

# Aquatera Utilities Inc.

## Strategic Plan 2011 / 12

Executive Direction and Board Policy to guide the development of Aquatera Utilities Inc.



**AQUATERA**<sup>®</sup>  
WATER EARTH INNOVATION

Board Members, (left to right) Reeve Everett McDonald (Vice Chair) – County of Grande Prairie, Alderman Helen Rice – City of Grande Prairie, Mayor Claude Lagace (Secretary) – Town of Sexsmith, Andy Beal (Public Member), Jackie Clayton (Public Member), Mayor Dwight Logan (Chair) – City of Grande Prairie, Rick Pfliger (Public Member)

Aquatera is a business – a regional Utility owned by residents through their local governments. The current shareholders are the City of Grande Prairie, the County of Grande Prairie No. 1 and the Town of Sexsmith .

Aquatera is committed to demonstrating the value of regional collaboration – to consumers, to the environment, and to the shareholders. Our commitment to innovation will find new efficiencies and fresh approaches to both operation and conservation.

We will safeguard public and environmental health while expanding business opportunities.

# Our Focus

## Mission

Defines the business we're in and intend to excel at

## Vision

Defining our future – a target to focus on

## Principles

that will guide actions and ensure success

## Values

which will guide our day-to-day operations and our interactions with our customer, partners, suppliers and with each other

***Our business is to provide high quality regional utility services and optimize value to consumers, the environment and shareholders:***

- *providing residents with clean, safe water – an essential foundation to our quality of life*
- *collecting and treating wastewater carefully and efficiently returning it to the environment responsibly*
- *managing solid waste collection, landfill and recycling operations, and*
- *capitalizing on new water, wastewater, solidwaste and energy utility opportunities*

***Aquatera Utilities Inc. will be a full service utility corporation active throughout the South Peace Region – the partner and provider of choice for governments, businesses and communities.***

***Aquatera will*** within the bounds of a sound, approved Business Plan:

- *be a model of **environmental stewardship**; leading by example*
- *be committed to first class **customer service***
- *ensure an appropriate balance between **profitability and affordability***
- ***innovate** and incorporate best practices*
- ***expand utility markets***
- *be an **exemplary employer** – nurturing best performance and striving for the highest levels of workplace safety and satisfaction*
- ***communicate** to enhance understanding, acceptance and support*

***We will:***

- *be **accountable** by taking responsibility for our actions; acknowledge and build upon successes and learn from mistakes; practice confidentiality; express a willingness to learn and accept help*
- ***communicate** by listening to understand; contribute openly and honestly; ensure customers are aware of our service and the benefits or our initiatives; elicit new ideas and value the input and opinions of our staff*
- *be **flexible** in adapting to changing circumstances and to do what needs to be done*
- *practice **integrity** by honouring our commitments; do the right thing in addition to doing things right and provide consistent, reliable products and services on time*
- *provide **quality** service by striving to do the job right the first time; demonstrate pride in our work; always meet our standards; work and deliver our products and services safely*
- ***respect** and value each other's differences and opinions; treat each other with courtesy and treat others the way they want to be treated*
- *measure **teamwork** by helping and supporting each other; working together to achieve our common goals; recognize that everyone's skills and abilities contribute to the competency and success of the team*

# Core Philosophies

Maintain  
Pre-emptive  
Advantage

*Aquatera Utilities Inc. will demonstrate its commitment to mission, vision and principles. Our partners, funders, customers, staff and other stakeholders will see and experience these 'words in action' at all times. In addition, we have adopted the following core philosophies to ensure success.*

*In an era of deregulation, other private and/or public utilities and related companies will be assessing their potential to operate profitably in Northwestern Alberta. Moreover, modern and emerging technologies allow for relatively small firms to provide critical services to remote subdivisions, business parks and/or small communities. Aquatera has a significant head start given its capital assets, inter-governmental agreements and commitment. It is also superbly positioned to strike new arrangements as smaller communities face increasing responsibility under increasingly stringent government guidelines and licensing requirements. We will leverage this advantage so as to become the 'partner/provider of choice' throughout the region. We are obliged to demonstrate a commitment to our vision.*

