

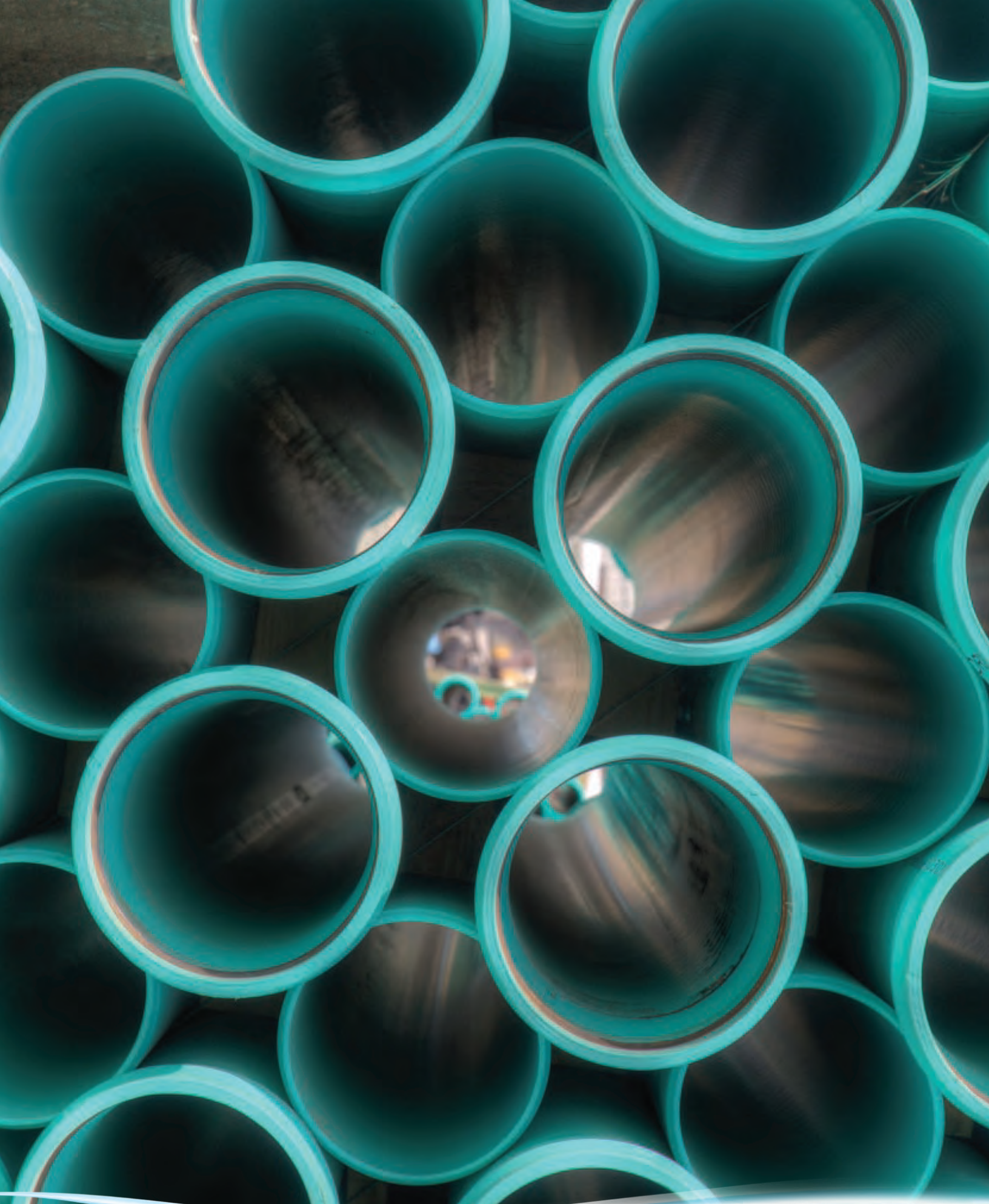
2014 PERFORMANCE REPORTING GOALS



KANSAS CITY
MISSOURI



KCWATER
SERVICES



Water Services has established goals for each of the Department's divisions and supporting functions. The pages that follow detail these goals and provide a framework for measuring success in Fiscal Year 2014 and beyond.

