



# DEPARTMENT OF PUBLIC UTILITIES

# STRATEGICPLAN

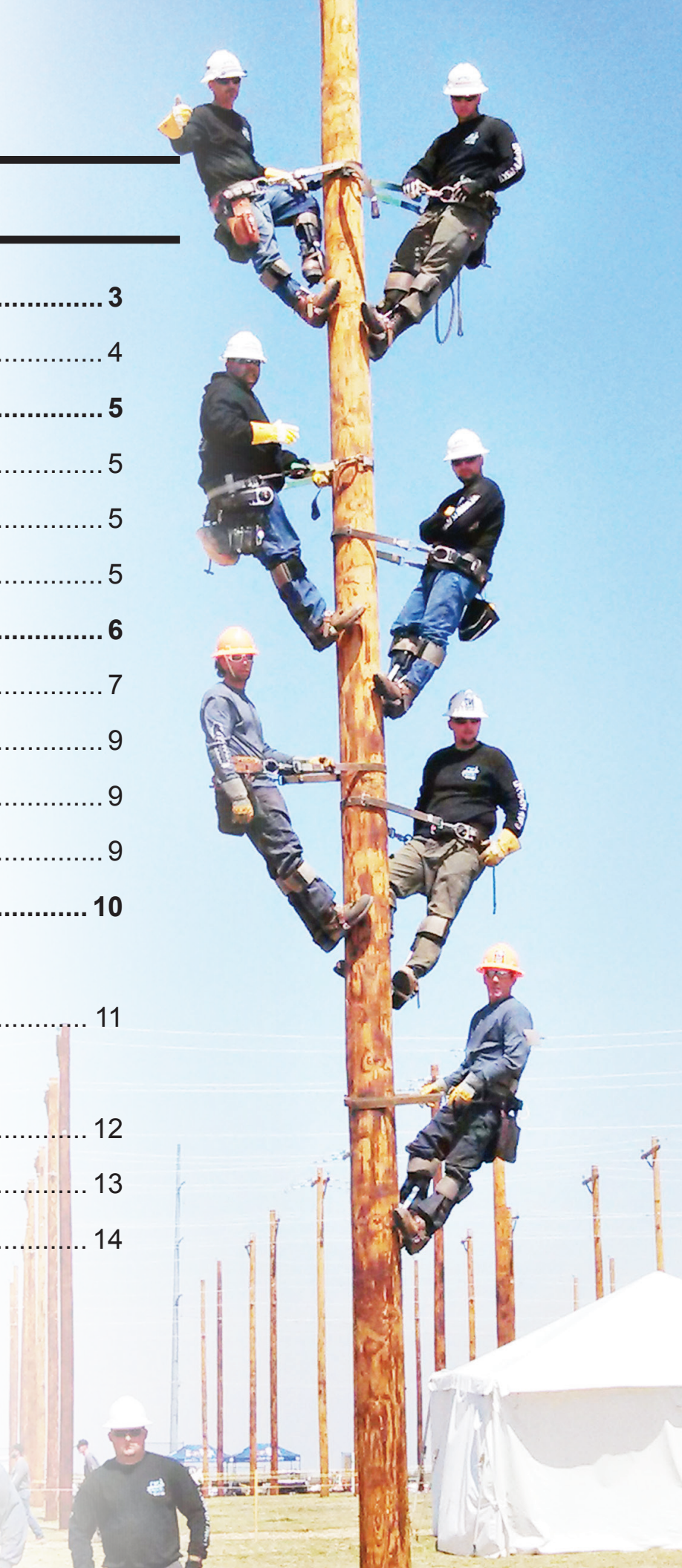


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# INTRODUCTION

*T*he utility industry is going through a time of great change. New technologies, changing customer expectations and increasing regulations all mean that no utility can simply maintain the status quo. The City of New Bern Department of Public Utilities (DPU) identified the need, through a recent organizational assessment, to develop a Strategic Plan for the Electric, Water and Wastewater Utilities.

