
Wastewater Treatment Division
Productivity Initiative
Annual Report 2003



King County Department of
Natural Resources and Parks

June 2004



Productivity Initiative Pilot Program Annual Report 2003

June 30, 2004

The Wastewater Treatment Program has completed the third year of its ten-year Productivity Initiative Pilot Program, and I'm pleased to report successful results.

In 2000, the County Executive and Council approved a Pilot Program for the wastewater program that established a year-by-year goal for reducing its operating costs, based on the 2000 budget. A mechanism for adjusting the yearly goal, or target, for factors beyond the control of the program was also approved. The Pilot Plan provided that any savings achieved once the target was met would potentially be eligible for an Incentive Fund, to be shared equally between ratepayers and employees.

2003 Summary

In 2003, employees participating in the Pilot Program took cost-saving actions that met the 2003 program target and also resulted in additional funds for the program's Incentive Fund. This marks the third successive year that employees achieved enough savings to not only meet the target but also share in savings achieved beyond that target. This report details those cost-saving actions and places them in the context of the overall Productivity Initiative Pilot Program.

2003 Specific Results

Specifically, as a result of actions taken by employees in 2003, the wastewater program met its 2003 adjusted budget target of \$61,628,000 and, documented \$941,889 in additional savings that could be claimed for the Incentive Fund.

In accordance with the Pilot Plan, half of any documented savings after the program target is met is returned to ratepayers in the form of decreased capital costs and stable sewer rates. In 2003, that savings to ratepayers was \$470,944. The other half was returned to Wastewater Treatment Program employees in the form of a financial incentive.

2003 Incentive Fund

This year, the body that provides oversight for the Incentive Fund, the Productivity Incentive Fund Committee, recommended that all funds in the employee portion be distributed in the form of a cash payout (including administrative costs associated with the payout). That recommendation was

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subsequently approved, and on June 17, 2004, all WTD employees eligible for a full share of the payout received about \$680.

Outlook for 2004 and Beyond

While it is true that 2003 was another successful year for the Productivity Initiative, it is also true that the program's underexpenditure (\$941,889) was considerably less than in 2001 (\$9,132,000) or 2002 (\$5,355,000). This is not an unexpected or surprising result. As the program "tightens its belt" to operate more efficiently, opportunities for savings become increasingly harder to identify and implement.

Consequently, in 2004 the Wastewater Treatment Program is concentrating on re-examining and updating the program's business plan to find ways to manage and conduct business more efficiently. An important part of this effort will be looking carefully at the program's Balanced Scorecard, particularly at those parameters such as safety and sanitary sewer overflows in which the program appears to be moving away from its goals.

As part of updating the business plan, the program will examine some of the recommendations from the Peer Agency Review Project (PARP) initiated in 2002. The project brought staff from all levels of the program into direct contact with ten comparable wastewater treatment operations across North America to examine the best ways of doing business. Many of the findings tended to affirm that we are already using best management practices in some areas, but we also became aware of other areas where we could make changes to improve the way we do business.

Finally, the program is committed to implementing the productivity program on the capital side of the wastewater program in 2004. We have identified three components of our capital program as the best candidates for increased productivity activity—asset management, small capital projects, and major capital projects. This King County Council has now approved this program extension. As we embark on the process of developing pilot programs for the capital side of the program, including receiving approval to move forward, setting targets, training our staff, and so on, it is our intention to be as successful as we have been with the operating side of the program.

Conclusion

In conclusion, when the Productivity Initiative Pilot Plan was launched in 2000, wastewater treatment employees were challenged to go beyond just "business as usual." I encourage you to read more in this report about how they have done that, demonstrating that applying certain private-sector business practices to a publicly operated utility can result in advantages for both ratepayers and employees.

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Sincerely,



Don Theiler
Division Director

cc: King County Executive Ron Sims
King County Councilmembers
King County Department Directors
Pam Bissonnette, Director, Dept. of Natural Resources and Parks
Rod Hansen, Assistant Director, DNRP
Jack Irby, Assistant Division Director, WTD
WTD Productivity Initiative Participants

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2003 Financial Results

Productivity Budget Target vs. Actual Expenditures

The Productivity Initiative business planning process had previously identified actions that could be taken to reduce the wastewater program's annual core operating budget, sometimes referred to as "inside the fence." The core elements of the wastewater program comprise about 77 percent of the budget and include wastewater operations and maintenance, biosolids, laboratory, industrial pretreatment, division administration, capital design and construction, and facility planning. These are the activities over which the Wastewater Treatment Division has direct control. The reductions planned for 2003 totaled \$8.1 million, which includes ongoing savings implemented in 2001 and 2002. Subtracting the planned reductions from the inflation-adjusted 2000 baseline budget, a core operating budget target of \$61.5 million was established for 2003.

At year end, the budget target was further adjusted for cost factors considered beyond the control of the wastewater program. Examples of these cost factors include price changes for the major chemicals utilized in the treatment process, electricity price changes, and odor control costs. (The adjustment was done in accordance with a process detailed in Attachment C-7 of the Productivity Initiative Pilot Plan.) The adjusted budget target was computed to be \$61.63 million. This was an increase of \$130,000 from the original unadjusted target.

Actual expenditures for the core operating budget were \$60.69 million. This represents an underexpenditure of \$0.94 million for the year. The underexpenditure was determined to be a result of employee actions, and half of this amount (\$0.47 million) was transferred to the Productivity Incentive Fund.

The target budget, target budget adjustment process, and savings calculations have been reviewed by the Department of Natural Resources and Parks Finance Section and King County Budget Office. No material discrepancies were reported.

Accounting for Planned Actions

At year end, actual reductions achieved by the original planned actions totaled more than \$7.92 million, which was slightly less than the \$8.1 million used in the original target calculation. Highlights of the actual planned actions are as follows:

- Install high solids centrifuges at West Point, \$169,000
- Procure biosolids truck /trailers rather than use contractor-supplied, \$253,000
- Improve grit handling/reduced haul costs, \$154,000
- Energy management at South Plant, \$540,000
- Use reclaimed water instead of purchasing potable water, \$519,50

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- Reduce positions, \$1,100,000
- Reduce consultant services, \$348,000

Additional Savings Attributable to Employee Actions

The year-end adjusted budget target was \$61.63 million while actual expenditures were \$60.60 million. The additional savings of \$0.94 million have been attributed to employee actions and were in addition to the \$7.92 million in savings originally planned and realized in 2003.

The additional savings are listed here, followed by a description of each:

West Point cogeneration revenue increase, \$78,000
South Plant grit operation improvements, \$22,000
O&M maintenance savings, \$28,000
Consultant expense savings, \$2,400
Paper ordering savings, \$8,300
Color copier maintenance savings, \$2,800
Salary and benefits savings, \$830,000
 Director's Office, \$122,000
 Finance and Administration, \$32,000
 East Section, \$48,000
 West Section, \$380,000
 Planning & Compliance, \$91,000
 Environmental Laboratory, \$156,000

West Point cogeneration

West Point staff increased electrical generation from byproduct digester gas by nearly 6.9 million KWHs from 2000 productivity baseline production level. The additional production yielded \$377,987 in revenue at a payment rate of \$.05482 per KWH. The 2003 business plan included \$300,000 of then-projected additional revenue toward attainment of the 2003 Productivity Initiative target, leaving \$77,987 of revenue eligible for the Productivity Incentive Fund.

South plant vector waste solids disposal savings

Local sewerage agency sewer cleaning and maintenance activities result in waste being generated and collected in a vacuum tank truck. The waste can consist of both a liquid sewage component and solids such as sand, rocks, and tree roots. Previously both the liquid and solid components were delivered to South Plant for processing. WTD did not receive additional revenue for the processing of this waste as it was deemed to be included in the treatment fees already paid by the local agencies. The solid components would end up being removed by the grit collection system and hauled to landfill for disposal. The cost of disposal at the landfill is \$89 per ton.