In addition, Water Services has established performance reporting goals which are designed to measure and communicate accomplishments along the way. Performance reporting goals are tracked and reported by Water Services' Finance Division. Performance reporting goals for Fiscal Year 2014 include the following:

- Develop and execute monthly reporting process for each of Water Services' Divisions.
- Coordinate regular reporting to the City Manager as part of the Mayor's KCStat process.
- Assist Senior Leadership Team in the management of the established Fiscal Year 2014 budgets



WATER UTILITY

Mission:

Water Services is committed to delivering exceptional drinking water that ensures the health and safety of the public while enhancing one of our most precious resources.

Challenges:

As part of Water Services' mission to provide safe, secure, and reliable drinking water to Kansas City residents and wholesale customers, we meet or exceed all Safe Drinking Water regulations in accordance with the Safe Drinking Water Act and regulations promulgated by the U.S. Environmental Protection Agency and the Missouri Department of Natural Resources.

The primary water system includes a 240 million gallon per day treatment plant, four major pump stations, 14 re-pump stations, numerous water storage facilities and about 2,800 miles of water mains. There are also connections with the transmission systems of six other regional water suppliers that can be activated in case of an emergency.

In Fiscal Year 2013, the utility supplied an average of 100 million gallons per day to its customers and experienced a peak day demand of 212 million gallons.

Goals:

Goals for FY 2014 include:

1- Supply

- a. Maintain cost per million gallons of water treated: \$489
- b. Complete preventative maintenance per manufacturers' guidelines
- c. Maintain equipment readiness: 90% available 75% of the year
- d. Upgrade critical work order systems

2- Pipeline Maintenance

- a. Complete installation of GPS on all maintenance vehicles
- b. Upgrade Hansen Work Order System to Version 8 and integrate with other systems
- c. Install Public Way system
- d. Reduce backlog of Code 0 service work orders by 50%
- e. Reduce the backlog of Code 0 valve work orders by 10%

3- Meter Field Services

- a. Establish a safety committee for Meter Field Services to monitor and review safety practices
- b. Complete 90% of field investigations within 30 days
- c. Install GPS on water servicer and inspector vehicles
- d. Upgrade Hansen work order system to Version 8

WASTEWATER UTILITY

Mission:

Water Services is committed to providing excellent wastewater services that ensure the health and safety of the public while safeguarding our regional water resources.

Challenges:

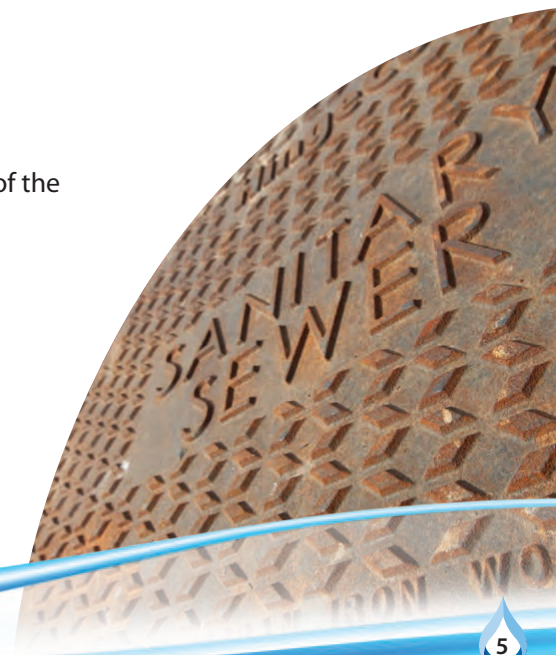
Water Services is responsible for the planning and construction of sewers, pump stations, and treatment facilities serving Kansas City and some surrounding communities. It is also responsible for the operation and maintenance of all of the wastewater collection and treatment facilities, compliance with the City's wastewater discharge permits and applicable state and federal environmental regulations, as well as the administration of an industrial waste program to regulate the quality of wastewater discharged from certain industrial activities.