The Strategic Planning process was viewed as the best course of action for addressing these issues in a professional, well thought out manner.

The department contracted Hometown Connections, a subsidiary consulting group of the American Public Power Association, to facilitate the strategic planning process.

An Advisory Team was established which included members of the Board of Aldermen and customer stakeholders from the community. The mission of the team was to guide the strategic planning initiative. The group identified the community values and critical issues that the utilities should embrace and address in the plan.

An Implementation Team was also created and participation came from many staff members of the Utilities Department. The team was responsible for developing the content of the strategic plan. The two teams worked together over numerous months to develop a five year plan for the Utilities and it was built upon the input from the wide variety of customers that the department serves. Once adopted by the Board of Aldermen, the plan will become the strategic roadmap for the future success of the Utilities.



## **The Advisory Team Members**

### **RESIDENTIAL CUSTOMERS**

*City Board Member – Alderman Odham*  
*City Board Member – Alderman Schaible*  
*City Board Member – Alderman White*

### **INDUSTRIAL WATER CUSTOMERS**

*Craven Wood Energy - Plant Manager, Robert J. Van Ells*

### **COUNTY ECONOMIC DEVELOPMENT**

*Craven County Economic Development - Director, Timothy S. Downs*

### **LOCAL RESIDENTIAL DEVELOPER**

*Pat McCullough*

### **LOCAL COMMERCIAL DEVELOPER**

*Fred Morton, Jr.*

### **LARGE COMMERCIAL CUSTOMERS**

*Carolina East Medical Center – Board Member, Allen Hardison*  
*Craven Community College – President, Dr. Raymond Staats*

### **ECONOMIC DEVELOPMENT RESIDENTIAL**

*Neuse River Region Association of REALTORS® – President, Leslie Muse*

### **SMALL COMMERCIAL CUSTOMERS**

*Chamber of Commerce – President, Kevin Roberts*

### **CITY DEVELOPMENT SERVICES**

*City of New Bern - Community & Economic Development Manager, Cindy Blot*

### **ELECTRICITIES REPRESENTATIVES**

*Gregg Welch*  
*Andy Fusco*





# OUR MISSION

VISION • COMMUNITY VALUES • CRITICAL ISSUES

## Mission Statement

The City of New Bern Department of Public Utilities is community-owned and committed to the values of a professional, hometown, customer-first utility. Working together as a partner with our community, we deliver high quality electric, water, and wastewater service.

