

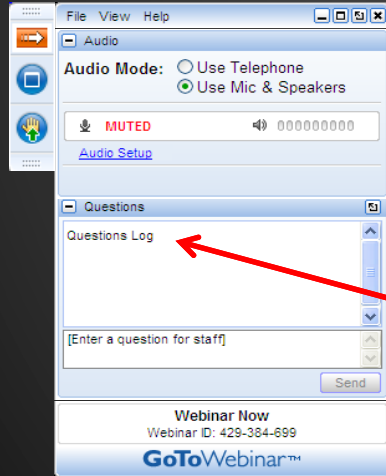


**Becoming the Change That We Desire:
Case Studies of Effective Organizational
Change Management in the
Water/Wastewater Utility Industry**

Thursday, February 7, 2019
1:00 - 2:30 PM ET



How to Participate Today



- Audio Modes
 - Listen using Mic & Speakers
 - Or, select "Use Telephone" and dial the conference (please remember long distance phone charges apply).
- Submit your questions using the Questions pane.
- A recording will be available for replay shortly after this webcast.



Moderator



Ryan Nagel - Hazen and Sawyer's Asset and Utility Management Practice Leader



- Organizational Change Management - Background
- Introduction to a few commonly used Change Management Frameworks
 - ADKAR
 - Kotter's 8-Step Change Management Model
 - Association of Change Management Professionals Standard for Change Management



Speakers



Todd Swingle, PE

- Executive Director
- Organizational Change Management associated with ongoing leadership succession



Glenn Page, PE

- General Manager
- Managing change associated with implementation of strategic workforce goals



Ting Lu, PhD, PE

- Principal Engineer
- Implementing an innovation transformation by putting people first



Organizational Change Management - Introduction



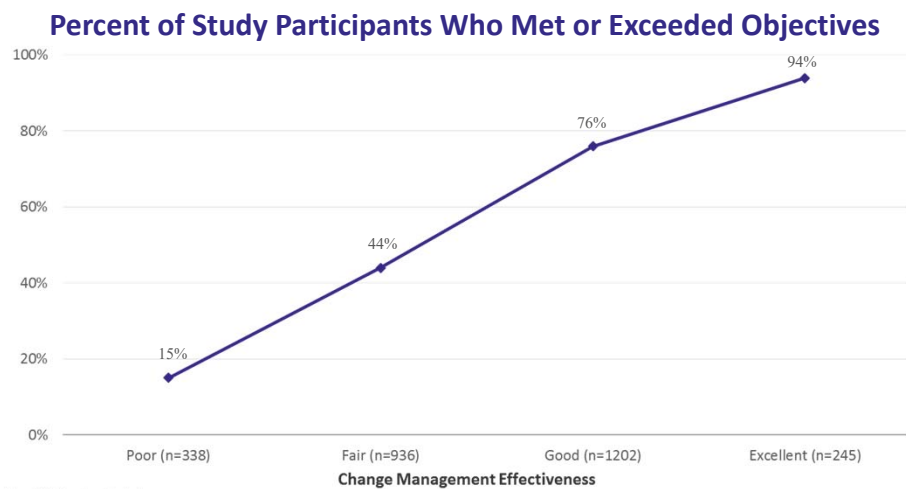
What is Change Management?

“Change management is the discipline that guides how we prepare, equip and support individuals to successfully adopt change in order to drive organizational success and outcomes.”

