

WASHINGTON COUNTY SERVICE AUTHORITY

# STRATEGIC PLAN

# 2019



# MESSAGE FROM THE CHAIRMAN AND THE GENERAL MANAGER

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General Manager**

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Strengths, Opportunities,  
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(SOAR)



# Welcome to the Washington County Service Authority's Strategic Plan

## Past

Washington County Service Authority (WCSA) is a significant part of Washington County's history. Our roots go back to 1902 when water was first pumped into a Damascus home. Eight years later, WCSA's forerunner, Abingdon Water and Light, was founded to provide reliable utility services to many more customers. We saw significant growth as part of the Works Progress Administration, an ambitious employment and infrastructure program created by President Roosevelt in 1935 during the bleakest years of the Great Depression. WCSA has grown further as the result of the consolidation of no less than 17 private and public utilities countywide. And, since 1996, WCSA has invested more than \$120 million in infrastructure. According to the Water Research Foundation, this investment has provided, either directly or indirectly, approximately 1,920 jobs.

## Present

Today, WCSA provides approximately 90% of existing county residents (21,400 connections) with a safe, dependable supply of drinking water from multiple sources. WCSA utilizes a 900-mile network of pipelines, 26 water storage tanks, 28 pumping stations, 50 pressure zones, and more than 1,600 fire hydrants. An environmentally safe water reclamation service, utilizing 100 miles of pipeline and 29 pumping stations, provides wastewater to 2,400 connections.

We have required significant foresight to reach the point where we are today, and many challenges face the WCSA of tomorrow.

## Future

Some of these trials include continuing to meet the needs of an aging water system, recruiting and retaining a best-in-class team of people, being good stewards of financial resources, improving internal and external communications, leveraging technology to support effective operations, and, as we have done for more than 100 years, growing where feasible and desirable.

WCSA's Board, management, staff, and citizen advisory group developed this Strategic Plan to provide a foundation for meeting these challenges. The Strategic Plan acknowledges the challenges and provides a road map for meeting them. Just as important, it allows us to share our plans with our employees, customers, local agencies, organizations, and regulators. We believe this plan is an important tool for concentrating our energies on thoughtful goals while assessing how we are doing and where help may be needed. Our Strategic Plan will help current and future leaders and employees make the types of decisions that will continue WCSA's record of progress.

**Dwain Miller, Chairman**  
**Robbie Cornett, General Manager**

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# INTRODU

## Overview

*Washington County Service Authority (WCSA) initiated a strategic planning process in October 2018 to create an organizational vision and a framework for guiding the utility into the future. The strategic framework presented in this document will help guide investment, allocate resources, and provide a structure for annual reviews to assure that long-term goals and objectives are achieved.*



# JUNCTION

## Process

### ***WCSA's strategic planning process was designed to assure:***

- A shared vision of WCSA's ultimate goals. Organizations driven by clear purposes and shared values have a greater capacity to succeed than those who are not.
- A collective understanding of the available resources, the environment, and the principles upon which strategies will be based.
- Acceptance of the direction and urgency of the strategic and operating plans, which will be integrated into the way WCSA is operated on a day-to-day basis.

### ***To achieve these conditions for success, WCSA's strategic planning process involved input from a broad group of internal and external stakeholders and consistent communications of WCSA's vision, mission and overall strategic plan, both internally and externally. Major elements of the process included:***

#### ***Stakeholder Input***

Input was obtained from Board members, employees, and external stakeholders through a combination of interviews, Board Workshops, Citizens' Advisory Taskforce Workshops, an online employee survey with 42 responses, and employee focus groups.

#### ***Foundation Workshop***

A Core Strategic Planning Team (Core Team), consisting of members of WCSA's senior management, met to consider the stakeholder input and to draft the organization's Vision, Values, Mission, and Goals.

#### ***Strategy Workshop***

The Core Team brainstormed Strategies and Measures, and then made preliminary decisions concerning the Measures and strategies to be included in the final plan.

#### ***Core Team Review***

After documentation of the Strategy Workshop results, the Core Team reviewed and revised, as necessary, the elements of WCSA's strategic plan.







