Orange Water and Sewer Authority

OWASA is Carrboro-Chapel Hill's not-for-profit public service agency delivering high quality water, wastewater, and reclaimed water services.

Agenda
Virtual Special Meeting of the OWASA Board of Directors
Thursday, February 4, 2021, 5:00 P.M.

A Special Meeting of the Board of Directors of Orange Water and Sewer Authority is hereby called and will be held virtually on Thursday, February 4, 2021, at 5:00 p.m., to discuss the process to develop a new Strategic Plan.

Due to COVID-19 public health concerns, the Orange Water and Sewer Authority (OWASA) Board of Directors is conducting this meeting virtually utilizing Microsoft Teams software. Board Members, General Counsel and staff will be participating in the meeting remotely.

In compliance with the "Americans with Disabilities Act," interpreter services for non-English speakers and for individuals who are deaf or hard of hearing are available with five days prior notice. If you need this assistance, please contact the Clerk to the Board at 919-537-4217 or aorbich@owasa.org.

The Board of Directors appreciates and invites the public to attend and observe its virtual meetings online. For this Special Meeting, public comment is invited via written materials, ideally submitted at least three days in advance of the meeting to the Board of Directors by sending an email to board_and_leadership@owasa.org or via US Postal Service (Clerk to the Board, 400 Jones Ferry Road, Carrboro, NC 27510). Public comments are also invited during the Board Meeting via telephone, and members of the public will need to be available to call-in during the meeting. Please contact the Clerk to the Board at aorbich@owasa.org or 919-537-4217 to make arrangements by 3:00 p.m. the day of the meeting.

Public speakers are encouraged to organize their remarks for delivery within a four-minute time frame allowed each speaker, unless otherwise determined by the Board of Directors. The Board may take action on any item on the agenda.

Announcements

Announcements by the Chair

- Any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time.

Discussion

1. Discuss the Process to Develop a New Strategic Plan (Todd Taylor/Mary Tiger)

Dated this 4th day of February 2021.

/s/ Raymond E. DuBose
Raymond E. DuBose, P.E., Chair of the Board

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MEMORANDUM

TO: Board of Directors

FROM: Todd Taylor and Mary Tiger

DATE: December 4, 2020

SUBJECT: Discuss Process to Develop a New Strategic Plan

Purpose

To discuss a proposed approach for developing a new Strategic Plan that will guide the organization's budget and action in years to come and the approval of Guiding Principles for that process

Background

The goals and objectives of OWASA's current strategic plan are complete or significantly underway. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives. On September 24, 2020, the OWASA Board of Directors decided to move forward with the development of a new strategic plan and requested that staff develop a draft approach to develop this plan.

The development of a strategic plan is a prime opportunity to engage OWASA staff and the community in setting priorities for our work ahead. The following memo lays out an approach for the Board's consideration in developing a new Strategic Plan that provides meaningful opportunities for staff, stakeholders, and the community to contribute.

Guiding Principles

The following principles are proposed to summarize considerations that will guide how the Plan is developed.

1. An updated strategic plan is needed to ensure that we are anticipating and preparing for the future that we want and setting a course for aligning scarce resources with our strategic goals and objectives.
2. The strategic planning process will consider and/or reinforce OWASA's mission, vision, and values.
3. This process is a time to think comprehensively and identify broad-reaching strategic goals and initiatives.
4. The horizon for the strategic goals and objectives will be five to six years.
5. The strategic planning process will involve and engage the Board, staff and the community. We will actively seek feedback to include and consider diverse perspectives. An active communications strategy will be integral to the process.
6. The strategic planning process will be managed by OWASA staff with the assistance of consultants, as needed.

7. Staff leadership will work together with the Board of Directors to develop the strategic plan. The final Strategic Plan will be approved by the Board of Directors.
8. We will set strategic goals that align with our organizational priorities, needed to achieve our long-term vision.
9. SMART (Specific, Measurable, Attainable, Relevant, and Time-based) strategic objectives will be developed for each goal.
10. We will define a process for reporting on progress and updating the plan, including performance measures.
11. The strategic plan will be used to align resources and guide budgets in the coming decade. Where possible, desired outcomes will be related to budget requests.