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As a result of extensive negotiations by South Plant staff with the other parties involved, the solids in the vector waste are no longer accepted at the treatment plant. This has resulted in a savings in landfill disposal fees estimated at \$21,983 for 2003.

O&M maintenance savings

Maintenance of equipment is a major expense to WTD. Several ideas were implemented in 2003 in an effort to reduce maintenance costs, saving \$27,759, as follows:

Centrifuge nozzle rebuild rather than purchase new from OEM

Centrifuge nozzles are replaced due to wear on a regular basis. Rather than continuing to purchase new nozzles it was decided to work with a local machine shop in an effort to refurbish existing worn nozzles for extended usage. Cost savings over the purchase of new nozzles were \$1,502.

In-house rebuild of mixer rather than sending back to vendor

An Optifloc mixer was rebuilt in-house rather than returning it to the original manufacturer for rebuild. Due to the potential cost savings the maintenance staff decided to take on the rebuild even though they did not have prior experience with the mixer. The mixer was successfully rebuilt at a cost savings of \$6,105.

Fabricate pump parts rather than purchase from OEM

Pump parts are generally only available through the original equipment manufacturer. The West Section maintenance group decided to machine some pump parts in-house and keep track of the costs to compare against OEM quotes. Two pump shafts and eight sets of wear plates were made by the machinist at a total savings of \$20,152.

Redirect work from outside consultant to in-house

Work scheduled to be completed by a consultant was redirected to a recently hired intern. Her work hours were temporarily increased to cover the work. The savings based on the difference in hourly fees was \$2,430.

King Street Center paper ordering savings

Paper utilized in the printers and copy machines at the WTD King Street Center facilities had previously been obtained on a reimbursement basis from King County Graphics. Upon employee investigation it was found that paper could be ordered and delivered directly from a local supplier at a lower cost to WTD. The 2003 savings from ordering paper directly were calculated at \$8,288 for 2003.

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Cancel annual maintenance agreement for color copier

When a color copier/network printer was purchased by South Plant several years ago, a prepaid maintenance agreement was entered into for a fixed rate of \$4,400 per year. Research late last year indicated that the organization could save money by canceling the prepaid agreement and paying for service on an as-needed basis. In 2003 maintenance costs incurred were \$1,650, resulting in a savings of \$2,750.

Salary and benefits savings

Overall 2003 operating salary and benefits savings due to vacancies were \$2.0 million. After reduction for the budgeted 2-percent salary savings due to normal delays in filling positions the maximum savings from vacancies eligible to be considered for the Incentive Fund was \$1.56 million. Of this amount each section provided a statement outlining how the work associated with the vacancies was completed by existing staff, for a total savings claimed of \$0.83 million.

Following is a summary of the vacancies and the associated savings:

Directors
Office

The Directors Office had three positions vacant for a portion of year. Work associated with all three of the positions was covered by other employees in the section while the positions were vacant. Due to accrued vacation payout, only two of the position vacancies had savings. Both were Administrator positions with job assignments relating to the Productivity Initiative administration and implementation.

The first position, Senior Project Administrator, was vacant all year. The salary and benefit savings were \$108,343. The position was cut in the 2004 budget. The work of the position, which was vacated in mid-2002, was split and picked up by other members of the Directors Office. The work involved administration of the Operating Program Productivity Initiative pilot program and labor relations.

The other position was vacant for a period of seven weeks during which \$14,130 was saved. The work of this position involved the continued development of the Capital Program Productivity Initiative pilot program and required legislation. A member of the Director's Office was responsible for continuing the work while the position was vacant.

The salary and benefits savings from these two positions totaled \$122,473.

The position of Senior Human Resources Analyst was filled as a

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Finance and Administration career-service hire on May 5, 2003 to perform all the employment functions for the West Point and South treatment plants. In addition, the position also had responsibility for disability accommodation, contract interpretation, performance management, investigations, grievances, unemployment insurance, and discipline. Prior to this hire, all employment work in the West Point and South plants was performed by a TLT (term-limited temporary). King County Human Resources Department did not approve extending the TLT, and therefore the position ended on June 1, 2002. During the ensuing months, the WTD Human Resources work group actively pursued obtaining a permanent FTE for the plants. The Employee and Labor Relations Representative (ELRR) assigned to the plants absorbed the Senior Human Resources Analyst's functions while the position was advertised. In addition to her labor and employee relation functions, the ELRR ran the employment processes for 12 hires between January and May 2003. Savings associated with the vacant Senior Human Resources Analyst for a five-month period was \$32,000.

East Section When an Inventory/Purchasing III position became vacant, three existing Inventory/Purchasing Specialists II absorbed the work, using overtime and sharing premium pay for doing out-of-class work. After accounting for costs of the overtime and premium pay associated with backfilling the vacancy, the total savings was \$47,967.

West Section I. Process Analyst
A process analyst position was vacant following a promotion from an existing Process Analyst to Chief Process Analyst for the entire year. This resulted in salary and benefits savings of \$89,133. During that time, the duties of the vacant position were split between the other Process Analysts and the Chief Process Analyst. Additionally, the duties of several of the Process Analysts were rotated, increasing the unit's flexibility. All essential duties were covered during this period, in part by the others working extra hours at no pay (they are all FLSA exempt). Although all essential work was done, the section manager recommended taking the conservative approach that 50 percent of the savings be applied to the Incentive Fund. This represents a value of \$44,567.

II. Utility Worker Series
Two Utility worker positions were vacant for a total of 2,629 hours, representing a savings of \$60,415 in salary and benefits.

Despite these vacancies, the Buildings and Grounds work group continued to maintain the facilities, took on gardening work that had normally been covered by summer helpers, and landscaped the plant's front entrance. Although all essential work was done, not all of the activities of this position were covered. Therefore the section manager recommended taking the conservative approach that 50 percent of the savings be applied to the Incentive Fund. That represents a value of \$30,208.

III. Maintenance Mechanic

A Maintenance Mechanic position was vacant for a total of 1,820 hours during 2003, representing a salary and benefits saving of \$59,950. The remaining staff continued to meet the business needs, and all permits and Balanced Scorecard targets were met. While maintaining this workload is impractical over the long run, it was achieved in the short term by the dedication and hard work of the staff. The section manager recommended that 70 percent of the savings be applied to the Incentive Fund. That represents a value of \$41,965.

IV. Maintenance Electrician

A Maintenance Electrician position was vacant for a total of 1,387 hours in 2003, representing a savings in salary and benefits of \$53,640. The remaining electricians picked up the workload. Based on a review of the Mainsaver data, more preventive maintenance and non-preventive maintenance work orders were completed in 2003 than in 2002, less Benefits Time (BT) was used, and all required work was completed. There was a slight increase in backlog (8 percent). In addition, the electricians continued to take on new duties, including working with the as-built and computer staff to develop a database to track as-built documents. It is the section manager's recommendation that, considering the level of work that was accomplished in 2003 despite the vacancy, 80 percent of the savings be allocated to the Incentive Fund. That totals \$42,912.

V. Operator Series

A number of Operator positions were open during 2003 totaling 7,448 hours (3.58 FTEs) at a value of \$241,539. The program has already committed to absorbing the Denny CSO operation without adding additional FTEs. The initial estimate for Denny was 1.5 FTEs. In addition, the program has dropped 2.0 FTEs from each shift crew since the targets were established, representing a total of 8.0 FTEs. Despite reducing shift crews,

West Point employees have continued to operate the plant meeting all permit limits and Balanced Scorecard targets. Shift staff also assumed some of the tank cleaning duties, both to reduce odor potential during tank cleaning and to help pick up Day Operations workload due the reduced staffing levels. And at the same time, plant staff succeeded in reducing unscheduled call-ins, thus reducing overtime. The program is proceeding to fill the vacant positions in anticipation of future retirements and new work associated with Denny and Brightwater; however, much of the avoided cost represents true savings for 2003. Using a figure of 1.5 FTEs for Brightwater and claiming one of the 8.0 FTEs removed from shift crew where all required work continued to be completed, the plant manager recommended that 2.5 of the 3.5 vacant FTEs be applied to the Incentive Fund. That calculates to a savings of $2.5/3.6 * 241,539 = \$167,735$.

