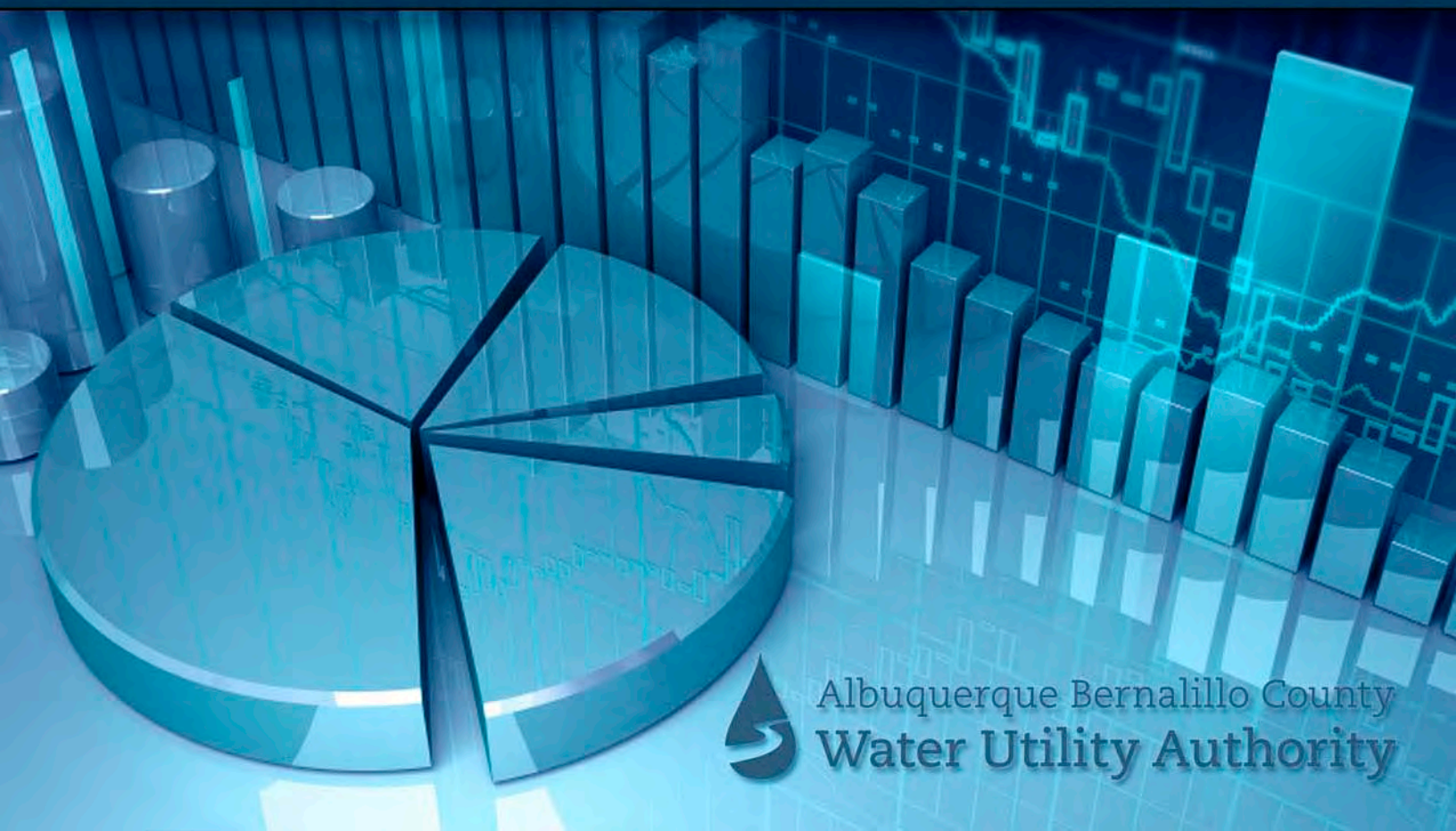
PERFORMANCE PLAN

FY2012

APPROVED



Albuquerque Bernalillo County
Water Utility Authority

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Executive Summary

The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources. The FY12 Performance Plan assesses the performance of the Water Authority using a set of identified and tested, high-level performance measures. These measures are designed to help the Water Authority improve its operational efficiency and effectiveness by identifying areas of improvement. The measures also provide a mechanism to conduct comparative analyses in order to implement quality improvement processes and enhance decision-making.

The Performance Plan contains three years of actual prior year data which establishes a baseline as well as projected performance targets that drive financial and budgetary policies. In addition to assessing its performance year to year, the Water Authority assesses its performance in relation to the other utilities.

The Performance Plan contains 23 performance measures organized by the Water Authority's Five-Year Goal areas: Water Supply and Operations, Wastewater Collection and Operations, Customer Relations, Business Planning and Management, and Organization Development. The following table summarizes the Water Authority's performance compared to other utilities and tracks the Water Authority's progress of baseline, current, and target performance.

Goal	Performance Measure	Baseline	Current	Target
Water Supply & Operations	Drinking Water Compliance Rate	▲	▲	▲
	Distribution System Water Loss	■	■	■
	Water Distribution System Integrity	■	■	■
	Operations and Maintenance Cost Ratios	■	■	■
	Planned Maintenance Ratio	▼	▼	▼
	Water Conservation Savings	▲	▲	▲
Wastewater Collection & Operations	Sewer Overflow Rate	■	■	■
	Collection System Integrity	■	■	■
	Wastewater Treatment Effectiveness Rate	▼	▼	▼
	Operations and Maintenance Cost Ratios	▲	▲	▲
	Planned Maintenance Ratio	▼	▼	■
Customer Services	Customer Service & Technical Quality Complaints	■	■	■
	Customer Service Cost per Account	▲	■	■
	Billing Accuracy	▼	▼	■
	Disruptions of Water Service	■	■	■
	Residential Cost of Water/Sewer Service	■	■	■
Business Planning & Management	Debt Ratio	▼	▼	▼
	Return on Assets	■	▼	▼
	System Renewal/Replacement Rate	▼	▼	■
Organization Development	Employee Health and Safety Severity Rate	▼	▼	■
	Training Hours per Employee	■	■	■
	Customer Accounts per Employee, Water Delivered & Wastewater Processed per Employee	▲	▲	▲
	Organizational Best Practices Index	■	■	■

Performance Key

▲ **Excellent** ■ **Good** ■ **Fair** ▼ **Poor**

Introduction

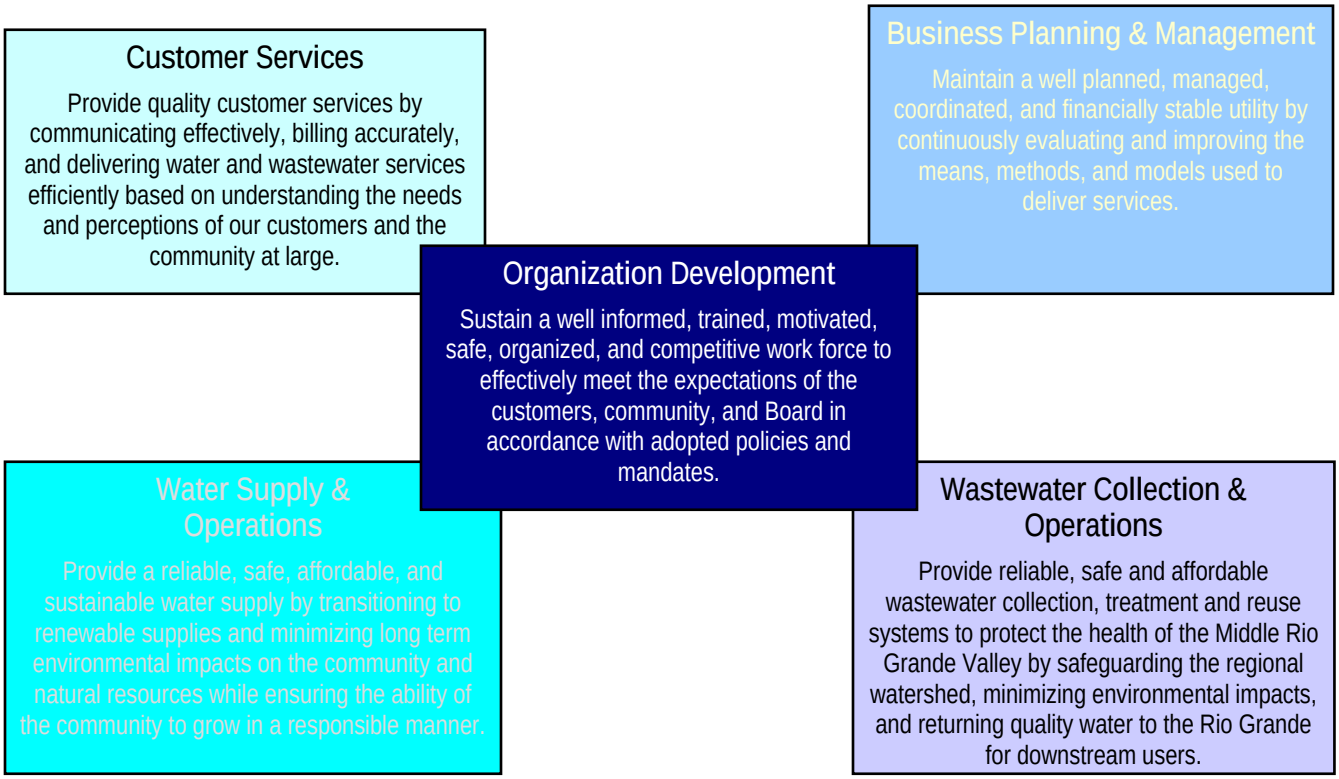
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's financial resources. The Water Authority uses these measures to help improve its operational efficiency and effectiveness by identifying areas of improvement. The measures also provide a mechanism to conduct comparative analyses in order to implement quality improvement processes and enhance decision-making.

The Water Authority utilizes the *American Water Works Association's (AWWA) QualServe Benchmarking Performance Indicators Survey* (Survey) in developing its Performance Plan. The Survey provides utilities an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was complied in 2009 by AWWA from over 60 different utilities. The survey is conducted every two to three years. The Performance Plan uses the survey data as a basis for its performance measures to track the Water Authority's performance with that of other utilities.

