Charting the Future 2017

Approved May 2014
A Message from the General Manager

In May of 2015, Beaufort-Jasper Water and Sewer Authority’s (BJWSA) Chelsea Water Treatment Plant will celebrate its fiftieth year of operation. For all those years, the Authority provided for the water needs vital to our customers’ lives—and the life of our community. We’ve offered safe, reliable and affordable water because of our focus on disciplined cost management and efficient operations, as well as access to high-quality, abundant water from the Savannah River. As a result, BJWSA consistently delivers industry-leading value to our customers.

Today, water utilities are operating in an increasingly dynamic business environment. We see rapidly advancing technologies, fluctuating market forces, increasing regulations, and evolving customer expectations. With changes come challenges, but also opportunities.

BJWSA has a comprehensive strategic planning process to prepare for and respond to those changes. This document, “Charting the Future”, is our attempt to communicate the results of our most recent planning process. In it, we discuss our four planning areas of critical importance to our business:

- Products and Services
- Community and Stakeholders
- Stewardship of Resources
- Workforce Development

In developing our planning areas, we gathered our best thinking internally and considered perspectives from multiple external experts and information sources. We drew conclusions and established strategies and goals for each planning area.

Our planning efforts were guided by BJWSA’s vision to “excel as a high performing, diverse workforce who serves our community while protecting our Lowcountry environment.” Our vision embodies our approach to change, so we can continue to provide the water resource services our region needs - not just today, but for generations to come.

Sincerely,

Ed Saxon, General Manager
History and Community Profile

Beaufort-Jasper Water and Sewer Authority, a special purpose district, was formed as the “Beaufort Water Authority” in 1954 by the South Carolina General Assembly. The intent was to bring treated surface water to regional military installations, which had experienced significant saltwater intrusion in their groundwater wells.

In 1963, community leaders worked with the Navy to construct an 18-mile canal from the Savannah River to BJWSA’s first water plant in Okatie - the Chelsea Water Treatment Plant. The Authority began producing treated drinking water in 1965. Initially, the Authority sold water on a wholesale basis to the military, the City of Beaufort, and the Town of Port Royal.

The Authority grew steadily. In 1969, its enabling legislation changed to allow the Authority to construct wastewater facilities and provide wastewater services. The Authority merged with the Jasper County Water and Sewer Authority in 1983, creating the consolidated BJWSA.

The 1990s began a period of rapid growth for the Authority. A population explosion resulted in the need for significant infrastructure expansion across the two counties, and BJWSA was there to provide necessary water resource services to meet growing demand.

BJWSA acquired several municipal utilities during the expansion period (City of Beaufort in 1999, City of Hardeeville in 2002, and Town of Port Royal in 2003). To replace supply wells lost to saltwater intrusion, BJWSA began wholesale water sales to two of the three Hilton Head utilities in 1999. The municipal acquisitions, supply of surface water to Hilton Head, and the expansion of services in Jasper County solidified the Authority’s position as the regional water and wastewater service provider.

From 1999 to 2006, BJWSA expanded the Chelsea Water Treatment plant, constructed a new water plant in Purrysburg, and built two state-of-the-art water reclamation facilities (Cherry Point and Port Royal Island). In 2008, BJWSA acquired the water and wastewater systems on the area military installations and began the process of modernizing that infrastructure. BJWSA also acquired the Levy-Limehouse-Bellinger Hill system in 2008.

Today, BJWSA serves a population of over 170,000. The staff is dedicated to the Lowcountry community, and the organization is committed to continuous improvement as the region’s water resource provider. The Authority will continue to work within the industry and with its stakeholders to ensure safe, reliable, and cost-effective products and services for generations to come.

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*Not seasonally adjusted
**Percentages don’t add to 100 due to people being counted as members of one or more of the other races as well.

Service Area: Beaufort and Jasper Counties
Square miles: 1243 (about half marsh and water bodies)
Population served: over 170,000, including wholesale customers
Residential customers: 49,689 water taps; 32,738 wastewater taps
Wholesale Customers: 7
Assessed property value (tax base):
  Beaufort County - $1,614,373,168 (real); $185,451,491 (personal)
  Jasper County - $73,826,180 (real); $52,030,391 (personal)
The Future

In 2013, the Board of Directors and employees of the Authority began the process of developing a new four year strategic plan. The team envisioned that the plan would address future challenges, focus employee efforts, enhance customer experiences, and maximize the Authority’s capabilities to protect the community’s precious water environment. The plan would be simple and driven by a shared vision. The plan became known as the 2014-2017 Strategic Focus Plan.

