

District Strategic Plan



Madison Metropolitan
Sewerage District

Approved August 26, 2022





Introduction

“Strategy is the craft of figuring out which purposes are both worth pursuing and capable of being accomplished.”

Richard Rumelt,
Professor and author,
Good Strategy, Bad Strategy: The difference and why it matters

In Spring 2021, the Chief Engineer & Director and Commission began discussions on the need to update the District’s Strategic Pillars, an early organizational planning document that outlined a variety of District programs, plans and initiatives at various stages of implementation. But as the CED and a handful of staff began digging into how to best update the pillars document, we decided a new approach to strategic planning was required. We needed something that followed best practices in strategic planning for organizations like the District. We needed a plan that provided clear direction and guardrails to guide decision-making. We needed a plan consistent with the District’s statutory powers and obligations, particularly its obligations to owner communities. And most importantly, we needed a plan that positioned the District for success, now and into the future. With a large task at hand, we formed a strategic planning subteam to move this change forward.

Plan structure

Through intensive research, reading and discussion, the subteam landed on two universal tenets upon which to frame the District’s approach to strategic planning:

Effective organizations have a strategy that specifies why the organization exists, what it must be good at, how it will detect under-performance, and how it can influence performance.

Effective organizations recognize they can’t do everything at once and need a process and structure for prioritizing and executing work.

From these tenets, a new framework for strategic planning was vetted that includes the following core parts, which are further defined in this document: strategic purpose, owner expectations and performance areas. The structure of the strategic plan provides broad direction to guide District work on an ongoing basis.

Strategic purpose: Our purpose succinctly describes why the District exists — to provide wastewater management — and who it serves — its owner communities. Articulating this purpose helps direct attention and resources to what is most important.

Owner expectations: These outline the Commission’s understanding of how communities expect us to approach our work and what aspects are most critical to communities.

Performance areas: Performance areas are those activities the District must excel at to fulfill its strategic purpose and meet owner expectations. They are high-level and broad categories of effort. Performance areas are a management tool to support executive-level monitoring and work prioritization.

These three components rarely change but will be reviewed periodically to ensure they continue to provide needed structure.



In addition, effective organizations develop ways to monitor performance to identify problem areas and opportunities for improvement. Such performance indicators are used at all levels of the organization. An appendix to this strategic plan includes several candidates for high-level indicators. These require further refinement but show the District's course for performance monitoring.

Moving the plan forward

In late winter 2022, the Executive Team met in four retreat-style meetings to draft the District's purpose and performance areas. In May and June 2022, the Commission held a series of study sessions to endorse the new strategic plan structure; to review and refine the purpose and performance areas; and to establish owner expectations. The results of this collaborative and iterative process are formalized in this Strategic Plan.

Approval of the strategic plan is not the end of the road for this work. The purpose and owner expectations will be incorporated into the Commission Policy Book. District staff are refining performance indicators. The Commission has a future task of establishing monitoring processes for the plan.