Five-Years Goals

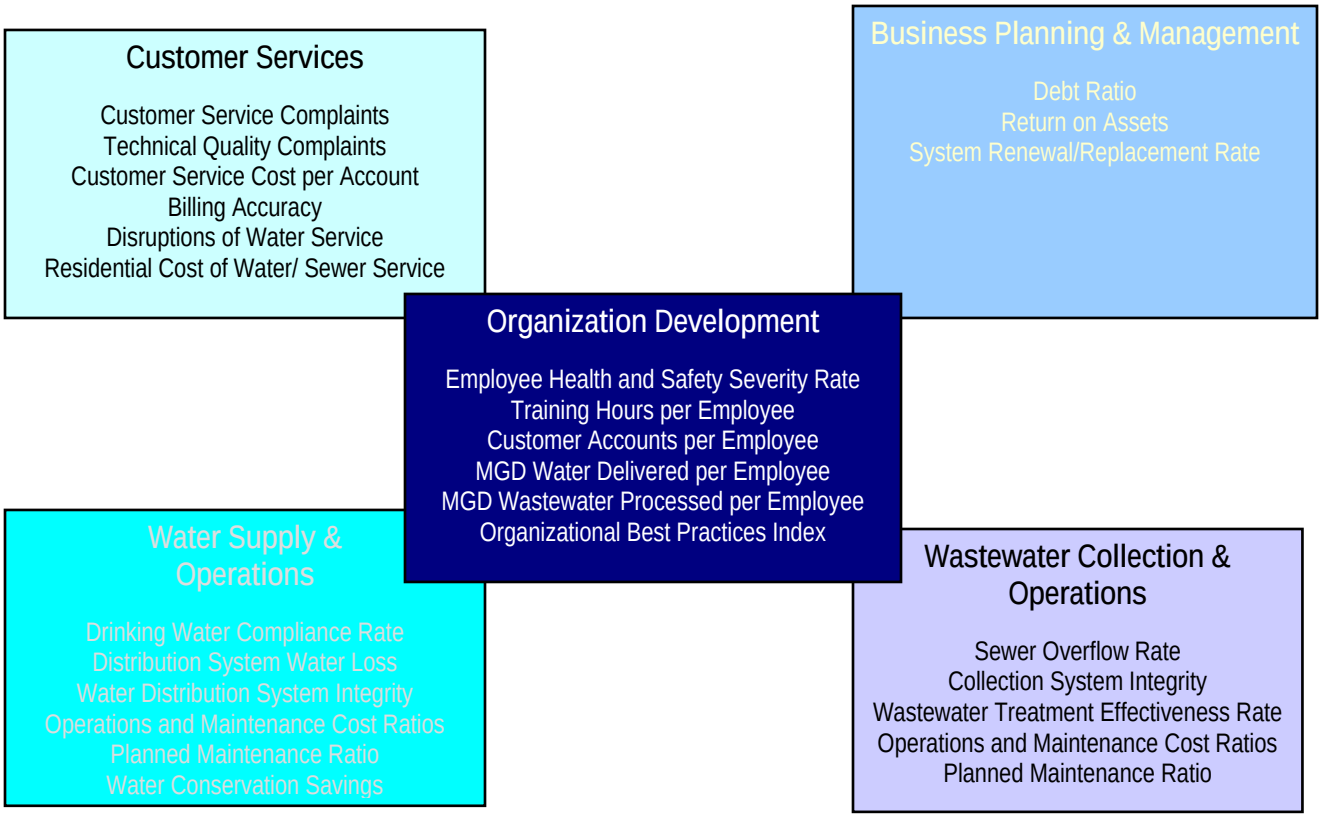
The Water Authority's Performance Plan is organized by the Water Authority's Five-Year Goal areas which are modeled after AWWA's QualServe business model. The QualServe model is modeled from fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming Award, and the International Standards Organization series of quality standards. The model characterizes the work of the typical water and wastewater utility around five business systems. Figure 1 shows the Water Authority's Five-Year Goals which parallels the QualServe model. The Water Authority also has developed guiding goal statements for each goal area which explains the long-term desired result for that goal.

Figure 1: Water Authority's Five-Year Goals



The Performance Plan contains 23 performance measures. The performance measures are organized by the Water Authority's Five-Year Goal areas shown in Figure 2. The performance measures are linked to the Goal areas in that the tracking of the metric is used to achieve the long-term desired result for that goal.

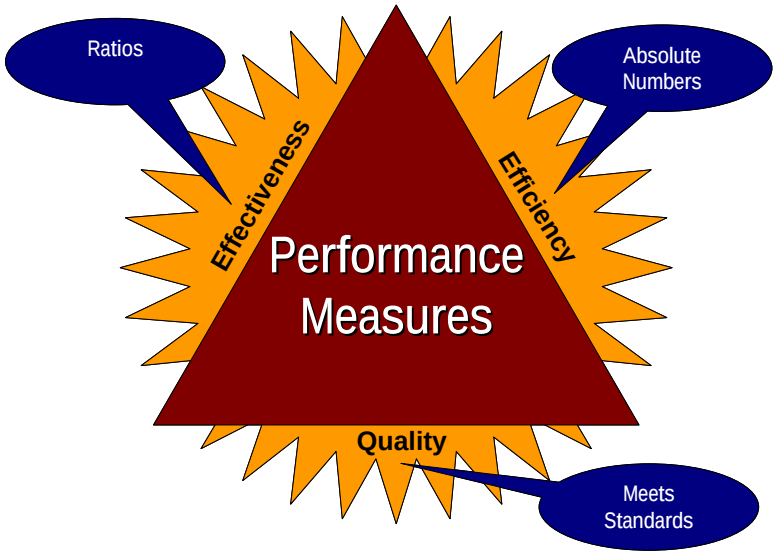
Figure 2: Performance Measures by Goal Area



Performance Measure Types

The Plan's performance measures fall into three main categories: Quality, Effectiveness and Efficiency. Quality measures are presented as standards. Effectiveness measures are presented as ratios. Efficiency measures are presented as absolute numbers.

(1) *Standards*, such as meeting drinking water quality standards
(2) *Ratios*, such as operation and maintenance costs per million gallons of water or wastewater processed
(3) *Absolute numbers*, such as the monthly bill for a residential water or wastewater customer



Performance Plan Logic Model

The Performance Plan presents each performance measure through an *evaluation logic model*. The logic model is a systematic and visual method that shows how performance measures quantify what is being done (inputs), how well it is being done (outputs), and why it is being done (outcomes). *Inputs* are the specific data needed to construct and calculate each performance measure. These resources may include dollars, hours, people or material resources used to produce an output. *Outputs* are the product of the calculation of the inputs and describe the level of effectiveness of each performance measure. The outputs are the metrics that are benchmarked with other utilities. *Outcomes* are the desired result of the performance measure that the Water Authority would like to achieve in connection with its long-range goals and with its shorter-term objectives. The logic model is used to show where the organization wants to be and how it can get there.

Simply stated, the performance measures identify gaps in service delivery or performance. They are used to help monitor the Water Authority's performance and to develop performance targets. The Water Authority sets performance targets that are aligned with the desired outcomes to determine how effective or efficient the organization is in achieving the desired outcome. The Water Authority uses the desired outcomes to create an ongoing discussion with its stakeholders and show why decisions are made in prioritizing and allocating financial resources.

The Five-Year Goals and One-Year Objectives are incorporated into the logic model. Figure 3 shows the alignment between the goals, objectives and performance measures in the logic model. With the performance measures being used to identify gaps, the One-Year Objectives which are policy directives from the Water Authority Board are used to close performance or service delivery gaps and improve performance levels. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some Objectives are related to completing projects or improving programs.

Figure 3: Logic Model Alignment of Goals, Objectives and Performance Measures

Benchmarking and Industry Peer Group

The Performance Plan contains three years of actual prior year data (FY08 through FY10) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY11) as well as projected performance in the proposed budget year (FY12). The Plan allows the Water Authority to benchmark its performance from year to year and to determine how its current and projected performance compare to baseline past performance. Overall, the Performance Plan's logic model incorporates five years of data in determining it's performance, evaluating trends, and determining projected performance.

In addition to assessing its performance year to year, the Water Authority also compares its performance with that of other utilities in its *industry peer group*. As stated in the Introduction section, the Water Authority obtains its comparative data from the AWWA QualServe Benchmarking Performance Indicators Survey. By benchmarking with other utilities, the Water Authority is able to assess its performance relative to other high-performing utilities. For each performance measure, the industry peer group is presented throughout the Plan.

Industry Peer Group	
1)	**Combined Water/Sewer** Represents those utilities designated as providing both water and wastewater services
2)	**Populations greater than 500,000** Utilities that serve populations greater 500,000
3)	**Western Utilities (region designated by the US Census Bureau)** States include: AZ, CO, ID, NM, MT, UT, NV, WY, AK, CA, HI, OR, WA

Strategic Planning, Budgeting and Improvement Process

The Performance Plan is a component of the *Strategic Planning, Budgeting and Improvement Process* that is discussed in Volume 1-Financial Plan. This Process drives the development of the annual operating and capital budgets by providing data used to set performance goals, as well as allocate and prioritize resources. Performance measures provide an approach for strategically allocating and prioritizing resources to balance the level and cost of services with customer expectations. For example, higher treatment costs may be the desired outcome to improve customer satisfaction.

As a part of the Strategic Planning, Budgeting and Improvement Process, the Five-Year Goals, One-Year Objectives, and performance measures are integrated through the use of the logic model in order to achieve service delivery and performance improvement. A good example of the integration between performance measures and objectives is the Employee Health and Safety Severity Rate (see pages 91-92) which measures the rate of employee days lost from work due to illness or injury. Since starting the benchmarking process, the Water Authority noticed that its lost workdays were on average fifteen times higher than other utilities. As a result, the Water Authority has used the Objectives to implement several programs including safety incentive bonuses to reduce the number of employee lost days. Overall, the integration of the performance measures and objectives are used to achieve the long-term desired results of the Water Authority's Five-Year Goals.

Performance Accountability & Budgeting

Each Water Authority division manager is responsible for their respective goal areas and objectives and for tracking their performance. The Executive Director, who is the champion and supportive leader of the performance management, meets with the division managers and their staff to review progress reports on the performance measures and objectives. The Water Authority Board is provided quarterly status reports on the One-Year Objectives and annually on the Performance Plan. Also, results of a customer opinion survey are presented biannually to the Board. The survey allows the Water Authority to track customer satisfaction on the

programs, policies, and operational performance of the organization. Several survey questions are tied to the performance measures and levels of service. In this way, the survey provides qualitative data that relates to quantitative data from the benchmarking to ensure that the Water Authority is balancing performance improvement with customer expectations.

The Water Authority also uses performance measures and performance targets in conjunction with the review of the annual budget. The Executive Director and the managers integrate performance reporting into the budget process in order to focus the budget discussion on the allocation of resources and to address performance gaps. The manager's budget requests are tied either to performance measure targets or objectives in terms of providing a justification for their purpose. By integrating the objectives and performance measures into the budget process, the Water Authority has moved from just measuring performance to managing performance and how and what it what it wants to achieve. As a result, the Water Authority has become more transparent and accountable to its customers and the governing board.

Performance Measurement Linkage to Asset Management Planning

The Water Authority has established an asset management program with a steering committee to oversee the program. The program is an extensive, well thought out 'Business Model' that helps the Water Authority make better acquisition, operations and maintenance, renewal, and replacement decisions. The principles of asset management were developed to address the critical problem of aging public infrastructure and changing utility business environment. The Water Authority has completed an Asset Management Plan (AMP) which provides a 30-year projection that will allow the Water Authority to budget for renewals and replacements into the future. The Water Authority uses performance measures, performance targets, and the customer opinion survey to develop its levels of service to deliver the defined services at the lowest life-cycle cost. In quantifying its performance, the Water Authority has begun to balance its performance with the levels of service, cost of service, customer expectations, and business risk. As a part of its AMP, the Water Authority has developed its levels of service to coincide with its performance measures at the Goal level.

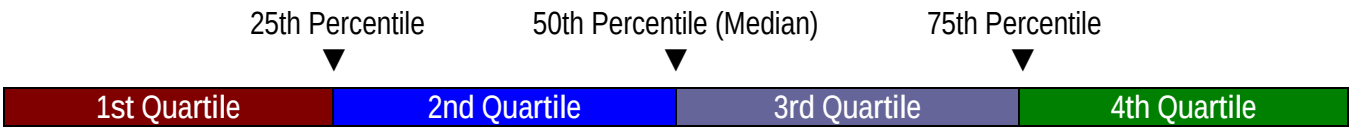
Communicating Performance Measurement

Performance measurement results and progress in meeting performance targets are communicated to elected officials and customers through this report, and to employees through-out the organization. Increasing employee understanding of the performance measures and the organization's long-term goals is a critical step in achieving the Water Authority's long-term goals. The Employee Health and Safety Severity Rate is a good example how the Water Authority educated the importance of meeting its goals and making safety a high priority in the organization.