Honour our  
promises and  
demonstrate  
value to current  
stakeholders

*This innovative regional partnership came about because the City of Grande Prairie, the County of Grande Prairie No. 1 and the Town of Sexsmith saw the potential for common and immediate benefit. We must do everything possible to demonstrate value to our residents and their governments. We will;*

- *deliver expanded services as promised*
- *live within previously projected rate increases*
- *generate the capital required for expansion and upgrade without adding to local government debt load, and*
- *provide quality services at competitive rates comparable to other Utilities*

Manage  
expectations

*Many who have interests in land beyond currently serviced boundaries may have high expectations. Realistically, not all will be met in the short term unless the proponents have the capacity to front end any capital investment required. Aquatera will have to be very clear as to its expansion priorities and the logic, policy and business reality behind them. Our commitment to first class customer service cannot be seen as a willingness to make everyone's development dream become an instant reality.*

Develop an  
Aquatera  
culture of  
entrepreneurship

*We must consciously plan for and support the process of shifting to an 'arms length' business model. Issues that require attention include:*

- *building our Aquatera brand, distinct from our public sector roots*
- *development/support of key skill sets essential to success as an independent business (e.g. government advocacy, building relationship with key financial institution(s), public relations, marketing)*
- *developing our abilities to pursue business opportunities and expansion of markets with an assessment of the benefits and associated risks*
- *management of the transition to an 'arms length' Board comprised of business and industry leaders*

# Environmental Scan

*Changes are occurring that impact Aquatera operations. Major trends and developments likely to affect the business environment for Aquatera over the next two years or more include:*

- **Slowed growth & Increasingly Stringent Environmental and Water Quality Standards-** *Slowed growth reduces revenues while extending the life of existing facilities. Major capital investments are required to accommodate future growth and meet higher environmental and quality standards.. This impacts financial and operational capabilities and resources. Land or buffers to accommodate sustained and future operations need to be secured and protected from conflicting uses. Increased collaboration with regional development stakeholders can improve the quality and effectiveness of continued growth.*
- **Long Term Water Supply** – *The Provincial Water for Life Strategy places a priority on Aquatic Life and Potable Water Supply. Negotiations with the Province for an increased Water Diversion License to accommodate long term growth needs are ongoing and are impacted by a changing regulatory environment. Opportunities exist to join with municipalities in the region in ensuring a long term, high quality water supply. New regulatory and license regimes require more complex operational practices.*
- **Organizational Capacity** – *A competitive labour market both locally and provincially reinforces the importance of being an Exemplary Employer for staff recruitment and retention. Critical skills and sufficient depth are required within Aquatera potentially affecting the degree to which key service are provided by others. An ongoing need exists for certified and skilled staff.*

*As infrastructure grows and ages, it must be appropriately maintained and replaced to ensure reliable and cost effective service – affecting financial and operational plans.*

*Planned capital investments must be within the organization’s financial and staffing resource abilities. Fundamental changes to the structure of Aquatera are required to ensure long term financial sustainability while providing service value to customers. An effective transition to a new governance structure needs to be ensured.*

*An Aquatera brand that is more visible, valued and understood requires increased communication, engagement and transparency.*
- **Market Positioning** - *The Province is encouraging regional water systems. A long term vision to supply South Peace municipalities will guide the expansion of water systems locally. Assisting regional municipalities in their water and wastewater operation and generating revenue through optional services where appropriate increasing value to shareholders and to those served.*
- **Risk Management** - *Ensuring reliable quality services and addressing requests for investment in new services to customers requires appropriate management of the associated risks to ensure ongoing success.*

# Strategic Priorities

Our immediate priorities are listed below. The Board recognizes that all work in each of our core businesses is important and critical to the health and success of Aquatera; the detailed business plans of each work unit and the budget assigned direct and support this 'flow' of ongoing activity. The priorities below are simply those that required exceptional and significant extra attention and investment in the year or two ahead.

Strategies are further expanded and incorporated into Board approved Business Plans and Budgets.