VI. Summer Help

The 2003 budget included \$20,541 in wages for summer help to assist West Section gardeners in maintaining the facilities. Buildings and Grounds crew assumed this work, and the plant manager recommended that the savings of \$20,541 be included in the Incentive Fund.

VII. Overtime

The 2003 budget overtime budget was reduced by \$50,000 based on a commitment by staff to more closely control call-ins. The actual overtime expenditures fell an additional \$29,121 below the adjusted budget. The plant manager recommended that this added savings of \$29,121 be applied to the Incentive Fund.

VIII. Operating Supervisor

An Operating Supervisor position was vacant due to a medical condition for a total of 1,213 hours in 2003. Rather than assign an acting position, one of the other supervisors picked up the duties of the absent supervisor. So even though the base salary was covered, staff efforts avoided an added upgrade cost of \$3,603, which would have come out of the labor budget. In part to recognize the extraordinary efforts of the backup supervisor, the plant manager recommended that the avoided cost of \$3,603 be applied to the Incentive Fund.

The total West Section salary and benefits savings as outlined here is \$380,650.

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Planning and Compliance I. Communications Specialist II: \$22,597
After this position was vacated, the position's duties were assumed by a Project Assistant (which is a lower-salary job class) or by existing exempt staff. Responsibility for coordinating the treatment plant tour program was assumed by a temporary 40-percent-time Water Quality Planner I who does not receive benefits. Staff who have absorbed the CSII duties continue to perform their work on assigned capital projects. Thus, the water quality operating budget will experience a continuing savings of the difference in salary between CSII and Project Assistant, with an offset for the temporary part-time Water Quality Planner I. The 2003 expense was \$2,485 for the Water Quality Planner I and has been deducted from the savings.

II. Industrial Waste Compliance Investigator II: \$68,315
This position was vacant all of 2003 and will be cut from the 2005 budget. Most of the work normally done by this position was absorbed by exempt staff working unpaid overtime, by the unit supervisor taking on more direct work, and by work efficiencies gained from implementation of the Industrial Waste Program's Pretreatment Information Management System (PIMS). In addition to this vacancy, the Industrial Waste unit also had a vacancy of an Industrial Waste Specialist I. This FTE was transferred to the Environmental Planning and Community Relations Unit for work on the Brightwater EIS in 2003 and to Asset Management in 2004. Industrial Waste is not claiming savings for this position for the Incentive Fund in 2003 because much of it came from decreased workload due to the decline in the local economy. Workload for Industrial Waste Investigators was not similarly affected because during this time Investigators took on two new bodies of work: a major source control project in the Lower Duwamish drainage basin equaling about 1.25 FTEs and two new industry groups, hospitals and dentists, equaling about 1.0 FTE.

Environmental Laboratory The Lab had 7.0 permanent, operating FTEs vacant for portions of 2003. These vacancies included Environmental Laboratory Scientists (21 months); Administrative Specialist (.65 months); Water Quality Planner III (2.65 months); and Trace Metals Supervisor (6.35 months) . Of these positions, 4 were partially backfilled. When a backfill was used, the cost of the backfill has been subtracted from the savings.

Most of the work normally done by all these positions was

absorbed by exempt staff working unpaid overtime, by supervisors taking on more direct work, and by staff restricting discretionary activities such as training and travel. Specific information is as follows:

I. Administrative Specialist III.

This vacancy was partially backfilled with a temporary Administrative Specialist II. The cost of this temporary has been subtracted from the salary savings. The temporary was less skilled, and so some of the normal duties of the permanent position, such as human resources support and purchasing, were absorbed by the Management Analyst position at the Lab. Some IBIS requisitioning work was also absorbed by scientific staff.

II. Quality Planner III.

This work was partially covered by another Lab employee taking an acting assignment. The cost of this acting assignment has been subtracted from the salary savings. The normal workload in the Environmental Services unit was absorbed by other Environmental Laboratory Scientists and the supervisor in the ESS unit.

III. Environmental Laboratory Scientist III.

The biological and toxicological analyses performed by this position were absorbed by other scientists in the unit. In addition, the supervisor took on additional responsibility for method development and data review at no additional cost.

IV. Environmental Laboratory Scientist I.

The analytical and sample management responsibilities of this position were backfilled with a temporary worker. The cost of this temporary has been subtracted. Other duties normally performed by this position that the temporary could not cover were absorbed by more senior scientists in the unit.

V. Environmental Laboratory Scientist I & II.

The field analyses, sampling, and special project work of these positions were absorbed by other Environmental Lab Scientists in the unit. The unit supervisor took on responsibility for managing the fieldwork schedule and working in the field as needed. There were some field method development and sampling activities that were not done; however, the value of this work was more than offset by unpaid overtime worked to provide seven-day-a-week sampling for the Duwamish/Diagonal

sediment remediation project.

VI. Trace Metals Supervisor.

Supervision of the Trace Metals lab was assumed by an Environmental Laboratory Scientist III in an acting assignment. The cost of this acting assignment has been subtracted. This individual continued to also perform the majority of her duties as a senior scientist, including performing analyses, training other analysts, and bringing new instrumentation online.

In addition, there were multiple long absences in 2003 due to maternity/paternity leaves and FMLA leaves for health conditions. In most cases, existing staff covered the work normally covered by these absent staff. If the leave was on an unpaid basis (i.e., LWOP) the Lab is claiming this efficiency as part of its salary savings, as well. In the case of one individual who was on paid status during a long-term medical disability leave, the Lab made a line item adjustment to subtract the cost of staff being used to backfill her duties.

The total of these savings in the Environmental Laboratory is about \$156,000.

Productivity Initiative 2003 Activities

Balanced Scorecard

WTD staff successfully collected data for all 24 Balanced Scorecard measures scheduled to be measured in 2003 (employee survey measures will be collected in 2004).

In 2003, the program met targets for 13 of the 24 measures, another six measures were close to the target, and five measures need attention. The five measures needing attention to bring them to their targets in 2004 are:

- Safety, specifically the number of time-loss accidents;
- Number of wet weather sanitary sewer overflows;
- Number of "avoidable" sanitary sewer overflows;
- Percent response of component agencies responding to WTD's customer survey, and
- Customer rating of the value of the wastewater service.

Joining with other groups in DNRP, WTD purchased performance measurement reporting software and implemented it. All measures have been entered into the software, which is now being used for reports and briefings. Thanks to the new software, WTD now has more easily understandable reports of the Balanced Scorecard results available on its intranet (<http://dnr-web.metrokc.gov/wtd/Manager/Productivity/BS/index.htm>).

Section managers each appointed a Balanced Scorecard "champion(s)" for their sections in 2003. Champions are working now to develop section-level measures that employees can more readily relate to their work.

Capital Program

In 2003, the wastewater treatment program began developing three projects to apply incentives to parts of the program's capital program: the Asset Management Pilot Project, Small Capital Projects Program, and the Major Capital Program Pilot Project.

The *Asset Management Pilot Project* will evaluate maintenance and repair costs on selected pieces of equipment at South Plant and Matthews Park Pump Stations. During 2003, staff studied how targets could be established for the selected assets using past maintenance, operating, and repair records and industry standards. The data will become the baseline against which actual costs of the program's maintenance and repair practices can be measured to see whether staff has met or done better than the target.

