

FGUA Board of Directors Strategic Planning Session

February 14, 2013

Central Florida Development Council Office,
Auburndale, FL



Workshop Objectives

- Recap Mission, Vision and Values
- Status Report on Goals, Accomplishments and Disappointments
- Review Key Trends
- Discuss Strategic Issues, Concerns, Priorities
- Reset, refine future direction

Workshop Objectives (Cont.)

- Present FY 11-12 Year-end Financial Report and Preliminary FY 12-13 Forecast
- Discuss Key Strategic Issues
- Future Direction Discussion
- Update Goals/Vision

MISSION STATEMENT

“The FGUA provides communities with high value, cost effective utility management alternatives within a public governance structure that maximizes customer service quality”

Adopted February 24, 2012



VISION

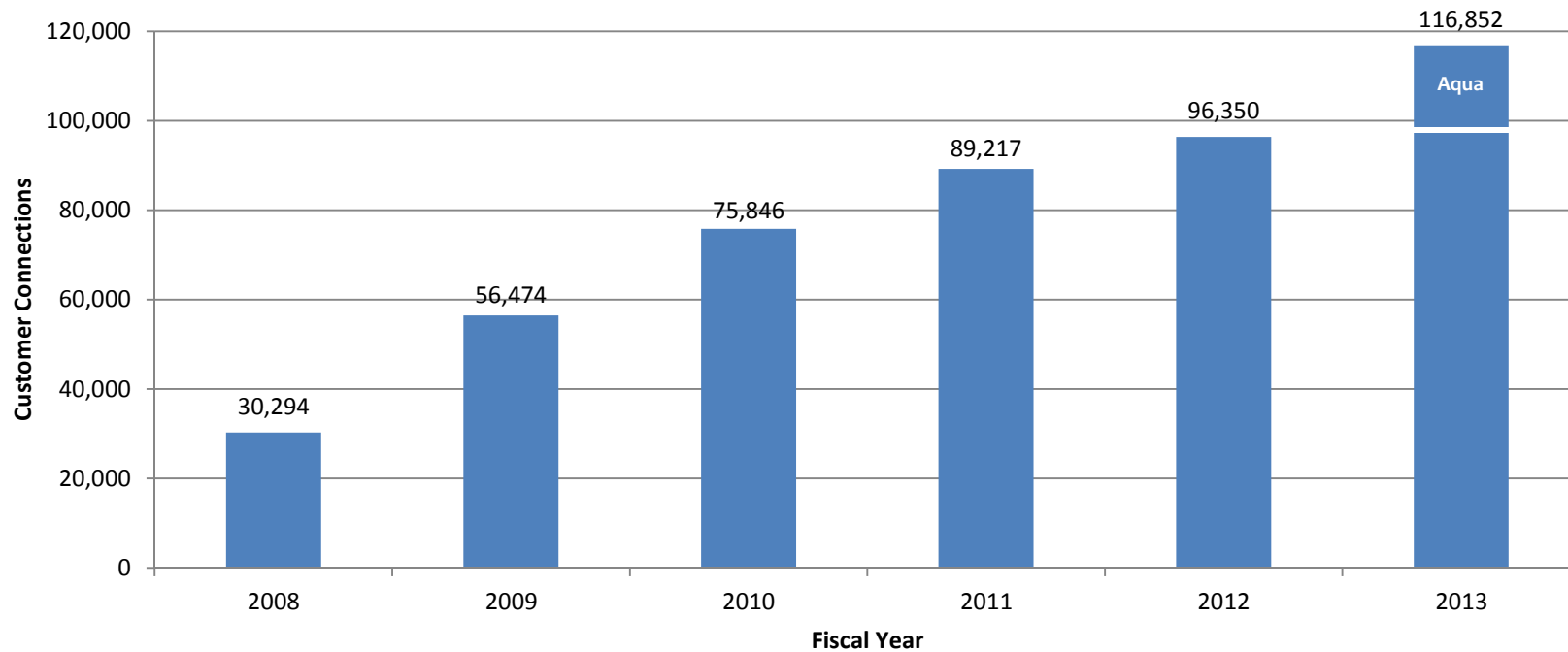
“The FGUA will be a widely recognized and utilized long term partner with communities in providing high value cost-effective utility services”

Adopted February 24, 2012

Accomplishments

Since Last Planning Session (February 2012)

FGUA Customer Connections



Accomplishments

Since Last Planning Session (February 2012)

- FGUA system connections have increased from 30,294 to 96,350 in 4 years
- Community Service Representatives participated in 177 community meetings in Lehigh Acres, Golden Gate, Pasco and North Fort Myers
- Supported bimonthly meetings of the Utility Advisory Committee (UAC) in Lehigh Acres, Golden Gate, NFM and joint meetings with the Pasco Customer Committee (fka Better Water Now (“CBWN”)) in Pasco
- CBWN changed name due to water quality improvements

Accomplishments

Since Last Planning Session (February 2012)

- Working with other local governments about potential FGUA acquisitions including; Citrus, Hillsborough and Marion Counties
- Received “clean” FY11 audit with no material findings
- Bond rating upgrades issued for Lindrick (BBB to A-), Lehigh affirmed at A (negative outlook removed) and Golden Gate with A stable outlook due to improved financial performance

Accomplishments

Since Last Planning Session (February 2012)

- Concluding due diligence work and negotiations with Aqua Utilities Florida; closing expected March 2013; this purchase would add 20,502 new customer connections (25% increase)
- NFM Del Prado Wastewater Treatment Plant Expansion and Waterway Estates Interconnect projects completed as scheduled and under budget
- Completed \$21.3 million Mad Hatter acquisition and Consolidated System refinancing transaction

Accomplishments

Since Last Planning Session (February 2012)

- Refinanced Lehigh Acres and Golden Gate outstanding debt resulting in \$7.6 million NPV savings and \$520,000 savings in annual debt service
- Grew substantially School Art Poster Contest Program in Pasco County with 1,151 entries submitted from six schools in partnership with Pasco County Schools and Pasco County Utilities Department