The strategic planning process started with determining BJWSA's core purpose as the regional water and sewer services provider. We considered the impact to public health and the environment, and decided to revise the mission statement. The result is a simple statement that provides clear direction to employees and engages customers and community: BJWSA's mission is to Inspire Trust and Enhance Public Health.

The team found five major factors affect our utility of the future.

- **The economy** will continue to grow slowly, and operating expenses will continue to increase.

- **Customer expectations** of high service levels for quality and reliability will persist. Customers will demand more information and engagement through evolving technology.

- **Workforce trends** include the need for capturing institutional knowledge of an aging workforce, succession planning, closing skill shortages, and perpetuating diversity.

- **Regulations** are a key factor in our operating environment. The Authority must monitor and respond to state and federal regulatory changes, as well as evaluate proposed rules and pressures on the Savannah River Basin. This includes participating in the GA/SC water allocation discussions and TMDL waste load allocations.

- **Other issues** include BJWSA's aging infrastructure requiring capital dollars for systematic asset renewal and replacement (R & R), and the need to invest in technology to improve efficiency and cost-effectively meet regulations. Two unknowns include the upper Floridan Aquifer saltwater intrusion long term impacts, and the outcome of the railroad right-of-way class action lawsuit against BJWSA.

Utilizing the results of employee work group SWOT (strengths, weaknesses, opportunities, threats) analyses, industry trend reports, and stakeholder surveys, the strategic focus planning team categorized plausible initiatives into four major business objectives.
Business Objectives

Products and Services
In order for the Authority to provide high quality products and services to meet the future needs of the community, five key strategies were identified with accompanying goals. By implementing these strategies and completing the goals on page four, the Authority will achieve a number of results. Examples include ensuring more reliable and resilient water and wastewater systems, advancement of long term source water protection and sustainable wastewater disposal ability, optimization of information technology infrastructure, and a deeper understanding of customer expectations.

Community and Stakeholders
The Authority has an obligation to engage its customers and other stakeholders to build a better community. On page five, four key strategies are identified with accompanying goals. Upon completion of these goals, the Authority will achieve a number of important results. Examples include economic development advancement in the community due to the promotion of the availability of reliable, robust water and sewer infrastructure; customers gaining a deeper understanding of BJWSA’s business and the value of water; and industry groups, public officials, and government agencies gaining a higher level of trust in the Authority.

Stewardship of Resources
The Authority will responsibly manage its physical, technological, and financial resources. Five key strategies and accompanying goals were identified to meet this objective. Completing these goals on page six will realize efficiencies, ensure aging assets are replaced, and keep BJWSA on the technological leading edge while remaining fiscally sound. Updating the cost of service model will enable BJWSA to stabilize its revenues regardless of climate and usage patterns. Strengthening the asset management system and refining the R & R model will provide more accurate timing and funding for replacement of assets.

Workforce Development
The Authority’s greatest strength is its people. The Authority commits to retain and engage its employees by investing in them through training, career development, promoting teamwork, and maintaining a competitive salary and benefits package. The four key strategies and six accompanying goals listed on page seven will enable BJWSA to meet this objective. Anticipated returns on these investments include a more skilled, higher performing, and diverse workforce with more career options and an enhanced quality of work life.
Strategies and Goals

**Exceed Regulatory Compliance Requirements**
- Complete and implement a wastewater capacity, management, operations, and maintenance program
- Implement recommendations of the chlorine dioxide study
- Implement recommendations of the water taste and odor study

**Strengthen Reliability and Resiliency**
- Maintain and comply with surface water withdrawal permit
- Complete source water protection plan and implement recommendations
- Complete FY14 - FY17 capital improvement plan
- Obtain six hundred acre Great Swamp NPDES permit
- Update Integrated Contingency Plan to include business continuity

**Enhance Customer Service**
- Strengthen information technology infrastructure to protect against cyber threats
- Conduct customer survey
- Implement technology - IVR, bill print, outbound notification, electronic services
- Document levels of service to customers

**Pursue Optimization**
- Enhance customer experiences via communication, human and physical interactions
- Evaluate fixed network for meter reading
- Document work practices by creating standard operating procedures
- Achieve phase II distribution partnership for safe water
- Achieve phase IV water treatment partnership for safe water
- Achieve NACWA gold awards for all eligible wastewater treatment plants

**Establish a Performance Excellence Framework**
- Evaluate and implement a tool to help BJWSA measure the journey along the path to excellence
- Enhance key measures reporting