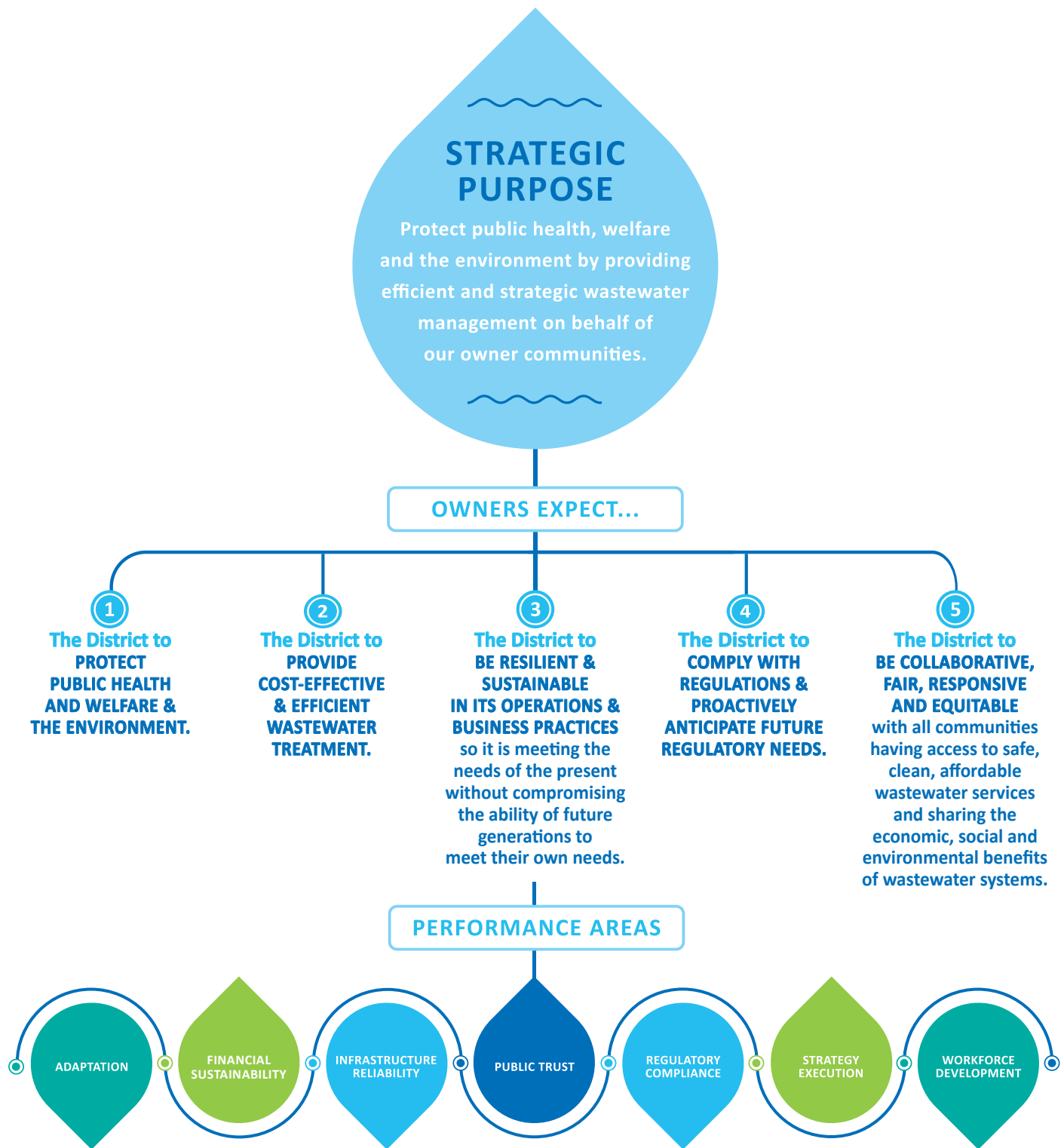
And most importantly, because execution, as identified, is critically important to the success of any plan, District staff are planning and prioritizing work to the strategic plan. Annual focus items, which are significant work efforts, initiatives and projects that support the strategic plan, will be identified annually and included in the District's budget. Identifying focus items allows the District to prioritize and direct work and resources that are in service of our performance areas and, ultimately, our purpose. At the same time, it allows us to deprioritize work that is not critical, doesn't serve the District's purpose, or would not be the most efficient use of resources.

The District's strategic plan is a living document. It will guide our decision-making and resource prioritization to ensure the District stays true to its purpose, meets the needs and expectations of its owner communities, puts performance at the forefront, and positions the District as a leader among clean water agencies. With the guidance and foresight of the Commission, this strategic plan achieves that.

One major reason for the lack of action is that “new strategies” are often not strategies at all. A real strategy involves a clear set of choices that define what the firm is going to do and what it's not going to do. Many strategies fail to get implemented, despite the ample efforts of hard-working people, because they do not represent a set of clear choices.

Freek Vermeulenin,
“The Gap Between Strategy and Execution,”
Harvard Business Review

Strategic Plan





Strategic Purpose

The strategic purpose answers the question of why we exist as an organization. That is, what unique value do we provide to the world, or why would anyone want to create us if we didn't already exist? Purpose is not arbitrary; it is mainly determined by the outside world's expectations of the organization. Purpose changes little during the life of the organization. The purpose statement provides context and focuses the creation of the rest of the strategic plan.