Accomplishments

Since Last Planning Session (February 2012)

- Transitioned Lehigh Acres WTP No. 2 from water production to booster station with variance expiration and WTP No. 1 to full supply
- Passed critical FDEP 45-day “no-deep well-injection” permit test at Del Prado WWTP
- Continued enhancements to FGUA website redesign for added customer convenience

Accomplishments

Since Last Planning Session (February 2012)

- Received the Award of Excellence in Financial Reporting for the FY 2011 CAFR by the Government Finance Officers Association for the eleventh consecutive year
- Secured preliminary approval for \$625k in FEMA funding claims for TS Debby in Pasco

Accomplishments

Since Last Planning Session (February 2012)

- Nearing Final Completion of Pasco (Seven Springs) WWTP Odor Control Project addressing long-standing neighborhood issue
- Renegotiated Bulk Wastewater Service Agreement terms with New Port Richey allowing for 4% rate decrease for customers

Accomplishments

Since Last Planning Session (February 2012)

- Successfully completed second year of ownership and operation at MacDill AFB; with ISDC projects and R&R ramping up and positive feedback from the Government
- Transfers into Rate Stabilization
 - Consolidated \$200k
 - Lindrick \$200k
 - Golden Gate \$400k
 - Lehigh Acres \$600k
 - Pasco Systems \$200k

Challenges Encountered

- While bottoming, continued weak housing, and general economic conditions leading to continued low flows and weak cash flows; tighter bond coverage
- Did not get to BCCs and one-on-one's with elected officials as hoped
- Uptick in water quality complaints from Pasco Seven Springs customers due to unexpected low chlorine residual requiring extensive flushing and longer 24hr staffing at SS WTP

Challenges Encountered (Cont.)

- Significant volume of customer complaints about the rate increase from Mad Hatter customers despite advance public outreach
- \$594,293 in Change Order claims from DB contractor on Del Prado WWTP; majority in dispute
- Tight Cash flow in NFM
- Did not achieve working capital policy target for MacDill
- Reuse supply issues in NFM

Challenges Encountered (Cont.)

- Acquisition negotiations with owners of several systems in Marion, Polk and Citrus suspended due to asking prices
- Strain placed on support team members with demands of Aqua transaction requirements
- Incurred \$595k in system damages requiring repairs due to TS Debby

Planning Considerations Discussion

- Updated Economic Conditions
- Financial Status Update
- Key Strategic Issues
 - Technology vs. Touching (e.g., teleconferencing, electronic meter reading, reverse calling)
 - Ops Contract updating and term resetting (e.g., work order process/deductible, risk sharing)
 - Use of refinancing savings
 - New operating management and customer service model for Aqua
 - Adequate resourcing for success while in a constant state of flux
 - Expansion priorities from here

System Demand Key Planning Question:

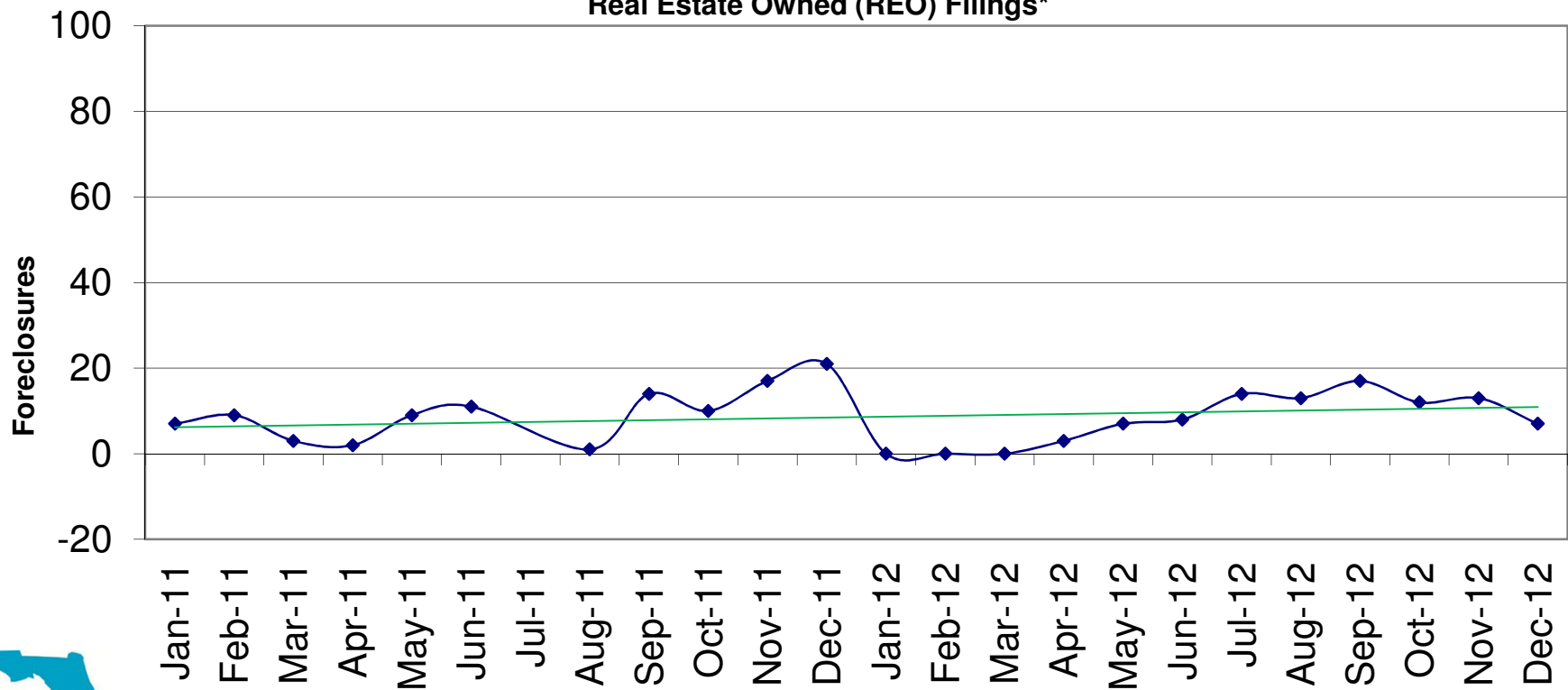
- Have we hit bottom of economic downturn?