# ENVIRONMENTAL SCAN

**WCSA's operating  
environment was  
documented through:**

- Analysis of community demographics and other external influences (Community Profile)
- Considerations of key industry trends and their potential impact on the organization
- The organization's Strengths, Opportunities, Aspirations, and Results (SOAR)



## Community Profile

Located in Abingdon, Virginia, surrounded by the natural beauty of the Appalachian Mountains, Washington County Service Authority (WCSA) provides water and wastewater services to communities throughout southwestern Virginia and a few areas in Tennessee. Besides the county seat of Abingdon, WCSA provides service to a portion of the City of Bristol, the towns of Damascus, and Glade Spring, a portion of Saltville, and numerous other communities. Visitors to the area are drawn to the distinctive Blue Ridge Highlands, which include numerous trails and climbing areas, and proximity to the famous Appalachian Trail.

Each town in WCSA's 300-square-mile service area has a unique character and history. Along with the popular Virginia Creeper Trail, Abingdon is known for its artistic cultural attractions, including the Barter Theater, William King Museum of Art, bluegrass music events, Southwest Virginia Cultural Center & Marketplace, and charming historic architecture. The adjacent twin cities of Bristol, Tennessee and Bristol, Virginia are known for scenic golf courses, the Bristol Motor Speedway, and Bristol Caverns.

The County's Median Household Income is \$44,844, according to the Census, as compared to \$68,766 for the state of Virginia as a whole. With a current population of 54,402 according to the Census, Washington County has maintained a stable population over the past 10 years. According to the Washington County Department of Economic Development and Community Relations, manufacturing has in fact remained an important source of employment in recent years, and the County's mid-Atlantic location (40% of the U.S. population is within 500 miles) has helped make it an ideal site for a variety of industries, including specialty chemicals, transportation equipment, metals,

technical and scientific services, and distribution centers. Small businesses also make up a growing portion of the regional economy. Due to its pleasant climate, scenic mountains, and rich cultural heritage, southwestern Virginia attracts large numbers of tourists each year, making tourism a growing component of the regional economy. According to the nonprofit Friends of Southwestern Virginia, travel expenditures in Southwest Virginia grew by \$394 million from 2004 to 2017. In terms of total revenue generated, agriculture and agriculture related industries represent the number one industry in Washington County; a \$76.5 million market value for products sold.

The region's residents, businesses, tourism and industrial parks depend on WCSA's expansive network of water and wastewater pipelines, which span a total elevation change of 1,147 feet or pressure differential of 493 psi (pounds per square inch) while 50 psi is standard for household use. Maintaining this vast network of lines and maintain the proper amount of pressure requires a dedicated, tireless workforce and investment in key infrastructure. WCSA's people are at the heart of its success. Through this collaborative strategic planning effort, WCSA is committing to a systematic, goal-oriented approach to progress, ensuring that high quality and reliable service can be provided to this dynamic region for years to come. Daily, WCSA impacts the health of more people in Washington County than all the greater healthcare community combined and influences water quality for the better in several local streams, an environmental enhancement often overlooked.

# INDUSTRY TRENDS & LOCAL CONTEXT

*The services provided by WCSA are central to assuring a sustained vitality of the service area. To achieve continued success, WCSA must address several national and state-wide trends of particular significance for the organization as it works to update and implement its strategic plan. These include meeting future regulatory requirements and changes in usage patterns. These, and other challenges, must be considered to adequately plan for the utility's future, as discussed in the following section.*



***The following key trends, expectations for the future, and potential WCSA responses, help guide the development of the Strategic Plan.***

**1**  
TREND

## **Population**

### ***The Current Situation***

The WCSA service population has increased at a rate of approximately 1% per year since 2008, while the number of new service connections decreased by 2/3 over the same period. Some surrounding localities are starting to be built out. WCSA has not only invested in the maintenance and replacement of existing and aging infrastructure, it has invested available resources to support anticipated growth by County leaders.