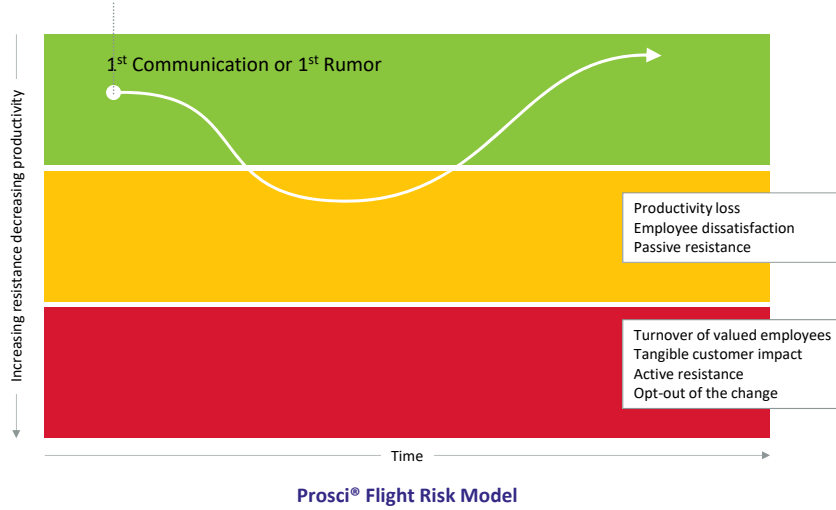
Prosci®



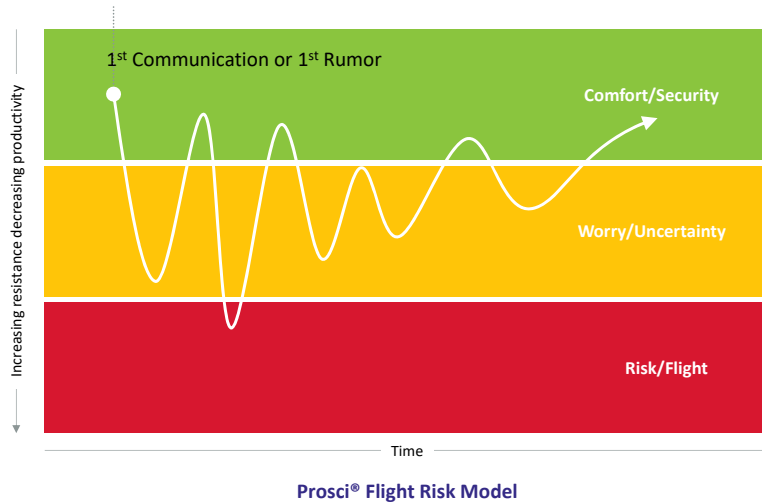
Why Change Management?



With Change, a Decline in Productivity and Increase in Resistance is Expected



If Not Managed Properly, Change Often Leads to Uncertainty and Instability



Change Management Frameworks Commonly Applied in our Industry



The ADKAR Model

The Five Building Blocks for Successful Change



A Awareness

D Desire

K Knowledge

A Ability

R Reinforcement®



Kotter's 8-Step Change Management Model



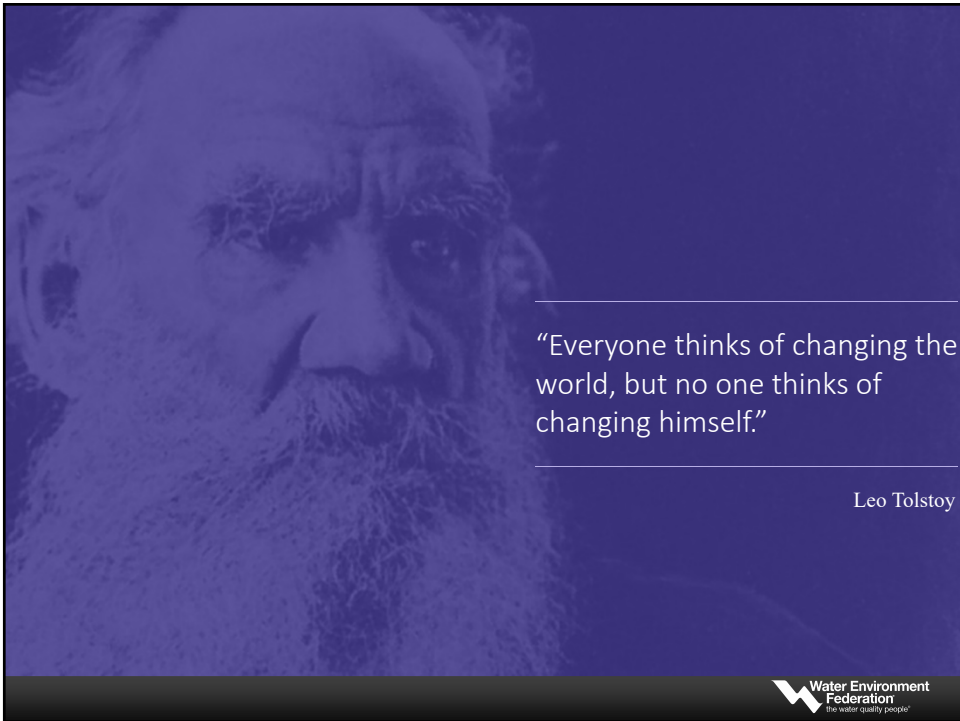
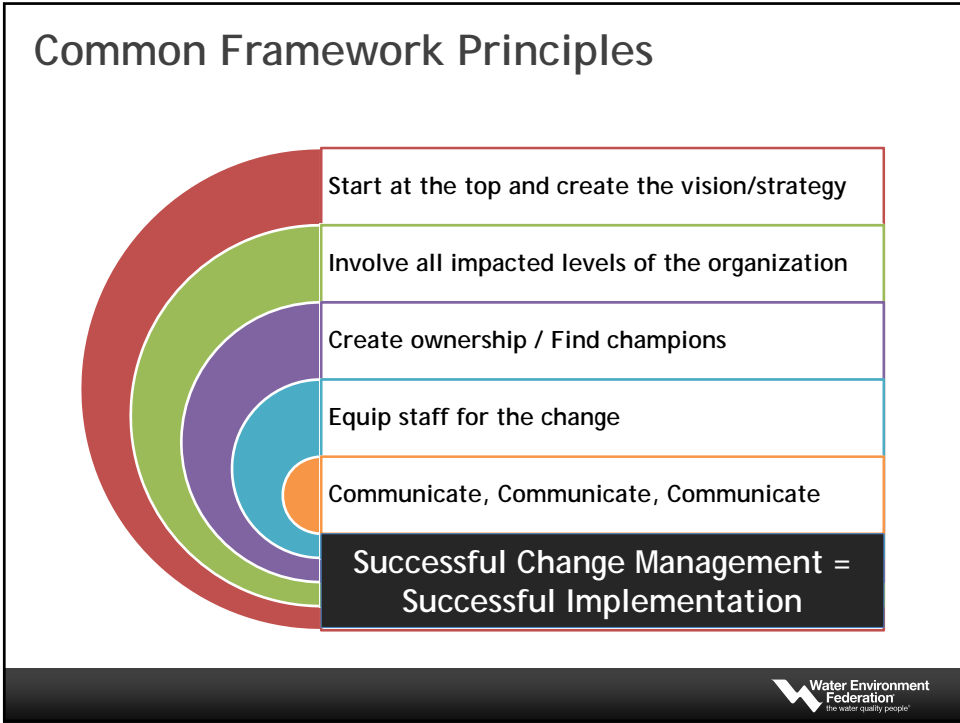
1. Create a Sense of Urgency
2. Build a Guiding Coalition
3. Form a Strategic Vision and Initiatives
4. Enlist a Volunteer Army
5. Enable Action by Removing Barriers
6. Generate Short-Term Wins
7. Sustain Acceleration
8. Institute Change