Answer: Maybe – Positive Indications

- Having experienced 5+ year lows, customer base and flows within current systems have been re-forecasted as part of refinancings and acquisitions and rate consultant projecting leveling and very modest growth
- Development contacts

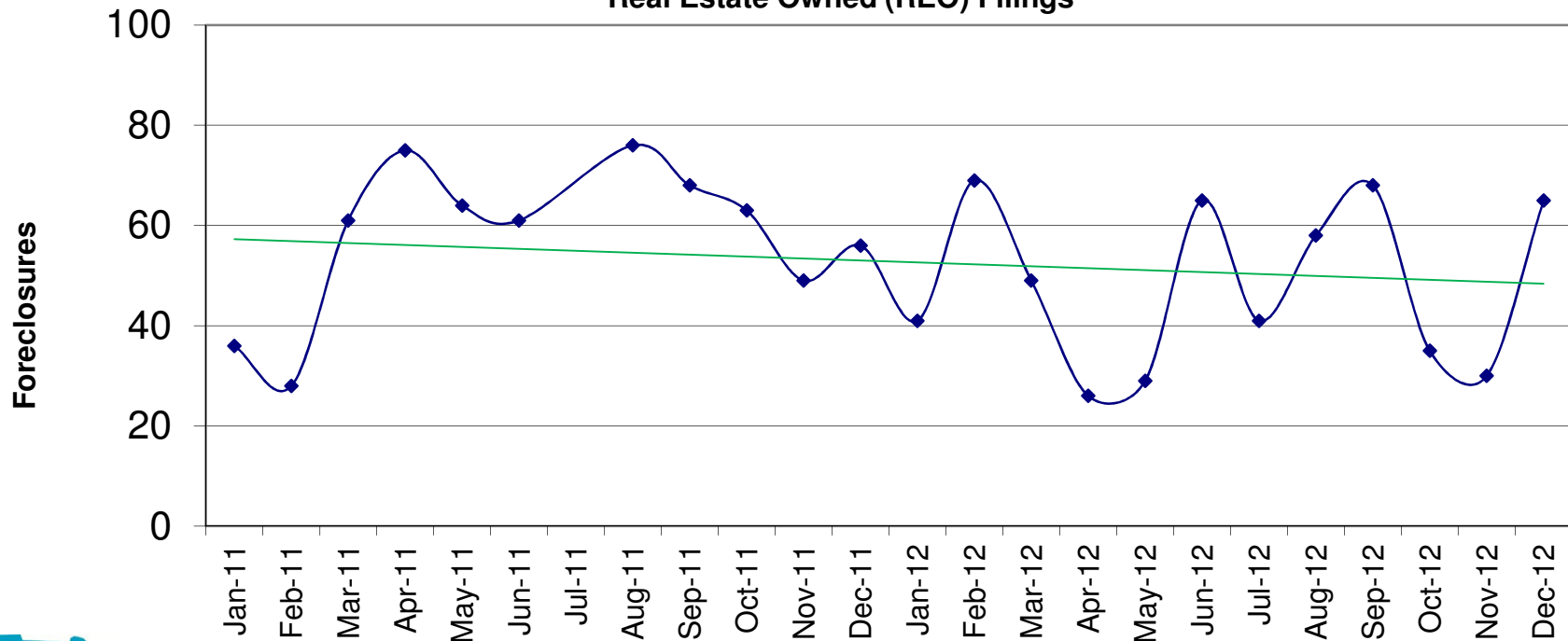
Economic Conditions

Golden Gate Foreclosure Rate
Real Estate Owned (REO) Filings



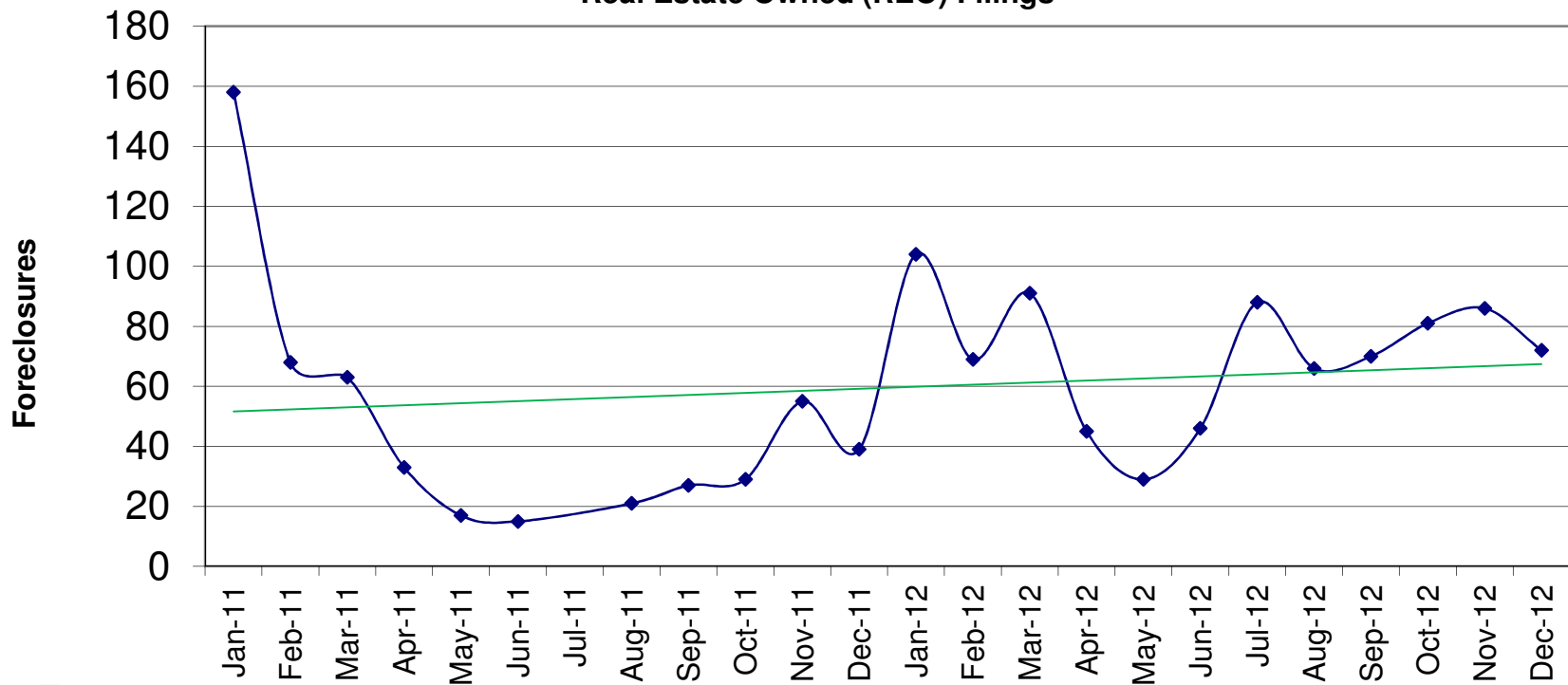
Economic Conditions (Cont.)