Serving an area of 318 square miles, wastewater collection and treatment services are provided to approximately 158,000 customers inside and outside the City on a retail basis and 28 surrounding communities and sewage districts on a contractual basis. About 75% of sewer service charge revenues derive from retail customer services inside and outside city limits.

Goals:

1. Treatment
 - a. Upgrade Hansen work order system to Version 8
 - b. Schedule 85% of all maintenance work
 - c. FY 2014 Capital Investment Plan
 - d. Operational goal for new disinfection units
 - e. Maintain full compliance with NPDES permits
 - f. Wastewater treatment efficiency rate
 - g. Megawatts per million gallons treated
 - h. Dry weather overflows per year

2. Line Maintenance
 - a. 238 miles of sewers cleaned
 - b. 140 miles of sewers televised
 - c. 1 overflow per 35 miles of sewer for dry weather overflows of the collection system



STORMWATER UTILITY

Mission:

Water Services is committed to delivering exceptional stormwater services that ensure the health and safety of the public while enhancing one of our most precious resources.

Challenges:

The Stormwater Utility holds responsibility for the following:

- 1- Operation and maintenance of the Stormwater collection system
- 2- Stormwater management strategy planning
- 3- Stormwater regulation within the City
- 4- Capital improvements planning
- 5- Operation and maintenance of the flood protection and warning system
- 6- Upholding the requirements of the MS4 discharge permit

Goals:

- 1- Maintain full compliance with Stormwater, NPDES Permits
- 2- Complete update for Stormwater Management Program and Plan
- 3- Work with DNR to obtain permit renewal
- 4- Complete all funded Capital Improvements Projects greater than two years old
- 5- Update Stormwater construction standards
- 6- Update Stormwater design standards



FINANCE DIVISION

Mission:

Kansas City Water Services is a \$300-million enterprise, primarily funded by fees charged to customers based on their use or impacts on the three utility systems. The Finance Division is committed to achieving high financial ratings, as evidenced by our Standard & Poor's AA+ credit rating and a rating of Aa2 as reported by Moody's Investors Service. The Division is responsible for managing debt coverage requirements for the Department, ensuring that Water Services can continue to invest in Kansas City's infrastructure systems.

Challenges:

Water, wastewater, and stormwater systems in Kansas City, and across the nation, are faced with significant financial challenges with regard to funding projects designed to address heightened state and federal utility requirements, as well as the maintenance and replacement of aging infrastructure systems.

As part of our commitment to maintaining our fiscal responsibility and securities, Water Services has established financial goals concurrent with industry practices for strengthening our financial future. These goals include meeting or exceeding debt coverage requirements for key utility functions, maintaining excellent credit ratings and responsible cash levels, and seeking voter approval for the issuance of low-rate bonds.

Financial Goals:

- Meet or exceed Water Utility debt coverage requirements
Requirement: 1.3 / Goal: 1.8
- Meet or exceed debt Wastewater Utility debt coverage requirements
Requirement: 1.3 / Goal: 2.0
- Maintain credit rating for Water and Wastewater Utilities
Standard & Poor's: AA+ / Moody's Investors Service: Aa2
- Maintain required cash level
Requirement: 90 days cash on hand



SAFETY AND SECURITY

Mission:

Water Services is committed to safeguarding the Department's critical assets, and providing an excellent work environment that delivers effective training and safe work practices.

Challenges:

The Department currently incurs an injury rate of 16.9, which is two and a half times higher than industry average.

