



Utility Management Discussion

NEWEA 2025 Annual Conference

Boston, Massachusetts

January 26-29, 2025



Agenda

- Industry Perspective
- Utility System Challenges
- Utility Management Concept
- Profile Project Examples
- Questions & Answers

Industry Perspective



2023 STRATEGIC DIRECTIONS – WATER INDUSTRY REPORT OVERVIEW

Methodology:

- BV sponsored & administered the review
- BV administered online questionnaires/surveys
- A convention of communication established with participants
- Social media utilized as a basis to interface with participants

Sampling Plan:

- Multi-stage screening of questionnaires/surveys
- Water only, wastewater only, combined water/wastewater, & stormwater systems were surveyed
- Over 40,000 email invitations deployed to professionals across USA

Survey Results:

- Over 300 participants qualified for the complete survey
- Report provides a dynamic overview of the Industry Drivers and Challenges faced by Utility Systems in the United States

Dynamic Perspective of Utility System Drivers & Challenges

INDUSTRY PERSPECTIVE – LESSONS LEARNED

Regulation



What role will regulation play across the value chain of providing water and wastewater services?

Resilience & Sustainability



What are the considerations associated with your existing resilience & sustainability strategy?

Financial Planning



Do stakeholders understand the “Rational Nexus” between cost and revenues?

Digital Water

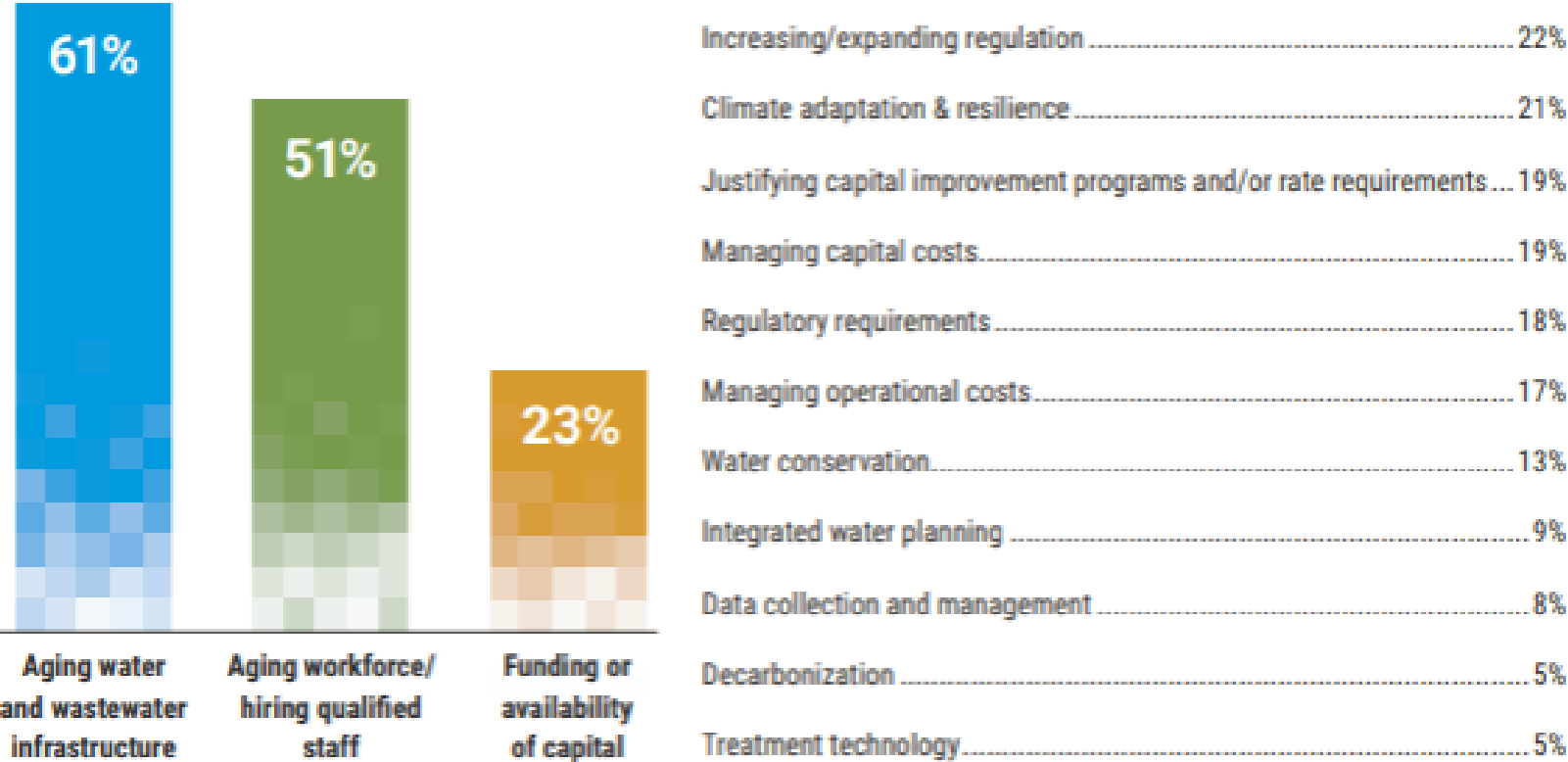


What are the Digital Water objectives for Utility Systems?