Source:
John P. Kotter



Association for Change Management Professionals Standard





Our Next Speaker



Todd Swingle, PE
Executive Director



The Normalcy of Change

Strategic Planning as a Tool for Managing
Dynamic Organizational Change



Toho Water Authority (TWA) Who are we?

- 3 member governments
- Established in 2003 by special act of the Florida Legislature
- 320 employees

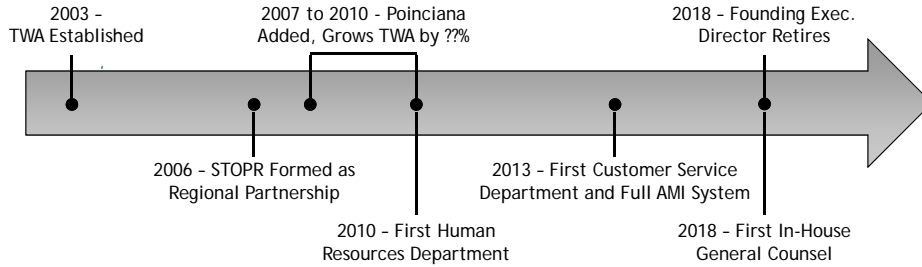


TWA - By The Numbers

- 102,000 water, 96,000 wastewater, and 17,000 reclaimed water customers
- Approximately 130,000 AMI endpoints
- 21 water and water reclamation facilities
- 1,338 miles of water mains; 1,193 miles of sewers; 435 miles of reclaimed water mains

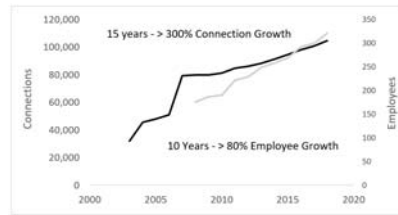


TWA - The Constant is Change



AND:

- 8th Fastest Growing County in the US
- Over 3% Sustained Growth Rate
- Limits on Traditional Water Supply
- All the normal stuff - rates, retirements



But The Core Remains Constant

Mission

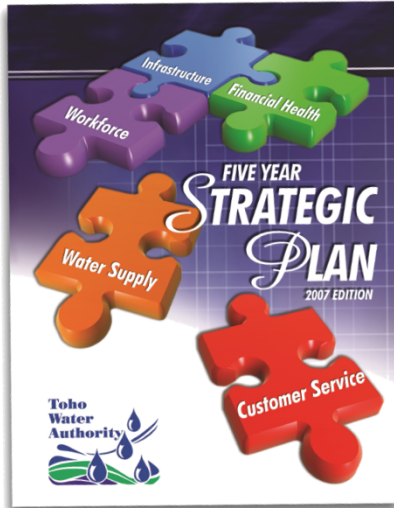
- Provide reliable, cost effective, and responsive water services to our customers while protecting public health and the environment

Vision

- Toho Water Authority: The standard of excellence for responsible water supply stewardship



High Level Priorities are Similar



2007/2013



2019



2007/2013 Strategic Plan

STRATEGY: CUSTOMER SERVICE

Toho will provide a level of customer service consistent with the highest standards in the utility industry.

