performance measurement system. The primary criteria utilized for this evaluation are 1) linkages between the clients’ mission statements, objectives and performance measures, 2) a balanced use of the HOP defined “types” of performance measures, and 3) a balanced use of the HOP defined business “perspectives” of performance measures. The HOP defined “types” and business “perspectives” are described in greater detail below.

The HOP performance measurement program concentrates on three types of performance measures.

Measurement “Types”	Output performance measures - represent the department’s workload, amount of service or production, not the consequences of performing the workload.
	Efficiency performance measures – represent the ratio of <u>service unit output</u> to <u>resource input</u> ; usually cost per unit of service, or unit of service per resource (FTE’s or dollars expended).
	Outcome performance measures – represent the consequences or effects of specific actions or initiatives focused primarily on improving the citizen’s condition.

The HOP performance measurement program then employs four business “perspectives” by which organizational performance is to be guided.

Business Perspectives	Customer satisfaction perspective –performance measures that are created to indicate the customer’s perspective of “how they rate the county in the delivery of services” or those measures that indicate the customer use of a service.
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	Internal process (operational) efficiency perspective –performance measures that are created to “indicate” the degree of efficiency involved in the delivery of services.
	Financial accountability perspective –performance measures that are created to “indicate” the financial accountability of the organization, stewardship of the public trust, or delivering services in a cost efficient manner.
	Employee learning & growth perspective –performance measures that are created to “indicate” employee development – development which will enable the organization to succeed in its mission and/or that increases employee productivity, employee retention, career enrichment, and job satisfaction.

This publication reports on the consensus assessment developed by the HOP Team and the best practices research conducted by the MPA consultants to document findings, observations and recommendations pertaining to the client’s performance measurement system.

The Management & Program Analysis Section is leading this effort, together with our partners from the Budget Division, to establish common performance concepts and an understanding of performance measurement purposes throughout all county departments and divisions. When the three-phase HOP program is fully implemented in mid-2006, specific outputs of the Harnessing Organization Performance initiative will be:

- Standardizing performance measurement terminology;
- Establishing a collaborative, interactive approach towards performance measurement;
- Recommending improvements to the current performance system to decrease time and effort required by the system, while improving its management usefulness.

**PHASE 1: “EVALUATING EXISTING MEASURES”**

This is the first phase of the HOP program. This report contains the results of the phase 1 evaluation and assessment of the Water Utilities Department mission statement and current year objectives for the three department divisions: Customer Service, Potable Water Treatment and Delivery Wastewater Collection, Treatment and Disposal (the divisions). Current performance measures that cannot be linked to, or do not support, the mission statement or statement of objectives will not be required as part of the county’s official performance measurement program, although they can be maintained for departmental purposes, if desired. This phase also establishes the common terminology that will be used throughout the HOP project, as it relates to performance measures, linkages and relevant business perspectives. During this phase, the department will probably experience a reduction in the number of “required” performance measures, thereby reducing the time and effort spent in gathering and reporting on departmental performance.

## **PHASE 2: “MANAGING FOR HIGH PERFORMANCE”**

The second phase will include communicating to every level of the department the linkage and relevancy among mission statement, objectives, performance measures, and stakeholder desires. Where the first phase is primarily a diagnostic step to establish the current state of the department’s performance measuring program, during the second phase a number of linked and highly relevant performance measures will be developed for the department’s future use.

## **PHASE 3: “PUTTING IT INTO PRACTICE”**

Finally, in this stage of the project, all of the required performance management infrastructure is established to permit the meaningful tracking and reporting of the department’s performance. Formal guidelines will be developed and adopted regarding, (1) validation of acceptable measures, (2) reporting mechanisms and schedules, (3) accuracy verification techniques, (4) approval of goals, targets, and benchmarks, (5) incentive programs to reward the attainment of high performance, (6) internal financial control uses, and (7) ways and means of carrying out periodic reviews of performance indicators and targets to keep them current and relevant.

## **OVERVIEW OF PHASE 1 FINDINGS**

The findings and recommendations summarized below provide an overview of the performance measurement program assessment conducted for the Water Utilities Department’s divisions (Customer Service, Potable Water Treatment and Delivery, and Wastewater Collection, Treatment and Disposal).

The performance measurement program consists of the department’s mission statement, departmental objectives and the department’s performance measures, along with the processes for tracking and reporting on the department’s success in achieving those measures. The findings and recommendations are based on the evaluations of the HOP team, made up of the division’s staff representatives, the assigned Budget Analyst from OFMB and an MPA consultant from the OFMB/Financial Management Division. The HOP Team used the published performance elements from the FY04 Annual Budget Book to perform the HOP Assessment & Evaluation.

The summary of findings and recommendations is followed by detailed findings and recommendations for the three divisions that participated in the project. Each division’s detailed assessment is based upon the structured, four levels of evaluation conducted by the HOP team. Each level of evaluation was accomplished by use of evaluation tools designed expressly for that purpose by the MPA Section. In addition to the conclusions reached by using the 4-level evaluative tools, the MPA consultants performed “best practices” research involving similar operations nationwide, and cited examples from this research which the divisions can use as a starting point for its own further efforts. That research also forms an important foundation and knowledge base for the work yet to come in phase 2 of the HOP project.

## General Findings

- The current department mission statement meets the HOP criteria for identifying the purpose of the organization; there are three service topics that are easily identified. The mission statement is within the HOP specified criteria of two to three sentences.
- The department mission statement, along with each division’s “Definition of Programs and Services” fulfills the HOP criteria for providing mission-level guidance (broad), thus enabling each division to create cohesive and linked division objectives and performance measures.
- Descriptive detail using adjectives such as “highest quality,” and “fiscally and environmentally sound manner” provides emphasis for the department’s divisions.
- The mission statement conveys three service topics (potable water, reclaimed water and wastewater service) providing one broad, general guidance statement; one to be applicable across all divisions.
- In the current mission statement, the customers of the services are not clearly identified.
- There is generally good linkage between “mission topics” and objectives statements. However, the HOP team agreed that more clearly defined objectives would enhance linkages.
- There is good linkage between existing “mission topics” and performance measures in all divisions.
- There is poor linkage between objectives statements and performance measures throughout the department.
- There is a fair balance of performance measurement “types”. There are no “outcome type”, seven “output type”, and five “efficiency type” indicators out of twelve total divisional performance measures.
- There is a fair balance of performance measures that can be categorized into one of the four HOP business perspectives per HOP definitions. Four performance measures can be linked to financial accountability and two to process efficiency. None linked to customer satisfaction or employee growth and learning.

## General Recommendations

- Review the structure and content of the Water Utilities department mission statement per the HOP defined criteria. Update the department mission statement to include specific customers. In addition, revise the “Definition of Programs and Services” of each division to include a two to three sentence opening paragraph that conforms to the HOP definitions and guidelines regarding a mission statement (create a divisional “statement of measure” tailored to each division).
- Review each division’s mission topics and statement of objectives; update either or both to create “linkage” or coherence, per the HOP defined criteria.

- Review the performance measure types (output, outcome, efficiency) with an eye toward developing a better mix of measures.
- Determine which current performance measures best meet the HOP defined criteria for business perspectives, consider how the others can be restated (if at all) to achieve a better balance across the four HOP business perspective categories for all three divisions.

In the course of the first phase evaluation, the department as well as the divisions identified a series of important, FY 05 operational initiatives. These initiatives are ideal starting places from which each division can develop meaningful objectives and linked performance measures. Displayed in brackets are the potential business perspectives that could be used in creating performance measures for the stated initiatives. Each performance measure should be created from primarily one business perspective.

Customer Service:

- Upgrade the Integrated Voice Response System (IVR) [operational efficiency, customer satisfaction].
- Complete design enhancements to the Development Tracking System (DTS) by September 2005 [operational efficiency, customer satisfaction].
- Implement all Customer Service Payment Options by September 2005 [operational efficiency, customer satisfaction, financial accountability].

Potable Water Treatment and Delivery:

- Complete construction of Phase II of Water Treatment Plant # 3 expansion by September, 2005 [operational efficiency, customer satisfaction].
- Complete the design of the Lake Region Water Treatment Plant by March, 2005 [operational efficiency, customer satisfaction].
- Complete the construction of the Improvements Project for Water Treatment Plants # 2, 8, and 9 [operational efficiency, customer satisfaction].