INDUSTRY PERSPECTIVE – OPPORTUNITIES & CHALLENGES

From your perspective, what are the most challenging issues facing the water, wastewater and stormwater industry today? (Select the top three most challenging issues)

Source: Black & Veatch



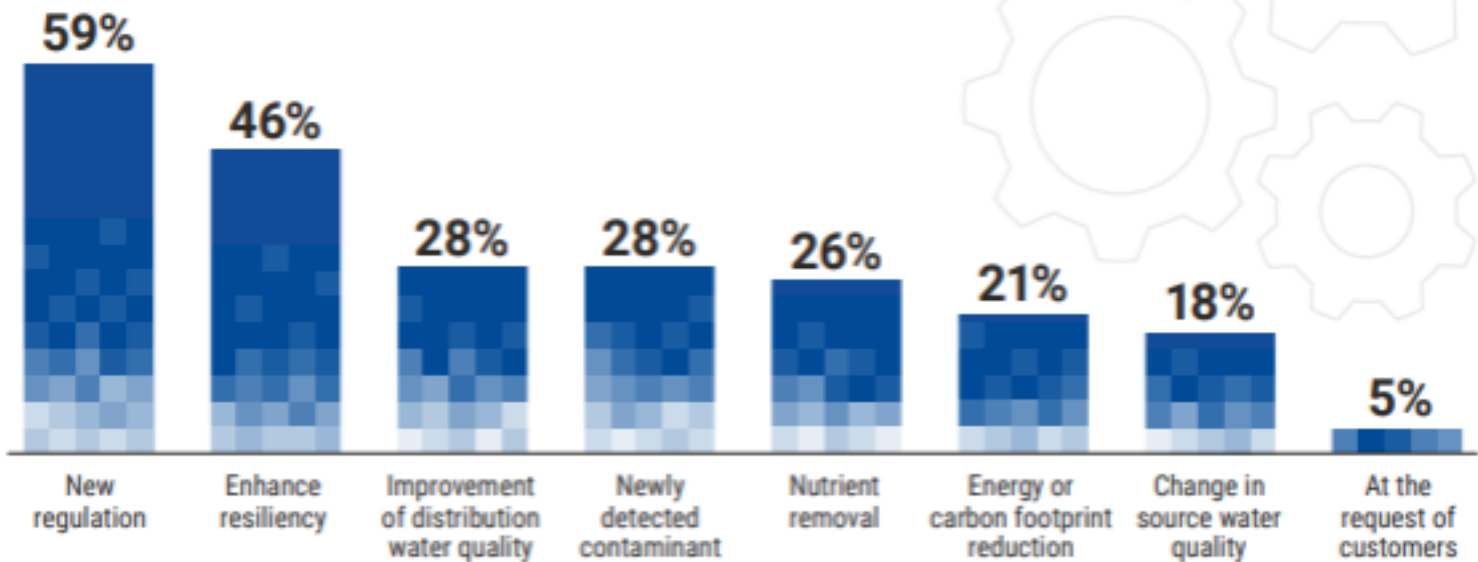
INDUSTRY PERSPECTIVE – LESSONS LEARNED

Regulation



What reasons do you expect to add a new process or technology? (Select all that apply)