Goals	Objectives
Consistently deliver customer services that meet the needs of our customers.	<ul style="list-style-type: none"> Develop and deliver a customer service training program to all existing and new Toho employees/partners. Develop new key performance indicators for various customers (residential, commercial, developers) through a consensus based process. Develop internal standard operating procedures. Collect, analyze customer and stakeholder feedback on a periodic basis and improve as indicated. Provide customers with additional ways to interact with the Authority including online access.
Promote Toho Water Authority services through public recognition and education.	<ul style="list-style-type: none"> Develop and implement a Toho Water Authority marketing plan. Increase communication channels for informing employees and customers. Educate employees and the public about Toho Water Authority.
Complete Implementation of the Customer Information System (CIS)	<ul style="list-style-type: none"> Complete Phase I - Poinciana. Perform Lessons Learned after Go-Live. Detail Phase II requirements. Identify facility improvement needs. Enhance customer capabilities.
Advanced Metering Infrastructure (AMI) Enhancements	<ul style="list-style-type: none"> Deliver a fully functional AMI system for all meters in the Toho System to provide optimal customer service. Develop a meter replacement plan to assist with AMR implementation.



2007/2013 Plan Outcomes

- Some successes
 - Employee training and development program
 - Maturing asset management program
 - Long range water resource project plans
 - Launch of customer service department
 - Fitch AAA rating upgrade
- And some challenges
 - Knowing if we succeeded (deliverables/measurement)
 - Engagement (communications and connection to all)
 - Execution (resourcing and accountability)



Launching the 2018/19 Plan

- Differences from 2007
 - Maturing organization - many systems in place
 - Much larger organization - (170 vs 320 employees and 70k vs 110k connections)
 - New dedicated support functions (HR, Customer Service)
 - And ...

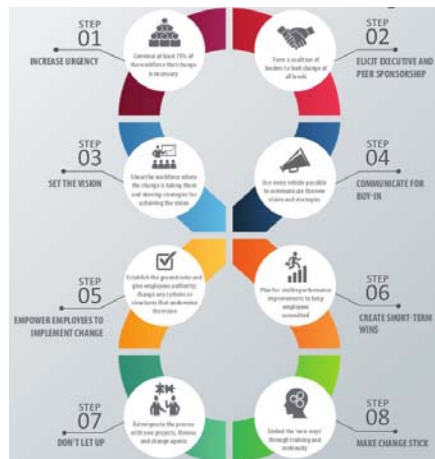


Launching the 20189 Plan

- Impacts of Leadership Transition
 - People expect change - embrace the opportunity
 - Opportunity for conversation - set the tone
 - Plan is opportunity to establish direction and commitments (roadmap) while retaining connections to the organization's comfort zone
 - Taking the time to get it right



Kotter's 8-Step Change Management Model

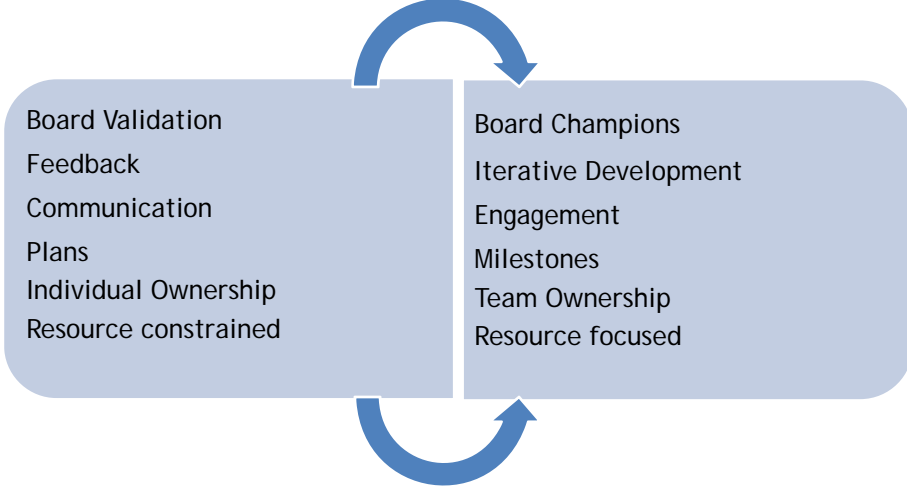


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2. Build a Guiding Coalition
3. Form a Strategic Vision and Initiatives
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8. Institute Change

Source:
John P. Kotter



From Building to Enhancing



Keep up the quick wins, because collaboration may not be quick!