Wastewater Collection, Treatment and Delivery:

- Complete the Green Cay Wetlands by September, 2005 [customer satisfaction, operational efficiency].
- Complete the construction of the East Central Region Wastewater Treatment Plant expansion by September, 2005 [customer satisfaction, operational efficiency].
- Complete the construction of the Okeechobee Boulevard Utility Improvements by September, 2005 [customer satisfaction, operational efficiency].
- Complete the construction of the Southern Region Water Reclamation Facility by June, 2005 [customer satisfaction, operational efficiency].

We recommend that the department utilize these initiatives to develop meaningful objectives and performance measures.

The detailed recommendations that follow are supported by references to the HOP Client Manual and to the best practices research. The recommendations are presented for each of the four levels of evaluation performed by the HOP Team. The Best Practices research is drawn from public sector entities that are recognized as leaders in their operational fields and in the measurement of performance. A listing of best practices Internet sites and contact information is included (Appendix A) to give the divisions a ready resource for assistance in developing modifications to its performance measurement program.

## LEVEL 1 EVALUATION – ALL DIVISIONS

### A. Department Mission Statement

The Level 1 evaluation begins by examining the content and structure of the published material that guides each division. The department’s mission statement offers this type of guidance, as does the division’s definition of programs and services; both are published in the county’s annual budget document. From these two sources, the HOP methodology identifies “mission level topics”. These are macro-level, topical areas that communicate the direction or vision for each division. Division objectives and performance measures flow from the mission level topics to ensure the division’s operations strive to meet the mission.

For the purpose of the HOP evaluation, “mission level topics” are listed as the first component of the division’s over-all performance program, followed by the division’s objectives and performance measures. This allows a consistent approach to creating and defining departmental mission statements and divisional programs and services descriptions throughout all county departments. The HOP Team determined that all “mission level guidance” currently listed as part of each division’s definition of programs and services could fall under one of the three topical areas identified in the department’s mission statement. The mission statement used in the HOP evaluations is taken from the FY2004 Annual Budget Book. The convention of using the department’s name within the mission statement should be incorporated in the published performance measurement documents, the annual budget book and semi-annual reports.

#### *Performance Component*

**Department  
Mission Statement**

To provide the highest quality potable water, reclaimed water, and wastewater service to customers in a fiscally and environmentally sound manner. The Department’s vision for the future is *“The Utility of the Future, the Customer’s Choice.”*

#### *Recommendations*

- Clearly and specifically identify the customers that receive the services specified in the mission statement, regardless as to whether these service areas are specified to the degree of detail that currently exists.
- Consider possible strategic uses of the department mission statements such as, 1) actively using the verbiage as the “moral compass” for decision making, and 2) placing this macro-level statement of mission on the backside of business cards and on division letterhead or public “forms” to promote the mission to employees, customer-citizens and stakeholders.

1

Findings and Observations	Recommendations
<p>The HOP Team had several insights as to the content and structure of the current mission statement: The name of the department was absent, the “customers” were not fully defined, more descriptive adjectives could be used, and the geographical location (specific areas of Palm Beach County) was not listed.</p> <p>The team also determined that the “Department’s vision” (see page 8) did not fall under HOP guidelines for mission statements.</p> <p>Additionally, it was determined that the Customer Service Division’s “Definition of Programs and Services” included “Departmental contracts and agreements” which might be a candidate for inclusion in the mission statement.</p>	<p>Fully define and communicate the definitions of the terminology used in the mission statement throughout the organization.</p> <p>Ensure that the department’s mission statement broadly addresses all activities of the divisions.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

Best Practices Research: Examples of Water Utilities mission statements are listed below. Descriptive adjectives are in bold type and customers underlined.

**City of Austin, Texas**

- “(The mission) of the City of Austin Water Utility is to provide **effective management** of our water resources for the community in order to protect the public health and environment.”
- “...**optimize** the use of our available water resources....provide a **safe and reliable** supply of water for community purposes and public safety...practice **cost efficiency, continuous improvement, environmental responsibility**, and customer service ”

**City of Phoenix, AZ**

- “The (mission) of the (Water Services Department)is to provide **high quality, reliable, cost effective** water services that meet public needs and maintain public support... **ensuring safety** for employees, customers, and the community....**perpetuating environmental excellence**”.

**City of Scottsdale, AZ**

- “(The mission of the Water Resources Department is to) plan, manage and operate a **safe, reliable** water supply and wastewater reclamation system and provide **efficient, high quality** customer service to Scottsdale citizens.”

**City of Charlotte, NC**

- “(The Charlotte-Mecklenburg Utilities is) committed to customer satisfaction and confidence by providing **responsive** services, **reasonable** rates, system capacity, and **effective** communication.”

- “...to provide **safe** and **sufficient** drinking water by **protecting, treating** and **distributing** drinking water...to protect the environment by collecting and treating wastewater, reusing residuals **beneficially**, and regulating system discharges...through well trained employees dedicated to customer service.”

#### **Orange County, FL**

- “The Utilities Department is responsible for maintaining an **efficiently managed** utility that provides **cost-effective** water, wastewater and solid waste disposal, collection, and recycling services: protects the public health, complies with regulatory requirements, and is **responsive** to the needs of the citizens of Orange County.”

#### **City of El Paso, TX**

- “The mission of the EL Paso Water Utilities is to furnish **fair** and **reasonable** costs to our customers (through) **high quality** potable water in **sufficient quantities** and at **adequate pressures** to satisfy domestic, industrial and fire protection requirements and...collection of liquid waste from individual customers for treatment and disposal without hazard to the health of the community in a manner that will protect the environment.”

#### **City of Los Angeles, CA**

- “The mission of the Water Services Organization is to provide our customers with **reliable, high quality**, and **competitively priced** water services in a **safe** and publicly and **environmentally responsible** manner.”

#### **Miami-Dade County, FL**

- “The Miami-Dade Water and Sewer Department is committed to serving the needs of Miami-Dade County residents, businesses, and visitors by providing **high quality** drinking water and wastewater disposal services while providing for future economic growth via **progressive planning; implementing** water conservation measures; **safeguarding** public health and the environment; and providing for **continuous process improvements** and **cost efficiencies**.”

#### **City of Saint Paul, MN**

- “(The mission of the Saint Paul Regional Water Services) is to provide **reliable, quality** water and services at a **reasonable cost**....to be a regional and national **industry leader emphasizing quality** product, services and **cost containment**.”

#### **City of Portland, OR**

- “(The mission of the Portland Bureau of Water Works is) to provide **reliable** water service to customers in **quantities** they desire, and at a **quality level** that meets or **exceeds** both customer and regulatory standards.”

- “...to provide the **highest value** to customers though **excellent** business, management, and operational practices, and appropriate application of **innovation** and technology...to be **responsible** stewards of the public’s water infrastructure, fiscal and natural resources.”
- “...to provide the citizens and the City Council with a water system that supports their community objectives and overall vision for the City of Portland.”

**Riverside County, CA**

- “The Mission of the Eastern Municipal Water District is to provide **safe** and **reliable** water and wastewater management services to our community in an **economical, efficient,** and **responsible** manner, now and in the future.”

## LEVEL 1 EVALUATION – CUSTOMER SERVICE DIVISION

### A. Divisions Definition of Programs and Services

*Recommendations*

- Modify the division’s current Definition of Programs and Services opening paragraph to conform to HOP definitions and guidelines regarding a mission statement. To achieve consistency throughout the county, this “statement of divisional mission” should: 1) include the name of the mission owner (Customer Service), 2) describe over-all mission outcomes desired, and 3) specifically identify direct customers and/or important stakeholders.
- Consider possible strategic uses of the statement of division mission such as, 1) actively using the verbiage as the “moral compass” for decision making, and 2) placing this macro-level statement of mission on the backside of business cards and on division letterhead or public “forms” to promote the mission to employees, customer-citizens and stakeholders.

1

Findings and Observations	Recommendations
The current “Definition of Programs and Services” does clearly state the division’s purpose in terms of identifying a) the services it provides, b) a customer focus and c) the level or degree of service provided (“prompt, timely and diligent”); it does not include the name of the division; in some cases it does not identify the specific customer of the division’s services.	Use the examples identifying the customer researched at the best practices sites listed on page 9 of this report to describe in similar terms the clients of the division’s services, add the division’s name to the opening paragraph (the division’s statement of mission) of the “Definition of Programs and Services”.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

### B. Statement of Objectives

The Level 1 evaluation next examines the linkages between the mission level topics and the division’s objectives. This ensures that there is continuity of purpose between these two important components of the performance program. An assessment of the content and structure of the statement of objectives is also performed.