Source: Black & Veatch



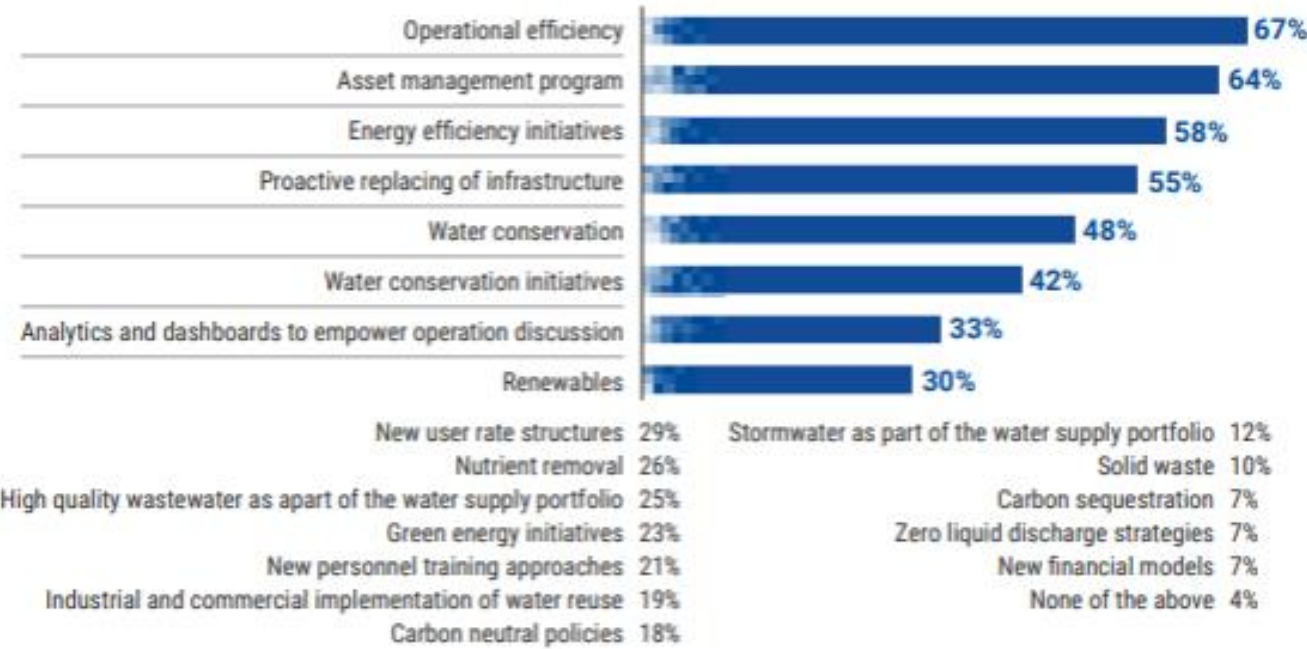
INDUSTRY PERSPECTIVE – LESSONS LEARNED

Resilience & Sustainability



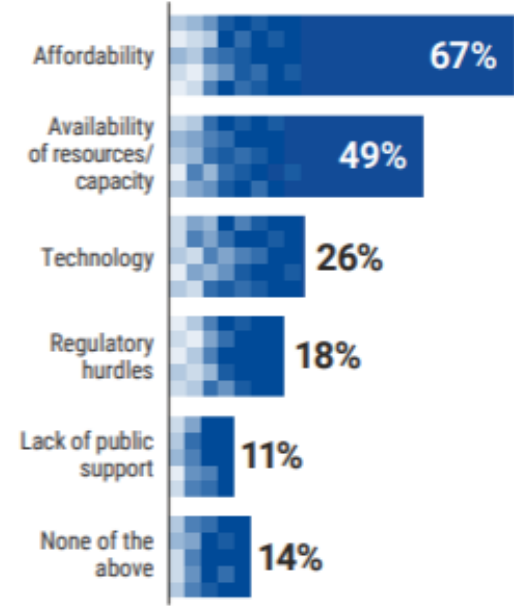
What efforts are your utility practicing to enhance sustainability? (Select all that apply)

Source: Black & Veatch



What are your biggest hurdles in achieving your sustainability strategy? (Select all that apply)