Proposed Steps in the Process and Timeline

1. **Develop a Plan and Set Guiding Principles (December 2020 – March 2021)**
   The purpose of this step is to develop consensus on the purpose and process for developing a new Strategic Plan. We are allowing ample time for this step in the process to better align associated budget requests (i.e. consultant assistance) with the Fiscal Year 2022 budget. This step involves:

   - Two discussions at regularly scheduled work sessions by the OWASA Board of Directors
   - Staff preparation for these discussions

2. **Conduct Scan of Environment and Organization (May – September 2021)**
   The purpose of this step is to seek input and perspective on OWASA's strengths and weaknesses, as well as to review what is currently happening or emerging that presents opportunities and challenges for OWASA ahead. To do this, we will seek input from staff, stakeholders, individual Board members (past and present), and the community. The input will be sought primarily through survey, but also through focus groups with stakeholders and presentations to community groups. OWASA staff requests the assistance of a consultant to develop the survey instruments that will be used. This step will also involve the curation of relevant reports, such as the AWWA State of the Industry Report, the local Chamber of Commerce State of Community, and local Strategic Plans for consideration. This step will involve:

   - Staff to select consultant
   - Consultant assistance with the development of a Board, staff, and community survey instrument (in English and Spanish) – Start working with consultant in July 2021
   - Stakeholder focus groups
   - Staff time to develop and distribute survey, collect results, and lead discussions with partner agencies and stakeholders

3. **Synthesize Environment and Organizational Scan (October – December 2021)**
   The purpose of this step is to compile and discuss findings from the scan. This step will engage staff and the Board in the review and discussion to come together on the identification of key trends that will influence our Strategic Plan. This step will involve:

   - Staff discussion groups with all or most of the OWASA team
   - One dedicated work session (i.e. not part of regularly-scheduled meeting) with Staff Leadership and Board of Directors, facilitated by professional facilitator
   - Staff time to lead discussions with staff and compile the results from the scan and discussions

4. **Review Mission, Vision and Values (January 2022)**

The purpose of this step is to imagine and agree upon a shared picture of what the Board and Staff Leadership will look like in the future. This step will involve:

- One dedicated work session with Staff Leadership and the OWASA Board of Directors, facilitated by a professional facilitator
- Staff time to work with the consultant to prepare for the work session and to summarize takeaways

5. **Set Strategic Goals and Initiatives (February – June 2022)**
   The purpose of this step is to identify and prioritize goals and initiatives that will advance OWASA toward our vision, as well metrics that we will use to measure success. This step will involve:

   - One to two dedicated work sessions with Staff Leadership and the OWASA Board of Directors, facilitated by a professional facilitator, to draft goals and initiatives
   - Staff work sessions to review and discuss draft goals and initiatives, as well as to develop an implementation plan
   - Community outreach to inform the community of the strategic planning process and to seek feedback on the draft goals and initiatives
   - Staff time to prepare for work sessions and summarize results, as well as to conduct community outreach on the draft Strategic Plan

6. **Finalize Plan (July – August 2022)**
   In this step, we will consider any refinements to the overall Strategic Plan that are needed from the previous step. At the end of this step, we will have a Strategic Plan that spans six years, from Fiscal Year 2023 through Fiscal Year 2028. This step will involve:

   - Staff time to develop and design the final Strategic Plan
   - Time at a regularly scheduled OWASA Board of Director Work Session to approve the final Strategic Plan

7. **Develop Working Groups to Initiate Plan (September 2022 – January 2023)**
   Once approved by the Board, staff will mobilize to develop working groups to develop plans for moving forward on initiatives identified in the Plan. Because of the timing, the first year of implementing the Strategic Plan will be largely spent in the planning stage (i.e. no significant budget expense).

8. **Align Strategic Plan with Annual Budget (Fiscal Year 2024 – 2028)**
   As identified in the Guiding Principles, the Strategic Plan will be used to align resources and guide budgets in the coming years. The Strategic Plan will serve as a basis for related budget requests. Where possible, desired outcomes will be related to budget requests.

