

Harriman Utility Board

# STRATEGIC PLAN

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HUB POLICIES

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## 1. Overview

### a. Why have a Strategic Plan?

“The electric light did not evolve from the constant improvement of the candle.” As our world is changing culturally and technologically, HUB must adapt to new challenges arising from social and economic pressure. Through strategic planning, HUB takes a step back to evaluate where we are today and where we envision ourselves in the future. Looking far beyond our regular day-to-day business, this process allows HUB to set overall goals for our organization and develop a plan for achieving them.



### b. The Mission of HUB:

The Harriman Utility Board (HUB) holds a unique place within our community. Far beyond the “power company”, HUB is relied upon to provide electric, natural gas, drinking water, and sanitary sewer services to residents, businesses, and nonprofits alike. For long-time residents, HUB is a familiar icon bridging the past and present along the most basic of needs. Centrally located downtown, HUB’s main office is one of the most visible commercial entities in Harriman. We are indeed the “HUB of the Community”.

We depend on the many “spokes” that drive the “wheel” of economic and social growth, as they in turn, depend on us. The greatest strength we possess is found in maintaining our close relationships to those we service via our commitment to sustainable and positive development. Therefore, the *mission* of the Harriman Utility Board is:

*To enhance our community through exceptional service.*

**c. The Vision of HUB:**

Any plan is only as valuable as the factors that drive it. The purpose of developing a Strategic Plan is to clearly define a *vision* in keeping with our values that sets *goals* and the specific *actions* necessary to achieve them.



*Our vision is to inspire social and economic growth through intentional action.*

Researchers and Site Selection Groups seem to agree that the Southeastern United States is the most competitive region of the country for business investment. One vastly underrated reason why is the availability of well-organized and well-funded power companies. Tennessee has been increasingly successful in receiving new and expanded business/industry investment in recent years. The Tennessee Valley Authority is just one reason why we have a competitive advantage.

By partnering with our local and State economic development agencies and the TVA, we will encourage growth and development in our service area and that which surrounds it. We will identify and tackle issues which may be deterring business from our area. In addition, we will invest in social improvement. We will grow our presence at public events, schools, and civic groups. We will educate our customers and key stakeholders on the value of public utilities and focus on safety and reliability of our services.

Why strive for social and economic improvement? Our mission is what we do every day. Our vision is what we aspire to do. We believe in our team and its ability to provide exceptional service. We believe we have systems in place, many of which are included in this plan, to shore up issues that are holding us back, tackle inadequacies, and invest in the future. While our mission is to enhance our community through exceptional service, we hope that this consistent, disciplined focus will inspire others to do likewise. In time, we hope to be a partner that inspires social and economic improvement through superior, intentional action.

More than mere customers, our rate payers are commercial partners, neighbors, friends and even family members. When we go home at the end of the day, the very services we provide are among those we ourselves depend upon for comfort, safety and economy. Therefore, bettering ourselves and by extension our community should be more than a professional obligation, but rather, a *personal* commitment.

#### d. Core Values:

It is one thing to proclaim a vision; however, it is a completely different thing to prove it through our actions. Consistency will be key to achieving buy-in from our employees and key stakeholders and for gaining trust within our community. Our strategies, plans and actions must align with our core values. These principles must be apparent to those whom we interact with. They guide the way we make day-to-day decisions.

*“Greatness is first and foremost a matter of conscious choice and discipline.”*

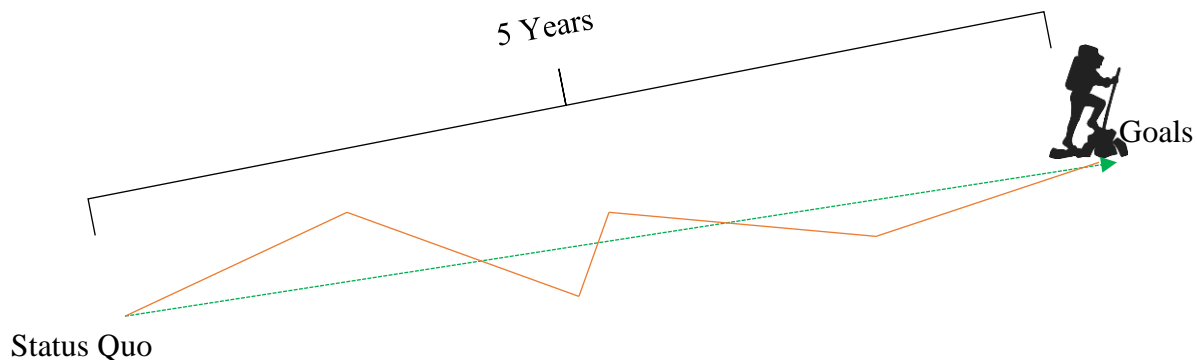
– Jim Collins

The following is a list of core values which will guide HUB in fulfilling our mission and keep us in line with achieving our vision:

- Remain committed to providing exceptional customer service.
- Consistently strive to improve the quality, safety, and reliability of our services.
- Collaborate with others to encourage community growth and improvement.
- Become a leader in our industry, improving the quality of life for our customers, and inspiring others by our superior results.
- Methodically plan our actions in keeping with our mission.
- Achieve greatness through discipline and consistency, not luck.

#### e. The “20 Mile March” Concept:

This plan is not a “To Do” or “Punch” list. Rather, it is an attempt to focus our efforts with a long-term, measured approach. Enacting this plan is a “journey of a thousand miles” that we should consistently complete “twenty miles at a time”. For our strategy to survive changes in resources or the impact of external forces, it must include the discipline to resist “sprinting” to implement changes. A steady, consistent pace spanning several years through good times and bad will carry us through to our ultimate goals.



## **2. The Strategic Planning Team**

Leadership is essential to ensuring success of any strategy. The Strategic Planning Team's responsibility extends beyond developing a plan...they are the key personnel charged with ensuring that it results in success. As such, it is critical that the Strategic Planning Team be comprised of personnel who possess both the technical knowledge and administrative authority to direct actions as determined by the goals defined by our vision.

## **3. The Strategic Mindset**

The *goals* are to isolate, prioritize, and overcome challenges by capitalizing on our strengths to overcome weaknesses. The *actions* we define to accomplish these goals will be clearly stated in terms of who is responsible, what resources are needed, and what deadlines are required to maintain steady progress.

Just like the "HUB" of a wheel, our vision is always in motion. The key to developing a sound, living plan, is understanding the challenges that confront us within the context of being part of the community. The key Strategic Sectors used to assess these challenges are ***Reliability, Risk Management, Fiscal Responsibility, Innovation*** and ***Strengthened Relationships***. From the reliability and safety of our infrastructure, to sustainable rates and policies; the opponents of progress are both physical and esoteric. Our strategy should address each of these, across every department, holistically and consistently.

Successfully implementing strategy requires coordination between all divisions in an organization. However, each department will have its own unique challenges and solutions within the five primary Strategic Sectors. Developing a mindset within each that both supports these individual tasks, while staying true to the overall strategic focus is paramount.

### **a. Administration and Multi-Department:**

When you click the light-switch, light your stove, or turn the faucet at home, a long chain of actions and decisions result in the desired outcome. While these end with the service connection and the physical infrastructure that supports it, it begins at the desks of those who manage the various departments within the Harriman Utility Board.

Functions within the Administration Department will touch all aspects of operation at HUB. From Accounting to Customer Service, Information Technology and Safety; maintaining current, relevant and consistent policies and procedures is essential and will ensure successful operations across all other departments. The Administration Department will manage many of the processes that ensure HUB operates in a legally sound, fiscally secure and physically safe manner. No less significantly, the Administration Department will actively seek ways to promote continuity, growth and longevity in the organization and greater community. The Administration Department will be the central entity monitoring, forecasting and managing costs within HUB. The Administration Department will champion the new tools, methods and technologies that lead to overall success in accomplishing our mission within the community.

One of the greatest challenges we face is lost revenue via loss of customers (including commercial) though the costs of maintaining our infrastructure remains virtually the same. Over the next five years, we will achieve many goals while striving to keep rates affordable for our customers.

**b. Electric:**

One of the most visible ways we provide to the community is via electrical service. Ensuring that the electric service infrastructure is viable, conducting preventative measures, and restoring power following service interruptions are only a few of this department's wide-ranging responsibilities.

**c. Natural Gas:**

The single greatest challenge confronting this department is aging infrastructure. This presents not only potential service issues, but more urgently, safety concerns over the possibility of developing a major natural gas leak via pipeline failure. Once key replacement projects have been completed, we will be able to focus on expansion of our current system.

**d. Water and Wastewater:**

Water quality is an extremely high priority, and continued investment in the utility system is a requirement for the health, safety and economic growth of our community. Therefore, improving the overall quality of service while maintaining affordable rates is a focal point of strategy.

The keys issues involving our Water and Wastewater systems are combatting non-revenue water loss and inflow and infiltration (I/I), respectively. In meeting these challenges, the importance of proactive planning and preventative maintenance cannot be understated. We need to have systems in place to identify and correct defects in our infrastructure. Tackling these challenges in the most efficient ways possible will be critical to keeping rates affordable for our rate payers.