Presentation of Data

The Performance Plan's comparative data is presented in quartile rankings. The top quartile reflects the 75th percentile, and the bottom quartile reflects the 25th percentile. The median is the 50th percentile value. Figure 4 illustrates the four quartiles. Data in the 2nd and 3rd quartiles is described as the "median range." Data in the median range includes 50% of all the values submitted for each performance measure. This range is considered nominal or representative of the majority of the data.

Figure 4: Percentile/Quartile Illustration

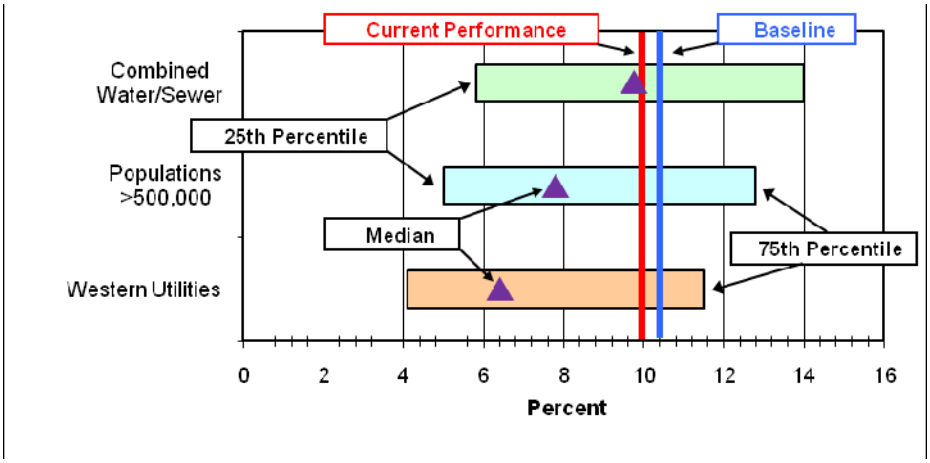


Using the Performance Comparison Chart

Figure 5 provides an example of the median range of values for the industry peer group. The green, blue and orange horizontal bars illustrate the median range (the 2nd and 3rd quartiles) of the industry peer group. The ends of the bars on the left are the boundaries for the 25th percentile, and the ends of the bars on the right are the boundaries for the 75th percentile. The purple triangles on each bar indicate the median value, the 50th percentile, in the range. The vertical blue line represents the Water Authority's baseline performance and the vertical red line represents the Water Authority's latest actual performance.

In the example provided in Figure 5, the chart shows that the Water Authority's current performance is within the "median range" of all three categories of the industry peer group. Assuming that a low value for this measure is desirable, the Water Authority's performance is below the median value when compared to those utilities greater than 500,000 population and those utilities located in the Western United States. Any performance value greater than the 75th percentile would indicate poor performance. Whereas, any performance value less than 25th percentile would indicate excellent performance. For each performance comparison chart, there will be an indication of whether higher or lower values are desirable.

Figure 5: Example Performance Measure – Percentiles Indicated



Layout of Performance Plan

The performance measures are categorized by the Water Authority's Five-Year Goal areas.

- Each Goal area section provides an overview of the Goal with a Guiding Goal Statement and Goal Performance Scorecard for each performance measure.
- Each Goal area section shows how the Objectives are linked to the performance measures and their scorecard status.
- Each performance measure is presented through a logic model of inputs, outputs and outcomes as well as comparative statistics and charts to illustrate how the Water Authority is performing year to year and how it is performing compared to the industry peer group.

A results narrative includes a discussion and analysis of how the performance measure meets anticipated performance targets and long-range goals. If the targets are not being met, an explanation is provided for the reason and what is expected in the future. The Performance Plan also indicates if there are One-Year Objectives related to a performance measure to show how policy directives are used to improve service delivery and/or minimize performance gaps. In addition, the Performance Plan provides customer opinion survey statistics to show how customer expectations relate to the performance measure.

Goal 1
Water Supply and Operations

Guiding Goal Statement

Provide a reliable, safe, affordable, and sustainable water supply by transitioning to renewable supplies and minimizing long term environmental impacts on the community and natural resources while ensuring the ability of the community to grow in a responsible manner.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
1-1	Drinking Water Compliance Rate	▲	▲
1-2	Distribution System Water Loss (Apparent Loss)	■	■
1-2	Distribution System Water Loss (Real Loss)	▼	■
1-3	Water Distribution System Integrity	■	■
1-4	O&M Cost Ratios: O&M Cost per account	■	■
1-4	O&M Cost Ratios: O&M Cost per MG processed	■	■
1-4	O&M Cost Ratios: Direct cost of treatment per MG	▲	▲
1-5	Planned Maintenance Ratio: hours	▼	▼
1-5	Planned Maintenance Ratio: cost	▼	▼
1-6	Water Conservation Savings	▲	▲
	Overall Goal Status	■	■

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11/FY12 Objectives	Measure Reference	FY10 Status	FY11 Status	FY12 Estimate
Develop collaborative program-specific protocol agreements to document monitoring and analytical activities in support of regulatory compliance and process control requirements (FY11)	**1-1**	NA	■	■
Process model business practices for Water Quality, NPDES, and Water Quality Laboratory programs to improve efficiencies and define key performance metrics (FY11)	**1-1**	NA	■	■
Develop procedural conventions for all regulatory submittals to assure zero procedural violations with 100% of regulatory reports submitted on or before due date (FY11)	**1-1**	NA	■	■
Develop performance metrics and implement a reporting system for turnaround-time and hold-time performance at the Water Quality Lab (FY12)	**1-1**	NA	NA	▲
Monitor emerging SDWA and CWA regulations to identify and assess potential impacts (FY12)	**1-1**	NA	NA	■
Improve the reliability of compliance results by developing an environmental monitoring Quality Assurance Program (FY12)	**1-1**	NA	NA	■
Maintain completion of all stopped meter requests within 3 months of notification (FY10/FY11/FY12)	**1-2**	■	■	■
Implement the Automated Meter Infrastructure program for meter replacement (FY10/FY11/FY12)	**1-2**	■	▲	▲
Continue implementation of water loss programs through leak detection (FY10/FY11/FY12)	**1-2** **1-3**	■	■	▲
Increase water operations planned maintenance for groundwater facilities (FY10/FY11/FY12)	**1-5**	■	▲	▲
Achieve water use goal of 150 gallons per person per day by 2014 (FY10/FY11/FY12)	**1-6**	▲	▲	▲

Performance Key

▲	■	▼
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

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Performance Measure Division Responsibility

Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance	Operations Water Resources, Engineering & Planning
1-1	Drinking Water Compliance Rate	✓		✓	
1-2	Distribution System Water Loss		✓		✓
1-3	Water Distribution System Integrity		✓		✓
1-4	O&M Cost Ratios: O&M Cost per account	✓	✓		
1-4	O&M Cost Ratios: O&M Cost per MG processed	✓			
1-4	O&M Cost Ratios: Direct cost of treatment / MG	✓			
1-5	Planned Maintenance Ratio: hours	✓	✓		✓
1-5	Planned Maintenance Ratio: cost	✓	✓		✓
1-6	Water Conservation Savings				✓

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1-1 Drinking Water Compliance Rate

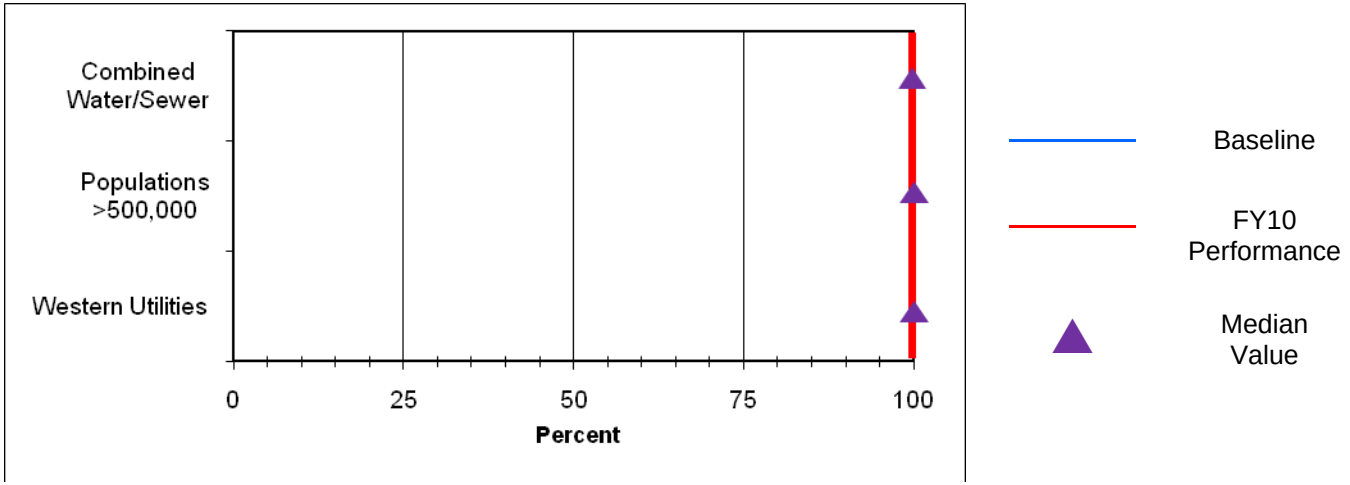
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Quality	Quantify the percentage of time each year that the Water Authority meets all of the health related drinking water standards in the US National Primary Drinking Water Regulations	Number of days in full compliance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	Provide safe and reliable drinking water to our customers 100% of the time

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
100%	100%	100%	100%	100%	100%	100%	100%	100%

Performance Comparison Chart



Generally, higher values are desirable

Results Narrative

The drinking water compliance rate indicates the percent of time that a drinking water utility is in full compliance with all of the water quality contaminants and treatment techniques mandated for public water systems in the United States. A utility measures its compliance relative only to those primary maximum contaminant levels and treatment techniques that apply to its operations. The drinking water compliance rate uses simple tests of "in compliance" and "not in compliance." As a performance measure for comparative analysis, the drinking water compliance rate allows a utility to gauge its compliance with health-related drinking water parameters relative to other water utilities reporting data into the comparative analysis system.

Measurement Status

The Water Authority has been in 100% compliance for the past three fiscal years and is on-target to meet 100% compliance for the next two fiscal years.

In December 2008, the Water Authority began distribution of treated surface water mixed with ground water resources as part of the San Juan-Chama Drinking Water Project (SJCDWP). For FY11, the Water Authority operated the new surface water treatment plant in phased capacity with a gradual increase to minimize water quality changes. In 2009, the Water Authority directed an independent review of key water quality and treatment issues for the SJCDWP treatment plant. The study was performed by Dr. Kerry Howe, a professor of engineering at the University of New Mexico and a world-renowned expert in water treatment. The study concluded that the new plant will meet or exceed all Safe Drinking Water Act regulations.

For FY12, the Water Authority developed several policy objectives to improve the processes and procedures for water quality compliance reporting. The Water Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions.

2010 Customer Opinion Survey

- 98% of customers are either very or somewhat satisfied with the reliability/availability of water
- 81% of customers are either very or somewhat satisfied with the quality of drinking water

FY12 Related Objectives

- Develop performance metrics and implement a reporting system for turnaround-time and hold-time performance at the Water Quality Lab by the end of the 4th Quarter of FY12.
- Monitor emerging State and Federal Safe Drinking Water Act and Clean Water Act regulations to identify and assess potential impacts on the Water Authority and provide quarterly reports by the end of the 4th Quarter of FY12.
- Improve the reliability of compliance results by developing an environmental monitoring Quality Assurance Program and implement its provision for State and Federal Safe Drinking Water Act and Clean Water Act by the end of 4th Quarter of FY12.