## Vision Statement

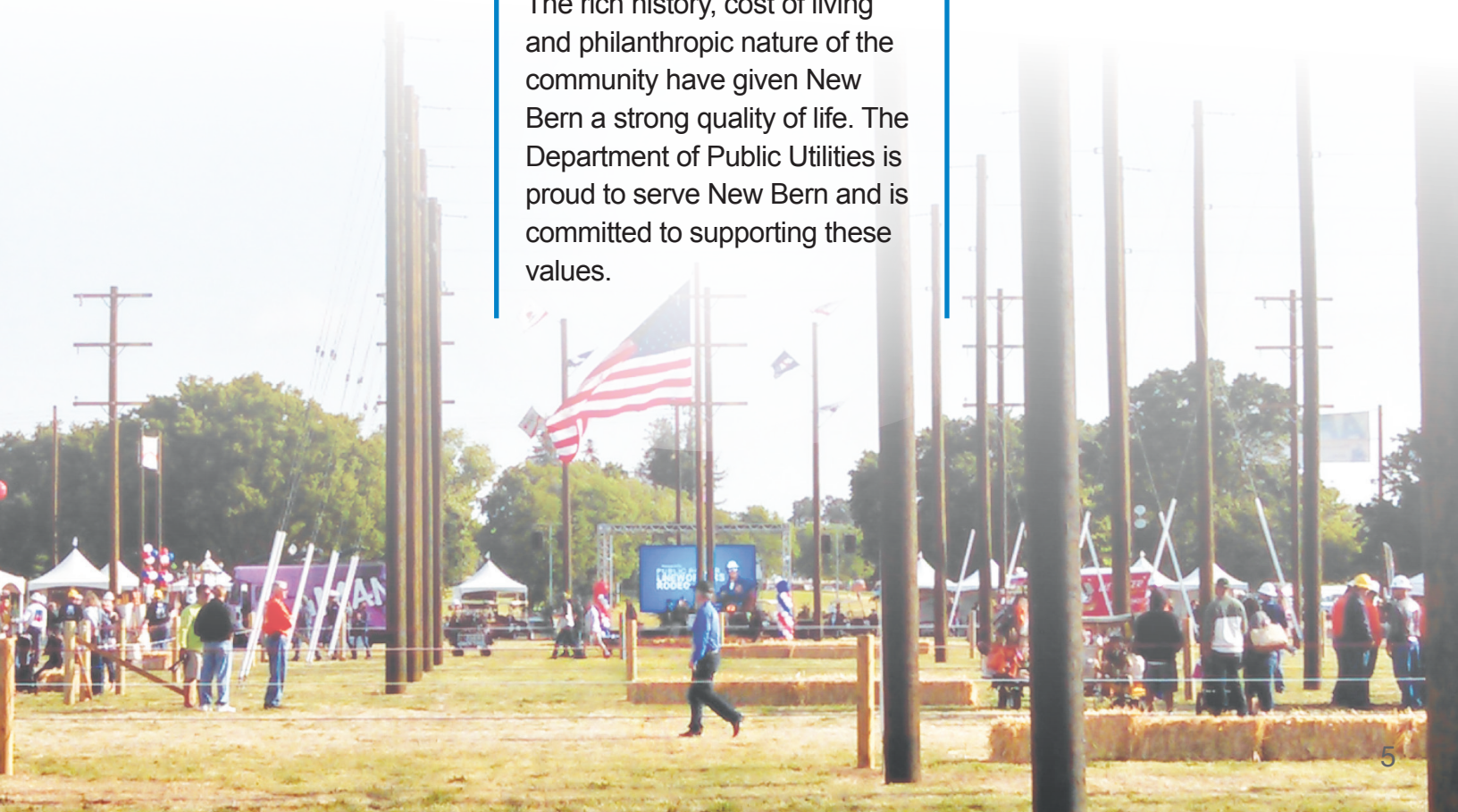
To provide industry-leading customer satisfaction and service reliability while enhancing our community's quality of life and economic growth.

## Community Values

New Bern is a unique community with traditional values yet still embraces progress and innovation. It has a strong sense of identity and community and civic pride. It is welcoming and is called home by a diverse population including families, retirees, and military personnel. The rich history, cost of living and philanthropic nature of the community have given New Bern a strong quality of life. The Department of Public Utilities is proud to serve New Bern and is committed to supporting these values.

## Critical Issues

- Financial Stability
- Power and Water Quality
- Customer Value
- Community and Economic Development
- Communications and Transparency





# S.W.O.T ANALYSIS

The DPU recently completed its second Organizational Check-Up (OCU) in 2015. The OCU is an in-depth Strengths, Weaknesses, Opportunities and Threats assessment of the utility as compared to industry best practices. The utility scores are as indicated below.

Operational Areas	Rating
Customer Service	★★★★
Customer Outreach and Communications	★★★★
Utility Programs	★★★☆
Power Supply	★★★★
Distribution Operations	★★★☆
Employee Safety	★★★★
Governance	★★★☆
Strategic Planning	★★☆☆
Rates	★★☆☆
Administration, Accounting and Finance	★★★☆
Technology	★★★★
Human Resources	★★★☆





## Strengths

The DPU has a strong culture of safety. The safety programs are very well supported by management, and there have been innovative and creative efforts employed to keep safety at the forefront of employees' daily lives.

The utilities have done very well with its customer outreach and communications programs. The City's Public Information Officer is a valuable resource for promoting the utility programs on the City's website and through social media. The Utility Business Office has been distributing the eco@home newsletter to customers on a quarterly basis, and the Utilities have been active in promoting the value of Public Power in the local newspaper.