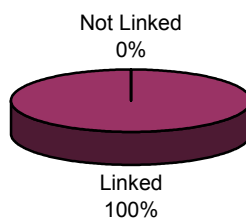
*Performance Component*

Objectives	<ol style="list-style-type: none"> <li>1. Complete the design enhancements to the Customer Tracking System (DTS) by September 2004 to improve coordination with the Customer Information System (CIS).</li> <li>2. Implement all customer service payment options as approved by the Citizen’s Advisory Board by September, 2004.</li> </ol>
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*Performance Component*

Mission Level Topics (From Department Mission Statement)	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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**Customer Service Division  
Objectives  
Linkages to Mission Level Topics**



As the chart indicates, the division’s objectives exhibit good linkage with both division objectives being linked to at least one mission topic. The recommendations concentrate on the HOP Team’s findings concerning the content and structure of the objective statements.

*Recommendations*

- Based on the new initiatives planned for the division in FY 2005 (see page 6), two to three divisional objective statements seem appropriate. Modify the current objective statements or create anew using the HOP definitions for content and structure to guide development of objectives.

Examples of objective statements that conform to HOP definitions concerning content and structure follow the findings and recommendations generated from the HOP Team’s assessment and evaluation of the division’s existing objective statements. An objective statement example is “To promote prudent water practices (the “what”) by implementing a series of water conservation outreach programs (the “how”) to reduce water usage by 10% over FY 2003 (the why).”

When reviewing the findings and recommendations below, please reference the HOP Client Manual: Section IV. HOP Definitions and Concepts, the objectives definitions and examples (pages 14).

2

Findings and Observations	Recommendations
<p>Division representatives on the HOP Team determined that the division's objective #1 lacks clarity on "how" the objective will be completed (the objective merely states "complete design of enhancements". Objective #1 does contain the "why" ("to improve coordination"). Objective #2 does not specify 1) why the objective is important, and 2) how the objective will be accomplished, through what means.</p>	<p>Enhance the objectives statements to provide 1) why the objective is important, and 2) how the objective will be accomplished, through what means.</p> <p>Fully define all statement of objectives. Refer to the HOP manual page 14 and the best practices examples listed below.</p>

3

Findings and Observations	Recommendations
<p>The HOP Team determined that both objectives lacked descriptive adjectives to convey the division's objectives per HOP guidelines.</p>	<p>Per HOP guidelines include descriptive adjectives such as "increase, decrease, and improve" communicate the division's objectives in a way that fosters organizational efficiency.</p>

*Resources*

Best Practices Research: Examples of the Customer Service Division objective statements researched at best practices sites:

**Riverside County, CA**

- "(To) understand and anticipate customer's needs":
  - "... (by) evaluating and modifying the internal business processes to accommodate customer requirements."
  - "... (by) identifying various customer groups and establishing critical expectations of the District."
  - "... (by) developing processes to establish and prioritize customer needs."
- "(To) provide service in a timely, courteous, and effective manner:
  - "... (by) developing and utilizing information technology to provide up-to-date, accurate, and reliable information to address customer inquiries."
  - "... (by) training customer contact personnel to deliver well coordinated, high quality and cost effective service."
  - "... (by) identifying and implementing improvements that will increase customer confidence in the accuracy of charges for service."
  - "... (by) developing procedures to measure customer service against customer expectations ."
- "(To) develop customer relations outreach and education programs":
  - "... (by) creating systems that provide for timely and ongoing customer feedback."

-“... (by) developing and implementing programs that facilitate timely and informative two-way communication between the District and all customer groups.”

-“... (by) developing educational and other outreach programs to communicate forthcoming changes that may affect customer expectations in a timely manner.”

**Miami-Dade, FL**

- “(To) improve public infrastructure level-of-service standards and policies by maintaining a dialog with residents and the development industry to identify strengths and weaknesses of existing level-of-service.”
- “(To) improve customer service performance monitoring by increasing the number of external service cards returned by 15% and maintain rating levels of “very good” or higher on 90% of responses.”
- “(To) enable County departments and their service partners to deliver quality customer service by developing clearly- defined customer performance standards and expectations.”

**City of Charlotte , NC**

- “(To) improve customer service by establishing a common process for handling phone calls in Water Distribution and Engineering that are not resolved by the Customer Service Division.”

**City of Scottsdale, AZ.**

- “(To) achieve a 95% or above customer approval rating for delivery of services within the City of Scottsdale, recorded on a yearly basis through the annual customer outreach program.”

**City of Saint Paul, MN**

- “(To) strengthen customer service (by) holding external customer satisfaction rates and other performance measures steady while reducing operating costs.”

**City of Portland, OR**

- “To provide reliable water service to customers”:
  - “... (by) timely, consistent accurate bills.”
  - “... (by) providing accurate and timely information to customers.”
  - “... (by) meeting regulatory requirements for information to customers.”
  - “... (by) managing the cost per bill/account and fairly allocating those costs by customer class.”
  - “... (by) increased understanding of customer satisfaction and needs being met.”

## LEVEL 2 EVALUATION – CUSTOMER SERVICE DIVISION

### A. Performance Measures

The Level 2 evaluation examines the linkages between the mission level topics and performance measures. This ensures that there is continuity of purpose between these two important components of the performance program.

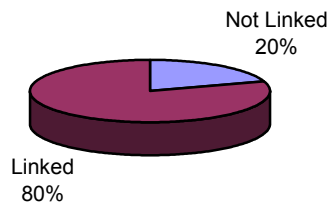
*Performance Component*

Performance Measures	<ol style="list-style-type: none"> <li>1. Average time to respond to written customer inquiry</li> <li>2. Total Customer Service Cost per bill rendered</li> <li>3. Percentage of meters read correctly</li> <li>4. Average meters read per meter reader per day</li> <li>5. Write-offs as a percent of total operating revenues</li> </ol>
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*Performance Component*

Mission Level Topics (From Department Mission Statement)	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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### Customer Service Division Performance Measures Linkages to Mission Level Topics



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of the current mission level topics. They are to indicate the progress or success of current objectives (evaluated in Level 3)

4

Findings and Observations	Recommendations
During the HOP level 2 evaluation, the HOP Team determined that four of the five division’s performance measures linked to the mission statement topical parts. However, the evaluation also yielded that the wording of these particular measures could be enhanced to establish clearer and more direct linkage to mission statement topics. Performance measure # 4 was not considered a direct link to the mission statement topical parts.	Rewrite performance measures to adhere to HOP guidelines as per page 30 of the HOP Client Manual “Performance Measures “and “Linking Performance Measures to the Mission Statement”.

5

Findings and Observations	Recommendations
Trend analysis of performance measure #1 indicates this target may have reached a target plateau. Specifically, performance measure #1 “Average time to respond to written customer inquiry” was at 3 days FY 2002 actual, 3 days FY 2003 budget and 3 days FY 2004 target.  See page 39 “Findings and Recommendations” # 5 for an example of good trend data.	Once a performance measure has reached a target performance level, investigate restating the item being measured so that division management receives meaningful input about the performance of the area. (Such as “% of customer inquiries responded to in 2 days.”)  Additionally, if a target has reached a plateau, explore the potential of improving the target (i.e. from 3 days to 2 days) by enhanced management techniques or other avenues of maximizing efficiency.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (page 14-19).

**LEVEL 3 EVALUATION – CUSTOMER SERVICE DIVISION**

**A. Performance Measures**

The Level 3 evaluation examines the linkages between statement of objectives and performance measures. This ensures that there is documented progress or success in achieving objectives. An assessment of the “types” of measures being used in the department is also performed.

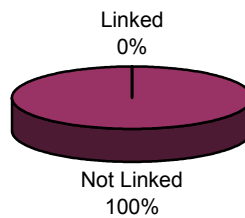
*Performance Component*

<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Complete design of enhancements to the Customer Tracking System (DTS) by September, 2004 to improve coordination with the Customer Information System (CIS).</li> <li>2. Implement all customer service payment options as approved by the Citizen’s Advisory Board by September, 2004.</li> </ol>
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*Performance Component*

Performance Measures	<ol style="list-style-type: none"> <li>1. Average time to respond to written customer inquiry</li> <li>2. Total Customer Service Cost per bill rendered</li> <li>3. Percentage of meters read correctly</li> <li>4. Average meters read per meter reader per day</li> <li>5. Write-offs as a percent of total operating revenues</li> </ol>
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**Customer Service Division  
Performance Measures  
Linkages to Objectives**



*Recommendations*

- Develop performance measures that exhibit greater linkage to objectives.
- Objectives should have at least one related/linked performance measure to indicate success or progress in meeting the objective.