### ***Potential WCSA Responses:***

- Maintain and strategically replace aging infrastructure
- Consider regional opportunities with neighboring utilities where it makes sense
- Pursue growth opportunities where feasible, be it supporting Industrial recruiting efforts or extending service to previously unserved citizens

**2**  
TREND

## **The Political Environment**

### ***The Current Situation***

The WCSA Board of Commissioners (Board) is appointed by the Washington County Board of Supervisors for four year terms. The Board is actively engaged with WCSA to provide additional insight and guidance. Within the County, there is some desire to extend water and sewer service or to reduce WCSA rates and fees. While WCSA is supportive of local economic development activities, these initiatives are not always financially feasible.

### ***Potential WCSA Responses:***

- Focus on feasible and sustainable service extension
- Continue to conduct cost-benefit analysis of new initiatives



## Regulations

### *The Current Situation*

Like utilities across the nation, WCSA faces increased regulation and enforcement, particularly for treatment, which impacts rates, operations, and capital budgets. WCSA's treatment plants are consistently more than compliant, having earned the Gold Award (three times cleaner than state standards) from Virginia Department of Health for nine years straight. WCSA is about to expand beyond 50,000 people served, which may mean regulatory changes, and costs will continue to increase in order to ensure the utility's continued regulatory compliance.

### *Potential WCSA Responses:*

- Engage regulatory agencies to stay ahead of potential regulations
- Help the public to understand how they impact regulatory compliance
- Anticipate increased scrutiny from regulatory agencies



## Workforce Issues

### *The Current Situation*

WCSA has an excellent and experienced workforce. Approximately 40% of employees are eligible for retirement within the next 5-7 years. The water/wastewater industry is in transition, and the workforce is required to be increasingly technically savvy. Like many utilities, WCSA has experienced some difficulty in recruiting new employees. In the future, WCSA will need to continue to support its service area, but workforce skills are somewhat misaligned with necessary requirements.

### *Potential WCSA Responses:*

- Focus on recruiting motivated employees eager to make a difference in Washington County. Enhance employee training opportunities in both technical and non-technical areas. Provide employees with clear career paths which empower the employee with decisions on their future
- Consider co-op or apprenticeship programs
- Continue and grow employees from within











## Technology

### *The Current Situation*

Technology is a set of tools being used to help employees make better decisions and provide a better customer experience. There are a number of processes that are being optimized, particularly with regard to communications technology. External customers prefer increased technology options, and WCSA needs to train on and fully utilize its existing technology packages to effectively harvest data and remain responsive to customer and operational needs.

### *Potential WCSA Responses:*

- Continue a culture of continuous improvement
- Better integrate technology services and systems
- Enhance training processes for new and existing staff



## Customer Expectations

### *The Current Situation*

WCSA has considerable face-to-face interaction with its customers, so customer-facing technology should be intuitive, informative and easy to navigate. Rightfully so, customers expect quality water services at a stable and competitive cost.

### *Potential WCSA Responses:*

- Develop intuitive, informative and easy to navigate customer portals
- Maintain Best in Class Operations with Strategic Investments in infrastructure to provide stable & competitive rates
- Listen intently to understand WCSA's customers



## Utility Financial Constraints

### *The Current Situation*

WCSA is fortunate to have a stable financial situation, attributed to sound conservative financial decisions. WCSA will continue to exercise the same precautionary, well thought out, “critical thinking” and transparent processes to determine future investments. Every month each customer pays their water and waste water bills, we take this payment very seriously as we are stewards of the customer’s money. It is this customer’s payment which provides WCSA with its operating revenues. WCSA does not receive any tax proceeds nor external financing for its operating and debt expenses. Accordingly, with a flat customer growth curve we look to continually improving the efficiency of our operations and seek value in our investments for our customer’s benefit.

### *Potential WCSA Responses:*

- Seek quality, cost and schedule opportunities in all projects and agreements
- Improve asset management processes to optimize infrastructure
- Evaluate different fee structures and implement the forthcoming rate and financial plan
- Continue earning Customer’s trust through transparency and making sound conservative financial decisions
- Consider the continued use of citizen advisory groups where feasible and desirable as a sounding board





## Energy and Environmental Impacts

### *The Current Situation*

WCSA has access to plentiful but expensive energy, and energy will likely remain a significant portion of WCSA's operating expense. WCSA manages water and wastewater transport across significant elevation changes, which is energy intensive, requiring approximately 100 pumping and pressure reducing stations.