The DPU has significantly improved its technology deployment within the last five years. The utility is implementing a new Advanced Metering Infrastructure (AMI) project that will replace all the electric and water meters on the system. This technology will greatly improve the department's Load Management program effectiveness and provide numerous direct benefits to the customers. The AMI system is being utilized to provide customers new ways to interact with the utility, such as "Pay as You Go" billing. The utility has implemented a new Supervisory Control and Data Acquisition system (SCADA) and will be rolling out a new automated Outage Management System (OMS) and Interactive Voice Recognition (IVR) system in the near future.

The DPU has improved its customer service policies by addressing a long-standing practice of lenient payment arrangements. At one point in time the utility extended over 1,000 payment arrangements each month to its 22,000 customers. New policies have reduced the pay extensions to 500 per month.

One of the greatest impacts to the DPU has been the sale of the electric generation assets by the Electric Utility's supplier the North Carolina Eastern Municipal Power Agency. This Asset Sale and the reduction of the debt associated with the assets allowed for the largest retail rate reduction that the utility has implemented in its history.





## Weaknesses

The DPU is faced with a perception problem from years of rate disparity with the surrounding investor owned utility, Duke Energy Progress. This issue is negatively affecting economic development within the City and was identified as a critical issue for the utilities to address. The DPU must balance the rate disparity perception problem with future rate planning to satisfy customer expectations.

The current average age of our workforce is 46.5 years. Workforce diversity and succession planning are critical items of concern moving forward.

## Opportunities

The DPU seeks to gain a better understanding of customer expectations through market research and public engagement, and to align its services with community values.

Improvements in technology such as Load Management, SCADA, AMI, OMS/IVR and programs like “Pay as You Go” are providing new opportunities to offer customer value in the near future.

## Threats

New players in the industry will change the business model and relationship to customers.

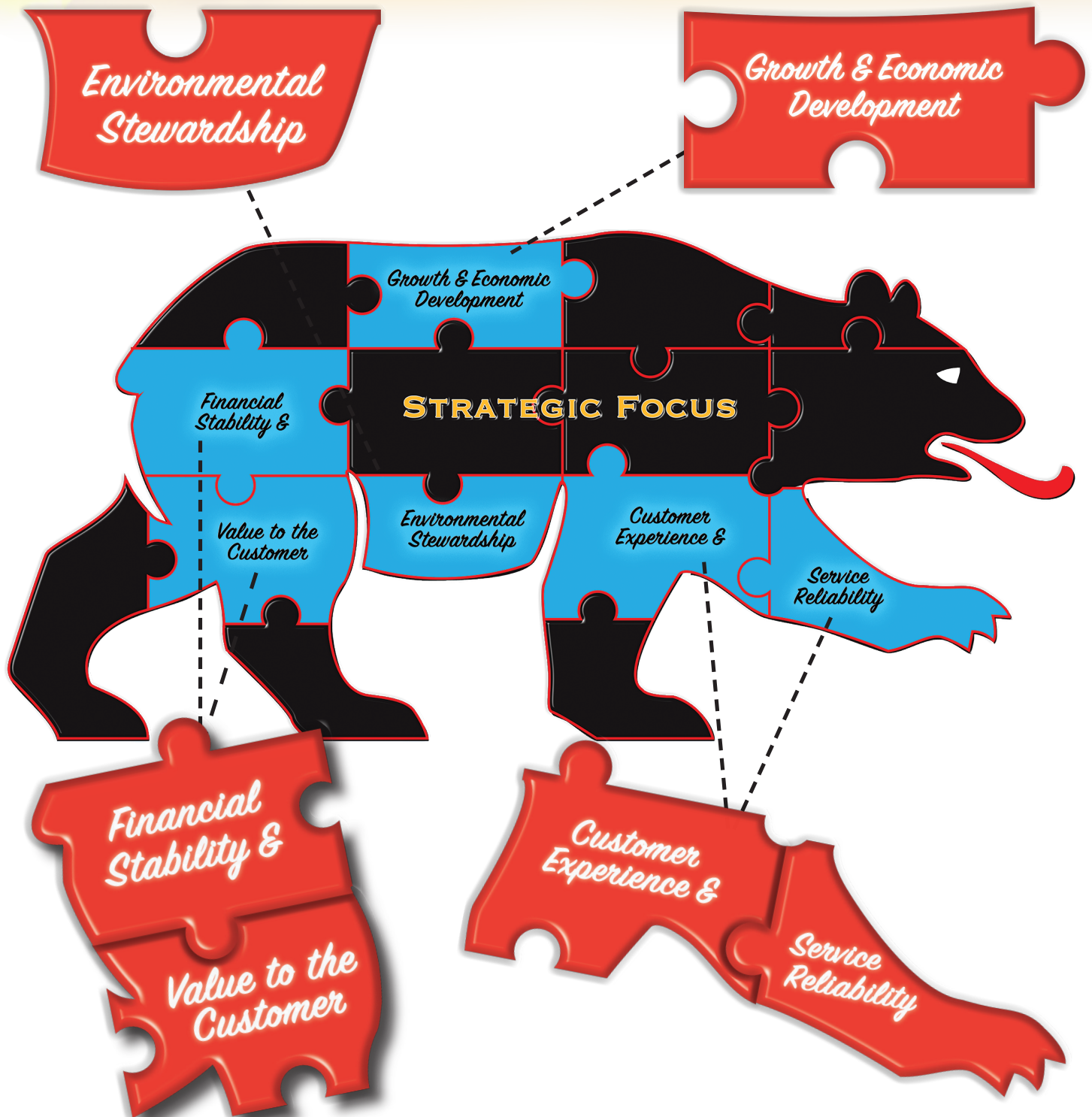
Physical and cyber security threats present real challenges. The DPU must update its technology and infrastructure to ensure the security and reliability of our community's assets.