Our Purpose

Protect public health, welfare and the environment by providing efficient and strategic wastewater management on behalf of our owner communities.

Purpose definitions & context

Community: *Community includes each municipality that jointly or separately owns or operates a sewerage collection and disposal system with territory included in the District boundary*

We use "community" in the purpose to reflect the definition the Commission adopted for "owner communities" in October 2020.

Efficient: *Achieving the maximum benefit in a cost-effective manner*

The Wisconsin statutes allow the creation of sewerage districts where a district will "effect efficiency and economy in sewerage management" (s. 200.05(4)(c)). Echoing those ideas, we use "efficient" in strategic planning to mean well-organized, competent, and with minimum wasted effort or expense. We use "economy" to mean that the District provides wastewater-related services for the region at a lower total cost than if each municipality did the work independently.

Strategic: *Future-oriented and proactive*

We use "strategic" in the purpose statement to mean that the District pays attention to long-term aims and interests and the means of achieving them. It further means being deliberate, proactive and planning ahead.



Owner Expectations

Owner expectations describe the benefits we promise to deliver to our owner communities to create focus and accountability. They say what the people we serve expect us to do for them. Expectations should be things of the highest value, of which there are a vital few. Expectations must match our purpose, but they can emphasize specific things. Emphases might change over time.

Expectations highlight:

- Our statutory responsibilities
- Benefits that owners experience
- Areas that are critical areas for leadership attention

What expectations are not:

- What we do
- How we do it
- Ambitions that exceed our foreseeable grasp

Commissioners developed our owner expectations over several study sessions where they brainstormed expectations, aligned on similar themes, and modified an initial set. The five resulting owner expectations are the result of the Commission's robust and collaborative work on this facet of the District's strategic plan.

Our Owner Expectations

1. Owners expect the District to protect public health, welfare and the environment.
2. Owners expect the District to provide cost-effective and efficient wastewater treatment.
3. Owners expect the District to be resilient and sustainable in its operations and business practices, so it is meeting the needs of the present without compromising the ability of future generations to meet their own needs.
4. Owners expect the District to comply with regulations and proactively anticipate future regulatory needs.
5. Owners expect the District to be collaborative, fair, responsive and equitable, with all communities having access to safe, clean, affordable wastewater services and share the economic, social and environmental benefits of wastewater systems.

Performance Areas

Performance areas are the *how* to the *what* of the purpose and owner expectations. They are things the District must achieve with excellence to fulfill its strategic purpose and meet owner expectations. They also require executive-level attention on an ongoing basis to be achieved.

Performance areas have a managerial function. The job of performance areas is to focus organizational, executive and staff efforts. In effect, they offer a means to say no to some things and a framework for prioritizing the things we say yes to so that effort goes to things necessary to the District's purpose.

Our Performance Areas



Adaptation

The District maintains flexibility, reliability, and resilience by addressing major factors that could increase District costs, render District assets obsolete, change the District's role, increase the District's value, or require changes in the District's work, where such factors require extraordinary effort, expense, reorganization, addition of function, or political or collaborative effort.



Financial Sustainability

The District maintains financial sustainability to ensure having adequate monies for District obligations over the long term.

Financial sustainability requires balancing the benefits of spending against financial burdens on communities and individuals.

It further requires that spending be cost-effective and justified, needs can be met without disruption, spending and revenue are smoothed over time, and burdens on communities and individuals are acceptable to them and are equitable.

It finally requires transparency so that those who fund the District can have confidence in the decisions made on their behalf.

Performance Areas (cont.)



Infrastructure Reliability

The District manages its physical and technological infrastructure so that it fulfills its intended functions to an acceptable level of performance at an acceptable level of risk and continues doing so through changes in the service area, climate, and other external conditions.

The District does this by setting standards of performance and risk for District assets, making judicious investments, performing conscientious maintenance, and planning for changing conditions.



Public Trust

The District maintains public trust to support its long-term success through public confidence, support of other governments and institutions, and the social capital needed to operate effectively.

To uphold public trust, the District must be responsive, reliable and fair; it must listen, communicate and engage with openness and transparency; it must not impose inequitable burdens on communities, and it must have integrity in its operation, business practices and relationships with its owner communities and the broader community it serves.