9. **Monitor Progress; Evaluate and Communicate Results (Ongoing)**
   In finalizing the Strategic Plan, OWASA staff and Board will agree on an approach for regular monitoring and evaluation of our progress on the Strategic Plan.

10. **Conduct Interim Review and Update (Every other year)**
    In addition, we will establish a modified process to review and update throughout the implementation period. This will allow for future Board and community members to have input on the Strategic Plan while allowing the Plan enough time to tackle longer-term strategies.

Key Roles and Responsibility in the Planning Effort

1. **Board of Directors:** The Board of Directors will set the Guiding Principles for the strategic planning process and approve the final process framework. Throughout the Strategic Planning process, the Board will participate in dedicated work sessions with the Staff Leadership Team outside of regularly scheduled Board meetings (Proposed 3-4 dedicated work sessions that take place between October 2021 and June 2022). Individual Board Members will be asked to participate in a survey as part of the organizational and environmental scan. Ultimately, the Board of Directors will approve the final Strategic Plan.

2. **Staff Leadership Team:** The Executive Director and OWASA Directors will participate in discussions with the Board of Directors review OWASA's Mission, Vision, and Values; synthesize the environment and organization scan, and set strategic goals and initiatives. These discussions will take place in dedicated work sessions, outside of regularly scheduled Board meetings. The Staff Leadership Team will also act as a liaison between all OWASA staff and the Board of Directors. They will do this by participating in staff discussions and focus groups.

3. **Project Manager:** OWASA's Sustainability Manager will manage the overall process, including the organization of meetings, facilitation of some meetings, and selection and oversight of consultants.

4. **Strategic Planning Team**: A group of OWASA staff will be encouraged to serve as a review board throughout the entire strategic planning process. They will review key documents and provide feedback on those documents for the Board and Leadership Team's consideration. They will participate in focus groups and serve as ambassadors of the strategic planning process within their workgroups. The Strategic Planning Team will be critical to developing the strategic implementation plan.

5. **All OWASA Staff**: All OWASA staff will be invited to participate in the survey and provide feedback on draft strategic goals and initiatives.

6. **Community Stakeholders:** Representatives from key stakeholders in the community will be invited to participate in an interactive priority setting and budgeting exercise designed for water utilities. This event provides a meaningful opportunity to (a) solicit feedback of their priorities for OWASA and (b) provide insight into the various priorities of a water and wastewater utility. Each representative will be invited to bring a "plus one".

7. **Community:** The community that we serve at-large will be invited to provide feedback throughout the strategic planning process, including participation in a community survey. The survey will be shared in English and Spanish. Staff will make additional effort to present an overview of the strategic planning process to certain community groups to encourage participation in the survey.

8. **Past OWASA Board Members:** Past OWASA Board Members will be invited to provide historical context through a survey.

9. **Consultants:** Staff sees the need to engage outside consulting for the following tasks.
    a. Survey development
    b. Board discussion facilitation
        i. Synthesize Environmental and Organizational Scan: 1 session

ii. Review of Mission, Vision and Values: 1 session
iii. Setting Strategic Goals and Initiatives: 1-2 session

c. Provide feedback on the overall process

After discussing the overall process and the tasks with a few different consultants, we estimate that the cost to engage a consultant for the aforementioned tasks to be about $15,000.

Next Steps

At the December 10 OWASA Board Meeting:

1. The Board is asked to provide feedback the Guiding Principles for the Strategic Development Process.
2. The Board is asked to provide feedback on the overall approach to developing a Strategic Plan.
3. If there are no major changes to the Guiding Principles, staff recommends that the Board make the following motion to approve them.

"Motion that the Board of Directors approves the proposed Guiding Principles for the Development of OWASA's New Strategic Plan to and authorizes staff to develop a more-detailed process, in light of these Principles, for the Board's approval."

Following the December 10 OWASA Board Meeting:

4. Staff will form and work with an internal Strategic Planning Team to review and refine the approach and populate the Board's 12-month calendar.
5. We will bring back a final, more-detailed proposed process for the Board's approval by the end of March 2021.

Todd Taylor, P.E.
Executive Director

Mary Tiger
Sustainability Manager