Customers are demanding more options and alternatives from their utility providers.

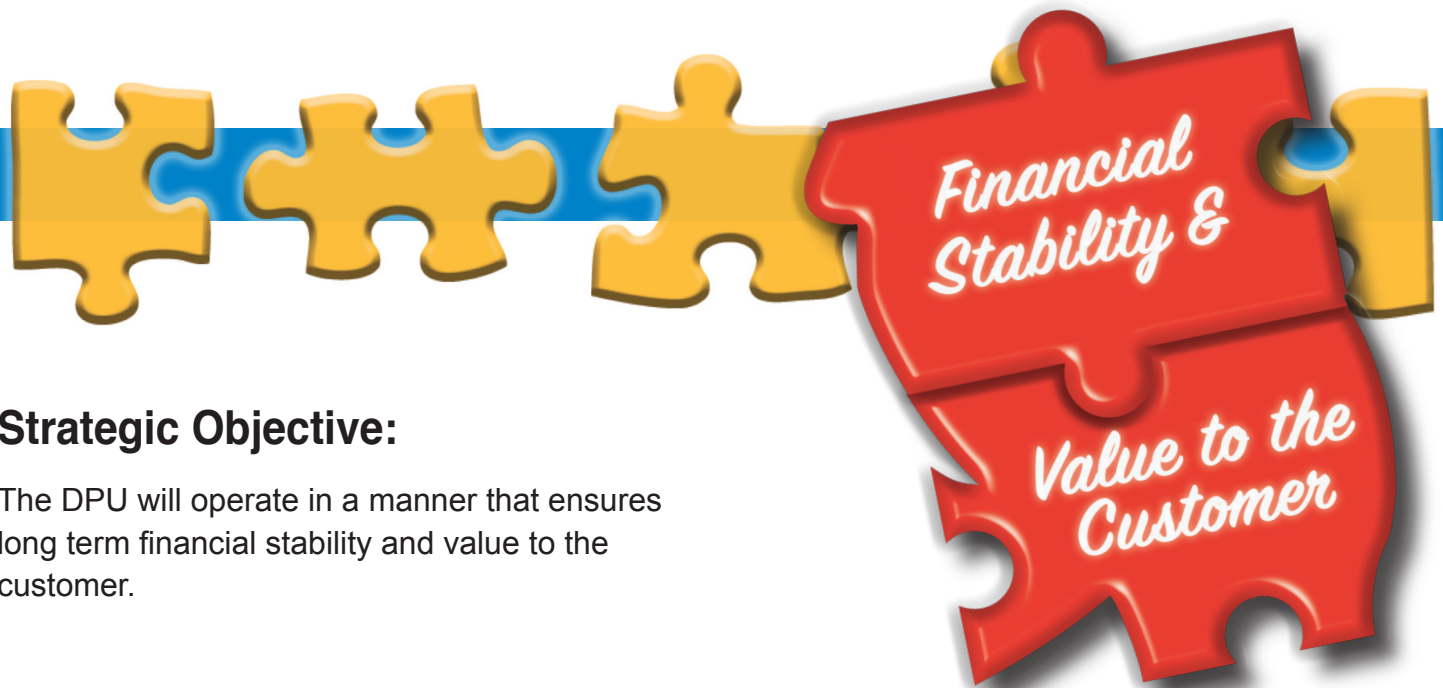
Legislative and regulatory initiatives continue to infringe on local control.