2019 Strategic Plan Structure

GOAL 1 (continued)

Provide customer service consistent with the highest standards in the utility industry.

1-3 Make use of technology to enhance the customer experience.

Year 1	Year 2	Year 3
Developer/Engineering Software implementation.	Developer/Engineering Software implementation.	Developer/Engineering Software Enhancements as Identified
Implement Aclara Customer engagement software.	Update website including chat functionality.	
Enhance Bill2Pay customer facing web portal for payment as well as IVR payment technology.	Roll out email and texting notification features.	
Develop customer centered technology roadmap	Future customer centered technology deployments	Future customer centered technology deployments

This will allow us to:

Prioritize a culture that focuses on customer service excellence. We will recognize that our customers represent more than just our rate payers, but every person or organization that depends on TWA including our own employees. We will ensure that we fully understand what customer service excellence means to each of these stakeholder groups and we will take purposeful actions that provide meaningful improvement in the customer experience. We recognize that technology can play a key role in these improvements and we will prioritize a technology plan to enhance the customer experience.

Measurements and Metrics:

- (5) Basis points YOY improvement on annual rate payer survey.
- Achieve Top quartile (75) performance on annual rate payer survey in 5 years.
- Benchmarking solutions implemented and showing YOY improvement for stakeholder groups other than rate payers.
- Ongoing culture assessments and outputs.



2019 Plan Notables

- Much of the plan is core business, but high impact elements that we must keep visible
- Transformative elements are embedded and Executive Sponsored
 - Revisit Vision, Mission, Values
 - Establish a customer service culture
 - Formal IT and customer centered technology plans
 - Promote a culture of team oriented communication / collaboration
 - Formalized risk based asset management approach
- Every employee can find a connection



Takeaways

- TWA exists in a dynamic environment - growth, regulatory, political, organizational
- Our Strategic Plan is more than a few transformational items - it is the roadmap for organizational change
- Change management has common components - execution is very personal



Our Next Speaker



Glenn Page, PE
General Manager



Change Towards Sustainability

Developing a Workforce for the Future

Cobb County-Marietta Water Authority (GA)



CCMWA Workforce


- 116 FTEs
- Average age - 48 years
- Average tenure - 16 years
- 32 with 25 or more years



2016 Strategic Plan

- 9 Strategic Initiatives
- Focused on two
 - Safety culture
 - Workforce development






Oh, yeah...
about that
"change"
thing

- New Director of Operations
- New structure
 - From plant-specific Maintenance Departments
 - To centralized Maintenance Division



So...why the change?

- Fix "gaps" in infrastructure maintenance
 - Operations areas with no dedicated maintenance staff
 - "Facilities" maintenance needs
- Effective development and use of newer staff
- That "millennial thing"



Workforce Development



- Knowledge / experience gap
- Leadership / management skill deficiencies

Addressing the Knowledge Gap

- Standard Operating Procedures
 - Update
 - Align
- “Full” implementation of CMMS
- Encouragement of mentoring
- Information Sharing improvements



Improving leadership and management skills

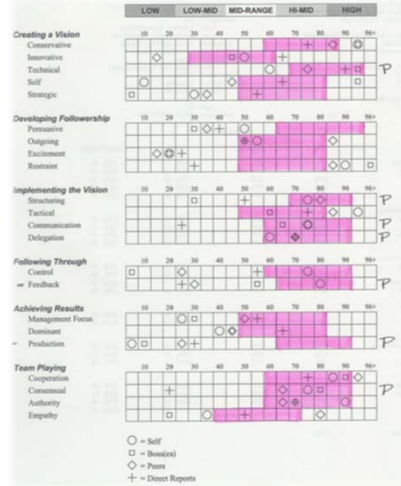
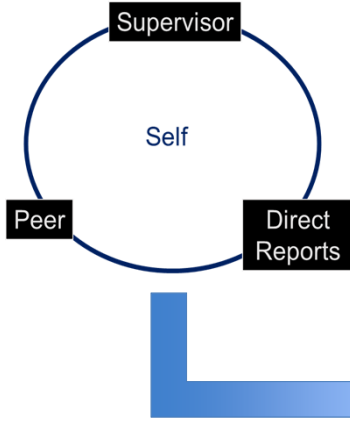
- Formal training classes (in-house)
- Defining desired leadership competencies
- 360-degree assessments
- Action plans
- Change management
- Succession planning



