



MSD

Louisville and Jefferson County
Metropolitan Sewer District

**STRATEGIC
BUSINESS PLAN**

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INTRODUCTION

Much has been accomplished at MSD over the years. Still much remains to be done. To propel MSD toward its Vision of providing customers a clean, green and growing community, a comprehensive Strategic Business Plan was required.

Essentially, it is a five-year outlook that reflects the core tenets demonstrated in our Customer First practices; in our Mission, Vision, Values; and in the Results-Based Management and CERES principles. The Critical Success Factors capture what must be accomplished to best serve our customers and guide us toward achieving our Vision.

Whether you are an MSD customer, employee, business partner or other stakeholder, your involvement will make MSD's Vision a reality. The Strategic Business Plan is a road map to show the way to our destination.

STRATEGIC OVERVIEW TERMS

VISION:	Our desired future state
MISSION:	Who we are, what we do, why we do it
CORE VALUES:	Beliefs which guide how we work
CRITICAL SUCCESS FACTORS:	Where we must excel in performance
OBJECTIVES:	Measurable outcomes and targets
STRATEGIES:	Action plans to achieve objectives
TACTICS:	Elements in a strategy that employ available resources to accomplish an end.

WHY A PLAN?

- Provides direction and purpose
- Encourages participation and involvement
- Helps us set priorities and allocate resources
- Ensures current initiatives are on track
- Helps us stay competitive
- Helps us anticipate rather than react
- Ensures customers get the most for their money
- Helps us measure results

OUR MISSION

We, at MSD, build, maintain and operate quality wastewater and stormwater facilities for the people of our community.

OUR VISION

PUTTING OUR CUSTOMERS FIRST:

- Clean water
- Green environment
- Growing community

OUR CORE VALUES

INTEGRITY: We will be fair and honest.

STEWARDSHIP: We will be accountable for our resources and the well-being of the environment.

SERVICE: We will be responsive, reliable and adaptable in meeting the needs of our customers and the community.

QUALITY: We will be dedicated to continuous improvement through teamwork, innovation, and the use of technology.

PRINCIPLES FOR RESULTS-BASED MANAGEMENT

- MSD will perform those jobs and functions that it does best and use others to perform what they can do more efficiently and effectively.
- MSD will manage its business selecting the most efficient and effective of both public and private models, utilizing appropriate technologies, cross-functional work teams, and employee involvement.
- MSD departments will have clearly specified non-conflicting functions, and clearly defined goals and objectives emphasizing service to the customer and environmental responsibility.
- All employees are expected to make decisions and be fully accountable for their areas of responsibility rather than relying on central control or being inhibited by apparent constraints.
- MSD will be competitive in managing costs, in that the quality, quantity and cost of MSD services shall be determined primarily by real factors.
- MSD as a public employer will be socially responsible and supportive of community planning, neighborhood involvement, and economic development.
- MSD will utilize a diversified and well-trained work force, and encourage consultants, contractors and suppliers to do the same.
- MSD will encourage open and effective communications among its Board, Executive Team, employees and customers about its business and evolving strategy for the future.

CERES PRINCIPLES

MSD's environmental policy is based on the Principles of the Coalition for Environmentally Responsible Economies (CERES), adopted by the MSD Board on April 16, 1990.

- 1 PROTECTION OF THE BIOSPHERE (AIR, LAND AND WATER)**
MSD will safeguard all habitats affected by our operations.
- 2 SUSTAINABLE USE OF NATURAL RESOURCES**
MSD will conserve nonrenewable resources.
- 3 REDUCTION AND RECYCLING OF WASTE**
MSD will reduce waste and recycle where possible.
- 4 ENERGY CONSERVATION**
MSD will use energy efficiently and effectively.
- 5 RISK REDUCTION**
MSD will minimize environmental, health and safety risks to our employees and customers.
- 6 SAFE SERVICES**
MSD will reduce or eliminate the use of products that cause environmental, health or safety hazards.
- 7 ENVIRONMENTAL RESTORATION**
MSD will correct damages caused to the environment from past operations and projects.
- 8 INFORMING THE PUBLIC**
MSD will maintain an open communications network with customers and employees regarding environmental issues.
- 9 MANAGEMENT COMMITMENT**
MSD will implement the CERES Principles and ensure that the Board and Executive Director are fully informed.
- 10 AUDITS AND REPORTS**
MSD will conduct environmental audits and publish annual reports on progress toward implementing the CERES Principles.

CUSTOMER FIRST

We will satisfy our customers with our services.

CUSTOMER FIRST OBJECTIVE 1

Improve quality and timeliness of responses to customer requests in conformance with MSD's Communication Plan that increases the overall rating to 90 percent satisfied.

CUSTOMER FIRST STRATEGY 1A:

Develop and implement job performance standards that match customer needs.

CUSTOMER FIRST STRATEGY 1B:

Implement information system to improve tracking, reporting and performance.