**4. Strategic Goals**

Our Mission and Vision are broad concepts encompassing all aspects of operations and administration at HUB. The Strategic Goals identified in this plan are designed to carry us through the next five years. Separate from this document is a 12-month Tactical Action Plan (TAP) which will provide a step-by-step approach to achieving these goals. A new TAP will be published each year with the goal of accomplishing approximately 20% of the work identified in this plan each year. The TAP will provide detail regarding who is responsible for each task and appropriate deadlines to keep us on schedule. This is a major commitment which requires buy-in from our Governing board, Management Team, and ultimately all our employees. Accountability will be critical to ensuring the success of this plan.

## **a. Administration and Multi-Department**

### *Goal: Reliability*

- Understanding, Accepting, and Communicating our Strategic Plan
  - Assemble the best team possible to engage in Strategic Planning. This team shall be responsible for keeping the Plan up-to-date.
  - Develop employee knowledge and understanding of the goals and objectives established in the Plan and frame conversations, meetings and decisions accordingly such that we keep in line with the overall goals and objectives established within.
  - Regularly discuss progress in achieving the goals and objectives within the Plan and release an updated TAP not less than annually to keep on track with the 5-year schedule.
  - Communicate our methodology with enthusiasm and seek to attract others who believe in the same ideology.
- Create a culture of discipline through strict adherence to our mission: to enhance our community through exceptional service.
- Communicate and promote the company's vision through every public engagement, pushing to make decisions that best facilitate our goal of inspiring social and economic growth through intentional action.

### *Goal: Managing Risk*

- Reducing Financial Risks:
  - Establish targets and fund appropriately to reach cash reserve goals for each department (electric, gas, water, and sewer).
  - Plan at least 3-5 years in advance for major capital expenditures and develop fiscal plans for funding those projects.
- Reducing Human Error:
  - Implement regular employee training programs for customer service, billing, and accounting software(s).
  - Begin regular training of supervisors to ensure understanding of and to monitor correct use of disciplinary procedures.
  - Offer opportunities for workforce development and training.
  - Find interest in, then implement cross training and develop means for temporary work opportunities across departments.
  - Re-organize our electronic & paper filing systems.
- Reducing Legal Risks:
  - Monitor and test our use of checks and balances to ensure policies and procedures are followed fairly and consistently.
  - Update the HUB Employee Policy Manual.
- Address Staffing Challenges:
  - Establish longevity planning to prepare for attrition due to an aging workforce.
  - Establish succession planning program to be prepared for turnover in management.
- Develop and implement plans to address physical and cyber security threats.



### *Goal: Fiscal Responsibility*

- Keeping Expenses Under Control:
  - Routinely review recurring fees and expenses looking for wasteful spending and/or no longer relevant items that can be cut from our regular operating expenses.
  - Develop and implement a plan, policy, and budget for sponsorships and donations.
  - Develop and implement a plan, policy, and budget for employee training in all departments.
- Keeping Salaries Competitive:
  - Develop a generic organization chart showing all available positions with pay scale guidelines (ranges) for each position based on industry standards.
- Keeping Rates Affordable and Appropriate for Managing our Systems:
  - Opt for small, incremental rate adjustments over abrupt, larger increases which may be burdensome for our customers.
  - Develop a plan for preventing a financial loss in each department at year end.
  - Develop a plan for funding capital projects to minimize impacts on rates.
  - Ensure capital projects are carefully selected and designed to reduce ongoing operating and maintenance costs to help stabilize rates, especially in the water and sewer departments (i.e. meter replacements, water loss and I/I correction, etc.).
- Explore ways to expand our coverage area in effort to increase revenue.
- Oversight in Purchasing Practices:
  - Re-evaluate purchasing strategies and explore money-saving options.

### *Goal: Innovation*

- Advanced Metering infrastructure (AMI)
  - We will invest in AMI technology to improve our *quality of service* and ability to make *smarter decisions*.
  - Implement pre-paid meters to reduce customer service trips and bad debt.
- Update and modernize the company website.
- Technology as a Tool to Improve Service:
  - Proactively research and explore technology that will benefit our rate payers by increasing the quality and reliability of our services.
  - Ensure that major technological purchases are researched and selected using a multi-department, multi-stepped approach.
- Customer Utilization of Technology:
  - Promote/Advertise use of the SmartHub app for viewing/paying bills, reviewing usage history, reporting outages, etc.
  - Promote/Advertise Automatic Payments, Online Payments, Budget Billing, etc.
  - Implement payment kiosk for New Office.
- Create & implement in-house program for municipal board member training.
  - Provide training that is State-Approved and Relevant to HUB.
  - Market training to other Utility Board Members in our area.