1-2 Distribution System Water Loss

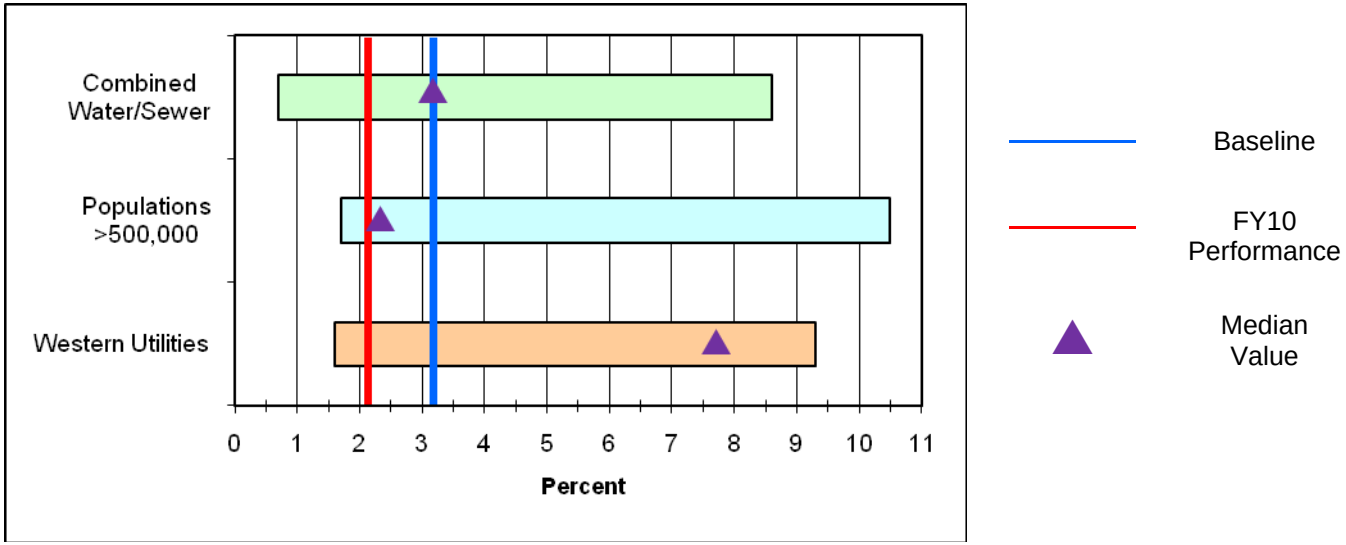
Performance Results (Apparent Losses)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Quantify the percentage of produced water that is not properly measured, accounted or paid for	Total water unbilled, meter inaccuracies, data handling errors, total water distributed	3.2%	3.7%	3.8%	2.1%	2.1%	2.0%	Improve water use efficiency and recover lost revenue

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.7%	3.2%	8.6%	1.7%	2.4%	10.5%	1.6%	7.8%	9.3%

Performance Comparison Chart



Generally, lower values are desirable

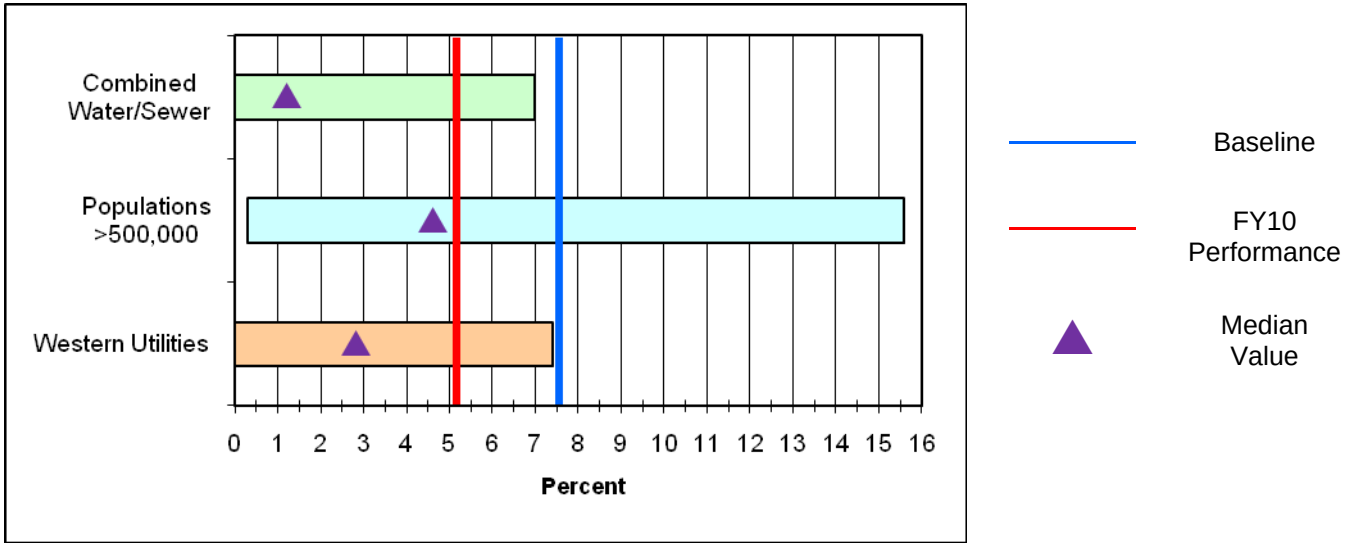
Performance Results (Real Losses)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Quantify the percentage of produced water that fails to reach customers and cannot otherwise be accounted for through authorized usage	Total water loss from leakages, total water distributed	7.6%	8.7%	8.9%	5.1%	4.9%	4.8%	Improve water use efficiency and recover lost revenue

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.0%	1.2%	7.0%	0.3%	4.7%	15.6%	0.0%	2.8%	7.4%

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

Distribution system water loss is the difference between the volume of water distributed for use by all customer classes and the volume of water actually consumed by authorized users. There are many factors contributing to distribution system water loss. The major ones are leakage, metering inaccuracies, and unauthorized consumption. Among these, only leakage is a true loss of water. Metering inaccuracies affect the utility's capability for measuring true loss, but such inaccuracies can lead to both overstatements and understatements of the true loss. Unauthorized consumptions diminish revenues and should be dealt with, but they are not real losses of water. Because water losses impact revenues, it is important that a utility have practices in place to understand the specific causes of losses in its system. Tracking water losses will help the Water Authority understand the condition of distribution system infrastructure and the effects of its operation, maintenance, and replacement practices. This measure provides opportunity for the Water Authority to compare the distribution system water loss against that in the distribution systems of other utilities.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. In FY09, the Water Authority began its leak detection program that focused on finding water line leaks before they surface, fixing leaking hydrants, and improving meter inaccuracy. This program will help move the Water Authority's performance in line with utilities in the Western United States where water is a more scare resource. There are four FY12 objectives that consist of reducing both revenue and non-revenue water loss. The Water Authority now has the resources in place to establish metrics for leak detection in order to reduce distribution water loss.

2010 Customer Opinion Survey

- 69% of customers are either very or somewhat satisfied with the condition of the water lines in the number of leaks that they may observe surfacing

FY12 Related Objectives

- Complete and close 80% of all inoperable meter work orders within 3 months of notification through the end of the 4th Quarter of FY12.
- Reduce distribution water loss by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY12.
- Conduct pilot project on large diameter water line leak detection methods and complete evaluation of technologies by the end of the 4th Quarter of FY12.
- Develop and begin implementation of a valve exercising program to minimize property damage and water loss and capture the global positioning system location by the end of the 4th Quarter of FY12.

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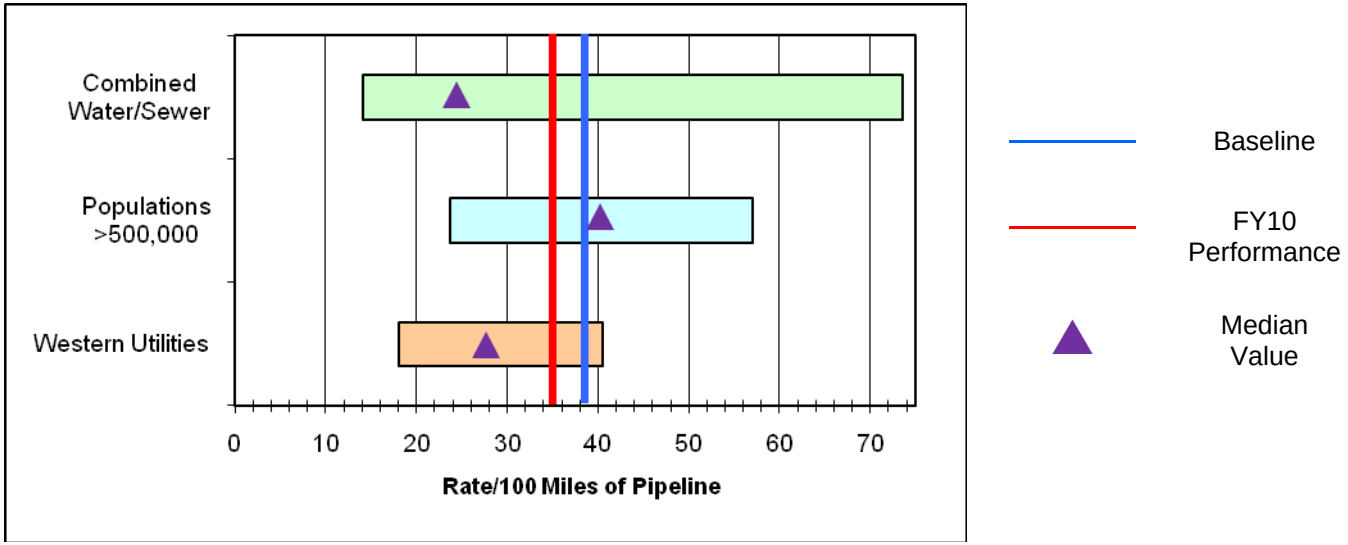
1-3 Water Distribution System Integrity

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	38.4	49.0	31.2	35.1	34.0	33.9	Improve the condition and reliability of the water distribution system and reduce emergency repairs and water supply interruptions

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
14.1	25.5	73.6	23.7	40.1	57.0	18.1	28.6	40.5



Generally, lower values are desirable

Results Narrative

For a water utility, distribution system integrity has importance for health, customer service, operations, and asset management reasons. Excessive leaks and breaks result in increased costs due to an increased number of emergency repairs. Utilities use operational and maintenance (O&M) procedures designed to reduce the value of this measure. The cost of these (O&M) programs must be balanced against the cost of emergency repairs and the consequences of water supply interruptions. Comparing the value of this measure with other utilities can provide information on the rate that many utilities may find acceptable.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. The Water Authority has adopted policy objectives for the past three fiscal years to increase spending on water line rehabilitation which will help reduce emergency repairs and water supply interruptions. Since FY08, the Water Authority has invested $1 million in steel water line rehabilitation in addition to planned water line rehabilitation spending. The purpose for this objective is to target steel lines because they leak the most in the system. The Water Authority included as an objective for FY12 to continue spending an additional $1 million in steel water line rehabilitation. In the last five years, the Water Authority has seen a decrease in leaks from steel water lines by 50%. For FY11, the Water Authority completed a ten-year asset management plan for its small diameter water lines. This plan will be implemented in FY12 in order to replace water lines that are past their useful life and have had multiple leaks.