Lehigh Acres Foreclosure Rate
Real Estate Owned (REO) Filings



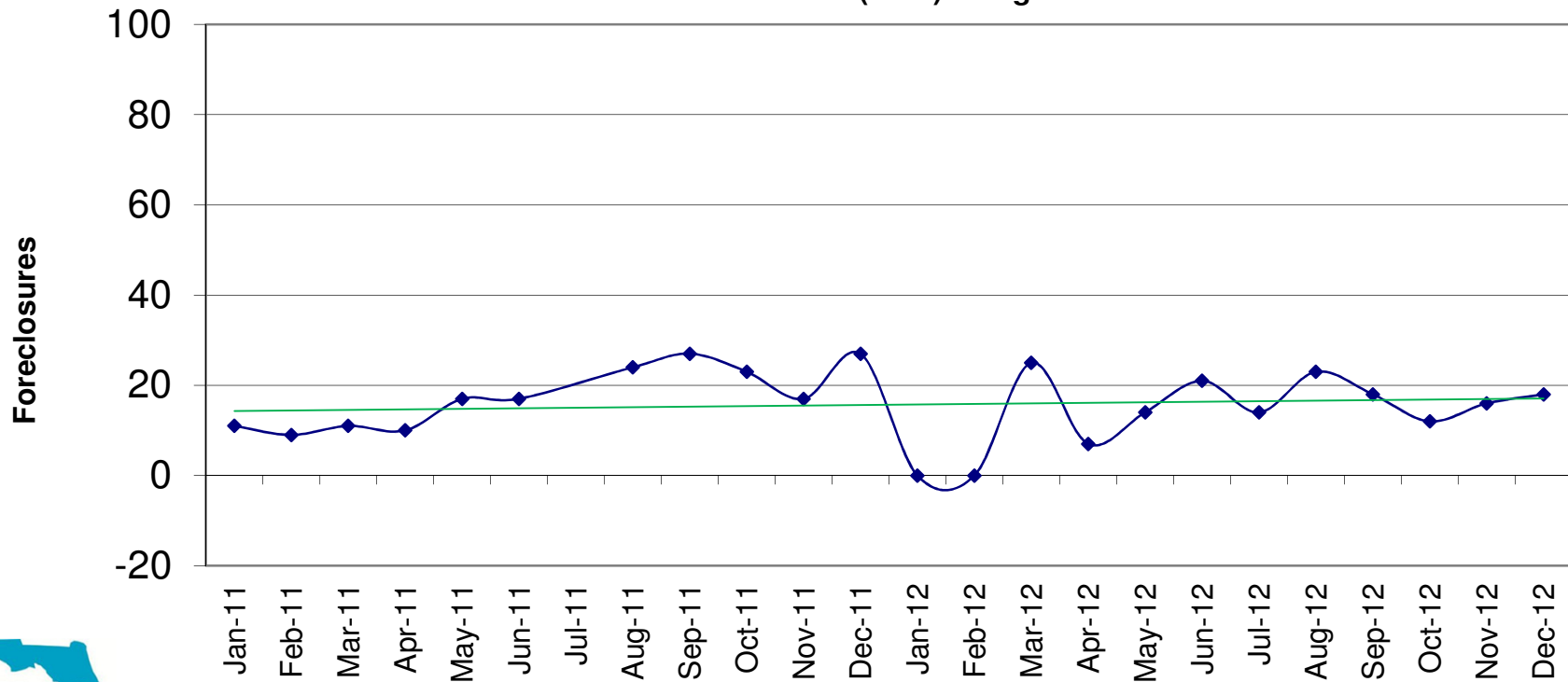
Economic Conditions (Cont.)

Pasco Foreclosure Rate
Real Estate Owned (REO) Filings



Economic Conditions (Cont.)

NFMU Foreclosure Rate
 Real Estate Owned (REO) Filings



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Financial Status

FGUA Combined Systems
Operating Revenues/Expenses FY 2012

	TOTAL		
	FY12	FY12	FY12
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
TOTAL REVENUE	\$ 54,777,556	\$ 55,986,682	\$ 1,209,126
TOTAL OPERATING EXPENSES	\$ 27,971,848	\$ 27,153,423	\$ (818,425)
TOTAL NON-OPERATING EXPENSES	15,582,157	14,928,666	(653,491)
INCOME BEFORE CAPITAL CONTRIBUTIONS	11,223,551	13,904,593	2,681,042
TOTAL CAPITAL CONTRIBUTIONS	\$ 1,523,016	\$ 8,523,040	\$ 7,000,024
INCREASE IN NET POSITION	\$ 12,746,567	\$ 22,427,633	\$ 9,681,066
NET POSITION, BEGINNING OF YEAR	\$ 30,422,163	\$ 30,422,163	
NET POSITION, END OF YEAR	\$ 43,168,730	\$ 52,849,796	9,681,066

Financial Status (Cont.)