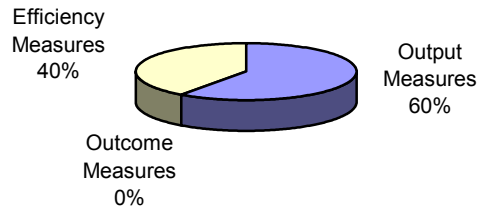
*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure linkages definition (page 15).

*Evaluation Criteria*

PM "Types"	<ol style="list-style-type: none"> <li>1. Output</li> <li>2. Efficiency</li> <li>3. Outcome</li> </ol>
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**Customer Service Division Performance  
Measure "Types" Chart**



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of a stated objective (or of a mission topic). Update or replace those indicators that have lost importance or that are not the most meaningful.
- Develop performance measures that exhibit greater balance among the three HOP defined “types” of performance measures.

Examples of performance measures that conform to HOP definitions concerning type definitions would be “number of outreach events per year” (indicates an amount of workload or production = **output measure**); “cost per mile of pipe laid” (\$ per unit of service = **efficiency measure**); “% of customers satisfied with Water Utilities’ service” (indicates the consequences of the utilities’ service by asking the customer if they are satisfied = **outcome measure**).

**6**

Findings and Observations	Recommendations
<p>The HOP Team identified three output measures (#s 1, 3, and 5) and two efficiency measures (#s 2 and 4) in evaluation #3.</p> <p>Additionally, the division’s participants indicated that some objectives may change from year to year based on specific current projects but that these objectives need performance measures to evaluate the status of the objective.</p>	<p>Use HOP criteria to revise and/or create performance measures that will achieve balance across the three HOP “types” of performance measures by adding output measures.</p> <p>Ensure that each objective has at least one performance measure to determine the progress of the objective.</p> <p>Select objectives and related performance measures that have lasting importance to the department to establish trends to enhance management decision making.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

Best Practices Research: Examples of performance measures researched at best practices sites:

**Miami-Dade, FL**

- “% of departments with customer service performance standards” (OP)
- “Satisfaction ratings from service delivery departments”(OC)
- “Average call wait time in minutes” (OP)

**City of Austin, TX**

- “Number of calls taken through Dispatch operations” (OP)
- “Labor cost per customer call taken in Dispatch Operations” (E)
- “Percentage of customers satisfied with dispatch staff” (OC)
- “Number of water service requests from customers worked within 2 hours”(OP)

**City of Phoenix, AZ**

- “Percentage of positive responses from annual Customer Service Division survey” (OC)
- “% of Customer Service Division telephone calls answered” (OP)
- “# of error-driven billing adjustments per 10,000 bills prepared”
- “Training hours per employee” (OP)

**City of El Paso, TX**

- “% accuracy of meter reading” (OP)
- “Process time for water / sewer service applications” (OP)
- “Telephone calls per employee” (E)
- “(% of customers satisfied with ) service applications completed” (OC)

**City of Portland, OR**

- “Number of active accounts at end of fiscal year”(OP)
- “Percentage increase in number of participants in the low income bill discount program” (OC)
- “Percentage change in average monthly residential bill per auditor report”(OC)
- “Customers rating water service as satisfactory or better”(OC)

## LEVEL 4 EVALUATION – CUSTOMER SERVICE DIVISION

### Performance Measures

The Level 4 evaluation examines performance measures as they relate to defined business perspectives. This ensures that there is a balanced approach in defining and utilizing performance measures to maintain high performance in several important focus areas.

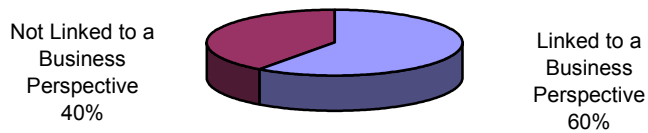
#### *Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Average time to respond to written customer inquiry</li> <li>2. Total Customer Service costs per bill rendered</li> <li>3. Percentage of meters read correctly</li> <li>4. Average meters read per meter reader per day</li> <li>5. Write-offs as a percent of total operating revenues</li> </ol>
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#### *Evaluation Criteria*

<b>Business Perspectives</b>	<ol style="list-style-type: none"> <li>1. Customer satisfaction perspective</li> <li>2. Internal process efficiency perspective</li> <li>3. Financial accountability perspective</li> <li>4. Employee growth and learning perspective</li> </ol>
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### Customer Service Division Performance Measures Linkage to Business Perspective



#### *Recommendation*

- Review any changes to the departmental mission statement, the divisional “Definition of Programs and Services” and divisional objectives. The division should strive to have at least one performance measure developed from each of the four business perspectives.

7

Findings and Observations	Recommendations
<p>The HOP team determined that three of the division’s performance measures (#2[financial accountability], #4[process efficiency], and #5[financial accountability]) could be linked to a business perspective. It was observed that no performance measures were written with employee growth and learning, and customer satisfaction perspectives in mind.</p> <p>In particular, the HOP Team concluded that the Customer Service Division had no customer service surveys to allow management to determine the satisfaction level of the customers.</p>	<p>Review the best practices performance measure examples listed as resources for Evaluation 3. Modify the existing performance measures, or create anew, to achieve a balance across the four HOP business perspectives.</p> <p>Review performance measures and determine if the measure is intended to represent a HOP defined business perspective. Determine if the measure provides adequate, accurate representation of the business perspective. Performance measures that cannot be categorized as belonging to a business perspective should be eliminated and replaced.</p>

Resources

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 20-22).

Best Practices Research: See the examples from the Level 3 Evaluation.

The following examples of performance measures are created from the four business perspectives. Corresponding objective statements are also displayed. The examples were developed with input from the Charlotte, NC best practices site.

Customer Satisfaction Perspective

- *Objective*: Be rated ‘extremely good’ or ‘good’ in overall service delivery by at least 80% of customers surveyed in a city wide phone survey.
- *Performance Measure*: Service rating by customers as reported in the citywide phone survey.

Internal Process Perspective

- *Objective*: Reduce water consumption by customers through outreach programs utilizing internet web sites.
- *Performance Measure*: Customers receiving outreach per FTE.

Financial Accountability Perspective

- *Objective*: Initiate employee education programs that apply the latest technology to reduce the cost of water treatment and delivery.
- *Performance Measure*: Operating costs per millions of gallons.

Employee Growth and Learning Perspective

- *Objective*: Increase the capabilities of the Customer Service Division to respond to various customer inquiries by providing training in dealing with diverse customer requests.

- *Performance Measure:* Percentage of Customer Service staff that are trained in dealing with customer requests that deal with billing, new accounts, and other customer related inquiries.

## LEVEL 1 EVALUATION – POTABLE WATER TREATMENT AND DELIVERY DIVISION

### A. Divisions Definition of Programs and Services

*Recommendations*

- Modify the division’s current Definition of Programs and Services opening paragraph to conform to HOP definitions and guidelines regarding a mission statement. To achieve consistency throughout the county, this “statement of divisional mission” should: 1) include the name of the mission owner (Agricultural Economic Development), 2) describe over-all mission outcomes desired, and 3) specifically identify direct customers and/or important stakeholders.
- Consider possible strategic uses of the statement of division mission such as, 1) actively using the verbiage as the “moral compass” for decision making, and 2) placing this macro-level statement of mission on the backside of business cards and on division letterhead or public “forms” to promote the mission to employees, customer-citizens and stakeholders.

1

Findings and Observations	Recommendations
The current “Definition of Programs and Services” does clearly state the division’s purpose in terms of identifying a) the services it provides, b) a customer focus and c) the level or degree of service provided (“high quality, integrity and on demand”); it does not include the name of the division; in some cases it does not identify the specific customer of the division’s services.	Use the examples identifying the customer researched at the best practices sites listed on page 9 of this report to describe in similar terms the clients of the division’s services, add the division’s name to the opening paragraph (the division’s statement of mission) of the “Definition of Programs and Services”.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

### B. Statement of Objectives

The Level 1 evaluation next examines the linkages between the mission level topics and the division’s objectives. This ensures that there is continuity of purpose between these two important components of the performance program. An assessment of the content and structure of the statement of objectives is also performed

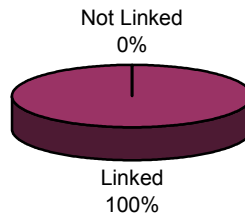
*Performance Component*

<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Complete construction of Lyons Road 42 inch water main from Lantana Road to the L-10 canal by September 2004.</li> <li>2. Complete design of Water Special Assessment Program Phase III by September 2004.</li> </ol>
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*Performance Component*

Mission Level Topics (From Department Mission Statement)	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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**Potable Water Treatment and Delivery Division Objectives Linkages to Mission Level Topics**



As the chart indicates, the division’s objectives exhibit good linkage with two out of the two division objectives being linked to at least one mission topic. The recommendations concentrate on the HOP Team’s findings concerning the content and structure of the objective statements.