2010 Customer Opinion Survey

- 64% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to repair leaks and the response time for restoring service

FY12 Related Objectives

- $1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY12.

1-4 Operations and Maintenance Cost Ratio

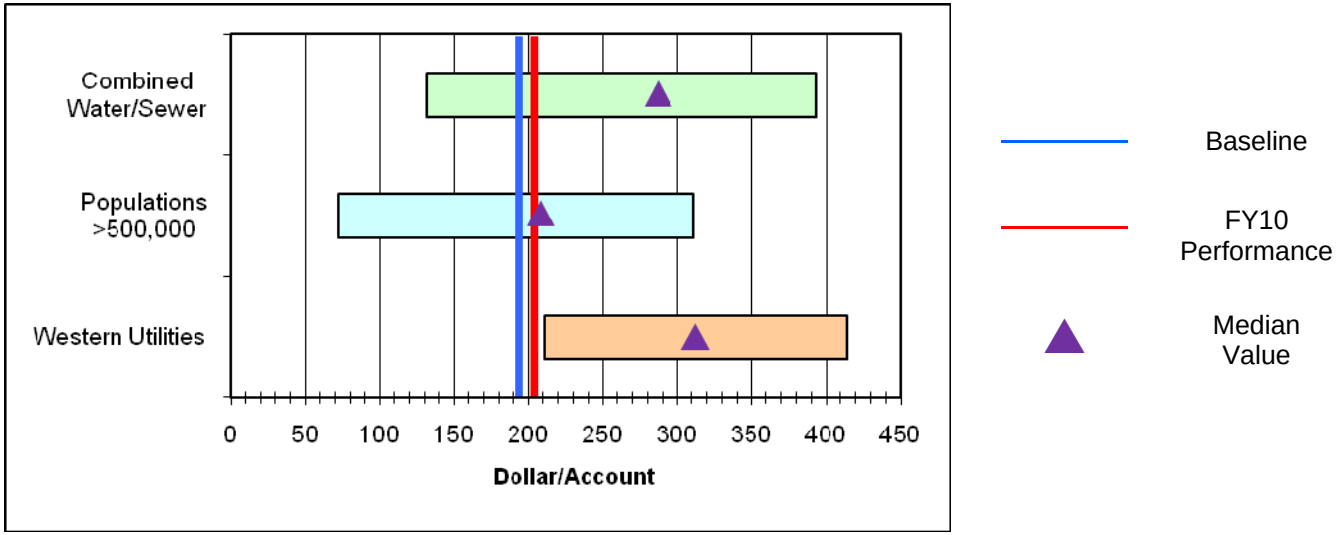
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$196	$177	$208	$202	$213	$208	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$131	$278	$393	$72	$210	$311	$211	$311	$414

Performance Comparison Chart for O&M Cost per Account



Generally, lower values are desirable

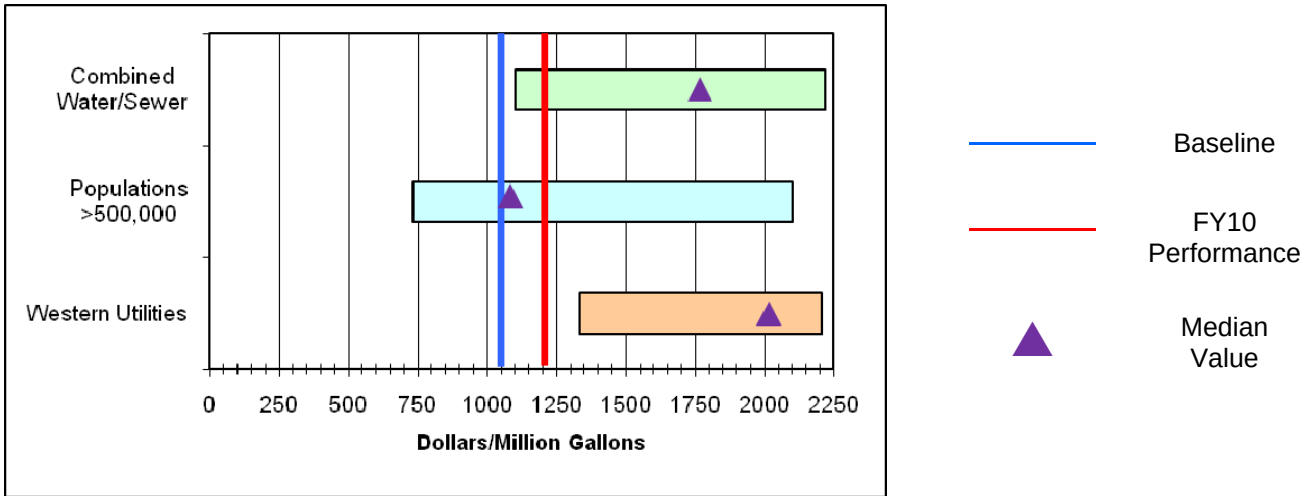
Performance Results for O&M Cost per MG Distributed

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total volume of water distributed	$1,114	$968	$1,168	$1,206	$1,280	$1,278	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Distributed

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$1,100	$1,760	$2,218	$731	$1,177	$2,100	$1,332	$2,005	$2,206

Performance Comparison Chart for O&M Cost per MG Distributed



Generally, lower values are desirable

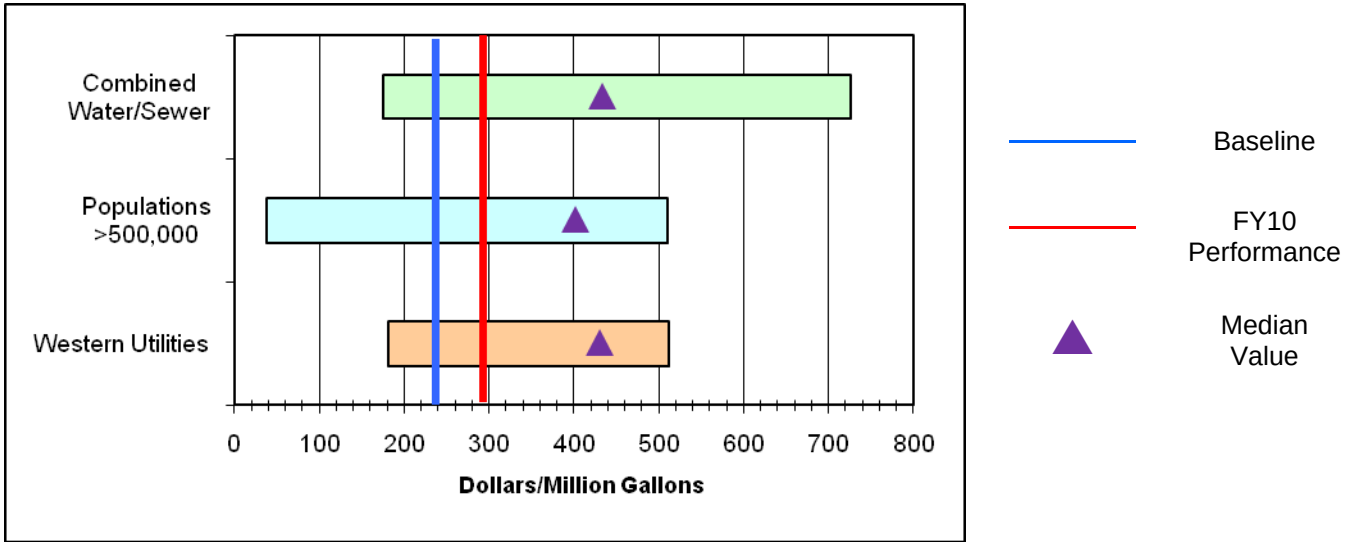
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	$239	$40	$384	$293	$325	$399	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$176	$443	$726	$38	$403	$511	$182	$429	$512

Performance Comparison Chart for O&M Cost of Treatment per MG



Generally, lower values are desirable

Results Narrative

These related measures tally the cost of O&M per account and per million gallons of water processed. Comparing the value of this measure with other utilities can provide information regarding the status of current accepted practices.

Measurement Status

The Water Authority's performance in this measure has been within or above the median range for the past three fiscal years. O&M costs have increased with operating the new surface drinking water plant. The Water Authority is working on treatability studies to determine the optimum chemical doses for the surface water treatment plant which will help reduce operation costs. The Water Authority continues to work on optimizing chemical use at the treatment plant. Moreover, the Water Authority is developing a comprehensive energy master plan that will include demand and potential energy reduction measures and costs to implement alternative clean energy sources for use by the Water Authority.

1-5 Planned Maintenance Ratio

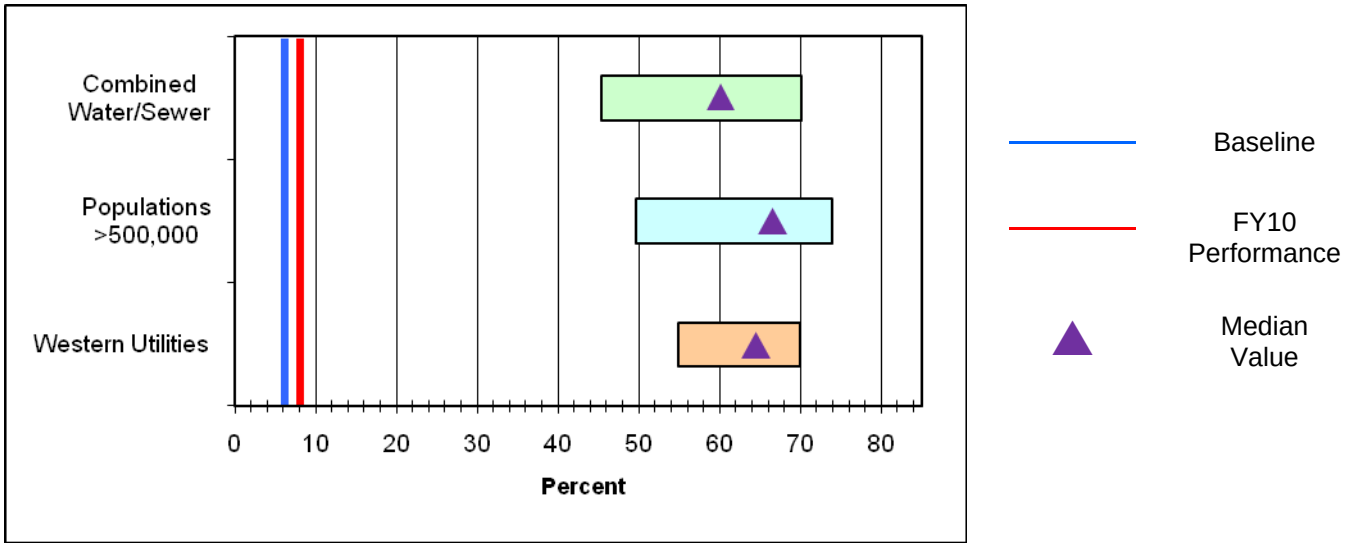
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	6%	5%	5%	8%	8%	8%	Reduce emergency maintenance from system malfunctions

Industry Benchmark (Hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
70%	60%	45%	74%	67%	50%	70%	65%	55%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