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The *Small Capital Projects Program* recognizes that plant employees have long asserted they could perform some small capital projects for less than contracting the work out. In 2003, procedures were established for obtaining a third-party estimate against which staff could “bid” with contractors to perform in-house small capital projects. If the in-house cost of doing the work proved less than the contractor’s proposal for the same work, the difference would be eligible for the Incentive Fund. If actual in-house costs exceeded the contractor’s proposal, WTD would be reimbursed for the additional costs of doing the work in-house from the Incentive Fund. In December 2003, staff began work on the first in-house capital construction project (the Gravity Belt Thickeners Washwater Improvement Project) under this new program.

The *Major Capital Program Pilot Project*, still in development, would provide an incentive by setting a project cost target using an estimate established between 30 percent and 60 percent of design completion. The final costs of the project would be compared with the target, and a percentage of any savings would be eligible for the Incentive Fund.

In 2003 staff worked with legislative staff from the Executive’s Office and Council to create a motion that would extend the Productivity Initiative to the capital program (subsequently approved in March 2004) as well as an ordinance approving the framework, policies, evaluation, and reporting for the capital program pilot projects.

Incentive Fund Committee

Background. The 13-member Productivity Incentive Fund Oversight Committee was formed in October 2001. Its role is to:

- Develop recommendations on how to document savings.
- Make a recommendation to the Division Director on how to expend funds in the Incentive Fund.
- Solicit, help document, investigate, and evaluate cost-saving actions taken by employees.
- Communicate actions taken by the Committee to employees.

Meetings are held biweekly, and minutes from meetings are e-mailed to all WTD employees and posted on the division’s intranet (<http://dnr-web.metrokc.gov/wtd/Manager/Productivity/FOCminutes.html>).

Committee Membership. Members are selected by their constituents and include four members representing Local 925; two representing Local 117; one representing AFSME Council 2, Local 1652-R; two management representatives; three representing TEA; and one representing nonrepresented employees. Cynthia Hickey is the Committee’s facilitator. There were a number of changes to the Committee’s membership in 2003:

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Allen Alston, Local 925 (replaced Rick Hammond);
Patti Cole-Tindall, nonreps (replaced Shirley Marroquin);
Jack Irby, Management Team (replaced Maureen Welch);
Leon Maday, TEA (replaced Joe Barnett);
Kat Halberg Local 925 (replaced Chris Boyle);
Mark Lucas, TEA (replaced Laura Wharton); and
Rob LaRock, Local 117 (served as interim representative).

2003 Oversight Committee Accomplishments.

- Refined guidelines for eligibility to include the performance guarantees outlined in the Pilot Plan and definitions.
- Sought suggestions for saving money and proposals for using investment funds from the work force.
- Monitored the financial status of the Incentive Fund throughout the year.
- Tracked the progress of the extension of the Productivity Initiative to the capital program.
- Explored different ways of increasing the visibility and use of the Balanced Scorecard.
- Reviewed requests for money from the Flex Fund. Approved an expenditure from the Flex Fund to send four additional shop-floor employees to the WEFTEC conference.
- Developed guidelines for use of the Flex Fund for employee recognition. These guidelines detail specific amounts for refreshments and gifts for retirements, service anniversaries, sectionwide events, and Productivity Initiative recognition awards (the resulting policy is pending approval at this time).
- Reviewed eligibility of 2003 salary and non-salary savings for the Incentive Fund.

Peer Agency Review Team

The objective of the project was to have front-line employees and supervisors conduct onsite visits and inspections of similar wastewater treatment facilities throughout the country to learn what other successful wastewater treatment programs do to function effectively and efficiently. The visits enabled WTD staff to meet with peers, derive the benefit of on-site observation of how these jurisdictions conduct their operations and asset management functions, and determine how to apply what we learn to our organization.

In all, 34 employees traveled to 10 different wastewater treatment agencies, each working from a template of the specific questions to be addressed and explored. A total of 98 individual ideas were forwarded to the Project Team, which consolidated the list into 41 recommendations to improve efficiency and effectiveness. In late 2003, the project team began reviewing the costs and

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benefits of each of the recommendations and developing a work program for those that will yield improvements to the wastewater program.

System Efficiency Team

The System Efficiency Team (SET) was established in late 2002 to capture good ideas from employees for saving money, particularly in treatment plant operations, and provide a forum for evaluating and implementing them.

The team developed a process for soliciting, evaluating, and tracking employee suggestions for saving money. Mid-year, the team reconfigured into smaller subgroups with expertise in specific areas to pursue the ideas that the larger group had collected. By year-end, SET had investigated and prepared supporting documentation for actions totaling more than \$45,282, including the following:

- Alfa Laval Centrifuge new and refurbished nozzles (West Section, \$2,518)
- Septage procedural change (East Section, \$21,983)
- In-house fabrication of AC 150 pump suction and nose rings (West Section, \$3,695)
- In-house fabrication of Fairbanks Morse pump shaft (West Section, \$8,132)
- Optifloc mixer No. 3 rebuild (West Section, \$6,105)
- Mechanical bar screen rakes (East Section, \$2,849)

Training

2003 was the first year that WTD's Training Plan, Policies, and Handbook went into full effect. In just a little over a year, WTD went through a large cultural change in terms of training and accomplished a great deal, including the following.

- Supervisory and non-supervisory staff made excellent strides in completing mandatory training.
- All career service employees had Individual Training and Development Plans in place.
- The division came very close to meeting its goal of 57.5 hours per employee of training on average per year. This was accomplished even though 2003 was the first year of implementing the WTD training plan. (The training-hour calculation uses training labor hours from September 1 through August 31 of each year, in keeping with the period of WTD's performance appraisal process.)
- Employee satisfaction with training opportunities increased, as measured in the annual Employee Survey.
- Employees began accounting for their training hours so they can be tracked properly and accurately.

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- The vast majority of managers, supervisors, and leads completed the online respectful workplace training by the end of 2003 (WTD reached 100-percent completion on Jan. 22, 2004).
- Employees were provided with direct access to their own individual training reports and training documents via the WTD Training Web site.
- Divisionwide, 34 sessions of respectful workplace training were conducted in 2003. The large number of employees taking this training at the same time provides a strong foundation in making WTD a place where employees have increased awareness and tools to use to create a workplace environment that is a supportive one for all.

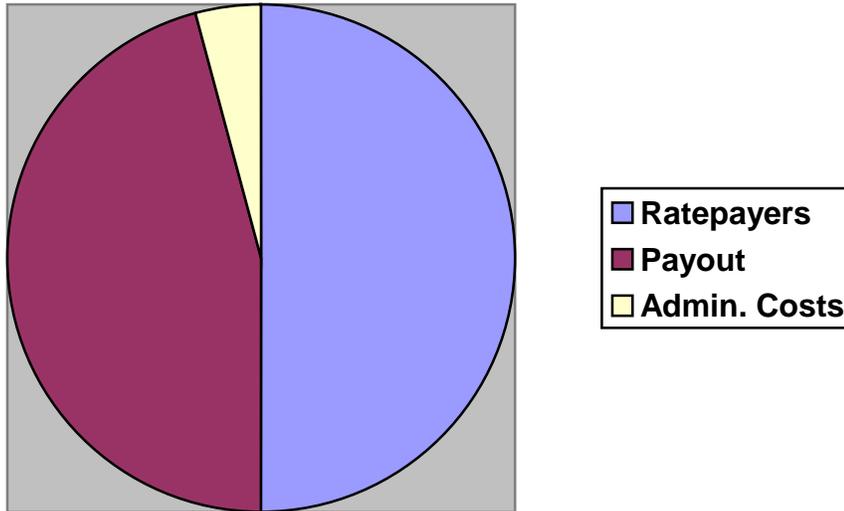
2003 Incentive Fund Committee Recommendation

The Incentive Fund Committee recommended that:

- No additional funds from the 2003 productivity savings be designated for the Rainy Day Fund portion of the Incentive Fund.
- No additional funds from the 2003 productivity savings be designated for the “flexible fund” portion of the Incentive Fund that is set aside for future investment purposes.