Regulatory Compliance

The District addresses regulatory factors to ensure that we meet existing permit requirements with only minor and infrequent violations, maintain a low risk of significant violations on an ongoing basis, and respond to violations as appropriate to the significance of the violation.

To achieve this, the District monitors and corrects performance against regulatory requirements, maintains effective working relationships with regulators, monitors trends in regulation, makes plans to adjust to regulatory trends, and works to influence regulatory trends to support cost-effective achievement of goals.



Strategy Execution

The District executes its strategy to ensure we are meeting our purpose, we have the people and resources to do the right work at the right time to provide the greatest value, and critical results are obtained when needed.

To accomplish this, we must effectively organize and prioritize work, staff and external resources; give staff clear direction to guide their efforts; engage in effective project management and oversight; and monitor performance indicators to respond to changing needs. This requires active and diligent executive-level monitoring, guidance, and support.



Workforce Development

Workforce development supports the performance of the District by providing a capable workforce, having leadership at all levels of the organization, and fostering effective engagement with the community.

This can be achieved by ensuring our employees have the skills they need to perform their jobs; feel they belong in the organization and can engage and grow in their work; and can work effectively with owner communities, members of the public, and stakeholders.

In addition, District workforce development supports equity within the community by providing supportive and well-paying employment and career development, establishing a diverse and inclusive workplace, and striving to be a model employer.



Appendix

Candidates for Performance Indicators

Performance indicators are management tools with two related jobs. First, they guide executive leadership to move resources and effort to areas where performance needs improvement. Second, they communicate to staff what high performance means to facilitate alignment of staff effort with District strategy. Indicators should change over time to reflect present needs.

Indicators do their jobs well when they measure things that genuinely matter to performance and when they give actionable information. They have two pieces: (a) methodology, which describes how information is obtained and processed; and (b) standards, which say what should be done depending on the indicator's result. The District will continue to develop the candidates below.

Adaptation

- No candidate indicators have been identified yet.

Financial Sustainability

- Cost to Treat a Unit of Wastewater — Supports movement toward cost-effective treatment.
- Forecasted Total Cost of the District — Supports readiness to meet future obligations.
- Liquidity — Supports ability to weather short-term financial problems.
- Revenue Burdens on Households — Indicates need to shift revenue sources to reduce burden on certain populations.
- Costs of Revenue and Financing — Supports cost-effective revenue acquisition and financing.

Infrastructure Reliability

- Maintenance Performance — Indicates ability of the District to maintain assets properly.
- Asset Performance — Indicates ability of equipment to perform needed functions.
- Ability to Handle Emergencies — Indicates ability to continue infrastructure performance in various emergency types.
- Physical and Virtual Security Testing — Indicates ability to protect infrastructure performance against multiple types of threats.

Public Trust

- Satisfaction and Engagement — Identifies concerns and disengagement.
- Public Awareness — Measures the public's knowledge and acceptance of the District, which allows the organization to build reputation and capacity.
- Commission & owner community responses to budget, spending, processes, etc. — Indicates specific concerns with key District activities affecting owner communities.



Regulatory Compliance

- Report on Permit Violations — Identifies noncompliance and reasons for it.
- Gaps Between Permit Limits and Levels — Warns of risks of noncompliance.
- Trends in Needed Levels of Service — Warns of increased burdens to meet permit requirements.

Strategy Execution

- Benefits Delivery — Warns of work that did not have adequate promised benefits at planning or was completed but did deliver promised benefits.
- Workload Balance Assessment — Warns of situations where work is under- or over- resourced.
- Project Management Suite of Measures — Leading indicators of project quality and delivery, such as charter quality standards, portfolio composition, timeliness measures.

Workforce Development

- Employee Engagement — Identifies concerns and disengagement.
- Job Descriptions Quality — Supports current, high-quality job descriptions.
- Employee Turnover — A lagging indicator of employee dissatisfaction or other problems.
- Employee Demographics — Indicates progress toward having a diverse workforce.
- Employee Skills — Indicates level of job/necessary skill in the workforce and progress toward skill improvement.
- Employee Progression — Indicates extent to which the District provides career progression.



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