Goals:

The following goals have been established for Fiscal Year 2014 to meet these challenges, resulting in a minimum of an industry average injury rate of 6.2 within five years:

- 1- The Safety Division will meet with Department management and supervisors to assess work processes and identify methods to achieve significant injury reductions.
- 2- The Safety Division will document non-compliant job sites and assist supervisors of those sites. It will document and report job site and crew safety compliance to Department management on a monthly basis.
- 3- Improve manager and supervisor attendance at regular safety meetings and training classes and document these efforts in a monthly report to management.
- 4- The Security Division will perform annual Security Awareness Training for all Water Treatment, Wastewater Treatment, and Line Maintenance Divisions. Bi-annual mock drills will be conducted to assess and improve awareness.
- 5- Within the next two fiscal years, the Security Division will budget and install a new camera surveillance system at the Water Treatment Plant.
- 6- Within the next five fiscal years, the Security Division will budget and install surveillance equipment capable of detection, alarm, notification and video surveillance for all category-3 facilities.
- 7- The Security Division will seek to maintain a contract guard turnover rate that is less than 100% annually.

CUSTOMER SERVICE

Mission:

Water Services is focused on our customers and their well-being, gathering data to guide our decisions and understanding the needs of our community.

Challenges:

The Customer Service Division is responsible for addressing customer concerns for approximately 170,000 accounts. The division includes a call center and billing units who answer more than 300,000 calls annually from customers opening and closing accounts, seeking answers to billing issues, requesting field visits about equipment and addressing payment issues. The division issues all monthly bills and collects revenue totaling \$22.8 million monthly.

As the primary contact point for customer questions and concerns, the timeliness of call response, quality of response, and ease of doing business are critical factors to achieving a good customer experience and high levels of customer satisfaction.

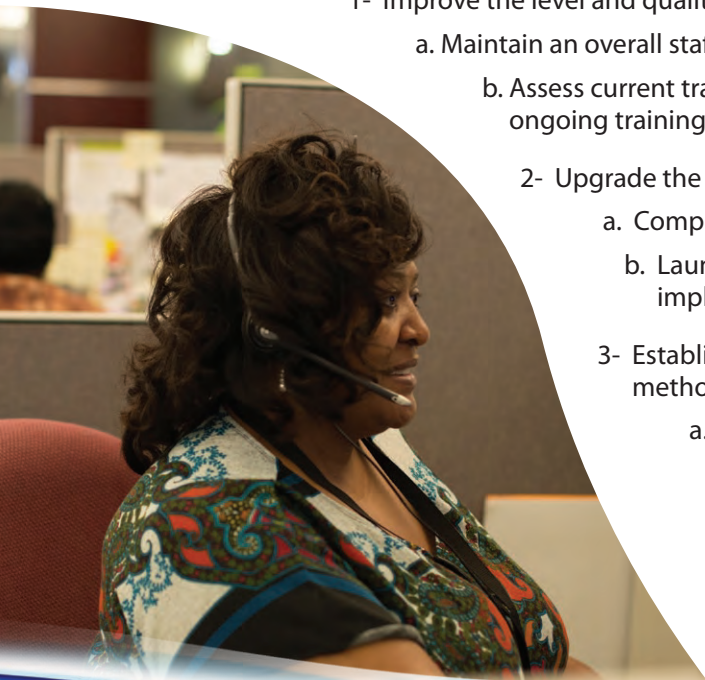
The Customer Service Division must address a number of critical factors to improve the customer experience. Among the critical factors are:

- 1- Appropriate staffing
- 2- Technology improvements, particularly an upgrade or replacement of the current customer information system
- 3- Better data, measurement, and benchmarking of key processes
- 4- Improvement of key business processes
- 5- Improved employee training

Goals:

The following goals have been established for Fiscal Year 2014 to meet these challenges:

- 1- Improve the level and quality of staffing in the Customer Service Division
 - a. Maintain an overall staffing level of 80% of budgeted positions
 - b. Assess current training efforts and develop a more comprehensive program for ongoing training
- 2- Upgrade the Customer Information System
 - a. Complete a business process analysis to improve current practices
 - b. Launch a multi-year improvement process that results in a CIS implementation
- 3- Establish key customer service metrics, identify data sources and develop methodologies for better measuring customer service performance
 - a. Call abandonment rate of 5% or lower
 - b. Service level—answering 85% of calls within 30 seconds



COMMUNICATIONS

Mission:

Water Services is committed to effective communication and education to secure a legacy of quality water services in our region.