*Recommendations*

- Based on the new initiatives planned for the division in FY 2005 (see page 6), two or three divisional objective statements seem appropriate. Modify the current objective statements or create anew using the HOP definitions for content and structure to guide development of objectives.

Examples of objective statements that conform to HOP definitions concerning content and structure follow the findings and recommendations generated from the HOP Team’s assessment and evaluation of the division’s existing objective statements. An objective statement example is “To promote prudent water practices (the “what”) by implementing a series of water conservation outreach programs (the “how”) to reduce to reduce water usage by 10% over FY 2003 (the “why”).”

When reviewing the findings and recommendations below, please reference the HOP Client Manual: Section IV. HOP Definitions and Concepts, the objectives definitions and examples (pages 14).

**2**

Findings and Observations	Recommendations
Division representatives on the HOP Team determined that all the division’s objectives lack two structural elements that HOP identifies as important for objective statements. The current objectives, do not specify 1) why the objective is important, and 2) how the objective will be accomplished, through what means.	Enhance the objectives statements to provide 1) why the objective is important, and 2) how the objective will be accomplished, through what means.  Fully define all statement of objectives. Refer to the HOP manual page 14 and the best practices examples listed below.

*Resources*     Best Practices Research: Examples of Potable Water Treatment and Delivery Division objective statements researched at best practices sites:

**Riverside County, CA**

- “(To) protect the health and safety of the public”:
  - “... (by) achieving full compliance with all regulatory requirements and mandates.”
  - “... (by) maintaining and improving an ongoing water quality monitoring program and compliance management and reporting system.”
  - “... (by) monitoring source water quality and proactively participating in source water quality protection programs.”
  - “... (by) enhancing water quality by maintaining and improving application of efficient operational procedures.”
- “(To) ensure quality and reliability”:
  - “... (by) optimizing groundwater production by efficient operation, maintenance and replacement of existing wells.”
  - “... (by) maintaining and improving groundwater-monitoring programs for resource development purposes.”
  - “... (by) implementing conjunctive use programs to increase operational yield and to protect the integrity of the ground water basins by working with other water agencies and private producers.”
  - “... (by) participating in the development of programs and policies that improve supplies and their availability.”
- “(To) promote efficient use of water and implement a structured conservation program”:
  - “... (by) developing a conservation strategy to achieve 25% reduction in per capita water use in 20 years without significantly impacting rates.”
  - “... (by) promoting programs that enable residential customers to reduce outdoor water use.”
  - “... (by) promoting efficient use of water through appropriate rebate programs, such as replacing excessive water consuming appliances and fixtures.”
  - “... (by) partnering with commercial and industrial water users and developers in developing and implementing customized water efficiency improvement programs.”
  - “... (by) minimizing water loss from the District’s facilities by implementing an economically viable facilities replacement program.”

**Miami-Dade County, FL**

- “(To) plan, construct and maintain well-designed facilities in a timely manner to meet the needs of the Miami-Dade Water and Sewer Department by working with internal users to incorporate necessary design elements to ensure facility safety, accessibility and aesthetics.”

- “(To) promote responsible stewardship of natural and unique community environments by providing public education regarding water conservation and pollution control.”

**City of Scottsdale, AZ**

- “(To) effectively operate the system to produce sufficient quantity of water to meet contractual demands by maintaining all equipment effectively.”
- “(To) minimize service disruptions through preventative maintenance and proper underground utility identification and markings.”

**LEVEL 2 EVALUATION – POTABLE WATER TREATMENT AND DELIVERY DIVISION**

**A. Performance Measures**

The Level 2 evaluation examines the linkages between the mission level topics and performance measures. This ensures that there is continuity of purpose between these two important components of the performance program.

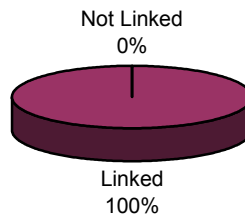
*Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Operating cost per thousand gallons of water treated</li> <li>2. Number of new dwelling units served</li> <li>3. Average monthly water dwelling units served</li> <li>4. Percent of water “unaccounted for”</li> </ol>
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*Performance Component*

**Potable Water Treatment and Delivery Division Performance Measures**

**Linkages to Mission Level Topics**



<b>Mission Level Topics (From Department Mission Statement)</b>	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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3

Findings and Observations	Recommendations
During the HOP level 2 evaluation, the HOP Team determined that all four of the division's performance measures linked to the mission statement topical parts. However, the evaluation also yielded that the wording of measures #2 and #3 could be enhanced to establish clearer and more direct linkage to mission statement topics.	Rewrite performance measures to adhere to HOP guidelines as per page 30 of the HOP Client Manual "Performance Measures" and "Linking Performance Measures to the Mission Statement".

4

Findings and Observations	Recommendations
<p>Trend analysis of performance measure #2 "number of new dwelling units served" FY 2002 actual was 6,340. FY 2003 budget was 4,200 and FY 2004 target is 4,200.</p> <p>See page 39 "Findings and Recommendations" # 5 for an example of good trend data.</p> <p>The HOP Team also discussed potential audits to ensure performance measure accuracy, but determined that this was beyond the scope of the Phase I Assessment and Evaluation workshop.</p>	Changes in targets vs. actual performance should be notated in the objective. For example, if construction of new dwelling units has been projected to decrease, and that is the reason for a lower target in the current year vs. prior years actuals it should be mentioned in the objective (or annotated in the Annual Budget Book) to explain the change to the reader.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (page 14-19).

**LEVEL 3 EVALUATION – POTABLE WATER TREATMENT AND DELIVERY DIVISION**

**A. Performance Measures**

The Level 3 evaluation examines the linkages between statement of objectives and performance measures. This ensures that there is documented progress or success in achieving objectives. An assessment of the "types" of measures being used in the department is also performed.

*Performance Component*

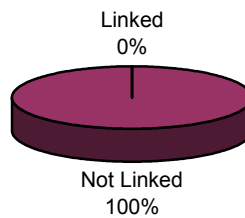
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Complete construction of Lyons Road 42 inch water main from Lantana Road to the L-10 Canal by September 2004.</li> <li>2. Complete design of Water Special Assessment Program Phase III by September 2004.</li> </ol>
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*Performance Component*

Performance Measures	<ol style="list-style-type: none"> <li>1. Operating costs per thousand gallons of water treated</li> <li>2. Number of new dwelling units served</li> <li>3. Average monthly dwelling units served</li> <li>4. Percent of water “unaccounted for”</li> </ol>
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**Potable Water Treatment and Delivery Division Performance Measures**

**Linkages to Objectives**



*Recommendations*

- Develop performance measures that exhibit greater linkage to objectives.
- Objectives should have at least one related/linked performance measure to indicate success or status of the objective.

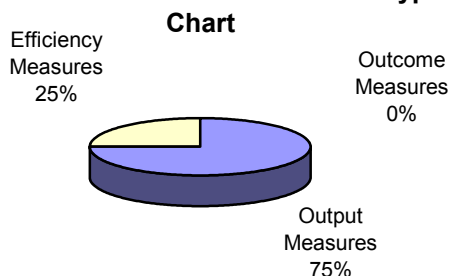
*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure linkages definition (page 15).

*Evaluation Criteria*

PM “Types”	<ol style="list-style-type: none"> <li>1. Output</li> <li>2. Efficiency</li> <li>3. Outcome</li> </ol>
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**Potable Water Treatment and Delivery  
Division Performance Measure "Types"**



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of a stated objective (or of a mission topic). Update or replace those indicators that have lost importance or that are not the most meaningful.
- Develop performance measures that exhibit greater balance among the three HOP defined “types” of performance measures.

Examples of performance measures that conform to HOP definitions concerning type definitions would be “number of outreach events per year” (indicates an amount of workload or production = **output measure**); “cost per mile of pipe laid” (\$ per unit of service = **efficiency measure**); “% of customers satisfied with Water Utilities service” (indicates the consequences of the utilities’s service by asking the customer if they are satisfied = **outcome measure**).