Performance Indicators

- Degree of success in exceeding target drinking water compliance rate
- Degree of success in exceeding target wastewater permit compliance rate
- Degree of positive customer feedback received
- Degree of implementation of resource optimization plans
- Degree of implementation of levels of service
- Degree of implementation of capital improvement plan
- Degree of implementation of a source water protection plan
- Degree of success in reducing taste and odor event impacts
Community and Stakeholders
*Engage our customers and other stakeholders to build a better community.*

**Strategies and Goals**

**Support Economic Development**
- Maintain relationships with the two county economic alliances
- Leverage resources with grants or other funding opportunities
- Periodically review development policies

**Strengthen Communications**
- Enhance strategic communications plan
- Promote the value of water industry-wide initiative

**Grow Community Involvement**
- Develop guidelines for community involvement

**Enhance Stakeholder Relationships**
- Engage and communicate with public officials
- Continue participation in national and regional industry groups
- Engage and communicate with governmental agencies

**Performance Indicators**

- Extent to which local economic development goals are achieved
- Degree of success in establishing positive coverage by the media - traditional and emerging
- Degree of stakeholder engagement
**Stewardship of Resources**

*Ethically manage our physical, technological, and financial resources.*

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**Strategies and Goals**

**Strengthen Asset Management for a Resilient Infrastructure**
- Complete condition assessment and develop R & R program for physical assets
- Update the vulnerability assessment for water and wastewater systems

**Promote Fiscal Responsibility**
- Upgrade cost of service rate model to ensure equity of rates and stability of revenue
- Upgrade R & R model to determine rate requirements
- Explore new sources of revenue including acquisition of other water and wastewater utilities

**Improve Efficiency**
- Improve energy efficiency
- Expand and enhance mobile technology to the workforce
- Implement appropriate document management program

**Emphasize Environmental Responsibility and Source Water Protection**
- Implement the recommendations of the re-use master plan
- Promote conservation efforts in the Savannah River Basin
- Assist in the resolution of the ongoing upper Floridan aquifer saltwater intrusion
- Monitor and support reclassification of the Beaufort River to shellfish harvesting

**Invest in Technology**
- Update and implement information technology master plan

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**Performance Indicators**

- Track record in providing for ongoing operation efficiency improvements
- Extent to which operation and technology improvements are deployed
- Extent to which revenues are generated from fixed charges
- Degree of development of a renewal and replacement model
- Degree of risk assessment and continuity of operations planning
- Degree of reduction in energy usage per volume of water/wastewater treated
Workforce Development

Retain and engage our employees by investing in our people through training, career development, promoting teamwork, and maintaining a competitive salary and benefits package.

Strategies and Goals

**Excel at Safety**
- Enhance occupation health and safety program

**Expand Training**
- Establish BJWSA University

**Develop Succession Planning**
- Build Bench Strength

**Improve Recruiting, Rewarding, and Retention**
- Stay competitive in compensation and benefits
- Increase workforce diversity
- Remain employer of choice
- Cultivate a healthier workforce

Performance Indicators

- Degree of implementation of job satisfaction programs
- Degree of success in implementing performance management systems
- Degree of implementation of learning programs
- Degree of safety program success
- Degree of success of health and wellness initiatives
Understanding the challenges, opportunities, and significant stakeholder concerns enables the Authority to tap into its existing operations momentum to optimize strategic investments.

The charted future starts with the Authority’s vision: **to excel as a high performing, diverse workforce who serves our community while protecting our Lowcountry environment.**

As the Authority navigates the future, it is committed to guiding its behavior and actions based on the core values of ethics, transparency, teamwork, and excellence.

BJWSA grew from a small Authority at its inception to a diverse and efficient regional water services provider. All along, its people and their dedication to the community enabled BJWSA to become a leader in the water resources industry.

This Strategic Focus Plan capitalizes on a wealth of knowledge, experience, and passion. The plan is the framework needed to advance BJWSA’s capabilities in delivering high quality products and services, as well as maintaining customer focus.

The Board and staff are committed to the public service mission of **inspiring trust and enhancing public health.** The Lowcountry community BJWSA serves is a paradise. The Strategic Focus Plan ensures that BJWSA will continue to give its customers the high quality products and services they deserve, perform its duties responsibly, develop its workforce, and take care of the precious Lowcountry environment.

The entire team is excited to take the next step.
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TO INSPIRE TRUST AND ENHANCE PUBLIC HEALTH