FGUA Combined Systems Operating Revenues/Expenses FY13/FY14

	FY13	FY13	TOTALS	Projected	FY14
	<u>Budget</u>	<u>Actual (12/12)</u>	<u>FY13</u>	<u>Variance</u>	<u>Budget Estimate</u>
			<u>Projection</u>		
TOTAL REVENUE	\$ 65,246,575	\$ 16,186,601	\$ 67,035,202	\$ 1,788,627	\$ 63,472,914
TOTAL OPERATING EXPENSES	\$ 32,310,286	\$ 7,778,685	\$ 32,488,740	\$ 178,454	\$ 33,460,833
NET OPERATING REVENUES	\$ 32,936,289	\$ 8,407,916	\$ 34,546,462	\$ 1,610,173	\$ 30,012,081
Total Non-Operating Revenues (Expenses)	\$ 251,046	\$ 98,803	\$ 369,015	\$ 117,969	\$ 300,223
Surplus (Deficit) before Transfers	\$ 33,187,335	\$ 8,506,719	\$ 34,915,477	\$ 1,728,142	\$ 30,312,304
Total Transfers In/(OUT)	\$ (29,696,304)	\$ (7,120,156)	\$ (30,393,228)	\$ 696,924	\$ (28,145,212)
Increase (decrease) in net position	\$ 3,491,031	\$ 1,386,563	\$ 4,522,249	\$ 2,425,066	\$ 2,167,092
Unrestricted Net Assets Beginning of Year	\$ 15,100,096	\$ 15,100,096	\$ 15,100,096		\$ 19,622,345
Unrestricted Net Assets End of Year	\$ 18,591,127	\$ 16,486,659	\$ 19,622,345		\$ 21,789,437

Major Assumptions/Issues

Golden Gate

- Lower Debt Service cost
- Additional \$200k to R&R transfers
- No rate increase
- 2.5% increase in operating expenses

Lehigh Acres

- Lower Debt Service cost
- Additional \$500k to R&R transfers
- No rate increase
- 2.5% increase in operating expenses

Major Assumptions/Issues (Cont.)

Pasco Systems (Seven Springs & Aloha Gardens)

- Increase in Debt Service cost
- Transfer in rate stability of \$600k
- CIP rate increase
- 2.5% increase in operating expenses

Consolidated Systems

- Level Debt Service cost
- Additional \$100k to R&R transfers
- No rate increase
- 2.5% increase in operating expenses

Major Assumptions/Issues (Cont.)

Lindrick Utility System

- Reduction of 4% in rate this FY
- 2.5% increase in operating expenses

North Fort Myers Utility System

- FY 2013 projections include 1.5% rate increase
- FY 2013 includes additional revenues and expenses from adding on Waterway Estates

Major Assumptions/Issues (Cont.)

MacDill AFB System

- Negotiated cash flow is working well
- Government has asked for proposals for 12 new capital projects (6 in FY12; 6 in FY13)
- Improved small business contracting; expect further improvements in FY13
- Changed contract to annual price index adjustment
- Need to address long term space needs; staff preparing financial plan

Principal Strategic Issues

- The Economy and pace of recovery timing!!!!
- Rate changes – what is reasonable to allow rate relief while maintaining financial strength (e.g. Lehigh, Golden Gate and Lindrick)
- Balance of technology convenience trend with personal touch (e.g. extent of cloud meetings and web casting vs. community meetings; electronic vs. paper newsletters)
- Meeting the expectations of 15 new host governments and former Aqua customers

Principal Strategic Issues (Cont.)

- Operations contract issues
 - Not updated since 2005
 - Maintenance/repair deductible and risk sharing
 - Power exclusion
 - Chemical direct purchase
 - Alignment of expiration terms where synergies exist (e.g. Pasco)
 - Update reporting, performance standards and pricing
 - Supplemental resources
- How should FGUA meet future needs?

Strategic Goals/Objectives

- Maximize efficiencies including technology investments
 - SCADA
 - Video conferencing
 - Automated Meter Reading
 - Reverse call/Web info
- Adjust customer service approach in response to feedback (e.g. paper newsletter)
- Properly focus capital improvements to meet priority needs and proactive problem avoidance

Strategic Goals/Objectives (Cont.)

- Operate systems within optimal service standards and best industry practices
- Provide excellent stewardship of the FGUA finances and credit standing
- Expand customer base in existing systems when/where feasible
- Ensure equity in service charges; maximize contributed revenue (e.g. grants)

Strategic Goals/Objectives (Cont.)

- Expand FGUA systems to improve economies but within Board guidance - update acquisition criteria as needed

Acquisition Growth Criteria Discussion

- Pursue acquisition priorities of Board and local governments
- Pursue small system opportunities only if the system size/proximity to other FGUA support allow for economies of scale
- Formalize financial criteria to be evaluated prior to entering into a Purchase and Sale Agreement
 - Acceptable rate adjustments relative to area/region mean
 - Minimum bond coverage, working capital within prescribed time frame
 - Minimum R&R funding contribution
 - Retainage from sellers for negative surprises
 - Minimum contingency reserves



Alternative forms of GUA concept to suit local needs 2/20/2013 3:44 PM

Next Steps

- February 14, 2013 Strategic Planning Workshop With Preliminary Forecasts
- February – June 2013: Rate Consultant updates forecasts and rate requirements; budget development
- June – System Manager submits FY 2014 Proposed Budget and 2014-2019 CIP to Board
- July – Follow-up Budget recommendations/workshop (if needed)

Next Steps (Cont.)

- August – Budget hearing advertisements
- September – Rate Hearings (if needed) and Final Public Hearing and budget adoption by Board



Further Planning Discussion

with

Dr. Mel Jurado



**2013 BOARD
STRATEGIC PLANNING SESSION
PREWORK RESPONSES**

2/14/13

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Accomplishment Note:

FGUA system connections have increased from 30,294 to 96,350 in 4 years.