**5**

Findings and Observations	Recommendations
<p>The HOP Team identified performance measure #1 to be an efficiency measure and the remaining three performance measures to be classified as output measures.</p> <p>Additionally, the division’s participants determined that the objectives lacked clear, definable performance measures.</p>	<p>Use HOP criteria to revise and/or create performance measures that will achieve balance across the three HOP “types” of performance measures (adding outcome measures).</p> <p>Ensure that each objective has a clear performance measure to convey to management the attainment of the specific objective. See page 15 of the Client Workbook “Linking Performance Measures to the Mission Statement and Objectives”.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

Best Practices Research: Examples of performance measures researched at best practices sites:

**Miami-Dade, FL**

- “Percent compliance with drinking water standards” (OP)
- “Percent of primary distribution system at least 35 lbs. per square inch”(OP)

- “Satisfaction ratings from service delivery departments”(OC)
- “Percent of employees who believe that training received will help improve job performance”(OC)
- “Gallons per day water use per capita”(E)

**City of Austin, TX**

- “Actual water pumped in millions of gallons” (OP)
- “Cost per water development plans reviewed” (E)
- “(Percent ) yearly reduction in water use through conservation and reuse since FY 2002” (OC)
- “Labor cost per linear foot of pipe installed for water” (E)
- “Labor costs per water service request” (E)
- “Labor costs per millions of gallons used”(E)
- “Number of customer calls for no water” (OP)
- “(Percentage increase) in customers participating in water conservation activities” (OC)
- “Operating cost per million gallons of water pumped” (E)
- “Number of water services installed (per FTE)” (E)

**City of Phoenix, AZ**

- “% (increase) of positive responses from annual Customer Service Division survey” (OC)
- “% of System-Days in 100% compliance with monitoring requirements” (OP)
- “% difference between end of year actual expenditures versus appropriation” (OC)
- “Direct costs per million gallons of drinking water processed” (E)
- “% of all meter leaks repaired in less than 3 days” (OP)
- “Training hours per employee” (OP)

**City of El Paso, TX**

- “Total operating expenses per customer” (E)
- “Total Water Service Revenues per 1,000 gallons Billed Water” (E)
- “Average cost per 1,000 gallons treated” (E)
- “Total output (thousands of gallons)” (OP)
- “Operations FTE’s per 1,000 water service customers”(E)
- “Cost of chemicals per 1,000 gallons of water treated” (E)
- “Main breaks per mile per year” (E)

- “Miles of pipe per employee” (E)
- “Change order variance (% increase in project cost from original awarded amount)” (OC)

**City of Portland, OR**

- “Retail and wholesale customers served with water” (OP)
- “Average backflow inspection time per new service (minutes)” (E)
- “(% increase) that state and U.S. water quality standards are attained” (OC)

**LEVEL 4 EVALUATION – POTABLE WATER TREATMENT AND DELIVERY DIVISION**

**Performance Measures**

The Level 4 evaluation examines performance measures as they relate to defined business perspectives. This ensures that there is a balanced approach in defining and utilizing performance measures to maintain high performance in several important focus areas.

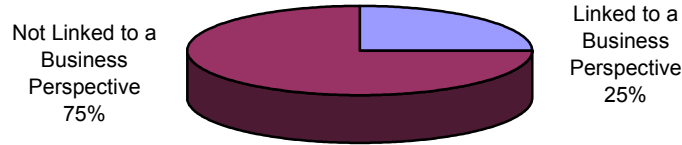
*Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Operating costs per thousand gallons of water treated</li> <li>2. Number of new dwelling units served</li> <li>3. Average monthly water dwelling units served</li> <li>4. Percent of water “unaccounted for”</li> </ol>
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*Evaluation Criteria*

<b>Business Perspectives</b>	<ol style="list-style-type: none"> <li>1. Customer satisfaction perspective</li> <li>2. Internal process efficiency perspective</li> <li>3. Financial accountability perspective</li> <li>4. Employee growth and learning perspective</li> </ol>
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**Potable Water Treatment and Delivery  
Division Performance Measures  
Linkage to Business Perspective**



*Recommendation*

- Review any changes to the departmental mission statement, the divisional “Definition of Programs and Services” and divisional objectives. The division should strive to have at least one performance measure developed from each of the four business perspectives.

6

Findings and Observations	Recommendations
The HOP Team determined that only performance measure #1 of the division’s four performance measures could be linked to a business perspective (financial accountability).	<p>Review the best practices performance measure examples listed as resources for Evaluation 3. Modify the existing performance measures, or create anew, to achieve a balance across the four HOP business perspectives.</p> <p>Review performance measures and determine if the measure is intended to represent a HOP defined business perspective. Determine if the measure provides adequate, accurate representation of the business perspective. Performance measures that cannot be categorized as belonging to a business perspective should be eliminated and replaced.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

Best Practices Research: See the examples from the Level 3 Evaluation.

The following examples of performance measures are created from the four business perspectives. Corresponding objective statements are also displayed. The examples were developed with input from the Charlotte, NC best practices site.

Customer Satisfaction Perspective

- *Objective:* Be rated 'extremely good' or 'good' in overall service delivery by at least 80% of customers surveyed in the biennial citywide phone survey.
- *Performance Measure:* Service rating by customers as reported in the citywide phone survey.

Internal Process Perspective

- *Objective:* Reduce water consumption by customers through outreach programs utilizing internet websites.
- *Performance Measure:* Customers receiving outreach per FTE.

Financial Accountability Perspective

- *Objective:* Initiate employee education programs that apply the latest technology to reduce the cost of water treatment and delivery.
- *Performance Measure:* Operating costs per millions of gallons.

Employee Growth and Learning Perspective

- *Objective:* Increase the capabilities of the Customer Service Division to respond to various customer inquiries by providing training in dealing with diverse customer requests.
- *Performance Measure:* Percentage of Customer Service staff that are trained in dealing with billing, new accounts, and other customer related inquiries.

## LEVEL 1 EVALUATION – WASTEWATER COLLECTION, TREATMENT AND DISPOSAL DIVISION

### A. Divisions Definition of Programs and Services

*Recommendations*

- Modify the division’s current Definitions of Programs and Services opening paragraph to conform to HOP definitions and guidelines regarding a mission statement. To achieve consistency throughout the county, this “statement of divisional mission” should: 1) include the name of the mission owner (Family and Consumer Sciences), 2) describe over-all mission outcomes desired, and 3) specifically identify direct customers and/or important stakeholders.
- Consider possible strategic uses of the statement of division mission such as, 1) actively using the verbiage as the “moral compass” for decision making, and 2) placing this macro-level statement of mission on the backside of business cards and on division letterhead or public “forms” to promote the mission to employees, customer-citizens and stakeholders.

1

Findings and Observations	Recommendations
The current “Definition of Programs and Services” does clearly state the division’s purpose in terms of identifying a) the services it provides, b) the level or degree of service provided (“environmentally sound, on demand, exceeds ...standards”); it does not include the name of the division; it does not identify the specific customer of the division’s services.	Use the examples identifying the customer researched at the best practices sites listed on page 9 of this report to describe in similar terms the clients of the division’s services, add the division’s name to the opening paragraph (the division’s statement of mission) of the “Definition of Programs and Services”.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

### B. Statement of Objectives

The Level 1 evaluation next examines the linkages between the mission level topics and the division’s objectives. This ensures that there is continuity of purpose between these two important components of the performance program. An assessment of the content and structure of the statement of objectives is also performed.

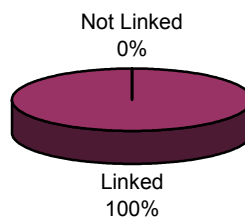
*Performance Component*

<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Complete the design of Green Cay Wetlands by September 2004.</li> <li>2. Complete the East Central Region Wastewater Treatment Facility Master Plan by September 2004.</li> </ol>
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Mission Level Topics (From Department Mission Statement)	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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*Performance Component*

**Wastewater Collection, Treatment and Disposal Division Objectives**  
**Linkages to Mission Level Topics**



As the chart indicates, the division’s objectives exhibit good linkage with both division objectives being linked to at least one mission topics. The recommendations concentrate on the HOP Team’s findings concerning the content and structure of the objective statements.

*Recommendations*

- Based on the new initiatives planned for the division in FY 2005 (see page 6), two to three divisional objective statements seem appropriate. Modify the current objective statements or create anew using the HOP definitions for content and structure to guide development of objectives.

Examples of objective statements that conform to HOP definitions concerning content and structure follow the findings and recommendations generated from the HOP Team’s assessment and evaluation of the division’s existing objective statements. An objective statement example is “To promote prudent water practices (the “what”) by implementing a series of water conservation outreach programs (the “how”) to reduce water usage by 10% over FY 2003 (the “why”).”