### *Potential WCSA Responses:*

- Continue to explore energy efficiency upgrades and optimization opportunities
- Stay abreast of new and emerging technology for application in



## Increased Risk Profile

### *The Current Situation*

WCSA is adversely affected by the weather, particularly snow/ice, wind, lightning, and sometimes flooding. Additionally, contractors can affect buried infrastructure, and cyber security is increasingly a focus area. WCSA has operational plans for most perceived threats and, outside relationships with local, regional and statewide utility and emergency response agencies.

### *Potential WCSA Responses:*

- Continue to review and refine Emergency Response and Vulnerability Assessment plans

# STRENGTHS. OPPORTUNITIES. ASPIRATIONS. RESULTS.

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*WCSA utilized a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis to form the basis for its strategic plan. This technique, known as Appreciative Inquiry, is part of the environmental scan and provided valuable input to the strategic plan development process in the following manner.*





## STRENGTHS

provided input to the development of a vision and mission that builds upon what the organization does extremely well. When prioritized, these included:

- Passionate, experienced employees
- Quality products and services
- Forward-thinking perspective
- Reliability
- Teamwork



## OPPORTUNITIES

helped the Core Team develop strategies to identify and explore innovative approaches to meeting future needs. Major opportunities fell into the categories of:

- Infrastructure
- Employer of choice
- Financial viability
- Communication
- Technology
- Growth and expansion



## ASPIRATIONS

focused on the expectations or hopes of internal and external stakeholders. WCSA's most compelling aspirations are to:

- Be an employer of choice, with highly trained employees
- Provide a dependable, high-quality product
- Be financially stable
- Be trusted, and earn positive community perceptions



## RESULTS

agreeing on Results leads to determining the Measures of strategic progress. Some of the most significant indicators for strategic progress include:

- Regulatory compliance
- Technology adoption and integration
- Employee recruitment and retention
- Infrastructure reliability
- Financial strength



# STRATEGIC DIRECTION

***This Strategic Plan serves as a blueprint for future decision making. Furthermore, this plan provides a structure by which annual reviews can be accomplished to assure that goals and objectives retain their relevance over time. By laying out a course of action, this plan represents a disciplined process for making the fundamental decisions that will shape WCSA's future.***

***The Strategic Plan contains the Organization's Vision, Mission Statement, Values, Goals, Objectives, and Strategies. It addresses WCSA's current challenges and helps to ensure continued success in operations and the management of resources and assets.***

## Vision

Ultimately, implementation of this plan will enable WCSA to achieve its desired future state as articulated in its Vision, which is:

***"To be the trusted public utility and community leader in Southwest Virginia"***

## Mission

The Mission describes the organization's purpose and role within the service area. After carefully considering these factors, the Core Team stated:

***"WCSA's dedicated employees lead the industry and the region by providing excellent, affordable, environmentally responsible water and wastewater service"***

## Values

Values articulate WCSA's deeply held beliefs, norms, and qualities, which drive day-to-day activities. WCSA has created a Value Statement, shown below.

***WCSA has a shared commitment to each other and our customers in all we do, through:***

- Integrity
- Trust
- Accountability
- Dependability

## Goals

Goals represent the most important issues that must be addressed to achieve the desired future. WCSA's Goals were driven primarily by the factors that are most critical to the organization's future success (critical success factors). Comments relating to each are presented below.



### Infrastructure

***Maintain reliable infrastructure to meet or exceed the needs of our customers***

WCSA is proud of its work on existing infrastructure systems and the new infrastructure under construction. A continued focus on developing and maintaining a sustainable infrastructure that meets customer needs, now and in the future, will be critical to success.



### Employer of Choice

***Recruit, develop, and retain a best-in-class team***

A high performing workforce requires individuals who are skilled and dedicated. Accordingly, WCSA will attract, retain, motivate, manage, and reward exceptional employees who make significant contributions to its success.



### Financial Stewardship

***Serve as financial stewards of WCSA's resources***

Operating a utility is a resource-intensive endeavor, which depends on appropriate operating and capital funding. WCSA is committed to utilizing its financial resources in a strategic and efficient manner.