Defining Desired Leadership Competencies



360-degree assessments



Leadership Development Plans

Attribute	Score	Goal	Action Item	Timeframe
Management Focus	Score 25 Target 70 – 90; Primary	Use training tools to dev. Mgt. Focus	Complete Mgt. Focus Workbook & <u>review with supervisor</u>	Sect. 1 by 1/31/18 Sect. 2 by 3/31/18 Sect. 3 by 5/31/18 Sect. 4 by 7/31/18
		Have clear understanding of my leadership role & responsibility	1) Discuss roles & responsibilities w/ supervisor 2) Develop list of roles and responsibilities & rev. w/super. & team	1/31/18 4/30/18
		Increase knowledge of leadership principles	Attend workshops and read books • Attend leadership for results wksp. • Read "Lincoln on Leadership"	Complete wksp and discuss with team by 5/31/18 Read and discuss with supervisor by 3/31/18



Change Management



- Executing the plan
- Cadence of accountability (monthly check-in with supervisor)
- Update 360-degree assessment after 2-3 years



Succession Planning

- Since we have now defined the competencies...
- And since we have a program in place...
- Let's expand the process...
- To include our rising stars



Challenges to a Successful Development Program

- Conflict with Culture
- Leadership Buy-in
- Inconsistent Leadership
- Goal Clarity
- Scheduling & Time Conflicts
- Lack of Effective Performance Management System



Our Next Speaker



Ting Lu, PhD, PE
Principal Engineer



Implementing Transformation by Putting People First

Ting Lu, Ph.D., P.E.
Clean Water Services
February 7, 2019



Our Story

- Introduction
- CWS's transformation journey
 - District-wide Hubs
 - IT Division Transformation
- Lesson learned



Tualatin River



Clean Water Services



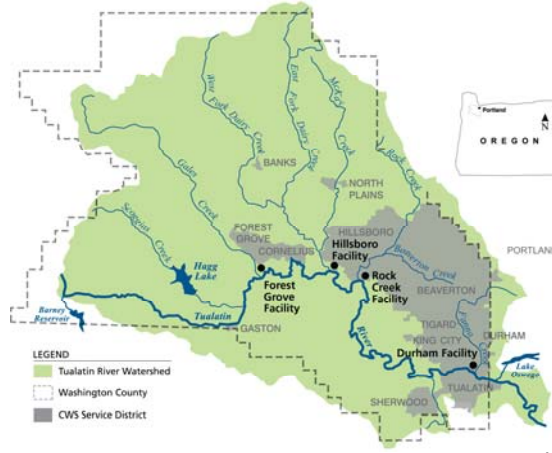
Conveyance System



Advanced Wastewater Treatment



Stormwater Management



Stream Restoration



Natural Treatment System



Today, we face complex environmental problems



Drought and Flooding



Hydro Modification Requirement



Nutrient Issues



Aging Infrastructure



Stormwater Phase II Permit



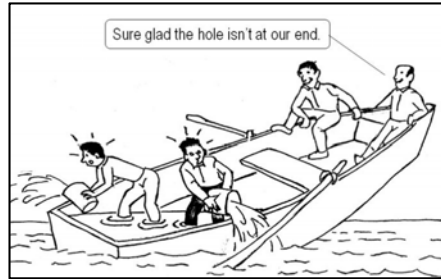
Overflows



Regulations

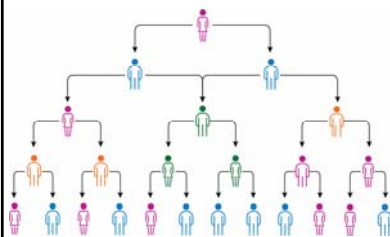


Solving complex problems requires a collective impact effort and break the silos



Interconnected Hubs as an Ecosystem

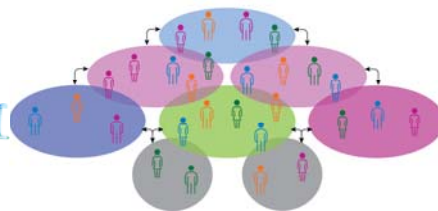
Working in Department Silos



Infusion of a new way

- Hierarchical along Departmental Lines
- Individual Project Orientation
- Consultation Model between Departments

Working in interconnected Hubs as an Ecosystem



- Multi-disciplinary Teams
- Thematic & Project-based
- Interconnected & Networked
- Co-creation Model



CWS's Integrated Planning Structure



Communication Through Wiki

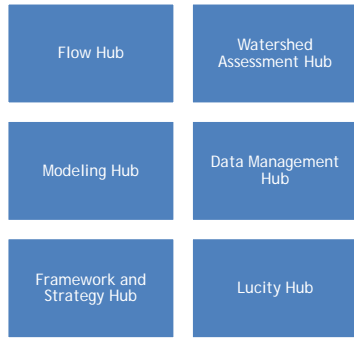
- Continuously updated, easily accessible and editable
- Highly visual and interactive
- Efficient and widespread data sharing and knowledge exchange
- Enhances collaboration between Departments