When reviewing the findings and recommendations below, please reference the HOP Client Manual: Section IV. HOP Definitions and Concepts, the objectives definitions and examples (pages 14).

2

Findings and Observations	Recommendations
Division representatives on the HOP Team determined that all the division’s objectives lack two structural elements that HOP identifies as important for objective statements. The current objectives do not specify 1) why the objective is important, and 2) how the objective will be accomplished, through what means.	Enhance the objectives statements to provide 1) why the objective is important, and 2) how the objective will be accomplished, through what means.  Fully define all statement of objectives. Refer to the HOP manual page 14 and the best practices examples listed below.

3

Findings and Observations	Recommendations
The HOP Team determined that both objectives lacked descriptive adjectives to convey the division’s objectives per HOP guidelines.	Per HOP guidelines include descriptive adjectives such as” increase, decrease, improve” to communicate the division’s objectives in a way that fosters organizational effectiveness and efficiency.

*Resources*

Best Practices Research: Examples of Wastewater Collection, Treatment and Disposal objective statements researched at best practices sites:

**Riverside County, CA**

- “(To) protect the health and safety of the public”:
  - “... (by) achieving full compliance with all regulatory requirements and mandates.”
  - “... (by) maintaining and improving an ongoing water quality monitoring program and compliance management and reporting.”
  - “... (by) maintaining and improving commercial and industrial source control programs.”
  - “... (by) developing and implementing public education programs for pollution prevention.”
  - “... (by) optimizing process control to improve reclamation performance to ensure compliance.”
- “(To) maximize recycled water and biosolid use in a environmentally responsible manner”:
  - “... (by) implementing the recycled water priority-of-use policy.”
  - “... (by) developing non-potable wells to augment recycled water supply when economically feasible.”
  - “... (by) promoting public acceptance of recycled water and biosolids, and investigate and encourage new uses.”
  - “... (by) ensuring recovery of construction, operation, and maintenance costs by developing a balanced market among all users.”
  - “... (by) constructing and managing long-term storage and disposal facilities to maximize recycled water use.”

-“... (by) constructing recycled water delivery facilities to improve operational flexibility and service where economically feasible.”

**Miami-Dade County, FL**

- “(To) plan, construct and maintain well-designed facilities to meet the needs of the Miami-Dade Water and Sewer Department by developing and implementing a comprehensive preventative maintenance program for all department office and maintenance facilities.”
- “(To) attract and retain an effective, diverse and dedicated team of employees by developing training opportunities that provide employees and managers with the competencies that result in increased proficiencies.”

**City of Scottsdale, AZ**

- “(To) reduce the number of odor complaints and sewer stoppages through the pro-active scheduling of cleaning, and video inspections of new sewer installations.”
- “(To) effectively operate the treatment plant to produce irrigation water from wastewater by maintaining all equipment and assuring that the effluent is used only as permitted by the State.”

**LEVEL 2 EVALUATION – WASTEWATER COLLECTION, TREATMENT AND DISPOSAL DIVISION**

**A. Performance Measures**

The Level 2 evaluation examines the linkages between the mission level topics and performance measures. This ensures that there is continuity of purpose between these two important components of the performance program.

*Performance Component*

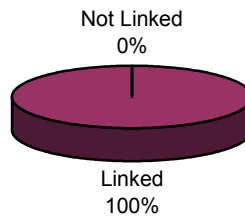
<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Operating costs per thousand gallons of wastewater treated</li> <li>2. Million gallons per day of wastewater treated</li> <li>3. Average monthly wastewater dwelling units served</li> </ol>
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*Performance Component*

<b>Mission level Topics (From Department Mission Statement)</b>	<ul style="list-style-type: none"> <li>➤ To provide the highest quality potable water</li> <li>➤ To provide reclaimed water</li> <li>➤ To provide wastewater service</li> </ul>
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## Wastewater Collection, Treatment and Disposal Division Performance Measures

### Linkages to Mission Level Topics



4

Findings and Observations	Recommendations
During the HOP level 2 evaluation, the HOP Team determined that all three of the division’s performance measures linked to the mission statement topical parts. However, the evaluation also yielded that the wording of these measures could be enhanced to establish clearer and more direct linkage to mission statement topics.	Rewrite performance measures to adhere to HOP guidelines as per page 30 of the HOP Client Workbook “Performance Measures” and “Linking Performance Measures to the Mission Statement.”

5

Findings and Observations	Recommendations
The division’s performance measures trends in the FY 2004 Annual Budget Book are consistent. For example, performance measure #3 “average monthly wastewater dwelling units served”, FY 2002 actual was 170,768 FY 2003 budget was 174,528 and FY 2004 target was 178,568. This informs management of a steady increase in units served over a specific time frame.	<p>Develop and maintain performance measures that provide management with meaningful input as to the performance of the area.</p> <p>Select objectives and related performance measures that have lasting importance to the department to establish trends to enhance management decision making.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (page 14-19).

### LEVEL 3 EVALUATION – WASTEWATER COLLECTION, TREATMENT AND DISPOSAL DIVISION

#### A. Performance Measures

The Level 3 evaluation examines the linkages between statement of objectives and performance measures. This ensures that there is documented progress or success in achieving objectives. An assessment of the “types” of measures being used in the department is also performed.

*Performance Component*

Performance Measures

1. Operating costs per thousand gallons of wastewater treated
2. Million gallons per day of wastewater treated
3. Average monthly wastewater dwelling units served

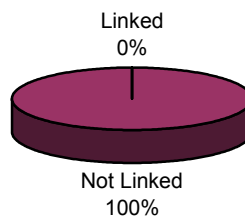
*Performance Component*

Objectives

1. Complete the design of Green Cay Wetlands by September 2004.
2. Complete the East Central Region Wastewater Treatment Facility Master Plan by September 2004.

**Wastewater Collection, Treatment and Disposal Division Performance Measures**

**Linkages to Objectives**



*Recommendations*

- Develop performance measures that exhibit greater linkage to objectives.
- Objectives should have at least one related/linked performance measure to indicate success or status of the objective.

*Resources*

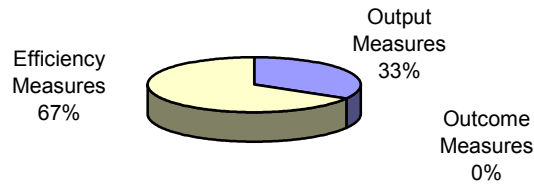
HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure linkages definition (page 15).

*Evaluation Criteria*

PM "Types"

1. Output
2. Efficiency
3. Outcome

**Wastewater Collection, Treatment and Disposal Division Performance Measure "Types" Chart**



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of a stated objective (or of a mission topic). Update or replace those indicators that have lost importance or that are not the most meaningful.
- Develop performance measures that exhibit greater balance among the three HOP defined “types” of performance measures.

Examples of performance measures that conform to HOP definitions concerning type definitions would be “number of outreach events per year” (indicates an amount of workload or production = **output measure**); “cost per mile of pipe laid” (\$ per unit of service = **efficiency measure**); “% of customers satisfied with Water Utilities service” (indicates the consequences of the utilities’ service by asking the customer if they are satisfied = **outcome measure**).