Challenges:

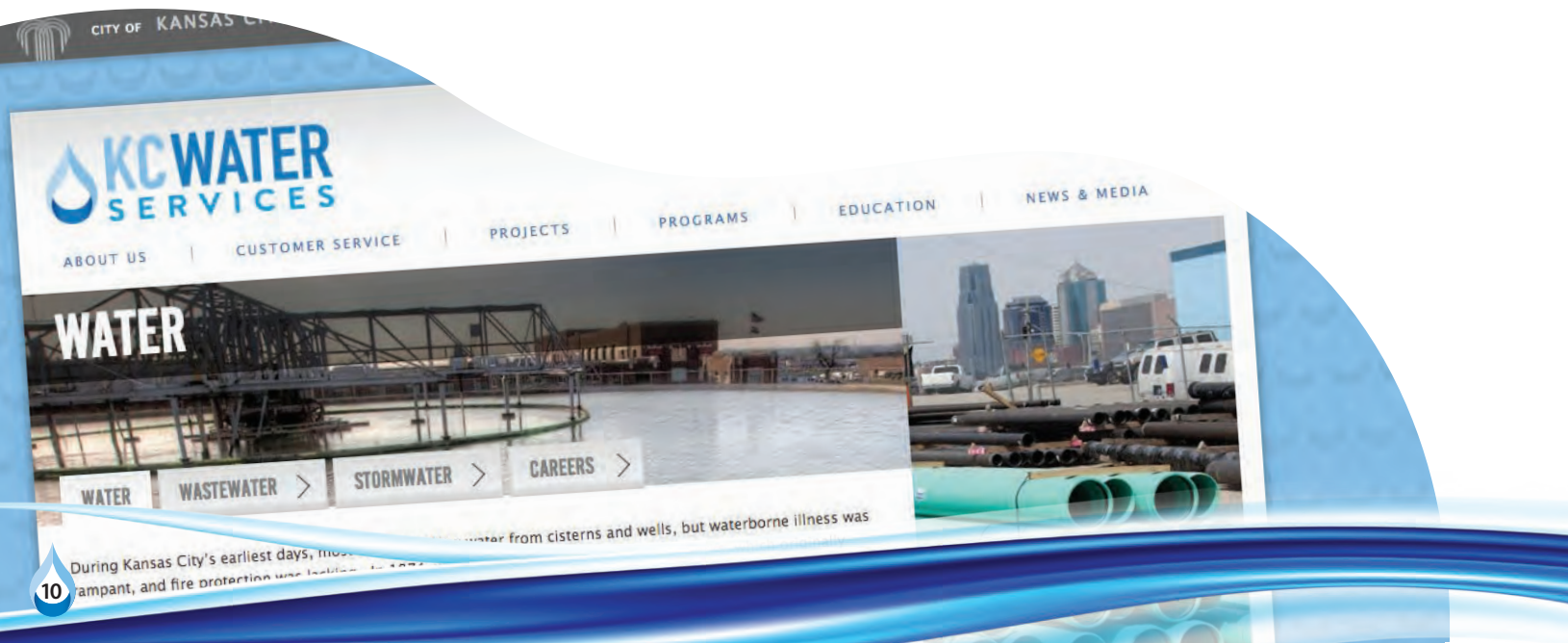
Three key initiatives have been identified for Fiscal Year 2014 as the Department seeks to improve both internal and external communications with customers, employees, and external stakeholders:

- 1- Implement a communications infrastructure that engages both internal and external audiences
- 2- Initiate critical internal communications activities throughout the Department
- 3- Enhance customer communications efforts

Goals:

The following goals have been established for Fiscal Year 2014:

- 1- Conduct quarterly customer satisfaction surveys to provide critical customer specific feedback and peer utility benchmarking data
- 2- Launch a new customer-focused website with a focus on improving the customer transaction experience and offering additional self-service opportunities
- 3- Provide timely service outage and construction information to customers utilizing a new website, social media outlets, and Nixle
- 4- Partner with Customer Service to improve the customer experience through bill inserts, bill messages, bill format, and self-service opportunities
- 5- Expand external outreach to all stakeholders. Focus on advance discussion opportunities for neighborhoods affected by large construction efforts



HUMAN RESOURCES

Mission:

Water Services provides an excellent work environment that delivers responsiveness and a clear path forward for all employees.

Challenges:

Water Services long-term success will, to a significant degree, depend on the ability to attract and retain committed and highly-talented staff. Specific goals for Fiscal Year 2014 are focused on:

- 1- Recruitment and Selection of personnel
- 2- Training and Organizational Development
- 3- Performance Management. Additionally, HR will address utility specific job classifications that support needs unique to the water utility industry

Goals:

The following goals have been established for Fiscal Year 2014

- 1- Recruitment and Selection
 - a. Redesign the recruitment process to attract candidates with utility expertise and efficiently move them through the hiring process
 - b. Achieve and maintain target staffing levels within the organization
 - c. Develop partnerships with outside agencies to coordinate sourcing strategies for specific skill sets
 - d. Ensure staffing in critical areas, specifically leadership positions, call center, and field operations
 - e. Complete market analysis of all positions in Water Services
- 2- Training and Organizational Development
 - a. Complete needs analysis for call center, field operations, and plant operations
 - b. Re-design Water Services' new employee orientation
- 3- Performance Management
 - a. Conduct performance management training sessions for supervisory staff
 - b. Align individual performance objectives with overall organizational goals
 - c. Ensure annual performance appraisals are conducted and encourage more frequent feedback sessions



LABORATORY

Mission:

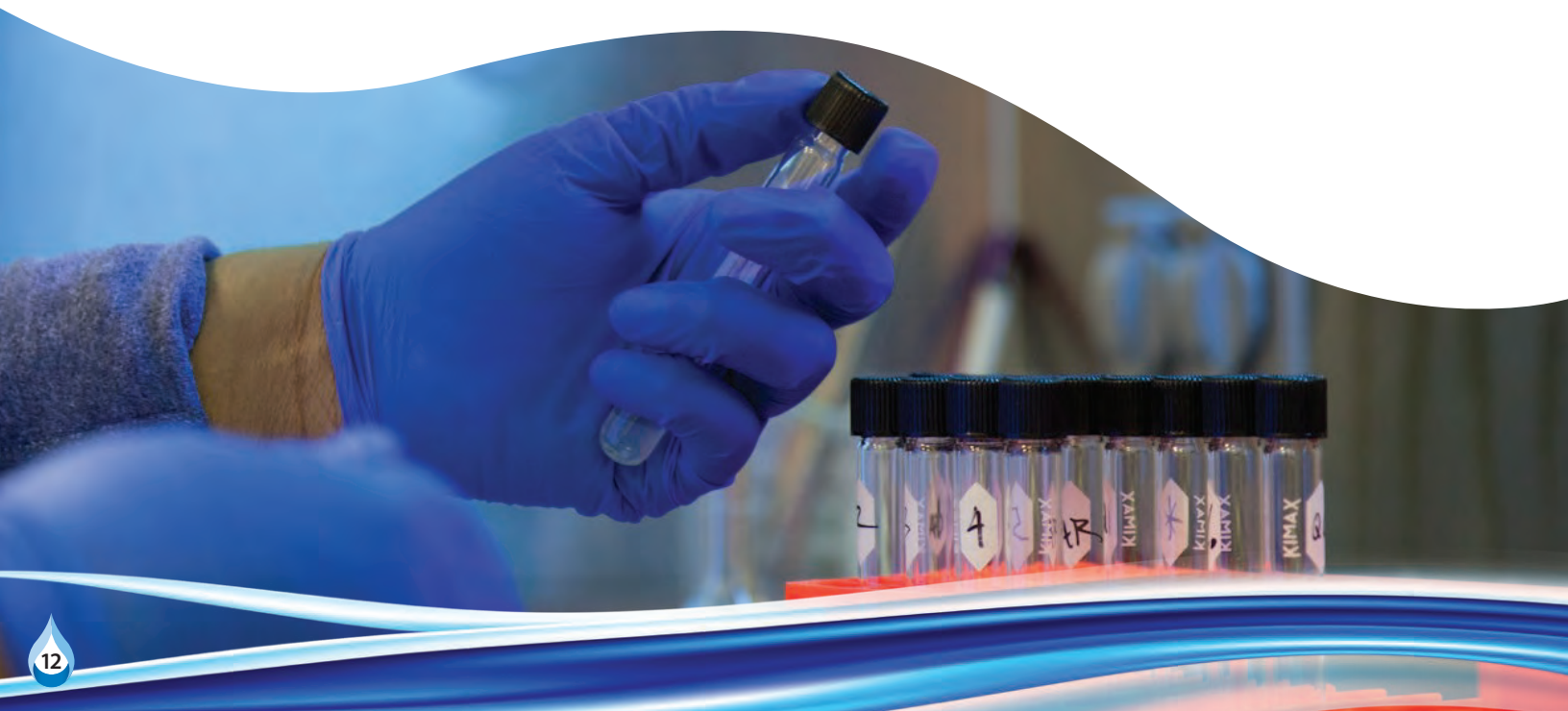
Water Services is committed to ensuring the health and safety of the public while enhancing and protecting our most precious water resources.