CUSTOMER FIRST STRATEGY 1C:

Assure that everyone receives Customer First training on an ongoing basis.

CUSTOMER FIRST OBJECTIVE 2

Align our ability to deliver services with customer and stakeholder expectations

CUSTOMER FIRST STRATEGY 2A:

Increase customer involvement in setting area priorities for neighborhood and capital projects by conducting annual public review meetings.

CUSTOMER FIRST OBJECTIVE 3

Hold our organization and each other accountable for improving our customer satisfaction ratings.

CUSTOMER FIRST STRATEGY 3A:

Redefine all jobs in terms of expected outputs, essential activities, and required core competencies to emphasize customer-related duties and responsibilities.

CUSTOMER FIRST STRATEGY 3B:

Identify team duties and responsibilities relating to team success and tie to annual pay adjustments.

CUSTOMER FIRST STRATEGY 3C:

Apply performance pay on an organization-wide basis to the results of customer satisfaction surveys.

ENVIRONMENT

We will expand our environmental leadership focus to include regional watershed protection and responsible community growth.

ENVIRONMENT OBJECTIVE 1

Pursue and incorporate usable research results into the planning and execution of all projects.

ENVIRONMENT STRATEGY 1A:

Focus our research program to enhance our decision-making process.

ENVIRONMENT OBJECTIVE 2

Develop a Watershed Master Plan for every watershed within five years.

ENVIRONMENT STRATEGY 2A:

Provide for the protection and improvement of water and habitat quality in all MSD and MSD-approved projects.

ENVIRONMENT STRATEGY 2B:

In cooperation with Kentucky Division of Water, develop Total Maximum Daily Loads for three Jefferson County watersheds in five years.

ENVIRONMENT OBJECTIVE 3

Become a model for environmental stewardship.

ENVIRONMENT STRATEGY 3A:

Obtain full compliance with the CERES Principles.

ENVIRONMENT STRATEGY 3B:

Evaluate past incident and compliance records for MSD and industries and develop appropriate priorities and tactics.

ENVIRONMENT

ENVIRONMENT OBJECTIVE 4

Develop stakeholder support and advocacy for effective environmental regulation and policy.

ENVIRONMENT STRATEGY 4A:

Assess and expand regulatory and policy coordination with local, state, and national leaders.

ENVIRONMENT STRATEGY 4B:

Identify and address critical stormwater compliance issues facing MSD customers and co-permittees.

ENVIRONMENT OBJECTIVE 5

Maximize the performance of our existing and aging wastewater and storm water infrastructure.

ENVIRONMENT STRATEGY 5A:

Assess the condition and prioritize repairs of aging infrastructure.

ENVIRONMENT STRATEGY 5B:

Develop a continuous process that evaluates and sets priorities based upon existing infrastructure condition.

ENVIRONMENT STRATEGY 5C:

Schedule and perform the necessary repairs and simultaneously track costs and effectiveness.

ENVIRONMENT OBJECTIVE 6

Eliminate or reduce overflows to basements and streams by five percent per year.

ENVIRONMENT STRATEGY 6A:

Establish priorities for the wet weather program that are results-based.

ENVIRONMENT STRATEGY 6B:

Establish priorities for the dry weather backup abatement program that are results-based.

EMPLOYEES

We will always invest in our most valued assets — our employees — to ensure their well-being, education and development.

EMPLOYEES OBJECTIVE 1

Within five years, 75 percent of our employees are satisfied that policies and practices are fairly administered.

EMPLOYEES STRATEGY 1A:

Ensure that MSD currently has clear, well-written and concise personnel policies and procedures.

EMPLOYEES STRATEGY 1B:

Ensure that MSD policies and practices are being applied fairly and consistently.

EMPLOYEES OBJECTIVE 2

Provide a work environment that supports the health, safety and well-being of all employees.

EMPLOYEES STRATEGY 2A:

Reduce the frequency and severity rates of reportable and lost time injuries by five percent each year for five years.

EMPLOYEES STRATEGY 2B:

Develop and implement a process whereby every employee possesses a personal development plan.

EMPLOYEES OBJECTIVE 3

Maintain a dialogue with our employees about our business and developing strategy for the future.

EMPLOYEES STRATEGY 3A:

Develop an internal communication plan.

EMPLOYEES

EMPLOYEES OBJECTIVE 4

Annually update a strategic training plan that identifies training needs.

EMPLOYEES STRATEGY 4A:

Provide training to meet identified core competencies for each job.

EMPLOYEES STRATEGY 4B:

Develop and implement a Leadership MSD program that builds strength and flexibility into the future workforce.

EMPLOYEES OBJECTIVE 5

Recognize the performance of individuals and teams.

EMPLOYEES STRATEGY 5A:

Develop and institute an individual and team recognition program.