PRIORITY	DESIRED OUTCOMES	STRATEGIES
<p><b>1. ENSURE A SUSTAINABLE, PROFITABLE BUSINESS</b></p> <p>Maintain a strong financial foundation that ensures long-term sustainability</p>	<p>1.1. Strategic &amp; Business Planning &amp; Budgeting Processes are in place and operating effectively to plan, direct and monitor performance</p> <p>1.2. Capital &amp; Operating Plans &amp; Budgets are financially sustainable and meet current and future regulatory and customer requirements</p> <p>1.3. Business Plan Objectives are met</p> <p>1.4. Shareholder Dividend objectives are met</p> <p>1.5. Shareholders &amp; Customers are Satisfied</p> <p>1.6. Return on Equity objectives are met within established debt: equity limits</p> <p>1.7. Roles and accountability are clearly defined (Board, staff, partners, stakeholders)</p> <p>1.8. Organizational structure and capacity exists to achieve goals</p> <p>1.9. Appropriate policies and procedures are in place, are understood and followed</p> <p>1.10. Enhanced communication &amp; stewardship between Board Members and Shareholders. Shareholder consensus to act on 2007 Review of Financial Plan (communication, trust and engagement)</p>	<ul style="list-style-type: none"> <li>• <b>Strategic Management:</b> Utilize a strategic management approach to set clear priorities, targets and strategies and to measure results achieve.</li> <li>• <b>Live Our Values:</b> Corporate Principles and Values will guide how the organization does its business.</li> <li>• <b>Accountability:</b> Provide timely, accurate reports to the Board of Directors on issues, priorities and results being achieved.</li> <li>• <b>Best Practices:</b> Support research into organizational and operational best practices through benchmarking, site visits and other approaches.</li> <li>• <b>Growth:</b> Increase net revenue from existing products and services with effective service, marketing, and pricing strategies.</li> <li>• <b>Entrepreneurship:</b> Create and nurture a culture of entrepreneurship through clear communication, planning, accountability, recognition, and other management practices</li> <li>• <b>Communication:</b> Provide opportunities for Board and Shareholder dialogue. Intentionally involve and engage stakeholders (customers, shareholders, the development community) increasing understanding and awareness and building support. Increase communication initiatives with customers.</li> <li>• <b>Promote</b> corporate image through a formal communications plan including an improved web site, marketing, sponsorships and increased communication and transparency</li> <li>• <b>Support</b> the Shareholders in amending the USA &amp; Bylaws</li> </ul>

# Strategic Priorities

PRIORITY	DESIRED OUTCOMES	STRATEGIES
<p><b>2. ENVIRONMENTAL STEWARDSHIP &amp; LONG TERM, HIGH QUALITY WATER</b></p> <p>Modeling environmental stewardship within the region; and ensure the long-term availability of high quality water to meet the service demands / requirements of the Aquatera service area.</p>	<p>2.1 All regulatory requirements are met all the time</p> <p>2.2 Staff Certification levels are increasing</p> <p>2.3 Increase levels of community participation to Recycle, Reuse, Reduce and Conserve</p> <p>2.4 Aquatera behaviours and facilities model Environmental Stewardship. Aquatera operations and facilities reflect safety, cleanliness, energy efficiency, renewable energy opportunities, water conservation and waste minimization</p> <p>2.5 Adequate water supply for foreseeable future – a running 20 year projection that can be updated as new information becomes available</p> <p>2.6 Treatment plants capable of meeting current and anticipated licensing requirements (quality) and anticipated regional demand (quantity)</p> <p>2.7 Watershed management and source water protection in place</p> <p>2.8 Protection of infrastructure including river bank stabilization</p> <p>2.9 Long-term vision for Solidwaste options and opportunities supported by customers, stakeholders and shareholders.</p>	<ul style="list-style-type: none"> <li>• <b>Water Conservation as per our Diversion License</b></li> <li>• <b>Financially viable waste minimization programs in response to customer interest.</b></li> <li>• <b>Corporate activities &amp; successes</b></li> <li>• <b>Implement Processes to enable / support staff development &amp; certification</b></li> <li>• <b>Research, develop &amp; implement programs and approaches to enhance Environmental Stewardship</b></li> <li>• <b>Obtain an increased Diversion License meeting at least 20 year water needs by the end of 2011.</b></li> <li>• <b>Support creation of a Wapiti Basin advisory group following Diversion License increase.</b></li> <li>• <b>Create a long term regional water system vision supported by South Peace Municipalities.</b></li> <li>• <b>Upgrade treatment processes to accommodate growth and quality requirements</b></li> <li>• <b>Develop a Regional Solid Waste Strategy creating long term vision for waste reduction and disposal extending the life of the existing landfill and planning beyond it.</b></li> </ul>