Challenges:

The Laboratory provides basic support functions for the three Water Service utilities by collecting and analyzing samples of drinking water, wastewater, and stormwater. The Laboratory also provides routine bacteriological testing services to the Department's wholesale drinking water customers and a variety of testing for city departments and other agencies. Roughly one-quarter of a million tests are conducted on about 40,000 samples per year.

Goals:

- 1- Quality Assurance and Technical Competence
 - a. 100% proficiency testing
 - b. Pass state certification
 - c. Control charts
- 2- Safety
 - a. Monthly safety training
- 3- Efficiency and Cost Controls
 - a. Sample collection costs \pm 25% of average market comparison
 - b. Instrument ROI
 - c. Same and test turnaround times
- 4- Data Management
 - a. File update times
 - b. COA time to mail
 - c. Errors and cleanup



ENGINEERING

Mission:

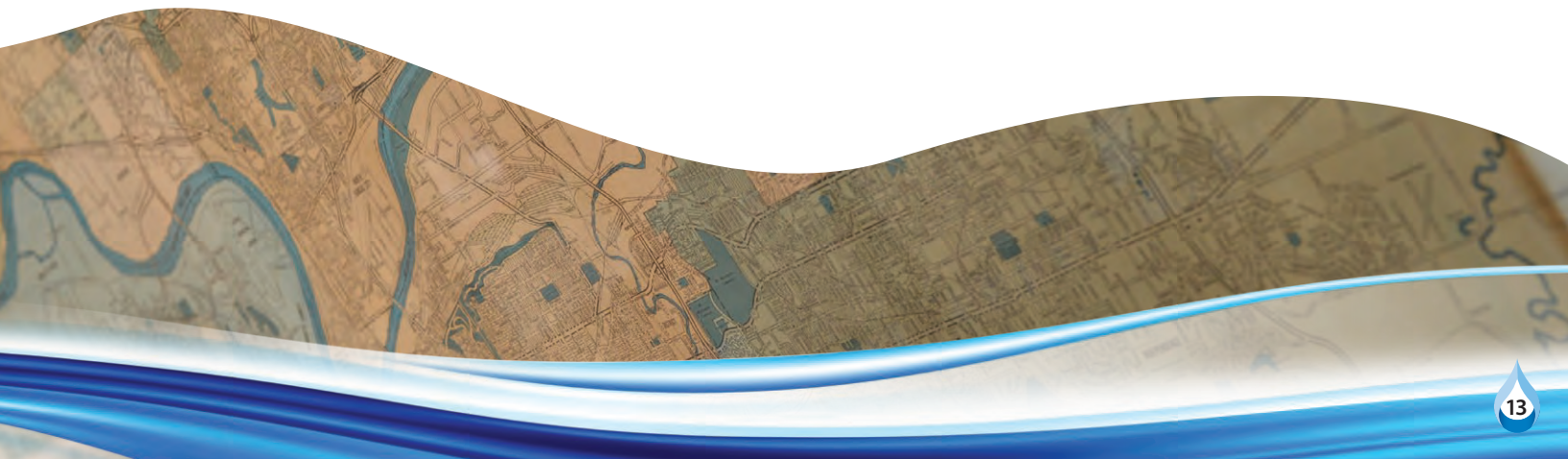
To implement a strategic, long-term, customer-focused plan to address Kansas City's infrastructure needs today, and for future generations. Water Services is dedicated to protecting public health and safety, improving system reliability, meeting regulatory compliance, and supporting economic development through fiscally responsible measures and sustainable customer rates.