*"If we are growing, we are always going to be out of our comfort zone."
--John Maxwell*

Accomplishment Note:

*FGUA received the Award of Excellence in Financial Reporting FY2011 CAFR by
the Government Finance Officers Association for the eleventh consecutive year.*

*"Success is the reward for accomplishment."
--Harry F. Banks*

*"We are continually faced with a series of great opportunities
brilliantly disguised as insoluble problems."
--John Gardner*

*"All progress is initiated by challenging current conceptions,
and executed by supplanting existing institutions."
--George Bernard Shaw*



**FGUA Board of Directors
Pre-Retreat Assessment**

I. What do you view as the three greatest strengths of FGUA today?

- a. The ability to acquire utilities that span multiple jurisdictions.*
- b. The wide experience of staff with regard to utility operation, management and financing.*
- c. The FGUA's governmental status means no investor/profit issues come into play.*

- a. Strong knowledge based team for management, operations and legal services*
- b. High quality customer outreach and public involvement*
- c. Involvement in State and Regional utility issues*

- a. The staff*
- b. Knowledge of the issues*
- c. adaptability*

- a. Working with local governments,*
- b. the Legal Team, and*
- c. positive attitudes*

- a. The diversity of the Board;*
- b. the financing capability of the Board; and*
- c. the consultants working for the Board.*

- a. Customer Service;*
- b. Experienced, tenured management*

2. What do you view as the three greatest weaknesses of FGUA today?

- a. *The FGUA utility systems are spread over a wide area and create logistic issues for staff and Board members.*
 - b. *The multijurisdictional nature of Board make-up could present potential problems if the priorities of individual members do not coincide (I have not seen this to date, but it could be a future issue)*
 - c. *No actual FGUA staff – all work is performed under contract, which does require that the individual contractors charge fees that result in a profit.*
-
- a. *Unsure of long range planning.*
 - b. *Very strong at maintaining and operating systems.*
 - c. *Don't understand long range plans for systems such as sustainable water source, keeping up with regulatory and technology changes.*
-
- a. *Struggle to get all board members at a meeting at one time*
 - b. *Communication with host governments – it's just hard to do*
-
- a. *Contract services,*
 - b. *Lack of competition,*
-
- a. *The lack of time Board members have to spend on FGUA matters;*
 - b. *the size of the FGUA service area locations; and*
 - c. *the few old systems that are in FGUA ownership causing black eyes due to prior bad maintenance.*
-
- a. *Rates*
 - b. *Especially concerned with regards to our readiness to acquire Aqua without new board members; concern that lack of representation may prove challenging.*
 - c. *Board members ability to commit and give time to important work of FGUA*

3. What will need to happen in the 2013-2014 fiscal year for you to view it as successful for FGUA?

- What is the "it" that will either set us up for success or failure?

I think completion of the Aqua Utilities acquisition and confirmation that the revenue from those systems is sufficient to cover the bond financing and necessary capital improvement projects associated with the acquired systems would constitute a successful (or not) fiscal year.

FY13-14 will be focused on taking over the Aqua utilities and bringing them into compliance with FGUA operations standards while not diminishing the current service levels at the existing facilities.

Be able to lower rates where possible. A failure would be if we can't serve the customers safely and effectively

Customer service

If we can keep the rates the same for all systems and maintain our financial obligations. Rates

We will need a governance structure for expanded utility that addresses the weaknesses highlighted above. It's desirable to have no rate increases; or, at least not beyond what is already planned.

4. As municipalities and counties continue to struggle with economic realities and shrinking resources, what value-added services/resources could potentially benefit the:

a. Local governments we currently serve?

A lowering of rates or a limit in future increases

That is a good question to ask the local governments

Provide consultation services to County's in regards to rates for systems that are not owned by the FGUA

- What opportunities do you see for us to further assist our current local governments?

The expertise that the FGUA staff brings to the table with regard to acquisition and financing of utility projects has the potential to further assist the current member governments. Many local governments have smaller systems within them that would benefit from acquisition and incorporation into the larger public system, but local governments generally are not as knowledgeable or experienced in placing values on utility systems and arranging financing for utility purchases as the FGUA.

Continue to lobby for state and federal funding to utilities upgrades.

Continue coordination and interaction.

What would be beneficial that I could use, and believe it's in the FGUA playbook, is good project management. When it comes to large municipal projects it would be great to have pm resources when needed. Don't want to hire project managers; desire to have pm skill set resources available when needed that will allow on-time and within budget project completion.

- What potential challenges/impediments do you see in our path to assisting current local governments?

Some local governments have considered the possibility of selling their utility systems to the FGUA to alleviate short term budget issues. I believe the FGUA should be very careful when considering these acquisitions as the makeup of local political bodies changes periodically and the FGUA might be viewed as having taken advantage of the situation if the acquisition is viewed differently by a successor local elected Board.

Local government fear of losing control and also fear of doing things in a different way.

The financial ability of the local government to pay for the FGUA services.

b. Additional local governments that we could serve?

- What opportunities do you see for us to assist additional local governments?

The acquisition of the Aqua Utilities systems has placed the FGUA within the limits of several new local governments. These governments may wish to incorporate the FGUA systems into the public utility system, or may find a benefit in cooperating to share resources with the FGUA. The FGUA should cooperate and facilitate these opportunities where there is an overall benefit.

Need to focus on new systems just acquired.

Funding

Expertise in helping with rate reviews or rate analysis.

- What potential challenges/impediments do you see in our path to assisting additional local governments?

The FGUA might be viewed as having supplanted the local publicly owned utility systems, especially in areas where the FGUA acquired systems have a larger population served than the local government operated system.

See 4.a. second bullet point above (Local government fear of losing control and also fear of doing things in a different way).

Funding.

5. With regards to the increase in geographic areas served by FGUA, what do you view as our greatest:

- challenges: Coordination with many more local governments and travel and logistics for FGUA staff and Board members. Travel to some areas now served by the FGUA may be farther than a one-day trip.

Bringing systems into standard operations and LOS

All board members attending, hard due to travel time

Funding.