### Communications

***Enhance and expand internal and external communication and engagement***

The WCSA team recognizes the importance of communicating internally and externally and showing genuine interest in solving problems. Ensuring the utility's success requires strong, consistent communication through a variety of mediums.



### Technology

***Identify, develop, and integrate technology in support of effective operations***

Technological innovation is an integral part of assuring success as a resilient service provider. WCSA's commitment to systematic technological innovation will consider solutions for all branches of the organization, from customer service to process optimization.



### Growth and Expansion

***Pursue opportunities for feasible and desirable growth and expansion***

WCSA supports and promotes economic development in Washington County. Where feasible, WCSA will look for opportunities to expand its service area to meet the needs of its community.

## Measures

Measures define accomplishments for each Goal, and Strategies are key resource allocations that should be made over the next several years. These critical elements of the strategic plan, as well as the Vision, Values, Mission, and Goals, are presented on the strategic framework included in the document.

## Boundaries

The Strategies included in WCSA's strategic framework were designed to be innovative and creative while considering budgetary, regulatory, legal, and policy boundaries.



# STRATEGIC FRAMEWORK

## VISION

To be the trusted public utility and community leader in Southwest Virginia

## VALUES

WCSA has a shared commitment to each other and to our customers in all we do, through:

1. Integrity
2. Trust
3. Accountability
4. Dependability

## MISSION

WCSA's dedicated employees lead the industry and the region by providing excellent, affordable, environmentally responsible water and wastewater service.



## GOALS



### INFRASTRUCTURE

To maintain reliable infrastructure to meet or exceed the needs of our customers



### EMPLOYER OF CHOICE

To recruit, develop, and retain a best-in-class team



### FINANCIAL VIABILITY

To serve as financial stewards of WCSA's resources



### COMMUNICATION

To enhance and expand internal and external communication and engagement



### TECHNOLOGY

To identify, develop, and integrate technology in support of effective operations



### GROWTH AND EXPANSION

To pursue opportunities for feasible and desirable growth and expansion

# STRATEGIES

1. Continue to develop and implement WCSA's asset management plan
2. Monitor, regulate, and respond to changes in finished product (water & wastewater quality)
3. Focus on watershed protection, including source water management and satisfactory wastewater influent
4. Update WCSA's vulnerability assessment by August 2020 and implement recommendations, in accordance with America's Water Infrastructure Act

1. Continue to expand employee engagement through teams aligned with strategic Initiatives
2. Align training opportunities with employee position descriptions
3. Maintain WCSA's compensation and benefits package, and update as necessary
4. Develop and implement a holistic onboarding process

1. Create a culture of continuous improvement to support employee awareness, training, product quality and increased efficiency
2. Fully implement Automated Metering Infrastructure (AMI) or related system as a business model or policy supports
3. Develop and implement financial metrics
4. Continually review and refine methodology for financial support of extension projects

1. Evaluate and, as appropriate, develop external communication avenues including online/customer portal for all business processes, enhanced and current webpage content and push notifications
2. Implement organization wide communication and customer service training
3. Develop a WCSA intranet and/or employee portal to share information and organizational updates

1. Develop a technology road map to evaluate and prioritize new technology needs
2. Evaluate and, if appropriate, implement new or enhanced business systems
3. Incorporate or transition, as appropriate, to asset-based accounting to support enhanced business system needs

1. Identify areas of need in the community (e.g. failing septic, quality or quantity of drinking water)
2. Consider regional options where feasible and desirable
3. Refine process for extending service to unserved citizens
4. Refine process for tracking requests and WCSA commitments to prospective customers

# MEASURES

1. Meet or exceed all permit requirements
2. Determine wastewater inflow and infiltration both system wide and in district metered areas, identify target (base practice) for I&I and set reduction targets accordingly by June 2024
3. NRW to meet or exceed VDH standard of <30%. Reduce the number of leaks by 50% June 2021. Procure meters, develop a standard and begin implementation of an unmetered fire line audit program by June 2020. Implement Board policy of metering augmented fire suppression systems by June 2021
4. With the AWWA Benchmarking Report and SWVA survey of the same, set short- and long-term utility goals by June 2023
5. With new work order system, distinguish preventative and reactive maintenance. As a baseline develops, if appropriate, set goals for reducing reactive maintenance