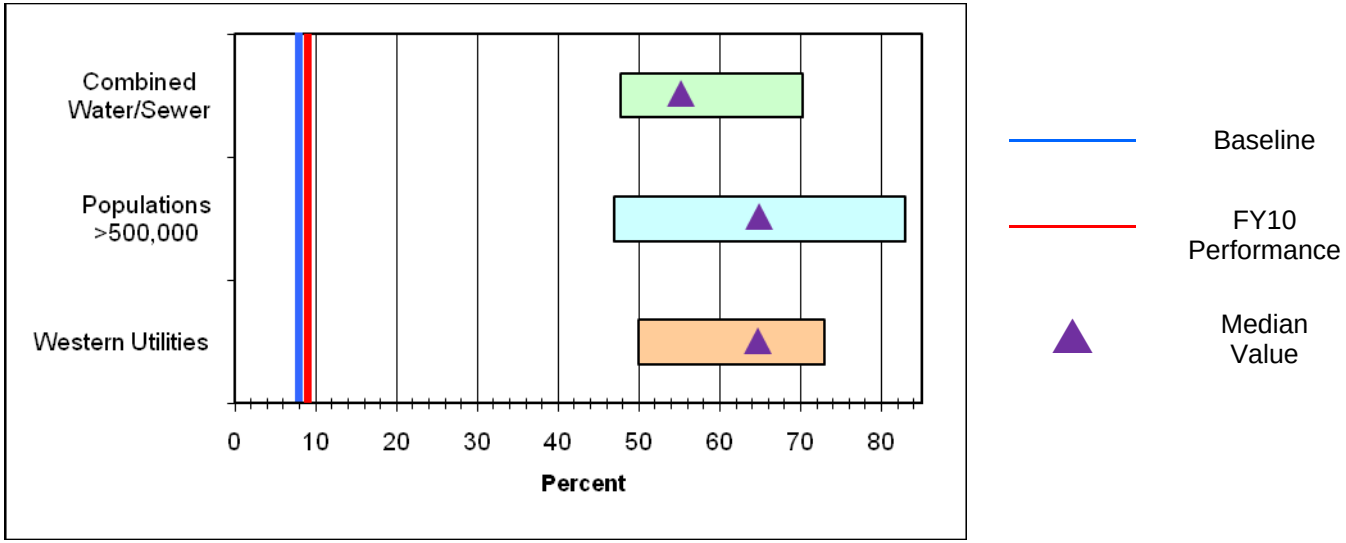
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	8%	8%	7%	9%	6%	6%	Reduce emergency maintenance from system malfunctions

Industry Benchmark (Cost)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
70%	55%	48%	83%	65%	47%	73%	64%	50%

Performance Comparison Chart (Cost)



Generally, higher values are desirable

Results Narrative

Planned maintenance includes preventive and predictive maintenance. Preventive maintenance is performed according to a predetermined schedule rather than in response to failure. Predictive maintenance is initiated when secondary monitoring signals from activities indicate that maintenance is due. All other maintenance is categorized as corrective (i.e., maintenance resulting from an asset that is no longer providing reliable service such as a breakdown, blockage, or leakage). Planned maintenance is preferable for assets for which the cost of repairs is high relative to the cost of corrective maintenance. The avoided cost includes both the cost of repair and the cost consequences of the service disruption, with the latter including an allowance for customer costs. Many utilities want to increase their percentage of planned maintenance activities and reduce their percentage of corrective maintenance activities. A higher ratio may indicate a reduction in emergency maintenance resulting from system malfunctions (e.g., pipeline breaks or pump failures).

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years. Since FY08, the Water Authority has used this performance measure to identify gaps in planned/preventative maintenance activities. Over the past two fiscal years, the Water Authority has focused on increasing water operations planned maintenance for its groundwater facilities. For the distribution system, the Water Authority will be increasing planned maintenance by implementing a leak detection program mentioned in Performance Measure 1-2, Distribution System Water Loss.

Planned maintenance is a key component to the Water Authority's asset management program. In FY08, the Water Authority sent several operation and maintenance staff to a maintenance training conference to learn how to replace costly and ineffective reactive activities, how to create reliability and managing physical assets, how to create an effective maintenance training program, and to listen to hear case studies and learn advanced techniques in preventative maintenance. In FY09, the Water Authority hired four planners/schedulers to assist in coordinating and scheduling work orders and projects to maximize efficiency and enhance productivity. Moreover, these new planners/schedulers will be dedicated to developing and updating predictive, preventative and condition-based maintenance programs and participate in monitoring and evaluating the programs' effectiveness. In FY10, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets.

FY12 Related Objectives

- Increase ground water planned maintenance by completing 2,200 labor hours by the end of the 4th Quarter of FY12.

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1-6 Water Conservation Savings

Performance Results (Gallons per Capita)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2008	2009	2010	2011	2012	
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class and system-wide per capita usage	Gallons per person per day (GPCD)	159	161	159	157	155	153	Reduce water consumption to extend water resources and minimize environment impacts

Currently, there is no industry standard for measuring water conservation savings. Water conservation is not a performance measure that is tracked on the national scale. The latest regional report was in 2001 that included thirteen western communities. The Water Authority tracks per capita use and water conservation goals with five comparable southwestern communities. They include Tucson, Denver, Colorado Springs, El Paso and San Antonio. Table 1-6-1 below compares the Water Authority's per capita use and gallons per capita per day (GPCD) goal with the other communities.

Table 1-6-1 - GPCD Community Comparison

Community	Current GPCD	GPCD Goal	Year to Achieve Goal
Albuquerque, New Mexico	157	150	2014
Tucson, Arizona	141	162	2010
Denver, Colorado	170	165	2016
Colorado Springs, Colorado	165	162	2017
El Paso, Texas	135	140	2010-2020
San Antonio, Texas	124	116	2016

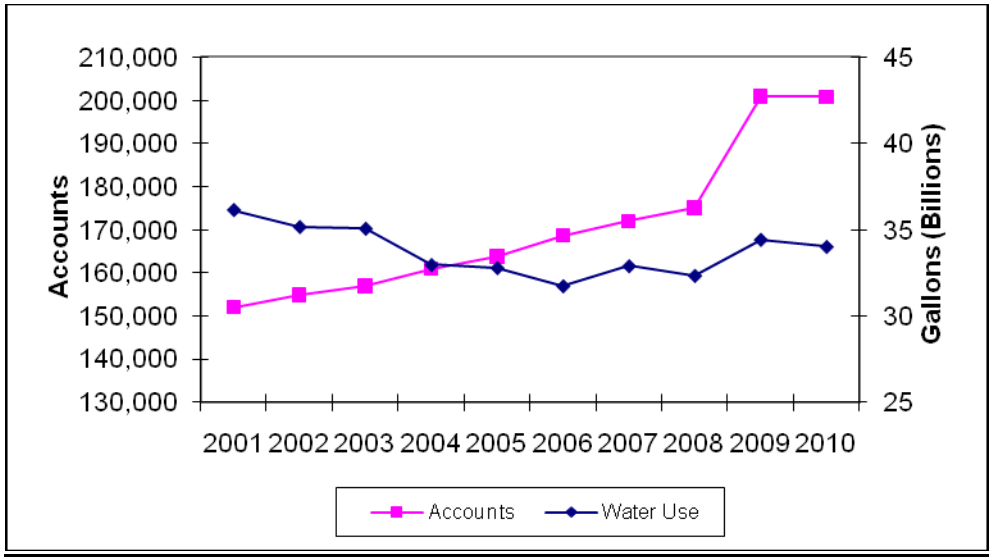
The Water Authority evaluates water use reduction by customer class to compare the relative number of gallons being used daily by each customer class to previous years. In 2009, many accounts were removed from the Institutional customer class and transferred to the class designated as Other. This accounts for the large drop in the usage of the Institutional customer class and the corresponding increase in usage of the Other class. In 2008, there was a 4% reduction in water use for all customer classes. In 2009 and 2010, there was a 1% reduction in water use for all customer classes.

Table 1-6-2 - Water Usage by Customer Class in Gallons per Account per Day

Customer Class	2007	2008	2009	2010
Residential	81.3	76.1	77.8	72.8
Commercial	19.3	23.5	23.1	22.1
Multi-family	23.6	22.3	19.7	20.1
Industrial	1.6	1.0	1.0	.94
Institutional	17.4	15.4	6.6	7
Non-Revenue Water	22.0	21.3	19.4	21.5
Other	1.7	1.6	11.4	12.5
Total	**166.9**	**161.2**	**158.9**	**156.9**

Results Narrative

In 2010, the Water Authority decreased its pumping by 13% despite a 38% growth in customer accounts compared to the baseline years (1987-1993). There was a sharp increase in customer accounts in 2009 with the acquisition of NMUI, adding about 17,000 accounts; however, most of the customers were are residential whose homes were built in the last ten years with low-water conservation fixtures so water use only increased by seven percent. The graph to the right compares water use with accounts from 2001 to 2010.



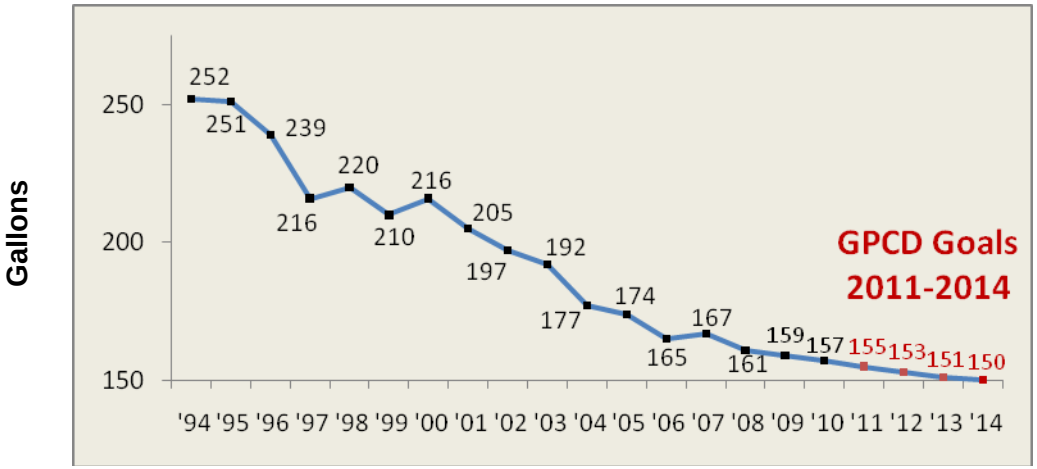
Since the beginning of the conservation program over 176 billion gallons of water have been saved. This is enough water to serve the entire population of the service area for 5 years.

Water Authority customers used about two gallons less per person per day in 2010 than in 2009, bringing the metropolitan area's daily per-person water usage down to 157 gpcd. The Water Authority will continue to reduce water consumption by implementing several initiatives to reduce outdoor consumption and to target commercial and institutional users. The Water Authority evaluates its rebate program on annual basis with the help of its Customer Advisory Committee.

One reason for the success in recent years goes to the 1-2-3-2-1 "Water by the Numbers" program, which asked Water Authority customers to voluntarily limit their outdoor water usage to one day per week in March, two days a week in April and May and three days a week in the summer before ramping down in the fall.

A major success for the Water Authority was its three year toilet retrofit campaign called "The Great Flush Rush". From 2007 through 2009, customers replaced more than 25,600 high-flow toilets with low-flow or high efficiency models and earned more than $3.5 million in rebates. The total water savings over the three-year period is estimated at 135 million gallons. Water Authority customers can also qualify for rebates of $200 for high-efficiency toilets, and rebates also are available for hot-water recirculation systems, multi-setting sprinkler controllers, rain sensors, rain barrels, compost, and replacement of turf with low-water use landscaping (xeriscaping).