Watershed Wiki Table of Contents

- About
- Tualatin River Watershed
 - Working for the Tualatin River Watershed
 - How we work in the Tualatin River Watershed
 - Watershed Pyramid
 - Landscape Conservation Strategy
 - Integrated Planning Approach
- What we do in the Tualatin River Watershed
 - Watershed Monitoring
 - Watershed Management
 - Ecological Enhancement
 - Flow Management
 - Water Quality Trading
 - Infrastructure
 - Innovation
 - Community
 - Looking to the Future
- Tualatin River Watershed Information
 - Background Information
 - How do we assess the success of projects
 - Larger Watershed Projects
- Fanno Creek Subbasin
 - Subbasin Background Information
 - Subbasin Assessment
 - Subbasin Projects



District-wide Interconnected Hub to Facilitate Collaboration and Data-Driven Culture



Clean Water Services - Team Charter Session

What is a Team Charter and why does a team need one...
 A team charter is a document that is developed in a group setting that clarifies team direction and establishes boundaries. The charter encourages understanding and buy-in amongst the team members and with the champion and sponsors.

A Team Charter is a roadmap for the team and the champion and sponsors to make sure that all involved are clear about where they're heading and to give direction when times get tough...

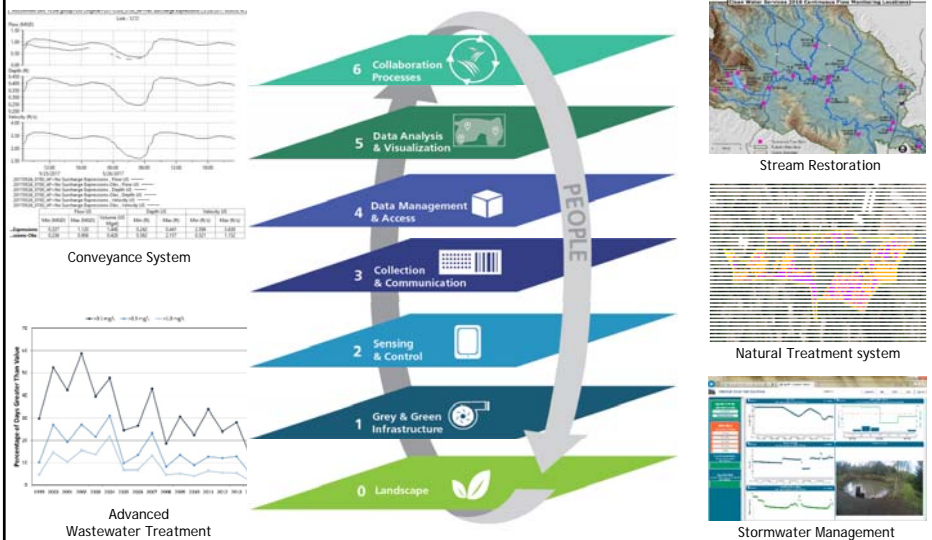
Elements of a Team Charter

1. Team Purpose
2. Duration and Time Commitment
3. Meeting Logistics
4. Scope
5. Members / Champion's
6. Roles and Responsibilities
7. Agreements
8. Goals and Objectives
9. Authority & Decision Making & Escalation of Issues

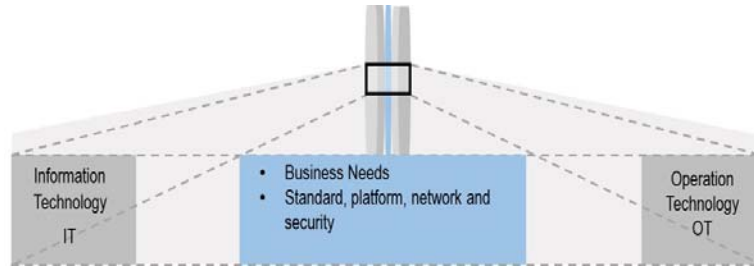
 Sign Off



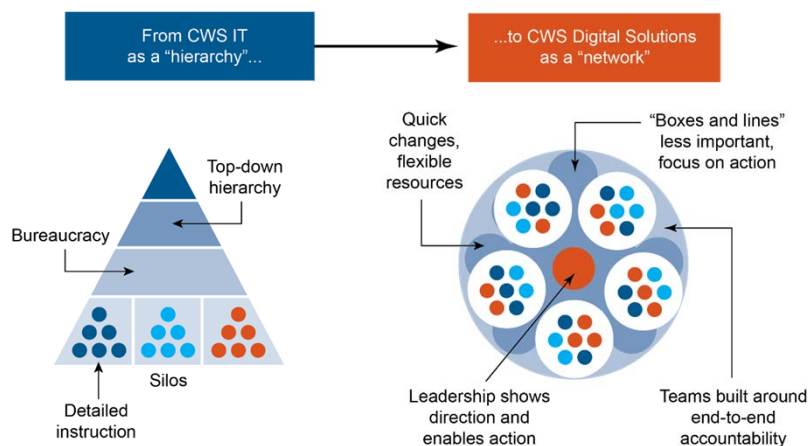
Digital Solutions of the Future



Broader Digital solutions Ecosystem Partner within CWS with IT and OT integration to meet District Strategic needs and business needs.