# STRATEGIC AREAS OF FOCUS







## Strategic Objective:

The DPU will operate in a manner that ensures long term financial stability and value to the customer.

## Goals:

- Completion of the AMI project by December 31, 2018 will stabilize wholesale power supply costs and ensure more efficient electric/water metering and customer interaction.
- Complete long term capital improvement and rate planning for the Electric, Water and Wastewater utilities by January 1, 2017, to prevent significant rate fluctuations and ensure reliability of the systems.
- A reserve fund policy exists and the reserve will not fall below the established limits of days cash on hand for a period of more than one fiscal year.





*Customer  
Experience &*

*Service  
Reliability*

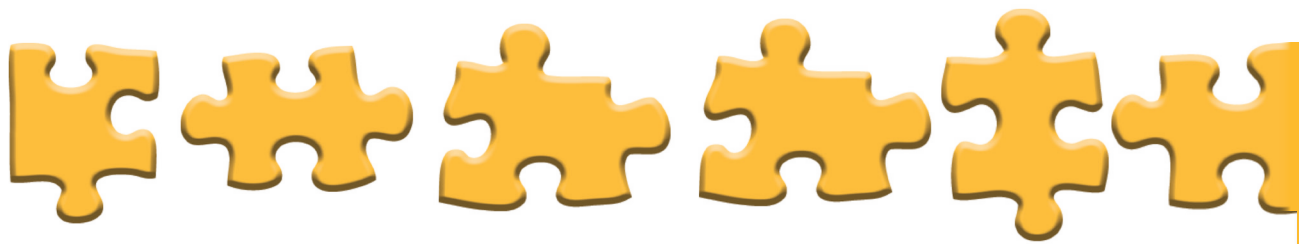
## Strategic Objective:

The DPU will provide exceptional customer experience and service reliability.

## Goals:

- The Electric Division will maintain the top 25% service reliability rating annually as documented by the American Public Power Association.
- Develop a messaging, customer communication, and community outreach plan by June 30, 2017.
- In order to maintain and develop a professional workforce and ensure continuity of service, the Utility will create a 10 year staffing strategy and knowledge management plan by June 30, 2017.
- Develop and track customer experience metrics in order to improve and better match customer services with needs.



