

9/10/02 LOT
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**Wastewater Treatment Division
Department of Natural Resources and Parks
Productivity Initiative Pilot Program**

Report on 2001 Results

Productivity Initiative Goals

To be recognized as the best publicly owned and operated wastewater treatment system in the nation by 2005, and be competitive with any privatized wastewater operation in the nation by 2010.

WTD Balanced Scorecard

- **People Management**
- **Key Internal Processes**
- **Customer Focus**
- **Financial Performance**

King County Wastewater Treatment Program Balanced Scorecard

People Management

- Employee Satisfaction
- Employee Retention
- Training
- Innovation

Financial Performance

- Budget
- Cash Flow Performance
- Incentive Fund Size

GOALS:

*To be "the best" public wastewater provider by 2005
and be competitive with private wastewater providers by 2010.*

Key Internal Processes

- Regulatory Compliance
- Sanitary Sewer Overflows
- Combined Sewer Overflows
- Water Quality Protection
- Safety
- Reclamation of Resources

Customer Focus

- Component Agency Satisfaction
- Customer Satisfaction (Both Internal and External)
- Neighbors' Satisfaction

People Management

Measurement: *Employee satisfaction with participation and involvement in decision making*

Target: 4.0

Current results: 3.65

Measurement: *Employee retention*

Target: 91% (public section average)

Current results: 94%

Key Internal Processes

Measurement: *AMSA Peak Performance Awards*

Target: *Platinum Award (Gold Award for five consecutive years)*

Current results: *Gold Award, South Treatment Plant; Silver Award, West Point Treatment Plant*

Measurement: *Number of sanitary sewer overflows*

Target: *elimination of separated system overflows*

Current results: *2 (as of 2nd quarter 2002)*

Customer Focus

Measurement: *Stakeholder satisfaction (measured by component agency survey)*

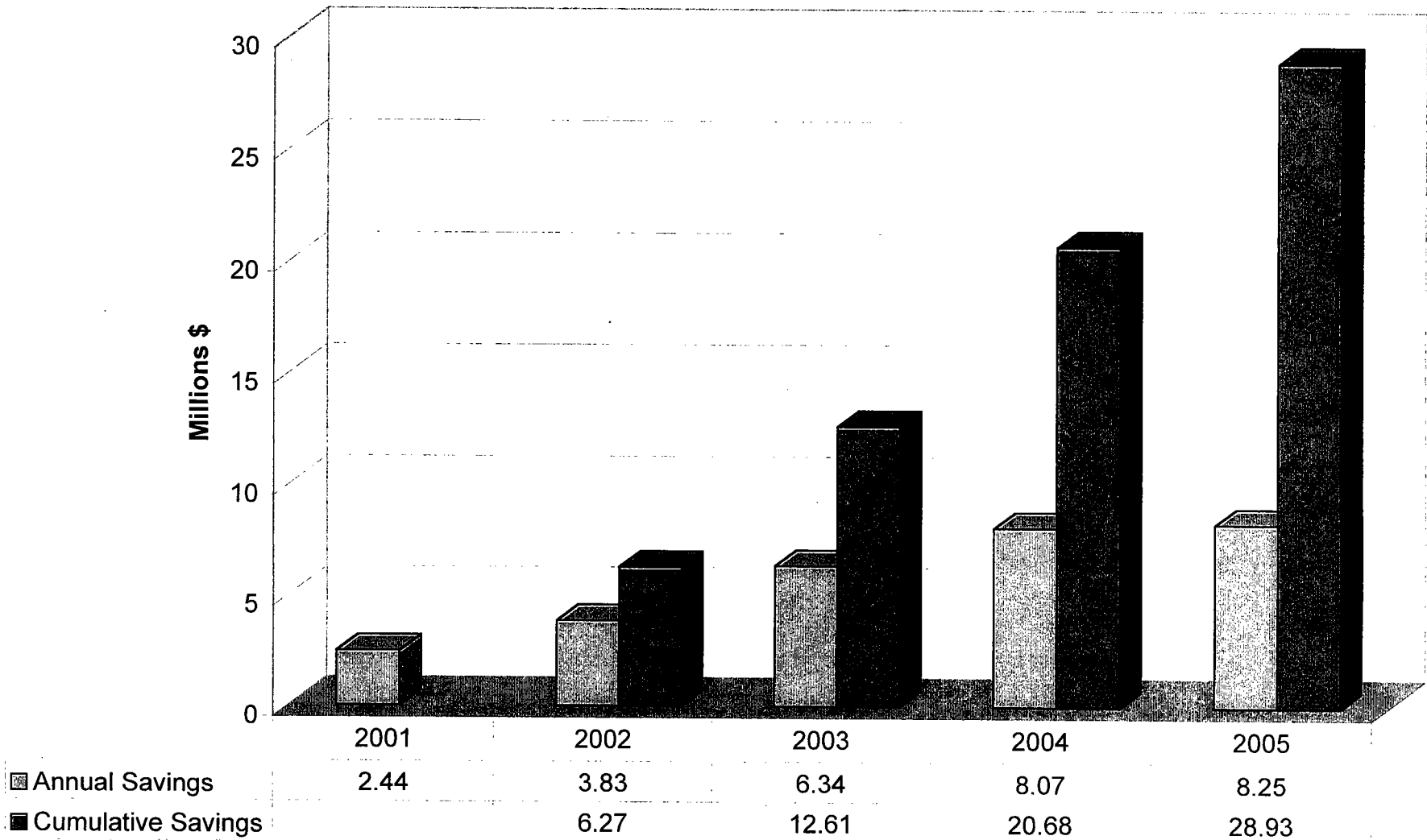
Target/Results:

	<i>Target</i>	<i>Results</i>
<i>% response</i>	<i>90%</i>	<i>42%</i>
<i>Quality of service</i>	<i>4.0</i>	<i>4.08</i>
<i>Satisfaction with customer service</i>	<i>4.0</i>	<i>3.92</i>
<i>Value of overall service</i>	<i>4.0</i>	<i>3.31</i>

Financial Performance

. Results from 2001

WTD Productivity Planned Savings



Exceeding Savings Targets

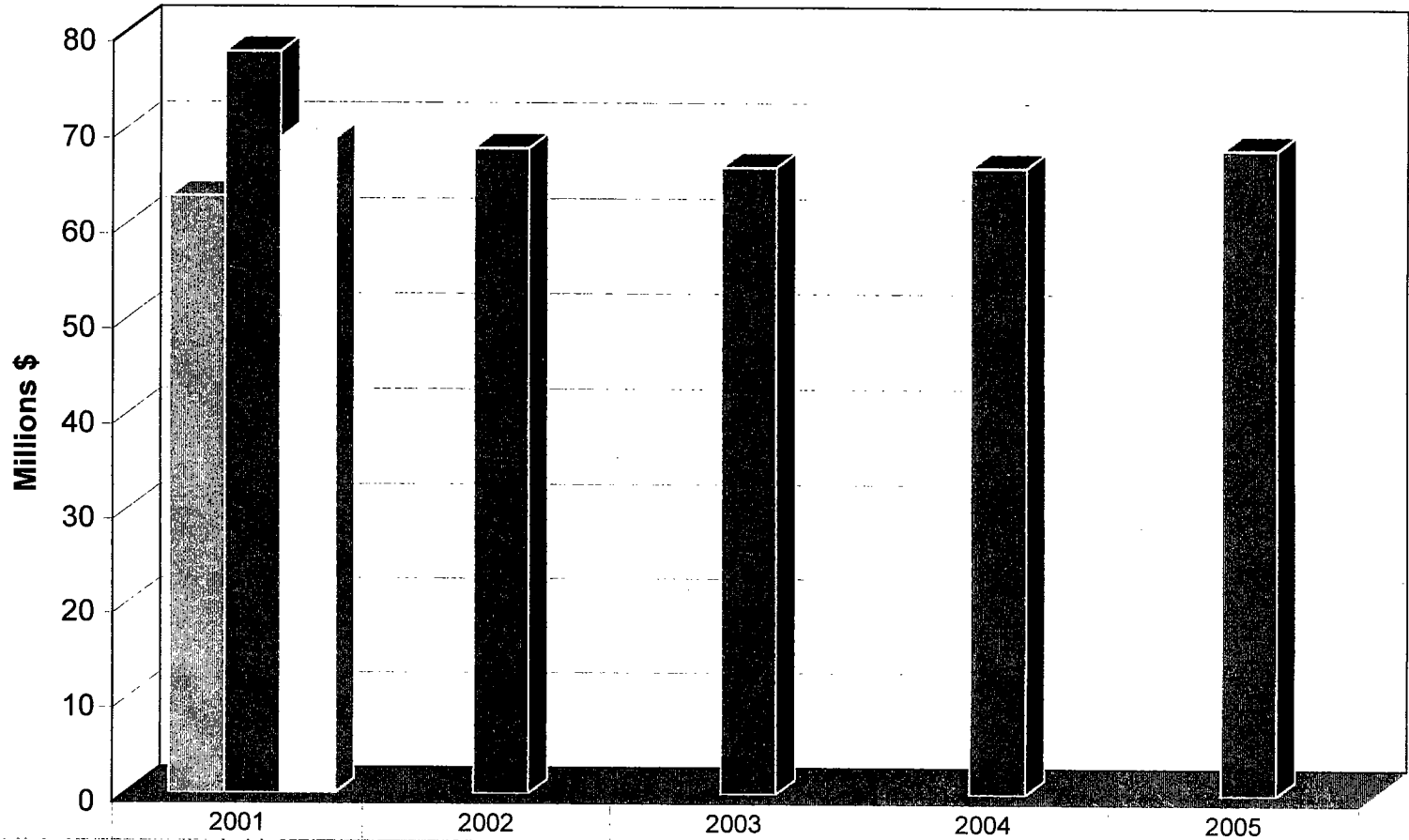
- **Ratepayer savings**
- **Incentive rewards for employees when budget savings are due to specific actions identified as taken by staff**