Transform CWS IT from a hierarchy to an agile CWS Digital Solutions, a network of talented individuals co-creating solutions together.



McKinsey&Company + CWS modifications



Transformation Outcome

- IT and OT integration
- Leverage the power of data and analytics
- Outcome based actions
- Infuse passion into the workplace
- Coordinated projects planning and implementation



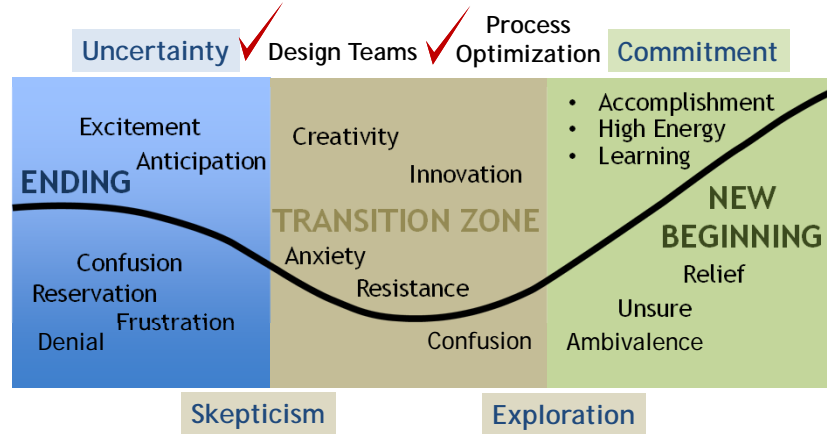
Ideally...

✓ Workshop

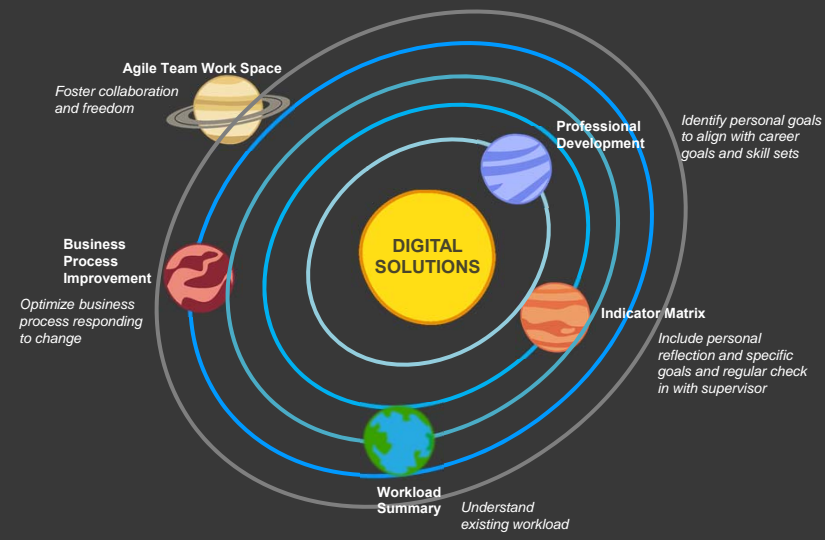
✓ Change Implementation

In reality...

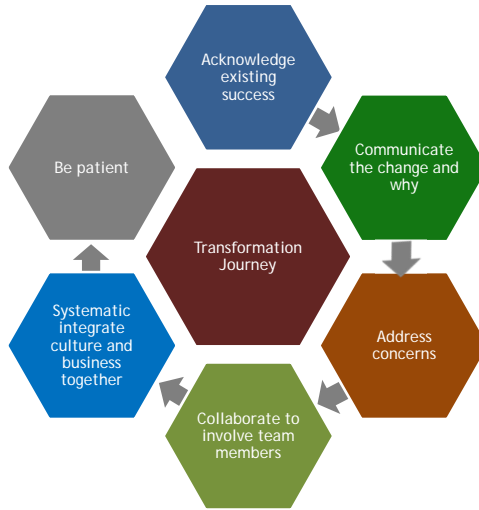
Managing Change: New Beginning Phase



Design Team



Still ongoing... lesson learned



OPTIMISTIC
COOL-STUFF
DIGITAL OPPORTUNITY
VALUE ACCEPTANCE
SOLUTIONS EXCITED
FUTURE
INNOVATION
READY CHANGE
CONFIDENT
DIRECTION

lut@cleanwaterservices.org



Questions?