Source: Black & Veatch



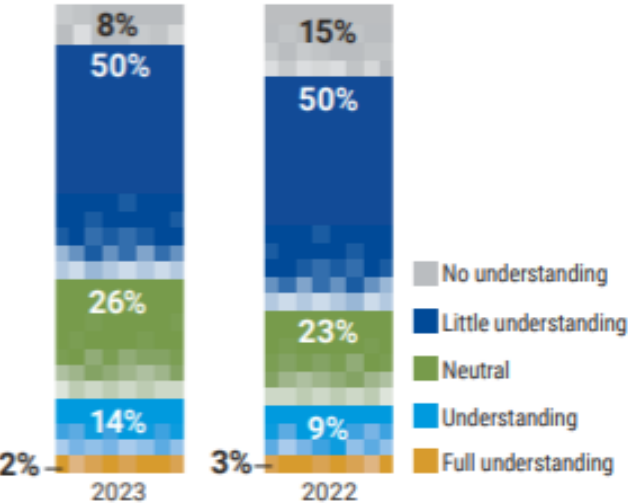
INDUSTRY PERSPECTIVE – LESSONS LEARNED

Financial Planning



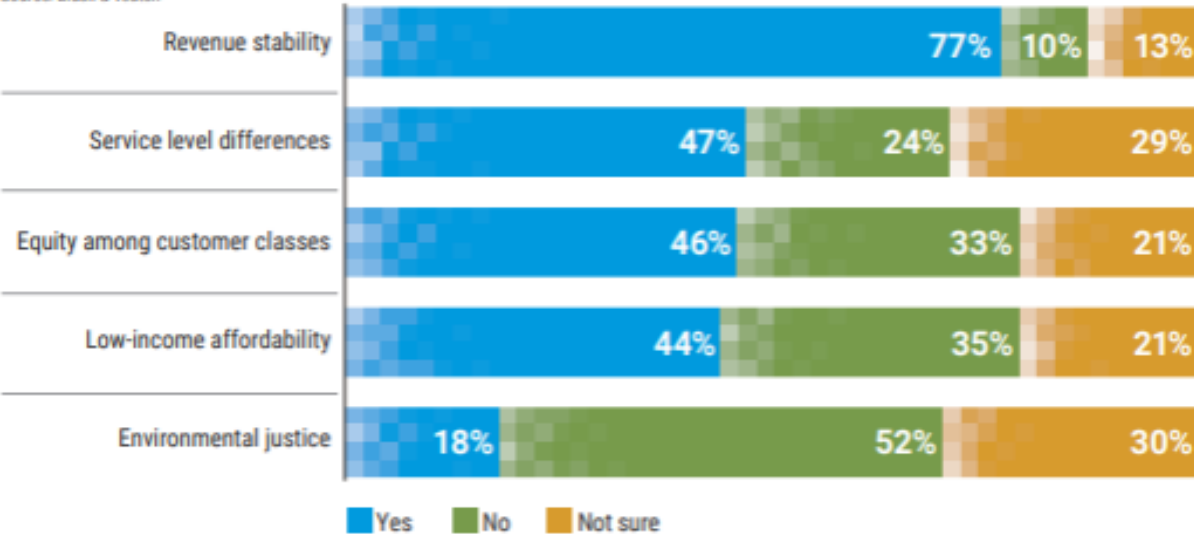
How well do consumers understand the gap between safe water production costs and the current rates consumers pay? (Select one)

Source: Black & Veatch



Does your current rate structure help address one or more of the following? (Select one for each)