Adequate governance as highlighted in previous responses.

- benefits: The FGUA has the potential to help bridge the gap between local jurisdictions, which generally tend to be territorial in nature. This could promote utility systems that are more regional in nature.

Economy of scale

Economies of scale

Helping communities with the experience of the FGUA and its consultants

In future, may be able to realize some cost-savings due to the contractor being able to leverage resources. Cost efficiencies.

6. The high technology versus high touch (relationship) balance. As we strive to maximize efficiencies with the utilization of cloud technologies (approximately in 50% of our meetings); what are your recommendations for us to maintain positive, high touch relationships with:

- Board members: *Continue to meet in person periodically and continue phone briefings prior to Board meetings and for any unusual or critical issues.*

Personally I don't like the remote meetings but I definitely see the benefit.

Be present at as many in person Board meetings as possible.

I like the thought of alternating meetings, with every other one being in person. I would like to see us extend format to include some lunch and networking time. Believe it would benefit us to have some built-in forced networking time.

- Customers: *Maintain a local presence and ensure that phone or email inquiries are answered by a customer service representative – not an answering service or voicemail.*

Access is limited

Have access for our customers to view the meetings online.

Our customers do not typically attend our meetings. Staff has been good about being sensitive to schedule meetings in locations when sensitive customer issues are on the agenda, i.e. rate increase.

- How your staff works: *I appreciate it when a staff member picks up the phone and calls me to discuss a sensitive issue when a person to person meeting is not practical. Email serves a purpose, but person contact, even over the phone builds a better working relationship.*

This isn't a high priority for me. I worry about fiscal strength and long term planning for sustainability

Not sure what this means

Continue to have briefings from staff. I myself have turned down some of the briefings in regards to the agenda, but have enjoyed the briefings that I have had from staff. Being kept in the loop on sensitive issues is always helpful.

Although it's hard to fit into the schedule, the pre-meeting briefings have been a benefit. The individual briefings provide a good opportunity for specific questions to be addressed.

Overall, no concern about adoption of new meeting format.

7. What potential circumstances would cause the greatest disruption to our current activities and plans?

In my opinion, actions by political bodies to further restrict water use or increase required testing and/or treatment would pose a big financial problem for any water and wastewater utility provider.

Natural Disasters

Lack of customer support and appreciation. This would lead to the FGUA having a black eye.

(a) Succession planning for board. What would happen if Robert was no longer available for service? Steve has been a very good understudy, but has succession planning been intentional and fully realized?

(b) Risk in the Aqua deal. Potential of county governments trying to pull out of FGUA. How will utilities transitioning out over the next year impact the FGUA?

8. It's been proven that asking "what if..." questions move teams to creative and worthwhile solutions. If you could pose one "What if..." question to fellow FGUA board members, what would it be?

What if, due to the Aqua Utilities acquisition, the Board make-up was expanded to include other jurisdictions?

What if it were easier and less cumbersome for us to meet in person – would we do things differently or more frequently?

Risk in the Aqua deal. Potential of county governments trying to pull out of FGUA. How will utilities transitioning out over the next year impact the FGUA?

9. What would you like to see FGUA doing more of this year?

I would like to see the FGUA continue to acquire more private utilities near or adjacent to current service area and where practical and the interest from the local public utility exists, work to incorporate those systems into the public utility system.

This isn't a high priority for me. I worry about fiscal strength and long term planning for sustainability

Offer plant tours, and explain how the system works, and where they fit in the system.

Obtaining a better grip on our systems.

(a) Most important is customer service.

(b) More aggressively looking at ways to cut costs

What would you like to see FGUA doing less of this year?

In general, I am satisfied with the way the FGUA is operating.

Purchasing less systems.

Expansion.

10. What will the water and wastewater industry look like in the year 2030?

I think that the use of groundwater as the source for drinking water will continue to be heavily regulated and the need for alternate sources and expanded use of reclaimed water will increase as a result.

How to take over failing private utilities and bring them up to standards without funding assistance.

Increased regulation

- How will the changes you foresee impact our business approach at FGUA?

Expanded use of reclaimed water and alternate water sources would require significant Capital Improvement Program projects, leading to increase revenue requirements.

Additional treatment measurements resulting in a financial impact.

- What could/should we be doing now to assist local governments and maximize partnership opportunities?

Regionalizing water and wastewater services through partnerships with local governments would spread the costs of system upgrades over a wider customer base and help to minimize the need for rate increases to support those improvements.

Involvement in community planning and development

Determine new cost saving measures that could benefit both parties.

11. The FGUA Customer Service Opinion Survey revealed:

- 92-percent of customers were either “satisfied” or “very satisfied” with FGUA’s response to water/sewer emergencies,
- 94-percent were either “satisfied” or “very satisfied” with FGUA’s response to their request for new service, and
- 91-percent were either “satisfied” or “very satisfied” with FGUA’s response to maintenance requests.

- As we continue to develop and maintain exceptional customer relationships, what do you believe are the greatest concerns of our end-user customers?

I think utility customers in general are concerned with response time to customer complaints, safe, reliable and high quality drinking water, and (most importantly) utility rates.

Fee control which is counter to system improvement

Money so therefore, rates.

Response time to concerns; politeness and knowledge of staff; quality of service.

(1) Rates

(2) Policy. We have policies that are not always clear. Truth is customers don't care about a policy until it applies to them, i.e. What's the base rate? (concern over changes in terms). What if I'm late with a payment?

- Do you feel we are adequately addressing their concerns?

From what I have seen, the FGUA is very responsive to customer concerns and has made significant improvements to utility systems that had a history of water quality issues prior to the FGUA acquisition. I also believe that both the staff and the Board are aware that rate increases are never popular, but are sometimes necessary to support needed improvements. The key factor in minimizing objections to any rate increase is education of the customers and the FGUA does about as good a job as any utility in communicating with, and educating its customers.

Yes.

Yes. Where challenges have arisen, we've been good in airing concerns out in a transparent manner.