*Goal: Strengthening Relationships*

- Management/Supervisors to Employees:
  - Implement performance evaluation program.
  - Communicate adequately across departments to engage all employees more equally.
  - Develop and implement an Employee Appreciation Plan (examples: birthday cakes or lunch once a year).
- Interdepartmental Relationships and Communication:
  - Implement a program to provide new hires a high level tour of the entire organization and its service territory.
  - Leverage the skills from multiple departments to accomplish shared goals.
  - Create planned activities or fun, friendly competitions that involve participation from multiple departments.
- Employees to Customers:
  - Address every customer with respect in every interaction.
  - Design and administer customer satisfaction surveys.
  - Develop and implement measures to streamline the way our customers apply for service with us.
  - Utilize the SmartHub Messenger and Call Capture for communicating to a broad customer base about specific projects and information.
  - Maintain an open line of communication with our customers through face-to-face meetings, SmartHub Messenger, social media, newspaper, radio, newsletters, annual reports, etc.
- HUB to Community:
  - Be a partner in our community to encourage economic growth and development.
  - Become a facilitator to help our public officials whenever possible (connect them with funding opportunities).
  - Develop and publish standard specifications for installation of utility services to provide developers and contractors wishing to expand infrastructure for new developments.
  - Work with Roane Alliance to implement a brochure of who provides utility services throughout the County.
  - Leverage our GIS capabilities to assist city and county officials with their efforts to stimulate development.
- Honesty and Transparency:
  - Ensure policies and procedures are readily accessible to our employees, customers, and key stakeholders.
  - Provide Annual Report to customers and key stakeholders.
- Public Relations and Outreach:
  - Communicate the value of service to our customers.

- Develop and implement a Public Relations/Outreach Calendar to acknowledge holidays, days/weeks/months of appreciation, etc.
- Identify and implement key educational initiatives at schools, civic groups and on social media.
- Generate and distribute external, customer-aimed publications such as a newsletter, blog, newspaper column, and/or regular stream of social media posts.
- Develop a plan to achieve a RP3 Award through APPA (e.g. coloring contest for school children).
- Programs for Youth and Students within our Community:
  - Develop a work-based learning program for high school students.
  - Provide internships and cooperative education opportunities for local college students.
  - Work with local schools to be present at opportunities such as career fairs and other events in effort to inspire and educate the youth in our community about our services and job opportunities in our industry.

## **b. Electric Department**

### *Goal: Reliability*

- Once AMI is implemented, reduce outage restoration times.
- Improve accuracy of Outage Management Model.
- Reduce tree-related outages through better management of right-of-ways.

### *Goal: Managing Risk*

- Complete Risk Assessment and Contingency Planning for the Electric System.
- Assess the vulnerability of our electric grid in respect to aging infrastructure, cyberattacks, and other variables.
- Seek opportunities for mutual aid with surrounding utilities.
- Create a preventive maintenance program.

### *Goal: Fiscal Responsibility*

- Once AMI is implemented, develop program for voltage reduction.

### *Goal: Innovation*

- Introduce a program for installing surge protectors on electric meters.
- Market right-of-way clearing policies and procedures to our customers.
- Develop and begin the implementation of a fiber plan to replace the outdated radio communication system for our electric substations, tie-in to our future AMI infrastructure, and explore future expansion for other uses.

### *Goal: Strengthening Relationships*

- Get workers more engaged in events and competitions sponsored by our various electric associations.

### **c. Gas Department**

#### *Goal: Reliability*

- Seek opportunities for mutual aid with surrounding utilities to reduce outage restoration times.

#### *Goal: Managing Risk*

- Eliminate all cast iron gas piping in the system to increase reliability and public safety.
- Explore the possibility of creating an interconnection with neighboring gas utility.
- Assess the vulnerability of our gas infrastructure and plan key capital projects to address replacement needs.

#### *Goal: Fiscal Responsibility*

- Apply for grant and/or low-interest government loan funding for the expansion of our gas system.

#### *Goal: Innovation*

- Perform study to explore the expansion of our gas system and develop business case to understand the return-on-investment (ROI).

#### *Goal: Strengthening Relationships*

- Get workers more engaged in events and competitions sponsored by our various gas associations.

### **d. Water & Sewer Department**

#### *Goal: Reliability*

- Create and Implement Standard Operating Procedures for both the water and wastewater treatment plants.