Source: Black & Veatch



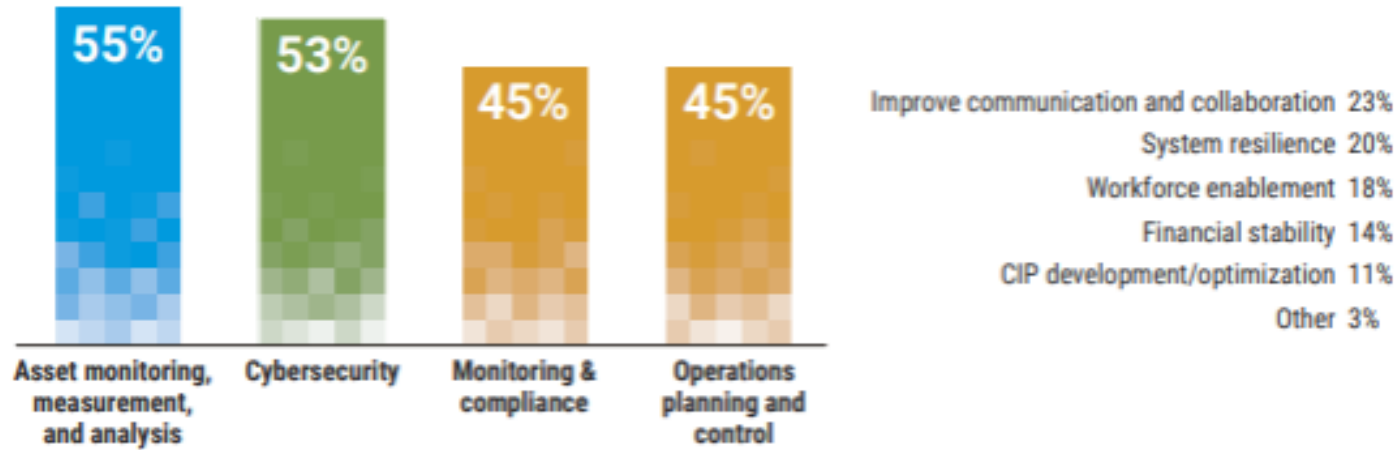
INDUSTRY PERSPECTIVE – LESSONS LEARNED

Digital
Water



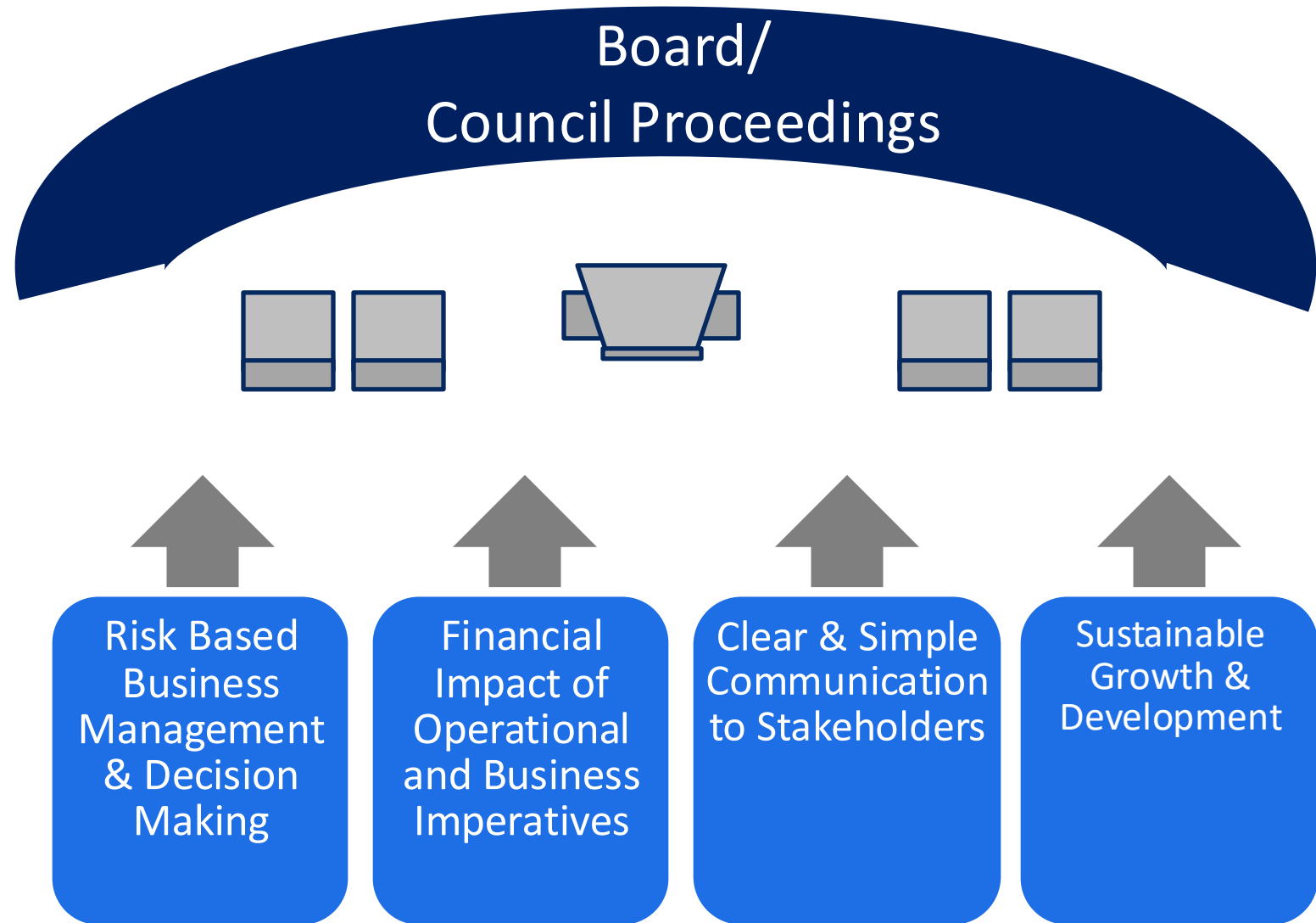
What are the top objectives for your data or digital solutions strategy? (Select up to three)