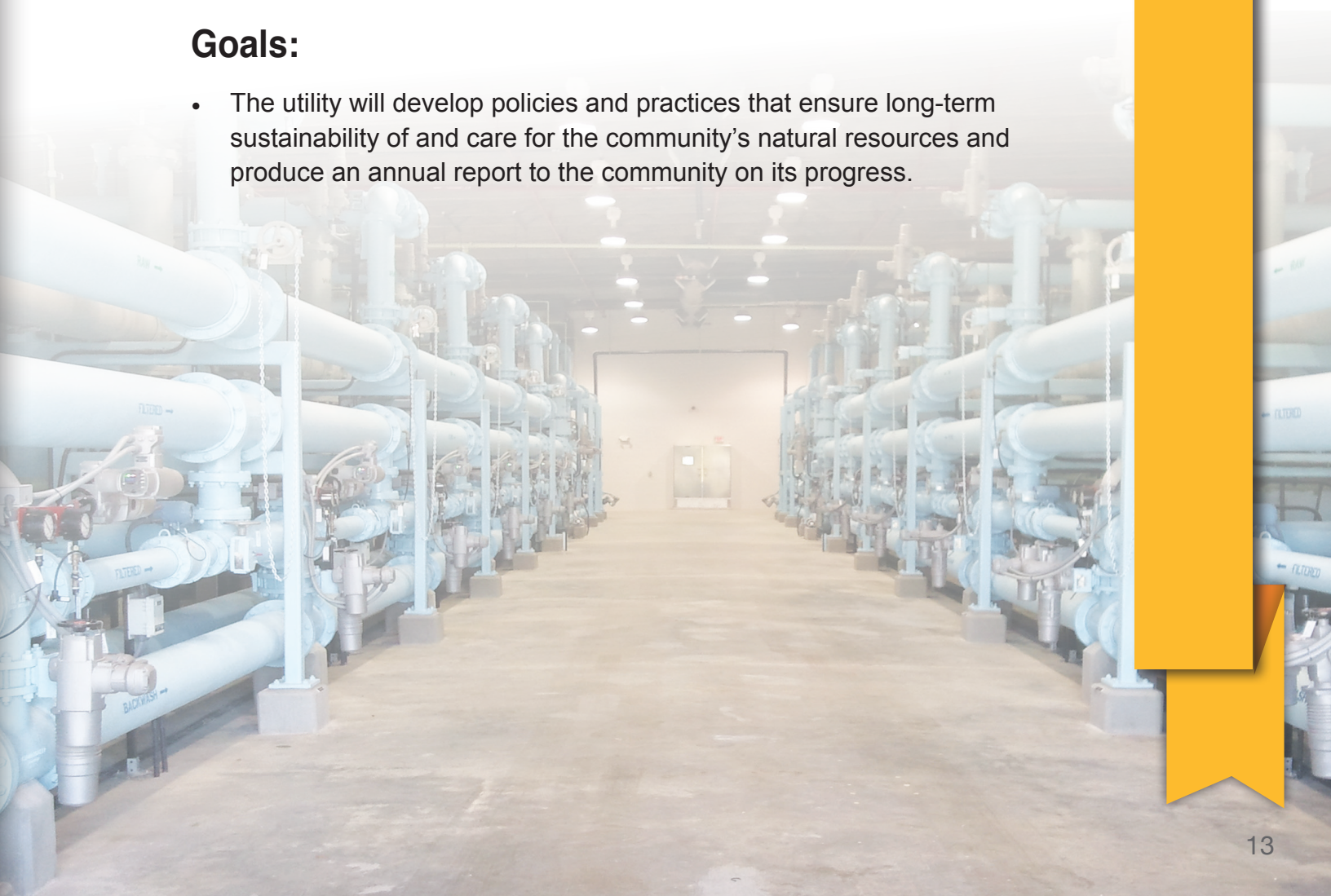


## Strategic Objective:

The DPU will be responsible stewards of the community's natural resources.

## Goals:

- The utility will develop policies and practices that ensure long-term sustainability of and care for the community's natural resources and produce an annual report to the community on its progress.