EMPLOYEES OBJECTIVE 6

Become an industry model for labor-management cooperation.

EMPLOYEES STRATEGY 6A:

Implement an informal conflict resolution system that supports ongoing joint problem solving.

EMPLOYEES OBJECTIVE 7

The Board and all employees have a clear understanding of the values and standards that guide MSD's business decisions and activities.

EMPLOYEES STRATEGY 7A:

Ensure employee commitment to ethical behavior.

PERFORMANCE

We will continuously increase performance to ensure we provide our customers the best possible service at a competitive price.

PERFORMANCE OBJECTIVE 1

Invest in new technology that can improve productivity and provide a beneficial return on investment.

PERFORMANCE STRATEGY 1A:

Optimize staff and resource usage by using remote monitoring and control to achieve benchmarked standards.

PERFORMANCE STRATEGY 1B:

Continue to integrate information technology to enable at least ninety percent of MSD's business transactions online.

PERFORMANCE STRATEGY 1C:

Extend the capabilities of existing information technology to greatest extent practical.

PERFORMANCE OBJECTIVE 2

Incorporate a continuous quality improvement philosophy into MSD's routine business processes over the next five years.

PERFORMANCE STRATEGY 2A:

Meet national benchmarks and performance standards and accreditation as they are adopted.

PERFORMANCE STRATEGY 2B:

Shift resources to essential or priority areas and activities as needed through the use of appropriate tools.

PERFORMANCE STRATEGY 2C:

Minimize variance between planned and actual results in achieving capital project milestones.

ECONOMIC GROWTH

We will expand services to support economic and “smart” growth and competitively serve all customers.

ECONOMIC GROWTH OBJECTIVE 1

Proactively support a two percent per year growth for MSD related services in the Greater Louisville area.

ECONOMIC GROWTH STRATEGY 1A:

Explore regional expansion opportunities to extend services beyond Jefferson County.

ECONOMIC GROWTH OBJECTIVE 2

Align MSD policies supporting responsible and planned growth with local, state and federal growth guidelines.

ECONOMIC GROWTH STRATEGY 2A:

Assist LOJIC Consortium partners in the implementation of an automated development plan review and permitting system.

ECONOMIC GROWTH STRATEGY 2B:

Organize and implement the findings of a comprehensive policy evaluation team.

ECONOMIC GROWTH OBJECTIVE 3

Ensure participation of women and minority business partners in MSD’s projects, programs and activities at levels that exceed Board approved goals.

ECONOMIC GROWTH STRATEGY 3A:

Outreach the DiverseWorks program to target potential business partners.

ECONOMIC GROWTH STRATEGY 3B:

Benchmark our DiverseWorks performance against other regional and national entities.

ECONOMIC GROWTH STRATEGY 3C:

Improve compliance with existing guidelines for the purchase of goods and services.

PUBLIC AWARENESS & INVOLVEMENT

We will pursue all means of educating our customers on our goals, objectives and responsibilities.

PUBLIC AWARENESS & INVOLVEMENT OBJECTIVE 1

Educate our customers on our goals, objectives and responsibilities.

PUBLIC AWARENESS & INVOLVEMENT STRATEGY 1A:

Implement a Strategic Communication Plan that supports continuous dialog with our customers.

PUBLIC AWARENESS & INVOLVEMENT OBJECTIVE 2

Our community members are our participants and advocates of project initiatives.

PUBLIC AWARENESS & INVOLVEMENT STRATEGY 2A:

Expand and encourage public participation in MSD's initiatives.

FINANCIAL RESOURCES

We will manage our financial resources to provide for customer needs while keeping rates competitively low.

FINANCIAL RESOURCES OBJECTIVE 1

Increase net revenue by \$45 million by 2005.

FINANCIAL RESOURCES STRATEGY 1A:

Periodically evaluate rate structures to ensure MSD's charges for services are appropriate.

FINANCIAL RESOURCES STRATEGY 1B:

Increase customer base by at least 5,000 customers per year.

FINANCIAL RESOURCES STRATEGY 1C:

Identify alternative funding sources.

FINANCIAL RESOURCES OBJECTIVE 2

Financial information is available to all on a real-time basis.

FINANCIAL RESOURCES STRATEGY 2A:

Increase the understanding and use of SAP capabilities in our business decision-making process.

FINANCIAL RESOURCES OBJECTIVE 3

Maintain an S&P financial rating of A.

FINANCIAL RESOURCES STRATEGY 3A:

Maintain a debt service ratio of at least 150 percent.

FINANCIAL RESOURCES STRATEGY 3B:

Maintain operating budget increases at or below inflation rate.

FINANCIAL RESOURCES

FINANCIAL RESOURCES OBJECTIVE 4

Develop and update financial and operating contingency plans.

FINANCIAL RESOURCES STRATEGY 4A:

Develop various plausible scenarios and responses that support basic service delivery and system integrity.