- In the face of anticipated growth of customers and the geographically dispersed nature of many new small systems, where would you recommend focus to insure we maintain high customer satisfaction?

I would recommend that, where opportunities can be identified, the FGUA work to consolidate its smaller systems, either literally by selling them to local public utility systems, or through partnerships with local utilities for interconnection and possibly some operational activities. That would allow the FGUA to focus on the larger systems and ensure that the needs of the customers within those systems, which comprise the majority of the FGUA's customer base, are addressed.

Training and community involvement.

At the local service centers with our customer representatives and our local office personnel that are in contact with the public. You can have the best product in the world, but if your customer service is bad your business will suffer.

We need to invest in frontline customer service training. If our frontline customer service employee is empowered to make the customer happy, within our established policies, resolution of issues can be quick, with less items needing to be escalated up the chain of command.

12. Customer Communication. The FGUA Customer Service Opinion Survey revealed the FGUA website is underutilized. How can we increase its value? What incentives or website positioning would you recommend to drive customers to the website?

We could possibly include an insert in one of the monthly bills specifically targeted to the website. Also, we could make an effort through our customer service representatives to inform customers who call in that the website is available.

More tailored to activities in the service areas.

Don't have answer – I think people want personal service – I know I do.

Perhaps include a community calendar of events. People could visit our website to view the community events calendar for their particular community and hopefully view the remainder of the website.

I don't personally spend time on the website, so cannot judge. From Pasco County, I've learned customers want what they want when they want it. With that said, would challenge us to ensure: (1) Our search engine is easily accessible; (2) Is the website intuitive? Rather than an internal team assessing this, we should assemble a customer group to sit with us and advise us. (3) Is our website compatible with a mobile computing platform? Just like us, many of our customers are moving to smart phone and tablets for the majority of our work. Have we minimized graphics? Have we ensured we are easily accessible for those utilizing mobile platforms?

13. Customer Communication. The FGUA Customer Service Opinion Survey revealed that only two out of the five customers (42 percent) read the FGUA newsletter moderately (21 percent) or very carefully (21 percent). Based on this feedback what recommendations do you have?

I actually think that that percentage is not bad.

Try emailing also. More and more people prefer that versus receiving by regular mail.

Change the nature of the newsletter. Perhaps the view and layout of the letter. It is advertising and you have to change with the times.

I don't regularly read the newsletter. There's a balance between what our customer wants to see and what we want to deliver. So, (a) In what ways can we make it "fun" to read our newsletter? (b) In what ways can we hold and capture their attention. (c) Bottom line, we need to pick and prioritize the message. Perhaps we consider a flyer with a brief message, then if our customer wants more, we encourage them to point their device at the QR code to access expanded information.

14. What does your organization see as the benefit of your involvement in FGUA?

The benefits that we have seen from involvement in the FGUA have been the acquisition of the largest private utility within the County and transfer to County ownership. More recently, we have been able to use the expertise of the FGUA staff to help improve our utility operation through piggybacking of the FGUA contracts.

Aqua Utilities

The knowledge that is gained from the other board members and issues that the FGUA is involved in.

From a county perspective, it allows the best service to our customers in Pasco County government.

Personally, I've benefited from learning about this line of business. The benefit I bring to the FGUA, is my involvement (perspective) on what policy makers will be most interested in.

15. As contracted operation, maintenance, and billing services agreement renewals approach, what considerations/components are of greatest importance to you?

Maintaining continuity and controlling costs so that the contracted services stay within budget and no rate increases are needed to accommodate them.

- a. Demonstration of competitive pricing.*
- b. Balance of cost to administer vs reinvestment into the systems.*

Competition in these services to keep rates down, and be very stringent on change orders.

Costs. Re-evaluation of services needed or required. A hard look as to what is needed and what is not needed.

- (1) Costs*
- (2) Effective service delivery*
- (3) Transparency*

**16. How would you score the job your staff is doing for you?
(0 is poor, 10 is exceeds expectations)**

- System Manager (0-10) 9
- Operator (0-10) 9
- Attorneys (0-10) 9

What are your expectations, the top 2-3 key focus areas, you'd like the following staff members to focus on:

- System Manager:

I would like to see the System Manager continue to pursue acquisition opportunities near and adjacent to existing FGUA systems. Where interest can be identified, I would like to see effort put toward incorporating smaller systems into either larger nearby FGUA systems or local public utility systems. That would place the focus on the FGUA's larger systems for capital improvements and customer service.

Efficiency with staff. Continually re-evaluating the financing opportunities that benefit the various systems.

Negotiations on acquisitions and financing. My perception is, in eagerness, to move some poorly managed private utilities into FGUA; we may have paid too much which has led to rate increases.

- Operator

Maintain skilled and responsive field staff who understand that for many customers, they are the face of the FGUA. Also, aid the System Manager to identify ways that system operations can be simplified and consolidated.

Efficiency within systems

We have good quality operators. Do perceive that since they are the entity that reviews acquisitions, there is the potential for self-interest – we are growing their business for them.

- Attorneys

I would like to see a discussion of the "Government in the Sunshine" Law and its implications for Board members.

Keep up the good work

Agreements with users for service. Making sure we have all the information that is needed so we do not have to re-approve again.

Everybody challenged by attorneys, but ours actually doing well for us.

17. What key issue/topic discussions would you like to have with fellow board members during our 2013 strategic planning session?

I can't think of anything in particular at this time.

Methods to manage such a diverse system spread throughout the state. With overnight expansion, what should we do to ensure staff and Board is coming up to speed on specific regional issues for critical decision making.

I would like to see a breakdown of last years' budget. I would like to see the total budget and where the majority of the budget was spent. (Not percentages, actual numbers) I would also like to see what account lines were over budget, and the transfer of monies from account lines. What happens to any money that was not spent in the budget? Does it go into reserves? CIP Fund? Is there a potential cost savings for the customer?

Maintenance plans for our systems. 5-year capital improvement plans.

See previous comments.

Additional Comments:

I am still new to the FGUA, and feel that I cannot answer some of these questions. I am still getting an understanding of how the FGUA works.