1. 100% of position descriptions reviewed and revised, as necessary, by December 2019 and reviewed and updated every two years thereafter
2. Establish annual baseline training hours and set targets
3. Undertake a compensation and benefit survey at 5-year intervals

1. Maintain debt service coverage of at least 1.5x
2. Maintain water and wastewater reserves at a minimum of 180 days of operational expenses
3. Evaluate and determine what a healthy ratio of total outstanding debt to: 1) net plant assets is and achieve/maintain target, 2) % of revenue, or other metric as appropriate
4. Install and have fully functioning AMI or related system by June 30, 2021

1. Implement Customer Portal allowing all business to be conducted electronically, if desired by the customer, by June 30, 2021
2. Ensure at least 8 hours of communication and customer training per year per employee
3. WCSA intranet and/or employee portal to be fully functional by June 30, 2020
4. With budget, review/update strategic plan annually as required

1. Complete technology roadmap by December 30, 2019 and update annually thereafter
2. Complete business system analysis with recommendations by December 30, 2019
3. Transition to asset-based accounting or incorporate into appropriate program by June 30, 2021


1. By June 30, 2020, assess system extension policy and consider updates as appropriate including approval of by the Board
2. Update process and policy for tracking and granting requests for service by June 30, 2020



# COMMUNICATIONS

*Through this strategic plan, WCSA has committed to improving internal and external communications. Effective communication is critical not only for the successful implementation of the strategic plan, but also for WCSA's overall success. The issue of communication, which surfaced in the stakeholder input process, is called out specifically, but also cuts across the various strategic goals. Communications could be enhanced through several efforts, including:*

- Enhancing use of multi-disciplinary teams to manage issues and projects
- Creating a culture of communication, both internally and externally
- Expanding team building and networking, tying individual contributions to overall organizational success



Enhanced communications will be a major initiative throughout the organization to ensure that all teams and individuals are working towards the ultimate vision and mission.



# IMPLEMENTATION

*The goals, measures, and strategies contain a series of initiatives and projects that, when implemented, will move WCSA toward achievement of its desired outcomes. However, it is important to note that for the desired results to be achieved, the strategies must be effectively implemented. Therefore, careful attention and focus on strategy implementation is essential to achieving strategic success. Elements of the implementation process for WCSA include:*

## **Creating and Leveraging Teams:**

Create teams that are knowledgeable, energized and committed to the implementation of the strategies for different goals. These teams could:

- Draft implementation plans for each strategy that will include:
  - Tasks necessary for implementation
  - Assigned individuals or groups
  - Due dates for key tasks
  - Resources required
- Monitor implementation progress
- Report on implementation progress to senior management


## **Involving Senior Management:**

During the implementation process, the teams will communicate with senior management concerning issues such as:

- Implementation progress
- Resources required (people, money, equipment, etc.)
- Strategies which may require updates after initial implementations
- Achievement of objectives

## **Reporting to the Board of Directors:**

The General Manager is accountable to the Board of Commissioners for implementation of the approved strategic plan and achievement of the stated goals and objectives. Accordingly, the General Manager and senior management will periodically update the Board on progress, achievements, and issues related to the strategic plan. Accordingly, the board will monitor progress and provide feedback.



Strategic planning is a way of thinking that guides an analysis of the present and helps create a vision of the future. WCSA has developed a strategic plan that will take some time to implement completely; however, it will provide a guide to the organization's long-term strategic success.

# REALIZING THE VISION

*Our vision is “to be leaders and trusted stewards of the environment focused on service, collaboration, innovation, and financial responsibility.” This is attainable. To make that future a reality, we must have a plan in place to guide us in making the right decisions and the right investments of our limited time and resources.*

We have created this plan with the input of our staff and our external stakeholders to ensure that we meet and exceed their expectations. WCSA is grateful to all the individuals who took the time to provide input during this strategic planning process, and we look forward to sharing our progress and success as we work to achieve our shared goals.