Source: Black & Veatch



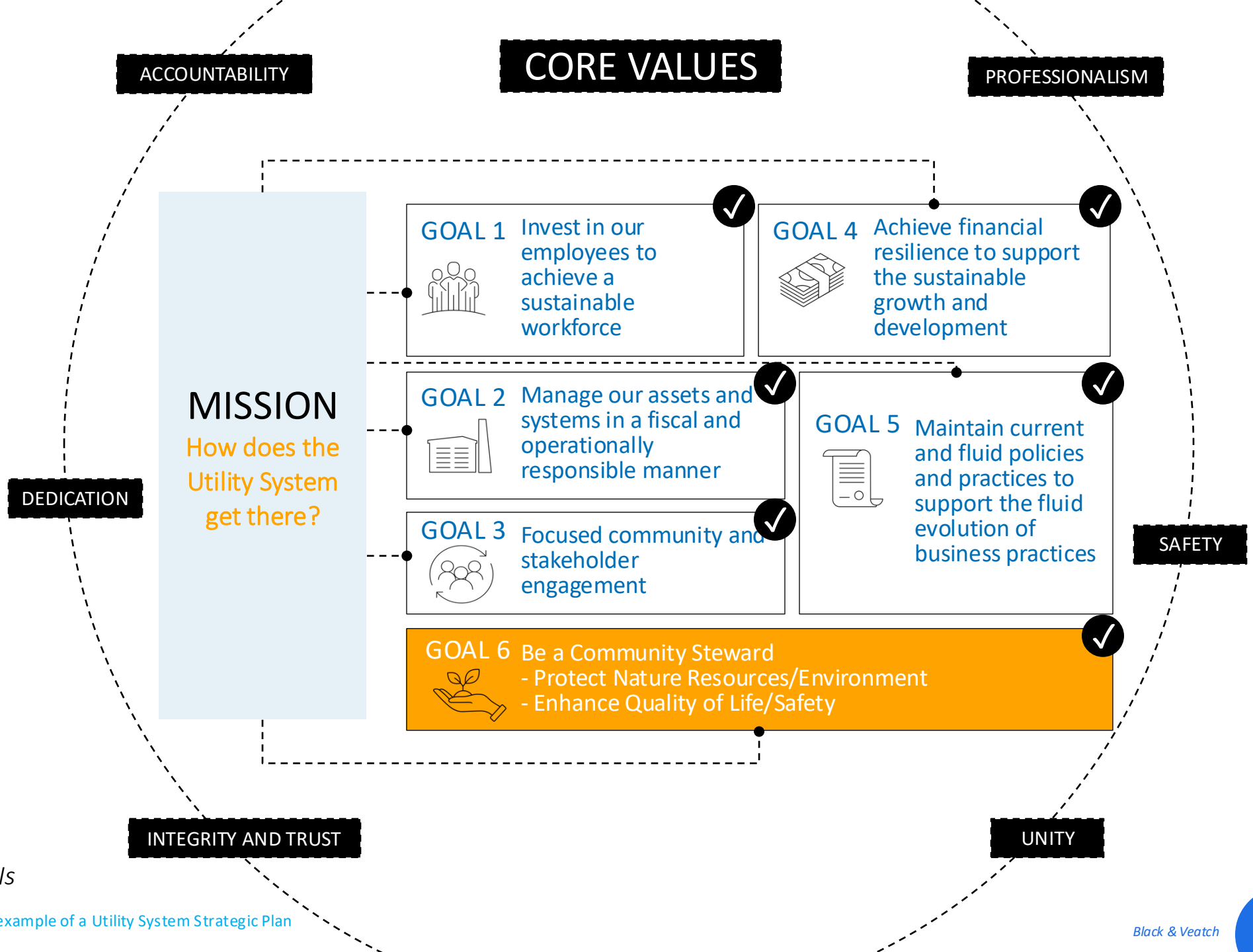
Utility Management Concept

**Utility
Management**
was designed to
accelerate
**FOUR KEY
OUTCOMES**
important to
your policy
makers and
customers



UTILITY SYSTEM STRATEGIC PLAN

VISION
What does the Utility
System want to become?



Note: Information detailed herein serves as an example of a Utility System Strategic Plan

WHAT IS UTILITY MANAGEMENT?



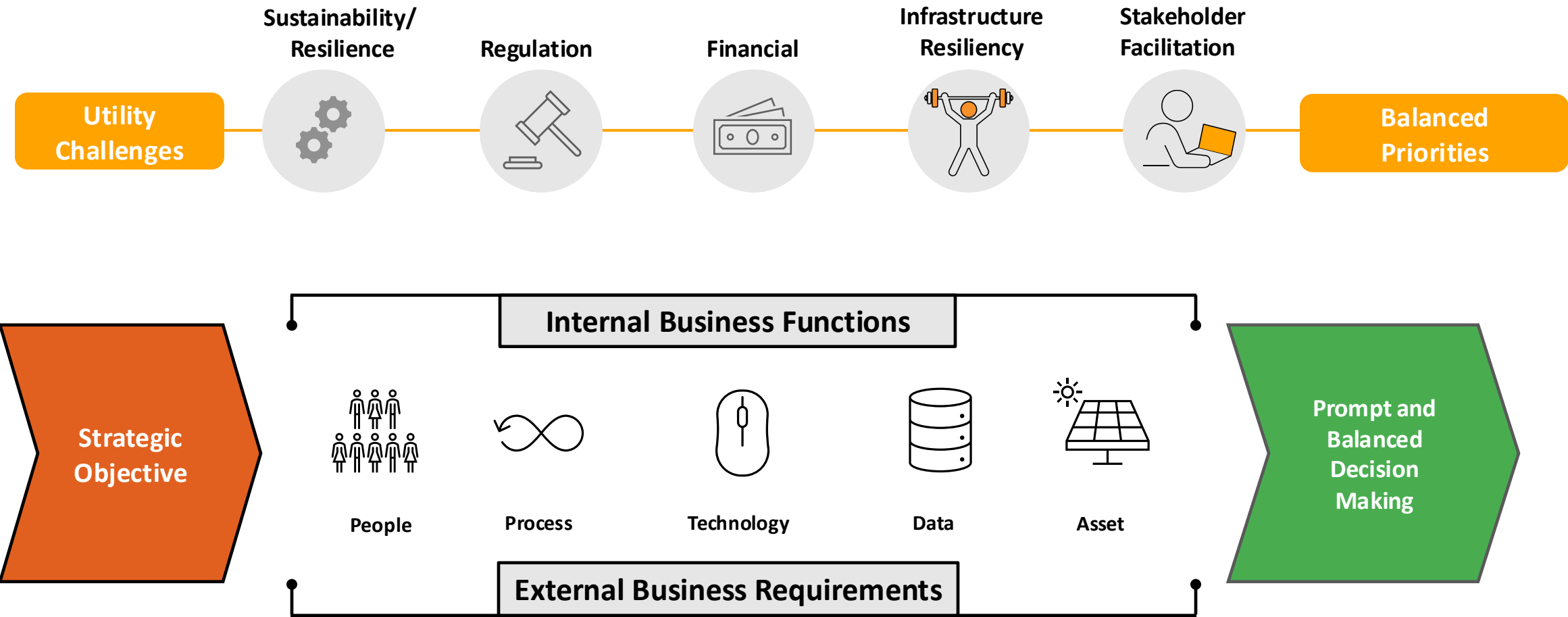
- ❖ *O&M and Capital Cost*
- ❖ *Financial Requirements*
- ❖ *Engineering and Design Requirements*
- ❖ *Construction Schedule*
- ❖ *Customer Requirements*