# Strategic Priorities

PRIORITY	DESIRED OUTCOMES	STRATEGIES
<p><b>3. INNOVATION</b></p> <p>Creative and innovative alternatives, supported by a sound business case, will be explored and considered to address new and existing operating requirements and service requests</p>	<p>3.1 Entrepreneurship and innovation responds to diverse service requirements / requests with new initiatives supported by the Board.</p> <p>3.2 Marketing Successes (positive responses)</p> <p>3.3 Interest in Aquatera as a model by others</p> <p>3.4 Positive Media Attention</p>	<ul style="list-style-type: none"> <li>• Support and encourage innovative approaches</li> <li>• Explore opportunities to adapt best practices in areas of Strategic Priority</li> <li>• When awards and recognition are received, they will be communicated to employees, customers and others stakeholders</li> <li>• Ensure the “Business Case” is developed in light of the organizational culture, values and Shareholder expectations</li> <li>• Create a culture supporting innovation and experimentation.</li> <li>• Increased customer communication using current web and social networking tools.</li> </ul>
<p><b>4. EXEMPLARY EMPLOYER</b></p> <p>Ensure organizational culture and capacity to achieve the Aquatera Vision and Strategic Plan Priorities</p>	<p>4. 1 An improving Safety Record – Zero lost time injuries</p> <p>4. 2 Increasingly high employee satisfaction</p> <p>4. 3 Effective Human Resource and Succession Planning</p> <p>4. 4 Processes in place to Attract, Retain, Develop &amp; Engage Employees</p> <p>4. 5 Increased staff skill development &amp; certification</p> <p>4. 6 Be perceived by current and prospective employees, as a fair and respectful employer of choice</p> <p>4. 7 Organization structure and business process in place and operating effectively to enable effective and efficient employee performance</p>	<ul style="list-style-type: none"> <li>• See Ensure a Sustainable, Profitable Business strategies above</li> <li>• Improve customer service, communication and work processes by consolidating staff in a common and visible location.</li> <li>• Human resources Plan: Develop and implement a human resources management plan to ensure that human resources are matched appropriately to the business needs of the organization. (Staff attraction, deployment, development, career development options, supervision and retention, use of vendors and external contractors, etc.). Review organization structure and the services provided within vs. by others.</li> </ul>

# Strategic Priorities

PRIORITY	DESIRED OUTCOMES	STRATEGIES
<p><b>5. REGIONAL PARTNER &amp; PROVIDER OF CHOICE</b></p> <p>Maintain the current advantage as a model of regional partnership, demonstrating value to regional residents, their governments and other stakeholders</p>	<p>5. 1 An approved Business Plan that defines the optimal approach to becoming a full service utility active throughout the South Peace and beyond as opportunities beneficial to the corporation present themselves</p> <p>5. 2 An organization with the critical mass of available skills to deliver on Aquatera's potential and promise</p> <p>5. 3 Aquatera will be viewed in the region as a model of partnership and service</p> <p>5. 4 Expanding market presence</p> <p>5. 5 Increased pipe in the ground</p> <p>5. 6 A growing customer base</p> <p>5. 7 Increasingly high customer satisfaction</p> <p>5. 8 Demonstrated fair and reasonable costs of service</p>	<ul style="list-style-type: none"> <li>• <b>Further develop relationships with potential regional customers</b></li> <li>• <b>Enhance marketing to regional and other potential customers</b></li> <li>• <b>Further communication approaches to inform potential customers, increasing accessibility to Aquatera services</b></li> <li>• <b>Maintain current development plans to accommodate growth</b></li> <li>• <b>Solicit local and regional feedback on service requirements, value and satisfaction</b></li> <li>• <b>Identify and explore "potential partnerships" (e.g. Regional Solid Waste)</b></li> <li>• <b>Increase Communication with customers &amp; stakeholders</b></li> </ul>

# Accountability



Aquatera intends to be a model of accountability – to the environment, to customers and ‘citizen owners’, to shareholders and to funders. Our activities will be open and transparent. Our plans, strategies and priorities will be widely available and understood. We will use outcome based performance management systems to report regularly on progress and the health of our business.