**2001 was a very challenging
and exciting year.**

- Energy costs skyrocketed**
- Financial policies were significantly adjusted**

**Budget target established
for “core” wastewater
program rose from
\$63 million to \$78 million.**

WTD Productivity Annual Budget



■ Unadjusted Core Budget	63				
■ Adjusted Core Budget	78	68	66	66	68
■ Actual Expenditures	69				

Of the \$9 million underexpenditure in the 2001 operating budget, \$2.76 million was the result of specific efficiencies implemented by staff in response to

- Productivity Initiative**
- Energy crisis**

Salary Savings (\$1.1 million total)

- **Total reorganization of WTD.**
- **Reduced shift size at West Point Treatment Plant from 10 to 9 staff.**
- **Held manager position open at South Treatment Plant during reorganization; lent staff from Capital Program and Process Control to cover for manager vacancy.**

(Salary savings, continued)

- **Supervisor positions eliminated in Finance Section and Environmental Lab.**
- **Two maintenance positions eliminated in East Section.**

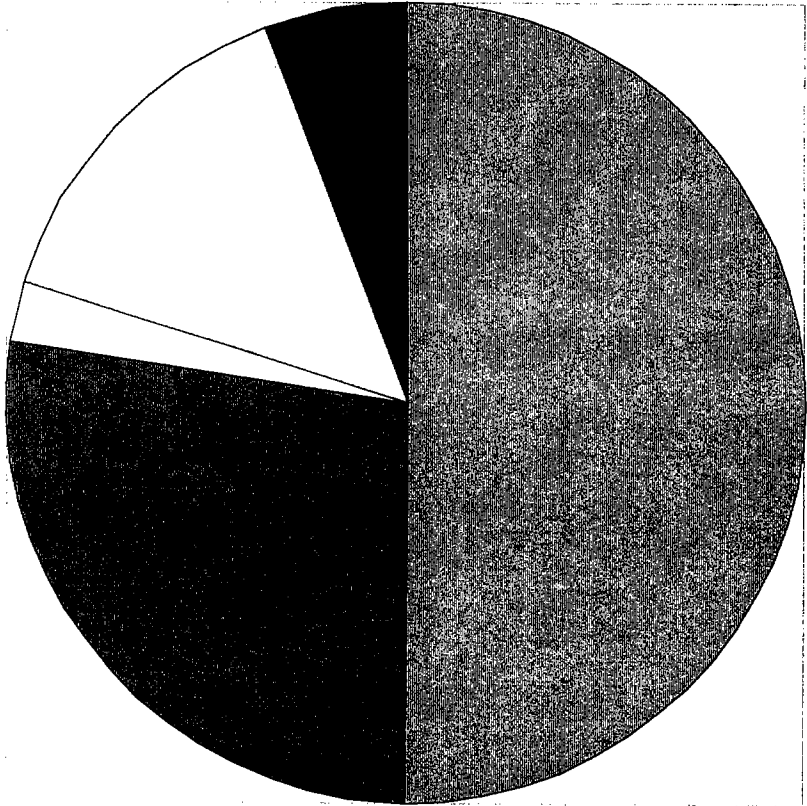
Energy Savings

- **Rerouting of wastewater to West Point Treatment Plant: \$550,000.**
- **Emergency power generation at South Plant: \$345,000.**
- **Additional revenue, operation of 2 retired co-generators: \$213,000.**
- **Extreme energy-saving actions at South Plant: \$118,000.**

Other Savings

- **Increased oxygen production, resulting in reduced purchases of liquid oxygen (\$136,000)**
- **Reduced biosolids haul costs due to installation of high solids centrifuges (\$65,000)**
- **Eliminating digester gas blower cooling water at South Plant (\$18,000)**

2001 Total Productivity Incentive Fund



■ Ratepayers,
\$1.381M (50%)

■ Payouts,
\$750,685
(27.18%)

□ Admin costs,
\$67,336
(2.45%)

□ Rainy Day,
\$400,000
(14.48%)

■ Flex fund,
\$162,979
(5.9%)

Outlook for 2002

Additional savings over and above target reductions of \$3.83 million will result from:

- **Expanded energy conservation efforts (to include the offsite pumping stations as well as continued improvements at South Plant)**
- **Procurement of third-party aftermarket replacement parts rather than OEM**
- **Controlling our staffing**