All 2003 contributions to the Incentive Fund (100%) be paid out in the form of cash payouts (as well as used to pay administrative costs, such as FICA, associated with making the payout).

2003 Incentive Fund Distribution



| | | |
|---|-----------|-------|
| Ratepayers: | \$470,944 | (50%) |
| Payout to Employees | \$432,178 | (42%) |
| Administrative Costs Associated with Employee Payout: | \$38,765 | (8%) |

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Comparison of 2001, 2002, and 2003 Productivity Initiative Results

| | 2001 | 2002 | 2003 |
|--|--------------|--------------|--------------|
| Operating budget target | \$62,283,000 | \$62,006,000 | \$61,467,000 |
| Adjusted budget target | \$78,030,000 | \$65,786,000 | \$61,628,000 |
| Actual expenditures | \$62,898,000 | \$60,431,000 | \$60,687,000 |
| Underexpenditures | \$9,132,000 | \$5,355,000 | \$941,889 |
| Documented savings for Incentive Fund | \$2,762,000 | \$1,670,956 | \$941,889 |
| Ratepayer share (50%) | \$1,381,000 | \$835,478 | \$470,944 |
| Employee share (50%) | \$1,381,000 | \$835,478 | \$470,944 |
| Total payout to employees | \$750,685 | \$766,884 | \$432,178 |
| Payout per employee (full share) | \$1,260 | \$1,253 | \$681 |
| Administrative costs | \$67,336 | \$68,594 | \$38,765 |
| Contribution to Rainy Day Fund | \$400,000 | 0 | 0 |
| Contribution to Flexible Fund (future investments) | \$162,979 | 0 | 0 |

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Productivity Initiative Savings Activity to Date (2001-2003)

*Total Ratepayer Savings to Date
(Target Savings Plus 50% Incentive Fund)*

| | 2001 | 2002 | 2003 | Total to Date |
|---|--------------------|--------------------|--------------------|---------------------|
| Business Plan savings (excluding transfers to capital) | \$2,560,000 | \$4,640,000 | \$6,260,000 | \$13,460,000 |
| Ratepayer share (50%) of Incentive Fund savings after target has been met | \$1,380,000 | \$836,000 | \$471,000 | \$2,687,000 |
| Total Ratepayer Savings | \$3,940,000 | \$5,476,000 | \$6,731,000 | \$16,147,000 |

Productivity Incentive Fund Activity

| | 2001 | 2002 | 2003 | Total to Date |
|--|-------------|-----------|-----------|---------------|
| Savings to ratepayers (50%) | \$1,380,000 | \$835,478 | \$470,944 | \$2,687,422 |
| Savings to employees (50%) | \$1,380,000 | \$835,478 | \$470,944 | \$2,687,422 |
| Employee payouts (one full share) | \$1,260 | \$1,253 | \$681 | \$3,194 |
| Administrative Costs Associated with Employee Payout | \$67,336 | \$68,594 | \$38,765 | \$174,695 |
| Investment Fund | \$162,000 | \$0 | \$0 | \$162,000 |
| Rainy Day Fund | \$400,000 | \$0 | \$0 | \$400,000 |

Goals, Vision, and Guiding Principles

“Change requires a temporary surrender of security”

Goals

- To be recognized as the best publicly owned and operated wastewater treatment system in the nation by 2005.
- To be competitive with any privatized wastewater operation in the nation by 2010.

Five-Year Vision

- **Productivity.** We are nationally recognized for our productivity and actively share our experience with others in our industry.
- **Quality.** We maintain and improve treatment, effluent, and biosolids quality. We have no violations and no unpermitted overflows or bypasses.
- **Efficiency.** We hold the portion of the sewer rate dedicated to ongoing operations to less than or equal to current levels (after adjusting for inflation). We use the most efficient contracting techniques and management systems to minimize capital improvement costs. We continually improve the way we use resources and eliminate barriers to efficiency.
- **Safety.** We operate the safest wastewater treatment system in the nation.
- **Collaboration.** We work efficiently across all functional areas in the division and department. We have excellent support systems, and work collaboratively with support services from other King County departments.
- **Clarity of purpose.** We have clearly established our goals and how to achieve them. We are clear about roles and responsibilities to achieve our goals.
- **Customer service.** Customers value the service we provide. We are responsive to customer concerns and needs.
- **Work place.** Business teams have clear work plans and are actively pursuing those plans. Staff is knowledgeable about the “big picture” and our customers’ interests. Creativity is encouraged. Turnover is minimal. Management works collaboratively with unions and nonrepresented employees.
- **Employee satisfaction.** We have a high level of employee involvement in all areas of our operation. Employees feel they are doing productive work and are rewarded and recognized. Employees take pride and ownership in a job well done. Everyone is heard and no one fears retribution for speaking openly.

Guiding Principles

These principles guide our actions in striving for these goals and achieving this vision:

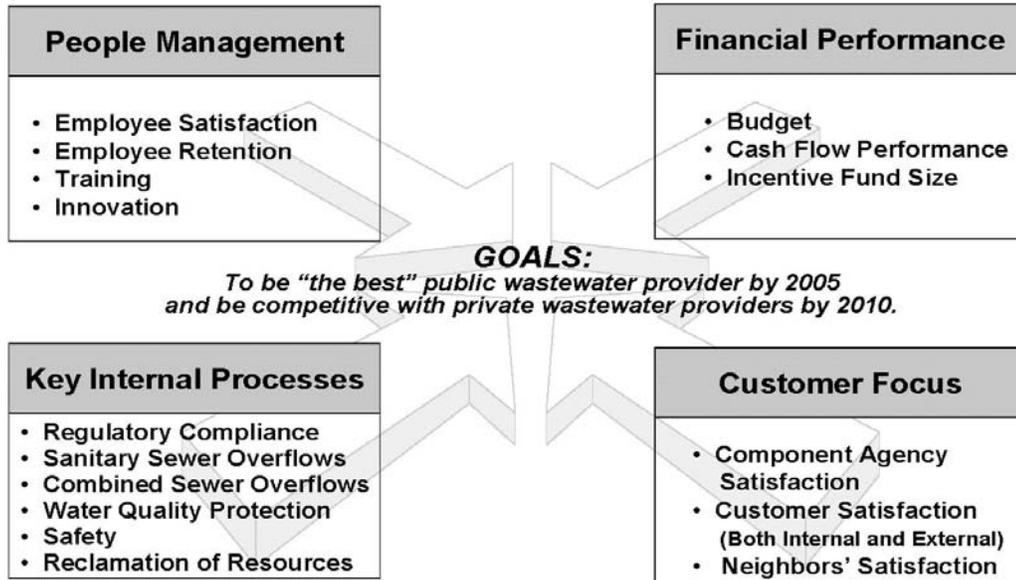
- Accept no compromises in our commitment to protect the environment.

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- Recognize that job responsibilities may change and provide necessary training so there are no layoffs.
- Identify two-way communication as essential.
- Promote humor and have fun.
- Listen and respond to one another and our customers with respect, focusing on business and not personality.
- Speak out without fear of retribution.
- Clearly define roles and responsibilities.
- Integrate all parts of the Wastewater Treatment Program into the whole.
- Involve stakeholders and staff in decisions that will affect them.
- Clearly define areas that are not included in the productivity project's scope.
- Identify and track services that are not core wastewater business activities.
- Establish measurable and independently verifiable goals.
- Seek partnerships with groups affected by our actions.
- Establish a good working relationship with the Executive's Office on the productivity project.
- Be willing to take risks and think differently.
- Be willing to admit mistakes and change course if needed.
- Practice continuous process improvement.
- Build on existing strengths within the organization.
- Look for and make ongoing productivity improvements.
- Seek early successes in productivity project activities.
- Uphold commitment to safety without compromise.
- Exercise patience; recognize that improving productivity will take time and effort.
- Ensure management is visibly committed to the productivity project.
- Share savings with employees and ratepayers.
- Respect union agreements.
- Celebrate our successes.