The Water Authority's goal is to reduce per capita per day to 150 gpcd by 2014. The Water Authority must reduce per-capita water consumption under state requirements for the San Juan-Chama Drinking Water Project. The diagram below shows the Water Authority's progress since 1994 and the 150 gallons per person goal in 2014.



Gallons Per Capita Per Day 1994 – 2009

2010 Customer Opinion Survey

- 80% of customers are either very or somewhat satisfied with the education they receive on water issues and conservation programs
- 78% of customers feel that it is very or somewhat important for the Water Authority to increase water conservation programs

FY12 Related Objectives

- Achieve water use of 155 gallons per person per day by the end of the 2nd Quarter of FY12.

Goal 2
Wastewater Collection & Operations

Guiding Goal Statement

Provide reliable, safe and affordable wastewater collection, treatment and reuse systems to protect the health of the Middle Rio Grande Valley by safeguarding the regional watershed, minimizing environmental impacts, and returning quality water to the Rio Grande for downstream users.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
2-1	Sewer Overflow Rate	■	■
2-2	Collection System Integrity	■	■
2-3	Wastewater Treatment Effectiveness Rate	▼	▼
2-4	O&M Cost Ratios: O&M Cost per account	▲	▲
2-4	O&M Cost Ratios: O&M Cost per MG processed	▲	▲
2-4	O&M Cost Ratios: Direct cost of treatment per MG	▲	▲
2-5	Planned Maintenance Ratio: hours	▼	■
2-5	Planned Maintenance Ratio: cost	▼	■
	Overall Goal Status	■	■

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Status	FY12 Estimate
Utilize asset management decision-making for selection of FY12 Large Diameter Sewer Rehabilitation project; continue study of small diameter sanitary sewer overflows and develop mitigations for evaluated overflows based on asset management principles (FY11)	**2-1**	NA	▲	▲
Optimize the PRI-SC (Peroxide Regenerated Iron – Sulfide Control) program for odor control in the Collection System and at the Southside Water Reclamation Plant (FY11/FY12)	**2-2**	NA	▲	▲
Limit overall permit excursions to no more than 5 operating discharge permit violations (FY10/FY11/FY12)	**2-3**	▼	▼	▼
Monitor emerging SDWA and CWA regulations to identify and assess potential impacts (FY12)	**2-3**	NA	NA	■
Improve the reliability of compliance results by developing an environmental monitoring Quality Assurance Program (FY12)	**2-3**	NA	NA	■
Improve compliance with the Water Authority's ordinances by continuing validation of compliance of food establishments, extra-strength discharge users, and industrial waste permit holders (FY12)	**2-3**	NA	NA	▲
Increase Southside Water Reclamation Plant planned maintenance work orders (FY10/FY11/FY12)	**2-5**	■	■	■

Performance Key

▲	■	▼
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

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Performance Measure Division Responsibility

Ref #	Performance Measure	Operations Plant	Operations Field	Operations Compliance
2-1	Sewer Overflow Rate		✓	
2-2	Collection System Integrity		✓	
2-3	Wastewater Treatment Effectiveness Rate	✓		✓
2-4	O&M Cost Ratios: O&M Cost per account	✓	✓	
2-4	O&M Cost Ratios: O&M Cost per MG processed	✓		
2-4	O&M Cost Ratios: Direct cost of treatment / MG	✓		
2-5	Planned Maintenance Ratio: hours	✓	✓	
2-5	Planned Maintenance Ratio: cost	✓	✓	

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2-1 Sewer Overflow Rate

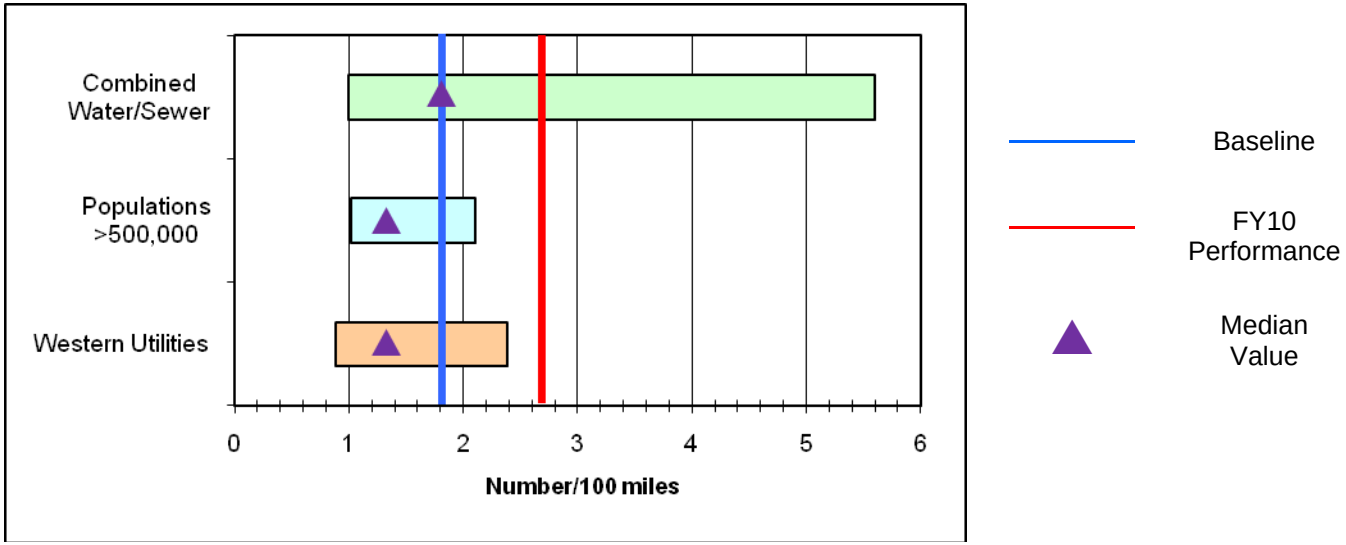
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	1.8	1.4	1.3	2.7	1.7	1.6	Improve the condition and reliability of the collection system and reduce customer complaints

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.0	1.8	5.6	1.0	1.3	2.1	0.9	1.3	2.4

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

Overflows are good measures of collection system condition and the effectiveness of maintenance activities. This measure is intended to measure overflows created by conditions within collection system components under control of the utility. This measure does not include conditions which are deemed outside control of the utility such as general flooding from wet weather conditions.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years and is on-target to maintain a very low overflow rate for the next two fiscal years. The Water Authority has been using its GIS in connection with its upgraded work order system based on asset management principles to analyze sanitary sewer overflows. The Water Authority will continue this strategy in FY11 as a policy objective.

Every year, the Water Authority provides bill inserts reminding customers not to pour cooking grease down the drain as this causes backups and overflows in the collection system; this usually occurs during the holidays. Overflows doubled in FY10 but returned back to baseline levels in FY11.

2010 Customer Opinion Survey

- 68% of customers are either very or somewhat satisfied with the condition of the sewer lines in the number of overflows that they may observe
- 56% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to respond to overflows or backups and the response time for restoring service

FY12 Related Objectives

- Utilize asset management decision-making to reduce sanitary sewer overflows and collapses through the end of the 4th Quarter of FY12.

2-2 Collection System Integrity

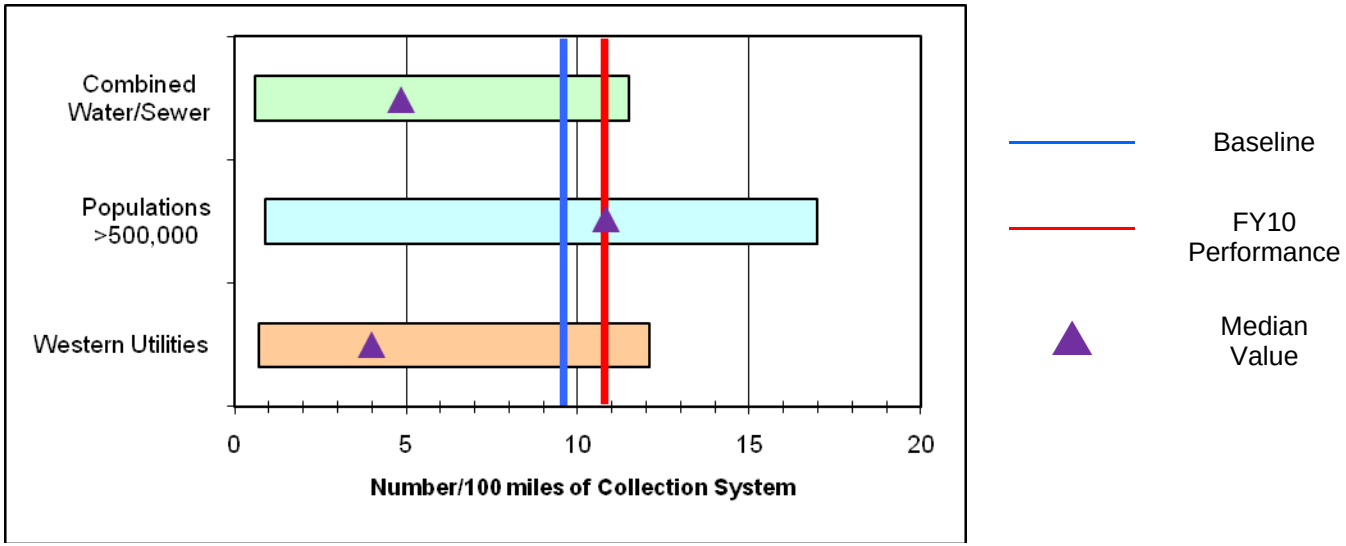
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	9.7	8.7	9.4	10.9	10.4	10.1	Improve the condition and capacity of the collection system and minimize catastrophic failures

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.6	4.8	11.5	0.9	10.9	17.0	0.7	4.0	12.1

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative
When tracked over time, a utility can compare its failure rate to those at other utilities and it can evaluate whether its own rate is decreasing, stable, or increasing. When data is maintained by the utility to characterize failures according to pipe type and age, type of failure, and cost of repairs, better decisions regarding routine maintenance and replacement/renewals can be made.

Measurement Status
The Water Authority's performance in this measure has been within the median range for the past three fiscal years. For FY11, the Water Authority completed ten-year asset management plans for both its small and large diameter sewer lines. These plans will be implemented in FY12 in order to help minimize expensive catastrophic failures.