- ❖ *Level of Service*
- ❖ *Aging Infrastructure*
- ❖ *Cost Escalation*
- ❖ *Resource Adequacy*
- ❖ *Safety*

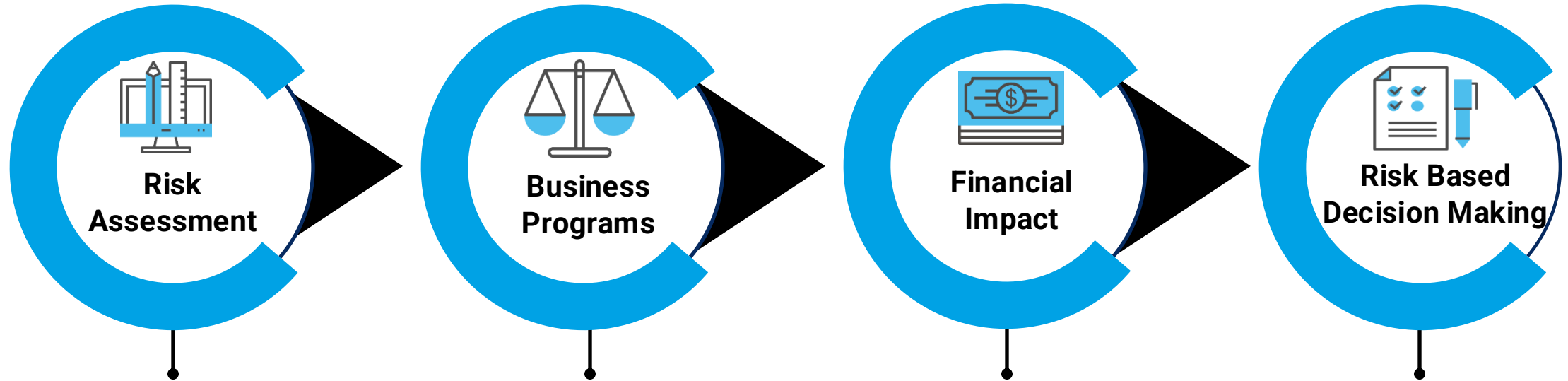
Dynamic Platform to Balance Competing Business Imperatives and Achieve Risk Based Decision Making

UTILITY MANAGEMENT

Prompt and Balanced Approach to Utility System Decisions



UTILITY MANAGEMENT - OUTCOMES



Risk Assessment:

- Operational, Regulatory, Financial, and Other Business Risk
- Assess risk by Element/Enterprise
- Prioritize Risk Exposure
- Identify mitigation processes, resources, & tools (roadmap)

Business Programs:

- Integrate Business Objectives
- Develop triggers to guide risk mitigation roadmap
- Outline anticipated risk mitigation outcomes

Financial Impact:

- Determine/prioritize the business cost exposure
- Integrate into the Long-Term Financial Plan
- Communicate to Customers/Stakeholders
- Reconcile Financial Goals, Objectives, & Metrics

Risk Based Decision Making:

- **Sound decision making platform that integrates technical requirements, operating exposure, & business imperatives**

Profile Project Examples



NORTH CAROLINA UTILITY SYSTEM – INCREMENTAL PLANNING APPROACH

Relevant Features:

- Top 5 fastest growing jurisdiction in the USA
- Significant Incremental Demand (Industrial Customer Base)
- Needed Utility System Capital Investment
- Limited Financial & Operating Resources
- Needed R&R Investments
- Informed Community & Stakeholders

Achievements (10 Year Period):