#### *Goal: Managing Risk*

- Develop a Capital Improvement Plan for each department.
- Conduct a system-wide pumping and power evaluation.
- Create a preventative maintenance program.

#### *Goal: Fiscal Responsibility*

- Reduce non-revenue water loss by volume 10% by January 2024.
- Reduce inflow and infiltration (I/I) 10% by January 2024.

#### *Goal: Innovation*

- Once AMI is implemented, utilize real time information to identify issues in the system, notify customers of leaks, and evaluate water loss on a daily basis.
- Seek approval from TDEC and the EPA to discharge our treated wastewater flow to the Emory River for 6 months or more per year.

*Goal: Strengthening Relationships*

- Educate our customers on the health and safety of our wastewater services.
- Provide public tours of our water and wastewater plants.
- Get workers more engaged in events and competitions sponsored by our various water and wastewater associations.

## **5. Validating the Strategic Plan**

In this plan, we've laid out some ambitious, but nonetheless attainable goals. In order to see these goals are met, we will utilize the TAP and meet not less than quarterly to monitor progress. By following through on our plans, we will gain trust and respect from our key stakeholders. Taking that one step further, we believe HUB can be a leader in our industry and ultimately looked upon as an example others wish to emulate.

### **a. Accountability is the Key to Success**

Our *vision* defined our *goals*, but it's our *actions* which will generate results. The real work of strategic planning isn't developing the Plan, but carrying it out over time. *Accountability* is the principle which will ensure actions are being taken within the prescribed timeframes, thereby moving our "train" forward along the path of the Plan.

### **b. Who Ensures Accountability?**

The Strategic Planning Team is ultimately responsible for ensuring that each department within HUB is held accountable to the action items defined in the Plan. However, it is essential that each employee share in the *vision* and accept the *mission* herein defined.

Managers, supervisors and lead personnel should all be productive in developing the Plan, held responsible for meeting goals, and periodically come together to ensure that the established actions and timeframes are valid and viable.

### **c. What if the Strategic Plan needs to be changed?**

This plan is a "living" document; this means that from time to time, it may become necessary to amend, add to or take away from it, adjust timeframes, or otherwise make changes. This is always acceptable provided that three conditions are met:

- The changes do not detract from the vision or mission of HUB
- The changes are reviewed and approved by the Strategic Planning Team
- Changes are clearly communicated to all employees via revision of the Plan.

## **6. Tactical Actions**

The Strategic Plan is merely a roadmap defining the strategic direction we wish to take HUB. The TAP serves as the “nuts & bolts” of this plan. It is a clearly defined set of actions linked to a realistic budget with sponsors accountable for implementing them within a reasonable timeframe.

Appendix A of this plan contains the first 12-month (2019) TAP. Each year (App. B-2020, App. C-2021, etc., etc....), a new TAP will be appended to this plan to help keep us on schedule to accomplishing all of the goals within during the next five years.

## **7. Summary**

Our vision is to inspire social and economic growth through intentional action. This defines our mission, which is to enhance our community through exceptional service. In turn, we recognize that in order to fulfill our mission and realize our vision, it is imperative to have a strong, living Strategic Plan.

We are the “HUB” of our community, and like a wheel, our organization does not exist in a static environment. How we anticipate and respond to change is a vital part of defining our strategy for success. Fundamentally, we form these plans around five basic disciplines; Reliability, Risk Management, Fiscal Responsibility, Innovation and Strengthened Relationships.

Staying on track through the “ups” and “downs” will require the discipline to progress towards our goals at a steady, consistent pace.

In order to ensure we meet our goals and fulfill our vision, we have clearly defined the persons within the organization who constitute the Strategic Planning Team. Based on their experience, knowledge and authority, they will ensure fulfilment of the various goals and actions, by department and timeframe to be accomplished.

It is essential that a sense of accountability extends throughout HUB. Furthermore, it is necessary to pass this commitment on to future members of the HUB team through a cultural adoption of the vision and mission.

As we anticipate changes in focus over such a long period of development, we have outlined the process for making changes to the Plan. Any such changes must not detract from our mission and vision, must be accepted by the Strategic Planning Team, and be clearly communicated via published revision to the Plan.

Our vision outlines a number of goals, each requiring specific Tactical Actions with defined Sponsors, Budgets and Timeframes.

In closing, the Strategic Plan and its specific Tactical Actions outline a path that will ensure HUB’s success as a central partner for the growth of an enhanced community. With commitment and effort, each goal outlined within can and will be achieved.