Balanced Scorecard

King County Wastewater Treatment Program
 Balanced Scorecard



Web site: dnr-web.metrokc.gov/wtd/Manager/Productivity/bsc1.html
 11/2001

(Results as of April 2004:)

Balanced Scorecard, Financial Performance

| Measure | 2003 Data | | Previous Years | |
|---------------------------------|--------------|--------------|----------------|--------------|
| | Actual Data | Target Data | 2002 Data | 2001 Data |
| WTD Financial Performance | -- | -- | -- | -- |
| WTD Operating Budget Target | \$60,687,000 | \$62,326,000 | \$60,431,000 | \$68,898,000 |
| WTD Debt Service Coverage | 1.40 | 1.25 | 1.77 | 1.30 |
| WTD Incentive Fund Contribution | -- | \$1 | \$835,478 | \$1,381,000 |

LEGEND

| Target Column | Previous Year Column |
|--------------------------------|------------------------------|
| Met Target, Cause to Celebrate | Better than Previous Year |
| Near Target, Keep Working | Not as Good as Previous Year |
| Needs Attention | May Need Attention |
| -- No Data | No Data |

Balanced Scorecard, Customer Focus

| 2003 Data | | | Previous Years | |
|---------------------------------------|--------|--------|----------------|------|
| Measure | Actual | Target | 2002 | 2001 |
| | Data | Data | Data | Data |
| WTD Customer Focus | -- | -- | -- | -- |
| Section or unit customer satisfaction | -- | -- | -- | -- |
| Stakeholder satisfaction | -- | -- | -- | -- |
| Response to survey - WTD | 42% | 90% | 41% | 42% |
| WTD- Quality of service | 3.69 | 4.00 | 3.93 | 4.00 |
| WTD - Value of service | 3.00 | 4.00 | 3.57 | 3.30 |
| WTD - Cust. service satisfaction | 4.08 | 4.00 | 4.21 | 3.90 |
| Good neighbor measures | -- | -- | -- | -- |
| near neighbor measure | -- | -- | -- | -- |
| Business neighbor survey | 72% | 75% | 73% | -- |
| Resident neighbor survey | 86% | 75% | 78% | -- |

LEGEND

| Target Column | Previous Year Column |
|--------------------------------|------------------------------|
| Met Target, Cause to Celebrate | Better than Previous Year |
| Near Target, Keep Working | Not as Good as Previous Year |
| Needs Attention | May Need Attention |
| No Data | No Data |

Balanced Scorecard, People Management

| 2003 Data | | | Previous Years | |
|--|--------|--------|----------------|-------|
| Measure | Actual | Target | 2002 | 2001 |
| | Data | Data | Data | Data |
| WTD People Management | -- | -- | -- | -- |
| WTD Job Satisfaction | -- | -- | -- | -- |
| WTD Overall Satisfaction with Jobs | -- | 4.00 | 3.68 | 3.56 |
| WTD Satisfaction with Training and Development | -- | 4.00 | 3.08 | 2.88 |
| WTD Satisfaction with Participation and Involvement in Decision Making | -- | 4.00 | 3.76 | 3.65 |
| WTD Satis w/ Management Practices | -- | -- | -- | -- |
| WTD Satisfaction with Leadership and Management | -- | 4.00 | 3.15 | 2.99 |
| WTD Supervisor Communication and Support | -- | 4.00 | 3.53 | 3.29 |
| WTD Spirit of Teamwork | -- | 4.00 | 3.73 | 3.65 |
| WTD Employee Retention | 95.8% | 91.0% | 94.5% | 94.2% |
| WTD Employee Training | 55.72 | 57.50 | 24.20 | -- |
| WTD Employee Innovation | -- | 4.00 | 3.36 | 3.21 |

LEGEND

| Target Column | Previous Year Column |
|--------------------------------|------------------------------|
| Met Target, Cause to Celebrate | Better than Previous Year |
| Near Target, Keep Working | Not as Good as Previous Year |
| Needs Attention | May Need Attention |
| No Data | No Data |

Balanced Scorecard, Key Internal Process

| Measure | 2003 Data | | Previous Years | |
|--|-------------|-------------|----------------|-----------|
| | Actual Data | Target Data | 2002 Data | 2001 Data |
| WTD Key Internal Processes | -- | -- | -- | -- |
| WTD Safety | -- | -- | -- | -- |
| WTD safety - # accidents | 24 | 22 | 20 | 13 |
| WTD Workplace safety satisfaction | -- | 4.00 | 3.66 | 3.69 |
| WTD Regulatory Compliance | -- | -- | -- | -- |
| WTD NPDES Compliance | 99.95% | 100.00% | 100.00% | 99.95% |
| WTD NPDES reporting | 99.50% | 100.00% | 99.65% | 99.30% |
| WTD Air Compliance | 99.80% | 100.00% | 100.00% | 100.00% |
| WTD Sediment standard compliance | 7 | 7 | 7 | 7 |
| WTD Wet Weather SSOs | 2 | 0 | 0 | 0 |
| WTD Avoidable SSOs | 11 | 7 | 6 | 13 |
| WTD CSOs % | 1.40 | 3.00 | 2.00 | 0.63 |
| WTD Reclamation of Resources | -- | -- | -- | -- |
| WTD Biogas Recycled | 86% | 75% | 84% | 76% |
| WTD Water Reclamation | 282.40 | 260.00 | 304.00 | 290.00 |
| WTD Biosolids reclamation | -- | -- | -- | -- |
| WTD Biosolids % reclaimed | 100% | 100% | 100% | 100% |
| WTD Nondegradation guarantee | -- | -- | -- | -- |
| WTD f. coliform - annual geometric mean | 22 | 75 | 14 | 30 |
| WTD f. coliform - quarterly geometric mean | 21 | 175 | 22 | 28 |
| WTD % of BOD/COD limit | 43.22% | 80.00% | 42.71% | 46.81% |
| WTD SS Nondegradation | 13 | 24 | 13 | 13 |

LEGEND

| Target Column | Previous Year Column |
|--|------------------------------|
| Met Target, Cause to Celebrate | Better than Previous Year |
| Near Target, Keep Working | Not as Good as Previous Year |
| Needs Attention | May Need Attention |
| No Data | No Data |

APPENDIX

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Policy: Use of Incentive Funds for Employee Rewards and Recognition

In 2003, the Productivity Incentive Fund Committee created a proposal for using the investment portion of the Incentive Fund for employee reward and recognition activities.

Because the proposed use of the Incentive Fund monies for this purpose differs from existing County policy, additional review and approval is required. That process is currently under way.

Policy: Training

1. Effective Date

January 1, 2003

2. Purpose of Training Plan

The purpose of the Wastewater Treatment Division's (WTD's) training plan is to provide policies for implementing training and employee development within the division. Some employees within the WTD have union contracts that cover job progression-related training. Job progression training as outlined in those contracts shall be followed for job progression purposes. All other training shall be guided by these policies.

3. References

- DNRP Training Policy PER 12-10-1 (D-P)
- Authorized Travel for Department Employees DP-TRA-112000

4. Definitions

4.1. Training is defined as instructional and other experiences that are designed to develop and enhance employee skills, knowledge, abilities, and behavior.