- Determined Targeted Utility System Focus Areas to Assess
- Established Long Term Strategic, Operational, and Financial Plans (Roadmap)
 - Incremental increase in staffing resources
- Developed Risk Based Schedule of prioritized initiatives, projects, and other activities
- Completed significant upgrades to the Water and Wastewater System
 - Procure financing (grants & low interest loans)
- Achieve AAA Bond Rating



Focus Areas



Initiatives



Roadmap

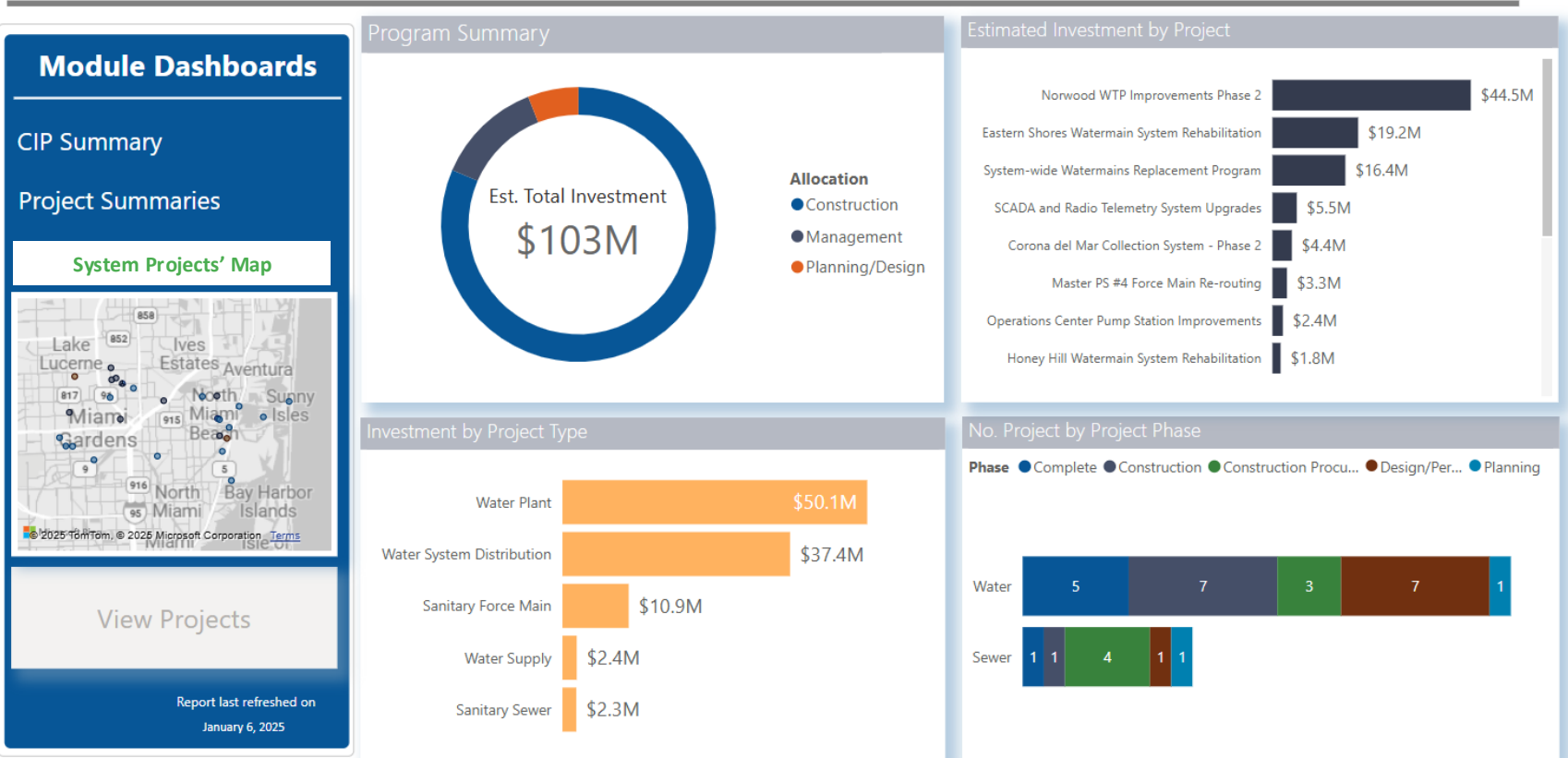
FLORIDA UTILITY SYSTEM – DELIVERY OF CAPITAL PROGRAM

Relevant Features:

- Challenges delivering their Capital Program
- Limited access to financial and operational resources
- Specific Regulatory Mandates
- Informed and demanding stakeholder community

Achievements (5 Year Period):

- Alignment of Organizational Resource to deliver Capital Program
- Risk Based Schedule to Deliver Capital Program
- Stakeholder Buy-in and participation in the delivery of the Capital Program
- Cost Savings
 - CIP Delivery
 - Scheduling of Projects
 - Alignment of System Programs
- Procurement of Alternative Funding Sources



Questions & Answer