

## **BRIEFING NOTE**

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### **Water and Wastewater Services - District Service Improvements**

#### **Issue/Background:**

The District Services Improvement (DSI) initiative is aimed at reorganizing the work carried out in the former area municipalities by addressing works practices, new technology and a new organizational structure. The results will be measured by providing more effective measurement tools for establishing and monitoring work standards. First initiated in 2002, the DSI program is expected to help improve customer service, take advantage of improving technologies and establish a more efficient organizational structure.

#### **Key Point(s):**

- DSI includes two phases. Phase 1 of the project provided for a Business Case Review of the non-plant sections of the Water and Wastewater Services Division as directed by Council at its meeting of October 3, 4 and 5, 2001. Phase 2 provided for implementation of the recommendations provided through the Business Case Review. The implementation activities to be undertaken under this program were adopted by Council at its meeting of October 29, 30 and 31, 2002 through Clause No. 4 embodied in Report No. 11 of the Works Committee.
- The first group of harmonized activities are scheduled for roll out beginning Monday, February 16, 2004 using the work standards developed to date.
- A previously approved capital project, the DSI program included total budgeted capital expenditures of \$41.500 million. As a result of the DSI initiative, a total of \$1.900 million in operating budget savings have been incurred to date on an annual basis including a reduction of 33 positions in 2004 while the program currently targets savings of \$12 million annually once it is completed. It is anticipated that future on-going operating budget savings and/or operational effectiveness will occur as the program is rolled out until completion in 2005.
- In addition to the improved operating efficiencies represented through the DSI initiative, this program has been essential to the development of a new organizational structure for the recently established Toronto Water Services Business Unit. At its meeting of February 3, 2004, Works Committee recommended adoption of the Business Unit Status Report that reflects the new organizational structure for the Business Unit as well as the changed work practices aimed at improving capacity to complete

capital work, etc given the planned doubling of the capital program from \$250 million per year to \$500 million per year by 2007.

**Conclusion:**

The DSI project was initiated to take the best practices (WBPP) concepts used in the plants and rolling them out across the non-plant functions, primarily the 6 former area municipalities and one Public Utility. The work was phased in two parts to ensure that there was an adequate business case before proceeding too far. Council approved the Business Case, Phase 1, in 2002 and the implementation phase commenced in 2003. Water and Wastewater Services are less than one year into the 3-year Phase 2 work. The planned savings will come from a reduction in the workforce of approximately 18%. This reduction will be phased in as new technology, new equipment and new practices are introduced. To date, the WBPP and DSI programs have avoided the need for layoffs.

**Date: February 13, 2004**