PRIORITIES	DESIRED OUTCOME	SUGGESTED INDICATOR	FREQUENCY
<p><b>1. ENSURE A SUSTAINABLE, PROFITABLE BUSINESS</b></p>	<p>1.1. A Strategic &amp; Business Planning &amp; Budgeting Processes are in place and operating effectively to plan, direct and monitor performance</p> <p>1.2. Capital &amp; Operating Plans &amp; Budgets are financially sustainable and meet current and future regulatory and customer requirements</p> <p>1.3. Business Plan Objectives are met</p> <p>1.4. Shareholder Dividend objectives are met</p> <p>1.5. Shareholders &amp; Customers are Satisfied</p> <p>1.6. Return on Equity objectives are met within established debt: equity limits</p> <p>1.7. Roles and accountability are clearly defined (Board, staff, partners, stakeholders)</p> <p>1.8. Organizational structure and capacity exists to achieve goals</p> <p>1.9. Appropriate policies and procedures are in place, are understood and followed</p> <p>1.10. Enhanced communication &amp; stewardship between Board Members and Shareholders. Shareholder consensus to act on 2007 Review of Financial Plan (communication, trust and engagement)</p>	<ul style="list-style-type: none"> <li>▪ Board Approved Strategic and Business Plans and related Operating &amp; Capital Budgets for future period</li> <li>▪ Debt: Equity limits met</li> <li>▪ Review of Prior Year's Accomplishments</li> <li>▪ Dividend Declarations in accordance with Shareholder Agreement</li> <li>▪ Annual General Meeting Feedback</li> <li>▪ Customer Satisfaction / Trust levels, perception of service value</li> <li>▪ Rate benchmarking / comparisons</li> <li>▪ Return on Equity by Utility</li> <li>▪ Board assessment</li> <li>▪ Business Plan Goals achieved</li> <li>▪ Board assessment</li> <li>▪ Board assessment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Biannually</li> <li>▪ Annually</li> <li>▪ Annually</li> <li>▪ Annually</li> <li>▪ Annually</li> <li>▪ Biannual survey</li> <li>▪ Annually</li> <li>▪ Biannually</li> <li>▪ Annually</li> <li>▪ Annually</li> </ul>

# Accountability



PRIORITIES	DESIRED OUTCOME	SUGGESTED INDICATOR	FREQUENCY
<p><b>2. SUPPLY ENVIRONMENTAL STEWARDSHIP &amp; LONG TERM, HIGH QUALITY WATER</b></p>	<p>2.1 All regulatory requirements are met all the time</p> <p>2.2 Staff Certification levels are increasing</p> <p>2.3 Increase levels of community participation to Recycle, Reuse, Reduce and Conserve</p> <p>2.4 Aquatera behaviours and facilities model Environmental Stewardship. Aquatera operations and facilities reflect safety, cleanliness, energy efficiency, renewable energy opportunities, water conservation and waste minimization</p> <p>2.5 Adequate water supply for foreseeable future – a running 20 year projection that can be updated as new information becomes available</p> <p>2.6 Treatment plants capable of meeting current and anticipated licensing requirements (quality) and anticipated regional demand (quantity)</p> <p>2.7 Watershed management and source water protection in place</p> <p>2.8 Protection of infrastructure including river bank stabilization</p> <p>2.9 Long-term vision for Solidwaste options and opportunities supported by customers, stakeholders and shareholders</p>	<ul style="list-style-type: none"> <li>▪ Alberta Environmental Licence requirements met</li> <li>▪ # incidents and resolution efficiency</li> <li>▪ Number and level of certified operators</li> <li>▪ Per capita Waste Diversion</li> <li>▪ Facility Capital Planning</li> <li>▪ 20 yr projections of demand/capacity</li> <li>▪ 20 yr projections of demand/capacity</li> <li>▪ Status to Board</li> <li>▪ Risk Assessment and reporting to Board</li> <li>▪ Status reporting to Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ Ad hoc</li> <li>▪ Biannually</li> <li>▪ Annually</li> <li>▪ Biannually</li> <li>▪ Biannually</li> <li>▪ Biannually</li> <li>▪ Biannually</li> <li>▪ Biannually</li> </ul>
<p><b>3. INNOVATION</b></p>	<p>3.1 Entrepreneurship and innovation responds to diverse service requirements / requests with new initiatives supported by the Board</p> <p>3.2 Marketing Successes (positive responses)</p> <p>3.3 Interest in Aquatera as a model by others</p> <p>3.4 Positive Media Attention</p>	<ul style="list-style-type: none"> <li>▪ Initiatives pursued, outcomes achieved</li> <li>▪ Optional Services provided</li> <li>▪ Customer satisfaction</li> <li>▪ Media coverage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ Annually</li> <li>▪ Ad hoc</li> </ul>