## *Growth & Economic Development*

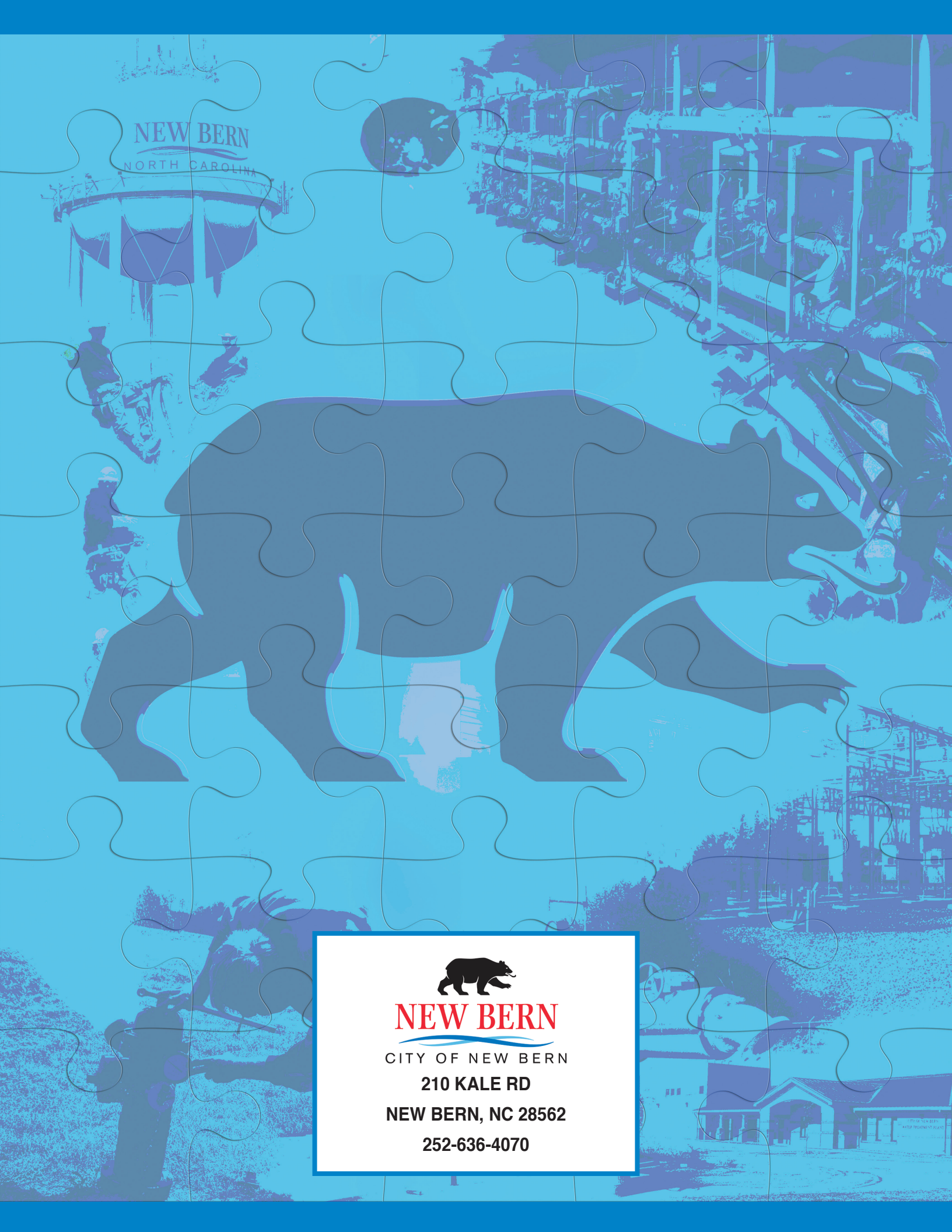
### **Strategic Objective:**

The DPU will support growth and economic development within our community.

### **Goals:**

- The utility will facilitate economic development and growth through ease of access, interaction and key account initiatives.
- Ensure that electric, water and wastewater system capacity is available to support economic development and community growth
- The utility will have quarterly meetings with the stakeholders to gain feedback from the community and ensure that New Bern Utilities is meeting the needs of the community.





NEW BERN  
NORTH CAROLINA



**NEW BERN**

CITY OF NEW BERN

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