Training can include (but is not limited to):

- acting positions
- career assessment and planning
- certificate programs
- certifications
- classroom instruction
- coaching
- college degrees
- conferences
- continuing education
- cross-training
- electronic learning
- field trips
- informational forums
- job shadowing
- membership participation in professional and technical organizations
- mentoring
- onsite work group training
- on-the-job training
- seminars
- staff instructing other staff on specific topics
- succession planning
- teleconferencing
- workshops.

4.2. *Cross-training* is the process of training an employee to perform job tasks that are outside that employee's immediate job description. Generally these are inhouse opportunities that are both provided and received from within the organization. Cross-training can benefit both the individual and the organization by adding to an employee's skill set, providing backup for tasks normally performed by other employees, providing job variety for an individual, expanding an individual's knowledge of the organization, and helping foster job skills that can be used in another position within the organization.

4.3. Training includes the following categories:

- *Mandatory training* is training and activities that are mandatory requirements for carrying out current job responsibilities (Category A training in DNRP's training policies).
- *Job skills and knowledge enhancement* are training and activities that will update and enhance employee productivity or effectiveness in carrying out current job responsibilities (Category B training in DNRP's training policies).
- *Staff/career development* is training and activities that will further enhance an employee's career path development with WTD and DNRP (Category C training in DNRP's training policies).

5. Funding Policies

- WTD will prioritize funding for employee training as per DNRP policy.
- Funds will be allocated annually to the training budgets based on availability and need.
- Training for temporary employees, term-limited temporary employees, and interns will be approved on a case-by-case basis and as referenced in the DNRP's training policies.

6. Training Roles and Responsibilities

6.1. Division Manager Roles and Responsibilities

- Include manager accountability for staff training in each Section Manager's yearly performance appraisal.
- Ensure all Section Managers have completed all mandatory supervisory training (or the most current management mandatory training) within three years. The WTD Division Manager shall also ensure that all Section Managers retake designated classes of mandatory supervisory training (or the most current management mandatory training) at a minimum of every five years.
- Ensure the necessary training budget is included in the Division's budget submittal to the Executive.
- Ensure that the Annual Training Report is completed by December 20 and forwarded to the DNRP Director by December 31 of each year.

6.2. WTD Section Manager Roles and Responsibilities

- Ensure all Section Supervisors have completed all mandatory supervisor training (or the most current management mandatory training) within three years. Section Managers shall also ensure that all Supervisors and Leads

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retake designated mandatory supervisory training (or the most current management mandatory training) every five years.

- Build supervisor accountability for staff training into each supervisor's yearly performance appraisal.
- Develop a Section Annual Training Report by November 20 of each year for the next year.
- Complete the Divisionwide Annual Training Report by December 20 of each year and forward the Divisionwide Annual Training Report to the Division Manager.
- Monitor their section's training budgets.
- Ensure that WTD is meeting the Balanced Scorecard target hours of training per employee on average per year.
- Establish a climate that supports and promotes training.

6.3. WTD Supervisor Roles and Responsibilities

- Ensure new employees receive New Employee Orientation(s) and any other mandatory and safety training as required for their position. Supervisors shall complete a training plan covering these areas within the first two weeks of the employee's start date.
- Complete an individual training development plan (ITDP) with each employee by November 1 of each year for the following year, to coincide with the employee's performance appraisal process. Supervisors will be held accountable in their own performance appraisal process for ensuring that each employee has an individual training plan. ITDPs should be updated as needed and include any mandatory and safety related training.
- Ensure all employees receive mandatory training and retake designated mandatory training every five years as well as any safety training required for their position.
- May be responsible for conducting worksite specific safety or other training.
- Remove obstacles to employees taking training as approved by the manager and/or supervisor. Examples include allowing the employee adequate time away from regular work responsibilities, providing backup if necessary, arranging work schedules to accommodate training, etc.
- Send employees to the same training class where it is appropriate, practical, economical, and feasible. Training groups of employees simultaneously generally increases effectiveness.
- Specific supervisory responsibilities include:
 - Assess each employee's training needs;
 - Incorporate section and division training needs into the ITDP development process;
 - Review performance appraisals and past ITDPs;
 - Meet with each employee to develop the ITDP;
 - Prioritize training needs for the work unit and employee;
 - Approve Training Request Forms;

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- Develop the section's training program with the section manager (and section training coordinators, if part of section staff);
- Provide opportunities for employees to share information gained through training with co-workers and to apply new knowledge, skills, and abilities on the job.

6.4. East and West Section Education & Training Program Administrators (Training Coordinators) Roles and Responsibilities

- East and West Section Training Coordinators, where assigned, provide direct training and documentation support to section managers, supervisors, and employees. Responsibilities may include, but are not limited to, the items identified below.
- Administer and act as a point of contact for the section's education, training, and job progression programs;
- Coordinate, schedule, and/or deliver training classes that meet business needs, while also meeting union contractual agreements;
- Process training paperwork for the section and forward it to the WEIS Database Administrator;
- Develop and update plant and offsite training courses;
- Purchase and administer the section training library resources;
- Provide lead support for the development and update of their section's Web site.

6.5. WEIS Database Administrator Roles and Responsibilities

- Maintain the WEIS database and prepare required reports.
- All Continuing Education Units (CEUs) submitted to the Department of Ecology require verification of attendance before being eligible for DOE submittal. Request for CEUs shall be made via the WEIS Database Administrator.
- Keep all WEIS records in a secured, central location at the King Street Center.

6.6. WTD Employees Roles and Responsibilities

- Inform themselves about training opportunities, develop an annual ITDP with their supervisor by November 1 of each year for the following year, and follow through with their agreed-upon training commitments. When needed, employees shall work with their supervisors to revise their ITDP.
- Meet with supervisors as needed to review the ITDP for needed revisions.
- Take all mandatory training and safety training as required for their position.
- An employee may appeal the training approval decisions made by the supervisor to the Section Manager.
- Provide valid verification of attendance of their training to the WEIS Database Coordinator.

7. Safety Training

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The WTD Safety Office is authorized to establish safety training requirements for all WTD employees.

8. Travel

- Training requiring travel must comply with DNRP's travel policies.
- Managers and supervisors must demonstrate progress in completing their mandatory training before any travel is undertaken for training opportunities.

9. Degree and Certificate Programs

- Any permanent, full-time, or part-time employee of WTD who has completed an initial probation period may apply for tuition reimbursement with approval of their supervisor and section manager. Tuition reimbursement for these employees shall be approved by the employee's immediate supervisor. Participation by part-time and term-limited temporary employees requires approval of the employee's supervisor, Section Manager, and the Division Manager.
- Only courses offered for college credit or continuing education by an accredited, post-secondary, academic or vocational institution are acceptable for tuition reimbursement.
- Reimbursable tuition is the cost of course enrollment and registration, but does not include the cost of books, materials, or supplies; library or parking fees; student body cards or admission; research or lab fees; fines or penalties; or any other incidental expenses.
- Tuition reimbursement shall not be approved for recreation courses, non-credit courses, seminars, workshops, and conferences.

10. Payment of Training

10.1. Training approved by the employee's supervisor that is not a degree or certificate program will be paid at the 100-percent level.

10.2. Tuition reimbursement shall be paid as follows:

- Reimbursement of 20 percent of tuition if a degree, certificate program, or class is for career development and not related to current job responsibilities.
- Reimbursement of 50 percent of tuition if the employee enrolls in a degree or certificate program that enhances job skills and knowledge for carrying out current job responsibilities.

Tuition reimbursement in excess of the levels stated above must be approved by the division manager. A lesser percentage may be granted if availability of funds is limited.