# Accountability



PRIORITIES	DESIRED OUTCOME	SUGGESTED INDICATOR	FREQUENCY
<p><b>4. EXEMPLARY EMPLOYER</b></p>	<p>4.1. <i>An improving Safety Record – Zero lost time injuries</i></p> <p>4.2. <i>Increasingly high employee satisfaction</i></p> <p>4.3. <i>Effective Human Resource and Succession Planning</i></p> <p>4.4. <i>Processes in place to Attract, Retain, Develop &amp; Engage Employees</i></p> <p>4.5. <i>Increased staff skill development &amp; certification</i></p> <p>4.6. <i>Be perceived by current and prospective employees, as a fair and respectful employer of choice</i></p> <p>4.7. <i>Organization structure and business process in place and operating effectively to enable effective and efficient employee performance</i></p>	<ul style="list-style-type: none"> <li>▪ <i>Lost Time Injuries – Incidents &amp; Rates</i></li> <li>▪ <i>Overall worker satisfaction</i></li>   <li>▪ <i>Number and level of certified operators</i></li> <li>▪ <i>Overall worker satisfaction</i></li>   <li>▪ <i>Human Resource Policies Review</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Ad hoc &amp; Annually</i></li> <li>▪ <i>Biannually</i></li>   <li>▪ <i>Annually</i></li> <li>▪ <i>Biannual survey</i></li>   <li>▪ <i>Annually</i></li> </ul>
<p><b>5. REGIONAL PARTNER &amp; PROVIDER OF CHOICE</b></p>	<p>5.1. <i>An approved Business Plan that defines the optimal approach to becoming a full service utility active throughout the South Peace and beyond as opportunities beneficial to the corporation present themselves</i></p> <p>5.2. <i>Aquatera will be viewed in the region as a model of partnership and service</i></p> <p>5.3. <i>Expanding market presence</i></p> <p>5.4. <i>Increased pipe in the ground</i></p> <p>5.5. <i>A growing customer base</i></p> <p>5.6. <i>Increasingly high customer satisfaction</i></p> <p>5.7. <i>Demonstrated fair and reasonable costs of service</i></p> <p>5.8. <i>An organization with the critical mass of available skills to deliver on Aquatera’s potential and promise</i></p>	<ul style="list-style-type: none"> <li>▪ <i>Customer Growth, Optional Services Provided</i></li>   <li>▪ <i>Number of new customers connected</i></li>   <li>▪ <i>Customer Satisfaction</i></li>   <li>▪ <i>Customer perception of cost,</i></li> <li>▪ <i>Rate benchmarking</i></li>   <li>▪ <i>Current Business Plan objectives being met,</i></li> <li>▪ <i>Future Business Plan in Place</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Annually</i></li>   <li>▪ <i>Annually</i></li>   <li>▪ <i>Biannual survey</i></li> <li>▪ <i>Biannual survey</i></li>   <li>▪ <i>Annually</i></li> <li>▪ <i>Biannually</i></li> </ul>