Challenges:

Like many large utilities across the nation, Kansas City Water Services must invest heavily in the replacement or repair of its aging infrastructure which is reaching the end of its useful life. Deferred infrastructure investments have resulted in degraded service levels, increased service disruptions, and increased expenditures for emergency repairs. To continue meeting these challenges and achieve its mission, Water Services must ultimately make significant investments in its infrastructure and efficiently complete the projects included in its five-year Capital Improvements Program. In addition, Water Services must continue to improve its performance through cultural changes necessitated by the increased workload due to deferred investments and requirements of Kansas City's federally-mandated Consent Decree associated with the Overflow Control Program.

Goals:

- 1- Develop project delivery manual and project management support tools to drive efficient execution of projects by Water Services employees
- 2- Improve project data management through development of a SharePoint site and implementation of PublicWay
- 3- Replacement or rehabilitation of approximately 20 miles of aging, break-prone water mains
- 4- Rehabilitation of approximately 10 miles of aging sanitary sewer lines
- 5- Develop Water System and Wastewater System Master Plans to define strategic long-term infrastructure investments needed to replace critical infrastructure
- 6- Implementation of OCP projects as scheduled in the City's Consent Decree
- 7- Develop Private Inflow and Infiltration (I&I) Reduction Program to help meet the requirements of Kansas City's Overflow Control Program
- 8- Implement FY14 Capital Improvements Plan
- 9- Develop and implement OCP University to expand the capacity of local small businesses



INFORMATION TECHNOLOGY

Mission:

Kansas City Water Services is committed to ensuring the efficient use of each of our technology resources in order to provide dedicated and secure systems to ensure success.

Challenges:

As Kansas City Water Services moves toward an efficient and data-driven organization the Department must upgrade its existing system technologies, while ensuring efficient use of all available resources.

Goals:

- 1- Upgrade Computerized Maintenance Management System (CMMS) Hansen
- 2- Install Automatic Vehicle Location (ALV/GPS) technologies
- 3- Develop two-way interfaces with AVL/GPS and CMMS
- 4- Work to improve customer service through the assistance of technology and an upgrade strategy for the Customer Information System (CIS) Banner.
- 5- Enable mobile applications to allow real-time updates of data gathered during inspections
- 6- Establish PublicWay and CMMS interface
- 7- Update laptops and tablets for Engineering field operations, Pipeline, Wastewater Collections, and Meter Field Services
- 8- Interactive Voice Recognition (IVR) system program changes to improve ease of use for customers
- 9- Install Novatime timeclocks to replace antiquated time-keeping devices
- 10- Upgrade GIS servers to improve mapping updates and deployment