**6**

Findings and Observations	Recommendations
<p>The HOP Team identified one output measure (#3) and two efficiency measures (#1 and #2) in Evaluation 3.</p> <p>Additionally, the division’s participants indicated that a rewording of the performance measures would achieve a broader representation of HOP performance measure “types” as well as enhancing overall clarity.</p>	<p>Use HOP criteria to revise and/or create performance measures that will achieve balance across the three HOP “types” of performance measures (adding outcome measures).</p>

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

*Resources*

Best Practices Research: Examples of performance measures researched at best practices sites:

**Miami-Dade County, FL**

- “(Percentage) reduction in response time for sewage overflows” (OC)
- “Percent of projects completed within budget ” (OP)

- “Gallons per day (waste)water use per capita” (E)

**City of Austin, TX**

- “Actual million gallons of wastewater treated” (OP)
- “Average cost of water reuse per thousand gallons of reclaimed water” (E)
- “Administrative cost per number of wastewater connections sold” (E)
- “Labor cost of per linear foot of wastewater mains cleaned” (E)
- “Number of engineering services requested for wastewater treatment plants” (OP)
- “Percentage of customers satisfied with collection pipeline maintenance and repair services” (OC)
- “Number of miles of sewer line in the system” (OP)
- “Percentage (increase) of total projects successfully completed on schedule” (OC)
- “Percentage (decrease) of total lift stations overflows that are non-power failure related” (OC)
- “Percent of onsite sewage facilities plans reviewed within established ordinance-state law turnaround time” (OP)

**City of Phoenix, AZ**

- “% (increase) total treated wastewater effluent reused or used for groundwater recharge ”(OC)
- “Direct costs per million gallons of wastewater processed” (E)
- “Training hours per employee” (OP)
- “% (increase) of positive responses from annual Customer Service Division survey” (OC)
- “% wastewater plant-days in 100 % compliance with discharge limits” (OP)
- “(% increase) face-to-face public contact hours promoting environmental initiatives (water conservation and sewer discharge awareness / compliance)” (OC)

**City of El Paso, TX**

- “Average cost per 1,000 gallons effluent” (E)
- “Number of non-compliance days” (OP)
- “Percentage (increase ) of reuse water (from )wastewater” (OC)
- “(Percentage increase) in educational presentations made to local schools and community groups” (OC)
- “Miles of sewer line per employee” (E)
- “Linear feet of collection system maintained per man-hour” (E)
- “(Percent increase) of sewer lines televised and inspected” (OC)

**City of Portland, OR**

- “Wastewater processed in millions of gallons per day” (OP)
- “Percent (increase) in Biochemical Oxygen Demand removed” (OC)
- “Millions of gallons per day wastewater processed per operations and maintenance employees” (E)

**LEVEL 4 EVALUATION – WASTEWATER COLLECTION, TREATMENT AND DISPOSAL DIVISION**

**Performance Measures**

The Level 4 evaluation examines performance measures as they relate to defined business perspectives. This ensures that there is a balanced approach in defining and utilizing performance measures to maintain high performance in several important focus areas.

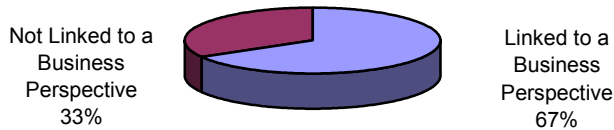
*Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Operating costs per thousand gallons of wastewater treated</li> <li>2. Million gallons per day of wastewater treated</li> <li>3. Average monthly wastewater dwelling units served</li> </ol>
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*Evaluation Criteria*

<b>Business Perspectives</b>	<ol style="list-style-type: none"> <li>1. Customer satisfaction perspective</li> <li>2. Internal process efficiency perspective</li> <li>3. Financial accountability perspective</li> <li>4. Employee growth and learning perspective</li> </ol>
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**Wastewater Collection, Treatment and Disposal Division Performance Measures Linkage to Business Perspective**



*Recommendation*

- Review any changes to the departmental mission statement, the divisional “Definition of Programs and Services” and divisional objectives. The division should strive to have at least one performance measure developed from each of the four business perspectives.

7

Findings and Observations	Recommendations
<p>The HOP Team determined that performance measure #1 linked to the financial accountability perspective and #2 to process efficiency.</p>	<p>Review the best practices performance measure examples listed as resources for Evaluation 3. Modify the existing performance measures, or create anew, to achieve a balance across the four HOP business perspectives.</p> <p>Review performance measures and determine if the measure is intended to represent a HOP defined business perspective. Determine if the measure provides adequate, accurate representation of the business perspective. Performance measures that cannot be categorized as belonging to a business perspective should be eliminated and replaced.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

Best Practices Research: See the examples from the Level 3 Evaluation.

The following examples of performance measures are created from the four business perspectives. Corresponding objective statements are also displayed. The examples were developed with input from the Charlotte, NC best practices site.

Customer Satisfaction Perspective

- *Objective*: Be rated ‘extremely good’ or ‘good’ in overall service delivery by at least 80% of customers surveyed in the biennial citywide phone survey.
- *Performance Measure*: Service rating by customers as reported in the biennial citywide phone survey.

Internal Process Perspective

- *Objective*: Reduce water consumption by customers through outreach programs utilizing internet web sites.
- *Performance Measure*: Customers receiving outreach per FTE.

Financial Accountability Perspective

- *Objective*: Initiate employee education programs that apply the latest technology to reduce the cost of water treatment and delivery.
- *Performance Measure*: Operating costs per millions of dollars.

Employee Growth and Learning Perspective

## HARNESSING ORGANIZATIONAL PERFORMANCE

- *Objective:* Increase the capabilities of the Customer Service Division to respond to various customer inquiries by providing training in dealing with diverse customer requests.
- *Performance Measure:* Percentage of Customer Service staff that are trained in dealing with customer requests that deal with billing, new accounts, and other customer related inquiries.

## PROJECT SUMMARY

The findings & observations, as well as the recommendations are developed from the series of four evaluation meetings held with Water Utilities Department's participating divisions (Customer Service Division, Potable Water Treatment and Delivery Division, Wastewater Collection, Treatment and Disposal Division). The report's findings and recommendations follow the Harnessing Organizational Performance (HOP) principles of:

- Concise, clear descriptions of mission statements, objectives and performance measures
- A clear linkage or coherence between the mission level topics, objectives and performance indicators
- A balanced representation of all "types" of performance measures (output, efficiency and outcome)
- A balanced focus to performance measurement across the HOP "business perspectives" (customer satisfaction, internal process efficiency, financial accountability and employee growth & learning)

The anticipated organizational benefits of successfully implementing the HOP recommendations are:

- Creating a vital few, meaningful performance measures
- Decreasing the time and energy spent collecting and reporting performance measures that lack meaning
- Focusing the organization on activities and initiatives that achieve the overall departmental mission
- Development of a uniform approach to measuring performance; creating linkages from performance measures to mission statements or objective statements; utilizing different "types" of performance measures to provide balance across the four defined "business perspectives".

## Appendix A

### Best Practices Reference Sites

- (1) **City of Scottsdale, AZ** – Water Resources Department  
Contact: David Mansfield, General Manager 480-312-5681  
  
Web Address: <http://www.scottsdaleaz.gov/departments/deptDetail.asp?deptID=26>
- (2) **City of Charlotte, NC** – Charlotte-Mecklenburg Utilities  
Contact: Laura Stone, Resource Analyst 704-391-5094  
  
Web Address:  
<http://www.charmeck.nc.us/Departments/Utilities/More+About+Us/home.htm>
- (3) **Orange County, FL** – Utilities Department  
Contact: Ray Mobley, Senior Management and Budget Analyst 407-836-7367  
  
Web Address: <http://www.orangecountyfl.net/dept/utilities/default.htm>
- (4) **City of El Paso, TX** – El Paso Water Utilities  
Contact: Marcella Navarrette, Chief Financial Officer 915-594-5614  
  
Web Address: <http://www.epwu.org/main.html>
- (5) **City of Los Angeles, CA** – Water Services Organization  
Contact: Robert McKinney, Staff Engineer 213-367-0440  
  
Web Address: <http://www.ladwp.com/ladwp/cms/ladwp001966.jsp>
- (6) **Miami-Dade County, FL** – Water and Sewer Department  
Contact: Bertha Goldenberg, Chief of Planning 786-552-8120  
  
Web Address: <http://www.miamidade.gov/stratplan/>
- (7) **City of Saint Paul, MN** – Saint Paul Regional Water Services  
Contact: Barb Woolsey, Business Division Manager 651-266-6261  
  
Web Address: <http://www.ci.stpaul.mn.us/depts/water/pages/>
- (8) **City of Portland, OR** – Bureau of Water Works / Wastewater Group  
Contact: Tricia Knoll, Senior Information Representative 503-823-6133  
Contact: Lynn Sandreretzky, Business Operations Supervisor 503-823-2414  
  
Web Address: <http://www.portlandonline.com/water/>
- (9) **City of Austin, TX** – Water and Wastewater Utility  
Contact: Laurie Lentz, Public Information Program Manager 512-972-0151  
  
Web Address: <http://www.ci.austin.tx.us/water/>

- (10) **City of Phoenix, AZ** – Water Services Department  
Contact: Edward Blundon, Assistant Water Services Director 602-262-6627  
  
Web Address: <http://www.ci.phoenix.az.us/WATERSERVICES/insex.html>
- (11) **Riverside County, CA** – Eastern Municipal Water District  
Contact John Ward, Engineering Program Manager 909-928-3777 ext. 4453  
  
Web Address: [http://www.emwd.org/emwd/startegic\\_plan.html](http://www.emwd.org/emwd/startegic_plan.html)