

## **Presentation to Mayor/Blue Ribbon Task Force on Water and Wastewater in Pittsburgh**

1. Thank you and introductions - Lauren Brookey, Tulsa Metropolitan Utility Authority and UEI Committee Chair, and Eric Lee, Operations Administrative Manager, Water and Sewer Department and UEI Project Manager
2. Brief Overview of the System - Three water supplies, two water treatment plants, 400,000 plus city proper, 130,000 customer accounts, 2300 miles of pipe, 105 million gallons a day volume, four treatment seven member board including Mayor
3. History of Decision to do a Comprehensive Review of Tulsa Water and Waste Water Systems
  - a. Significant Debt - Particularly Sewer
  - b. Depleted City Resources Due to Economic Impact of Reduced Sales Tax Revenue
  - c. Elimination of GO Bonds to Fund Capital
  - c. New Mayor/Strong Philosophy of Small Government
  - e. Drive to Tap Revenue Opportunities at City Hall to Shore Up Budget Shortfall
  - f. Trigger/Study by KPMG Recommending Sale of Water and Wastewater Capital Assets and System
4. Strong Tulsa History Surrounding its Water Infrastructure and Resources
  - a. Spavinaw Dam - longest line and most expensive infrastructure project at \$7 million
5. TMUA Viewpoint
  - a. Value of Public Trust in Public Assets
  - b. Challenged by Private Sale of Public Assets
  - c. National Examples of Cities that had to Buy Back their own Systems
  - d. Opportunities to Apply Private Sector Management Strategies to a Public System
  - e. Commitment to do more than a "Fly Over" Assessment
  - f. Comprehensive Assessment RFP
    - Governance and Management
    - Operations Review
    - Wastewater and Capital Needs Assessment
    - Future Market Opportunities
    - Financial Condition
    - Strategic Options Analysis
    - KPMG Review
  - g. Assessment Revealed
    - No Fat in System
    - Dedicated Work Force
    - Challenging Debt Scenario - Wastewater/Consent Order
    - Did not have a Good System for Evaluating Asset Condition and Value
    - Support Services were Expensive and Higher Percentage of Budget than Other Systems
    - Lack of Understanding of Services that were Paid for Through City

6. What Characterizes a Private System and What Can They Do a Public System Can't
  - a. Risk Tolerance Higher - Closer to Exceedance
  - b. One System for Managing Assets Versus Multiple
  - c. Definable Performance Standards
  - d. Maintain More Narrow Margin of Risk - Performance and Revenue in that Margin
  
7. Significant Work Projects
  - a. Implement a Computerized Maintenance Management Systems (CMMS)/ Asset Management Information System (AMIS) Across the Utility to Create an Inventory and Hierarchy for all Infrastructure Assets
  - b. Developed a Risk Model with Elements that Balance Our Values
  - c. Developed Asset Management Policy and Framework
  - d. Business Case for each Capital Project
  - e. Identify Software to Catalog Maintenance and Repairs
  - f. Installation and Training
  - g. Identified Software to Feed Key Performance Data
  - h. Strategic Plan Development
  - i. Service Level Agreements to Maintain or Lower Costs and Measure Performance
  - j. Performance Dashboard Development
  - k. ISO 55001 - Certification Analysis
  - l. Adoption throughout City for Key Technology Systems
  
8. What Would we do Differently?
  - a. More Realistic Time Estimates
  - b. Identify Internal Champions for Key Components
  - c. Assess Human Resource Needs - Added 5 Positions
  - e. Establish Baselines for Future Measurements
  - f. Define All Business Processes for Technology Implementations
  
9. What Worked?
  - a. Change the System Culture from Reactive to Reliability
  - b. Manage toward Risk
  - c. Measurements
  - d. Computerized Asset Management Information System
  - e. Strategic Plan Guided Board and Staff
  - f. Business Plan to Complement Strategic Plan
  - g. Employees Benefit from Enhanced Training, Expectations, New Technology
  - h. Board and Mayor/Board

10. Results

- a. Decreasing Rate Arc
- b. Nearly Immediate Costs Savings with Asset Management Followed by Increased Investment to Maintain or Reduce Risk
- c. Maintenance Monitoring and Control
- c. Confidence of Mayors (2), City Council, Employees and Customers
- d. Annual Budget Identified "Cash Transfer to Capital" to Reduce Long-term Debt
- e. Built a System Based on Three Key Components
  - Asset Management
  - Technology to Capture Key Information to Make Informed Decisions
  - Performance Metrics