10.3. To receive reimbursement, employees must show proof of successful course completion with the equivalent of a letter grade "C" (2.0) or better for undergraduate level courses; a cumulative grade point average of "C"(2.0) or better for undergraduates and "B" (3.0) for graduate degree programs. Grades of "PASS" shall be accepted for reimbursement only when a letter or numerical grade option is not available and the course is required as part of a degree or

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certificate program or is required by WTD. If the employee receives an "incomplete ("I") grade, reimbursement shall be delayed until an acceptable grade is awarded.

10.4. For budget allocation of training funds, the following is the priority for tuition reimbursement:

- Certificate programs, associate and bachelors degree - first priority
- Masters degree - second priority
- Ph.D. degree - third priority.

10.5. Reimbursement will be denied under any of the following circumstances:

- The employee withdraws from the course before completion.
- The course is canceled by the institution.
- The participant is no longer a WTD employee.
- The course was taken previously by the employee and tuition was reimbursed.
- The employee fails to comply with requirements of this policy or procedure.

Abbreviations and Acronyms

| | |
|------|---|
| BSC | Balanced Scorecard |
| BSTT | Balanced Scorecard Training Tracking |
| CBT | Computer Based Training |
| CEU | Continuing Education Unit |
| DNRP | Department of Natural Resources and Parks |
| ITDP | Individual Training Development Plan |
| OJT | On-the-Job Training |
| VBT | Video Based Training |
| WEIS | Wastewater Employee Information System |
| WTD | Wastewater Treatment Division |

2003 Administrative Guidelines and Payout Eligibility Criteria

Productivity Incentive Fund

The Productivity Incentive Fund is an account created to track the additional savings that result from actual costs lower than the annual adjusted operating target that are a result of actions taken by employees to incur savings. King County Wastewater Treatment Division shall retain 50 percent of those additional savings and 50 percent shall be assigned to a Productivity Incentive Fund. A minimum of 25 percent of the funds annually assigned to the Productivity Incentive Fund shall be designated for distribution to all eligible employees as defined below. If the Wastewater Treatment Program does not meet the annual adjusted operating target, then the difference shall be made up from the Productivity Incentive Fund.

Performance Guarantees

- *Permit Effluent Standards.* The Wastewater program (WWP) will pay for any fines related to NPDES permit violations at these plants, as evidenced by issuance of a Notice of Penalty by the Washington Department of Ecology (Ecology) from the operating budget. In addition, any Productivity Incentive Fund contribution established by this Pilot Program shall be reduced by one-twelfth for each month in any given year in which a violation occurred as evidenced by issuance of a Notice of Penalty or Administrative Order by Ecology due to an effluent exceedance. This would not apply if the violation was a direct result of an uncontrollable circumstance.
- *Performance Nondegradation Guarantee.* The WWP further guarantees to achieve specific effluent limits for the South Treatment and West Point Treatment Plants. For any year that one of these limits is exceeded, the WWP will forfeit 33 percent from any contribution to the Productivity Incentive Fund. These specific performance parameters may be reviewed annually as information is collected over time.
 - Annual Average Suspended Solids: 24mg/l
 - Annual Average BOD: 24 mg/l
 - Annual Geometric Mean Fecal Coliform: 175 colonies/100 mls
- *Safety.* The WWP guarantees that maintaining the safety of WWP employees will remain a primary concern in how it conducts its business. The WWP will not exceed an average of 22 time-loss accidents (an average based on the last five years, from 1996 to 2000) per rolling three-year period, based on the current number of employees and facilities in service. For any year that this rolling three-year average limit is exceeded, the WWP will forfeit five percent from any contribution to the Productivity Incentive Fund.

Definitions

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- *Savings Year.* The calendar year in which an annual Incentive Fund is calculated.
- *Payout Year.* The year following the savings year when a payout can be made from the Incentive Fund.
- *Payout.* The action of distributing money from the Incentive Fund to eligible employees.

Eligible Employees

“Eligible employees” includes any regular full-time, regular part-time, term-limited temporary, part-time (temporary) employee, or Administrative Intern of the Wastewater Treatment Division or Wastewater program whose position is within the boundaries of the Wastewater program, provided that:

- The employee actively worked during the savings year.
- The employee must have worked at least 520 consecutive hours for the WTP/ WTD to establish initial eligibility, and worked without a break in service (terminated) after meeting the 520-hour threshold to maintain their eligibility.
- The employee was not discharged at any time during the savings year for cause or performance.
- An employee that leaves WTD after the savings year and before the payout is still eligible for the payout.)
- The Division Director and Assistant Division Director are not eligible for payout from the Incentive Fund.
- GIS analysts working for WTD must meet all of the following criteria before being eligible for the Incentive Fund:
 1. They must be a member of the TEA bargaining unit in WTD;
 2. Ninety percent or more of their work must be exclusive to the WTD;
 3. Their assigned work area must be at WTD facilities and/or WTD designated staff offices; and
 4. They are supervised by a WTD employee.

Individual Prorated Share Calculation

- An eligible employee’s share of the Incentive Fund shall be determined by the number of hours that an employee was compensated in the savings year after working the initial 520 hours required to establish eligibility.
- Compensated hours shall be prorated to the percentage of full-time, defined as 2,160 hours.
- No employee shall receive more than 100% or “one” share.
- For the purposes of calculating “compensated hours during the savings year”, the year shall be defined as the hours/days corresponding to the biweekly periods paid during the savings year, also known as the “payroll year”. (This may include hours worked/compensated for prior years but paid in the savings year, and exclude hours compensated in the savings year, paid in the following year).

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- Full time employees who have no unpaid leave (except military leave) in the savings year, shall be considered for a full share if they have at least 2,052 compensated hours (95% of 2,160 hours.)

Compensated Hours

Compensated hours shall include the following hours worked for the Wastewater program:

- Regular hours
- Holiday pay
- Vacation pay
- Sick leave pay
- Comp time used
- Paid administrative leave
- Executive leave used
- Benefit time
- Paid military leave
- Jury duty
- Bereavement leave
- Unpaid military leave - compensated if the employee was actively working in the savings year and meets other eligibility criteria.
- Workers compensation
- Any other time reporting code that may be developed and considered eligible for inclusion in the calculation of compensated hours by the Productivity Incentive Fund Oversight Committee.

Not Included in Compensated Hours

- First 520 hours of compensated time for a newly hired employee
- Overtime pay
- Unpaid leave
- Benefit time buy-downs
- Benefit time cash-outs
- Comp time buy-downs
- Vacation buy-downs
- Vacation cash-outs
- Sick leave payoffs
- Unpaid leave due to personal medical condition
- Unpaid leave due to family medical condition
- Any other time reporting code that may be developed and considered ineligible for inclusion in the calculation of compensated hours by the Productivity Incentive Fund Oversight Committee.

Distribution Amount Calculation

**Wastewater Treatment Division
Productivity Initiative Annual Report
June 2004**

Upon determination of each eligible employee's prorated share of the portion of the Incentive Fund identified for employee payout, the dollars in the fund will be divided by the total number of shares payable to employees to determine the share amount. The distribution to each employee will then be based on his/her prorated amount of the share amount.

Example: Three employees worked during the savings payout year...
A has a total of 2,160 compensated hours for a prorated share of 100% or 1.
B has a total of 1,080 compensated hours for a prorated share of 50% or .5.
C has a total of 520 compensated hours for a prorated share of 25% or .25.

Total shares to disburse = 1.75
Total dollars in the fund = \$500
500 [divided by] 1.75 = \$285.72 = share amount

| | |
|-----------------------------|----------|
| A receives 100% of share or | \$285.71 |
| B receives 50% of share or | \$142.86 |
| C receives 25% of share or | \$71.43 |

Total disbursed: \$500.00

Note: The full text of the Productivity Incentive Fund Oversight Committee's Administrative Guidelines is available at <http://dnr-web.metrokc.gov/wtd/Manager/Productivity/teams.htm>

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Jim Laremore, Local 925
Rob LaRock, Local 117
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Susan Lowe, Communications

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