2010 Customer Opinion Survey
- 94% of customers are either very or somewhat satisfied with the reliability of wastewater collection
- 81% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to control odors form sewer lines or treatment facilities

2-3 Wastewater Treatment Effectiveness Rate

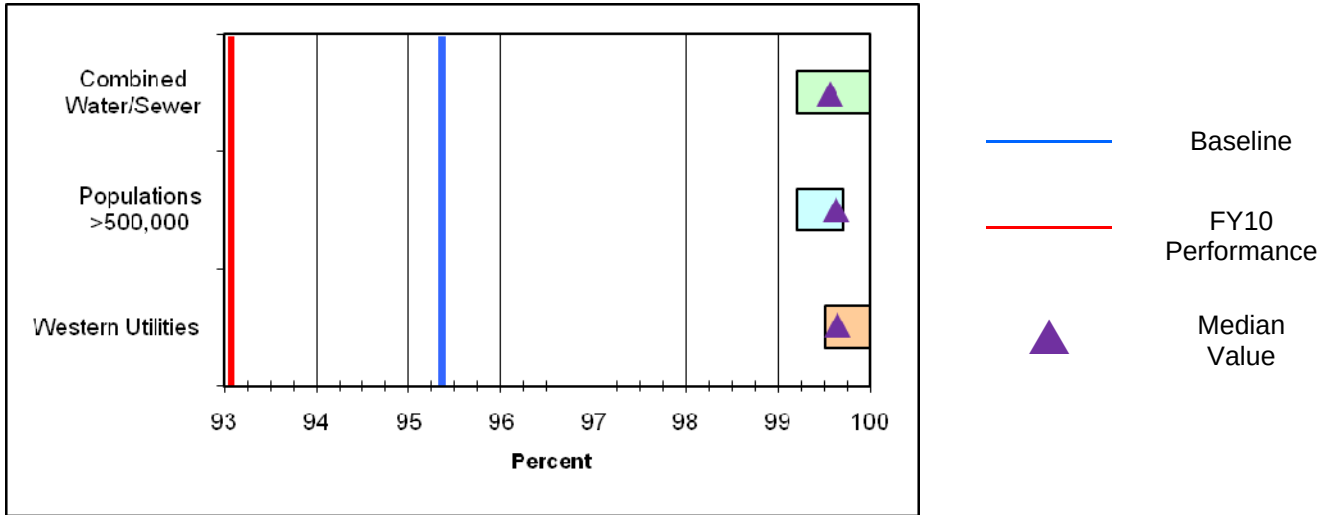
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	95.3%	98.6%	94.0%	93.2%	94.5%	95.1%	Minimize environmental impacts to the river by returning high quality water to the river

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
100.0%	99.7%	99.2%	99.7%	99.7%	99.2%	100.0%	99.7%	99.5%

Performance Comparison Chart



Generally, higher values are desirable

Results Narrative

The wastewater treatment effectiveness rate allows a utility to compare its treatment effectiveness rate for its facility with those at other utilities. It also can track its individual facility performances over time. Ideally, the percentage of days in a year that the treatment facility satisfies all discharge permit requirements should be 100%. A number lower than this indicates that a violation occurred during the year.

Measurement Status

The Water Authority's performance in this measure has been outside of the median range for last three fiscal years. The Water Authority's goal in for FY12 is to have no more than five non-compliance days. The Water Authority experienced a setback in FY09 and FY10 with several violations caused by equipment upgrades. In FY11, the Water Authority completed conversion to ultraviolet disinfection to eliminate use of chlorine for safety, security and to protect river environment. The Water Authority will continue in meeting its performance targets during major rehabilitation activities at the wastewater treatment plant over the next five fiscal years.

Also, for FY12, the Water Authority developed several policy objectives to improve the processes and procedures for wastewater quality compliance reporting. The Water Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions.

2010 Customer Opinion Survey

- 82% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

FY12 Related Objectives

- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY12.
- Monitor emerging State and Federal Safe Drinking Water Act and Clean Water Act regulations to identify and assess potential impacts on the Water Authority and provide quarterly reports by the end of the 4th Quarter of FY12.
- Improve the reliability of compliance results by developing an environmental monitoring Quality Assurance Program and implement its provision for State and Federal Safe Drinking Water Act and Clean Water Act by the end of 4th Quarter of FY12.

2-4 Operations and Maintenance Cost Ratio

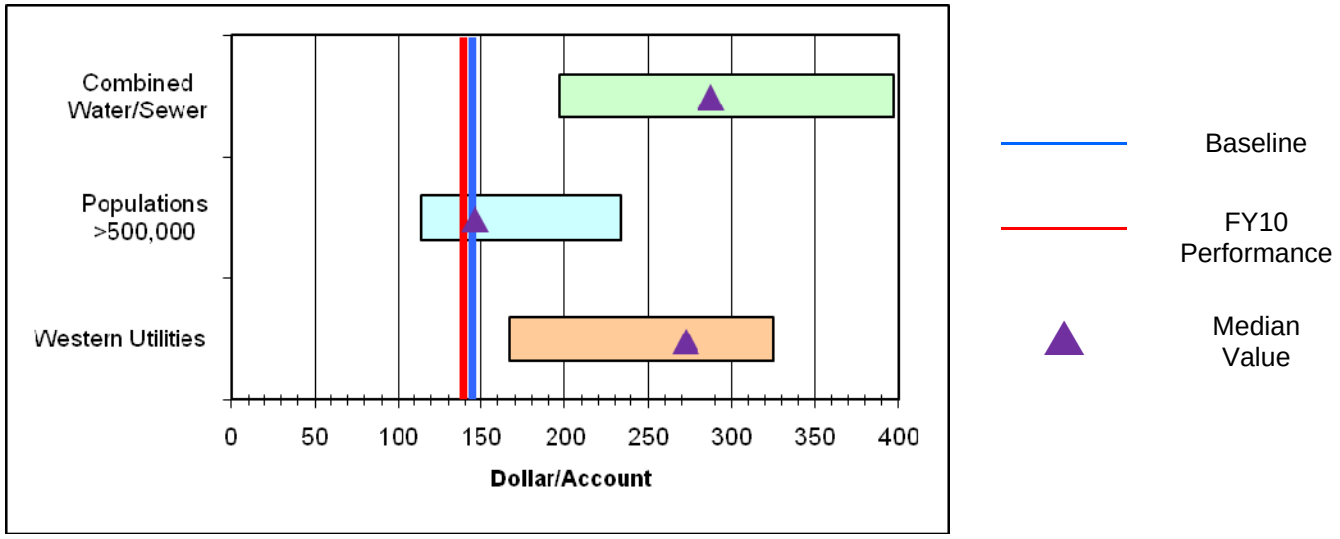
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total number of active customer accounts	$141	$136	$148	$140	$144	$146	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per Account

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$197	$289	$397	$114	$148	$233	$167	$263	$325

Performance Chart for O&M Cost per Account



Generally, lower values are desirable

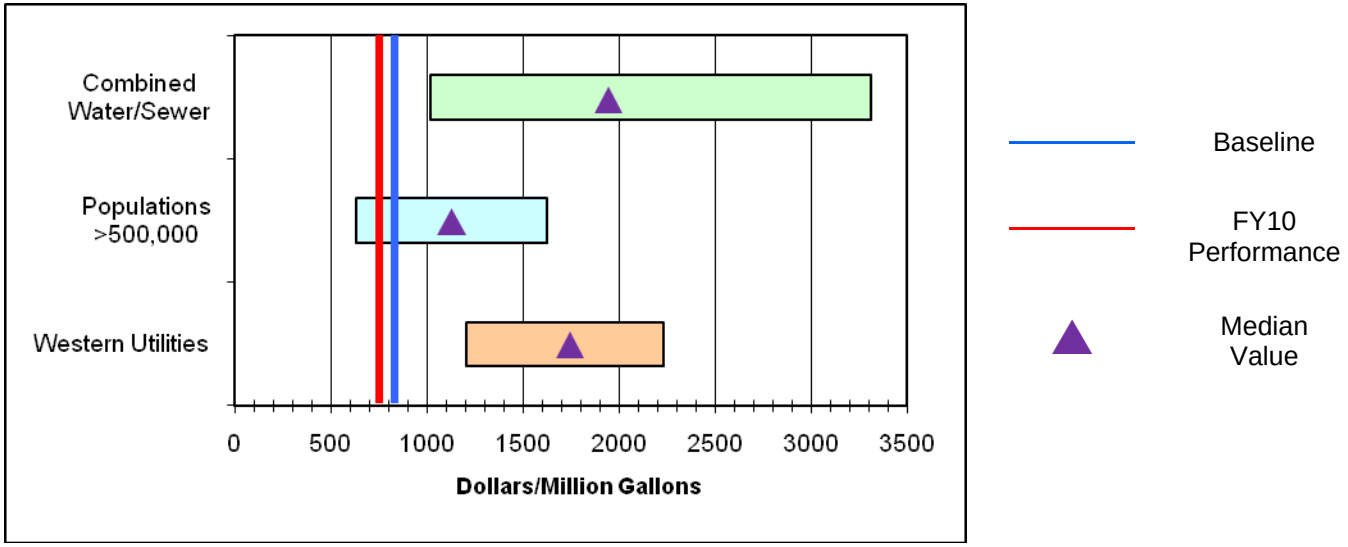
Performance Results for O&M Cost per MG Collected

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total wastewater collected	$831	$1,043	$737	$713	$813	$812	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Collected

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$1,021	$1,967	$3,314	$636	$1,150	$1,628	$1,208	$1,757	$2,232

Performance Comparison for O&M Cost per MG Collected



Generally, lower values are desirable

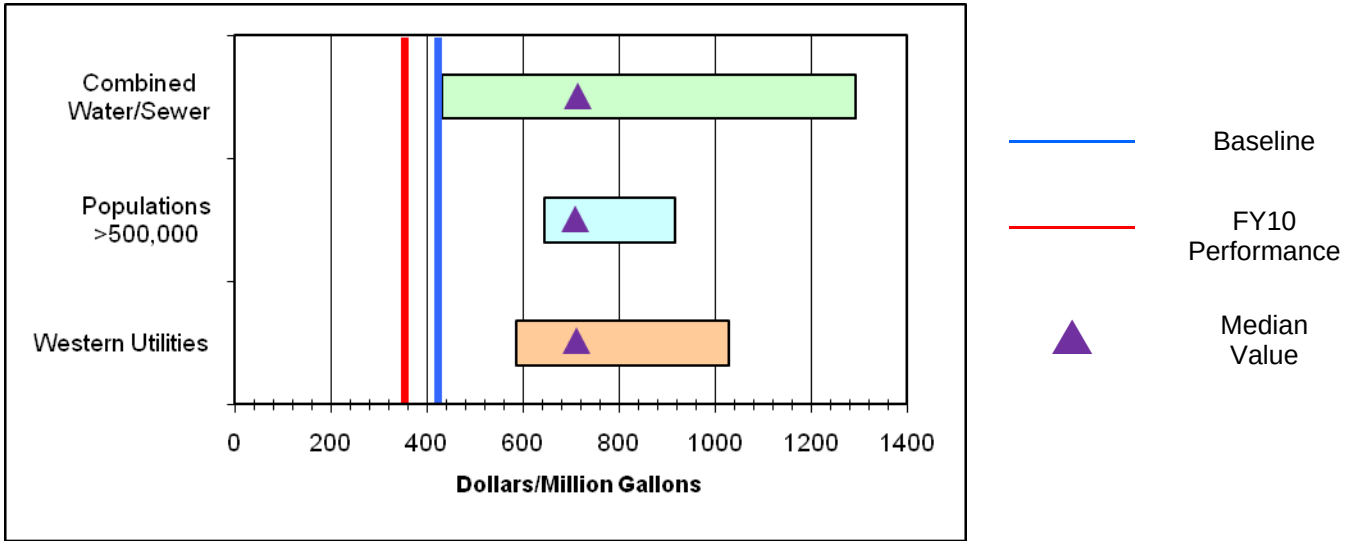
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	$430	$516	$426	$349	$358	$424	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost of Treatment per MG

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$431	$709	$1,293	$644	$709	$917	$586	$693	$1,029

Performance Comparison for O&M Cost of Treatment per MG



Generally, lower values are desirable

Results Narrative

These related measures tally the cost of O&M per account and per million gallons of wastewater processed. Comparing the value of this measure with other utilities can provide information regarding the status of current accepted practices.

Measurement Status

The Water Authority's performance in this measure has been generally above the median range for the past three fiscal years and is on-target to maintain this performance for the next two fiscal years.

A FY10 policy objective involved constructing ultraviolet disinfection facilities and replacing the current chlorine gas for disinfection and sulfur dioxide gas for dechlorination at the wastewater treatment plant. This project was completed in FY11, and will help reduce operation costs, provide cleaner water that is returned to the river, and help meet effluent quality requirements.

2-5 Planned Maintenance Ratio

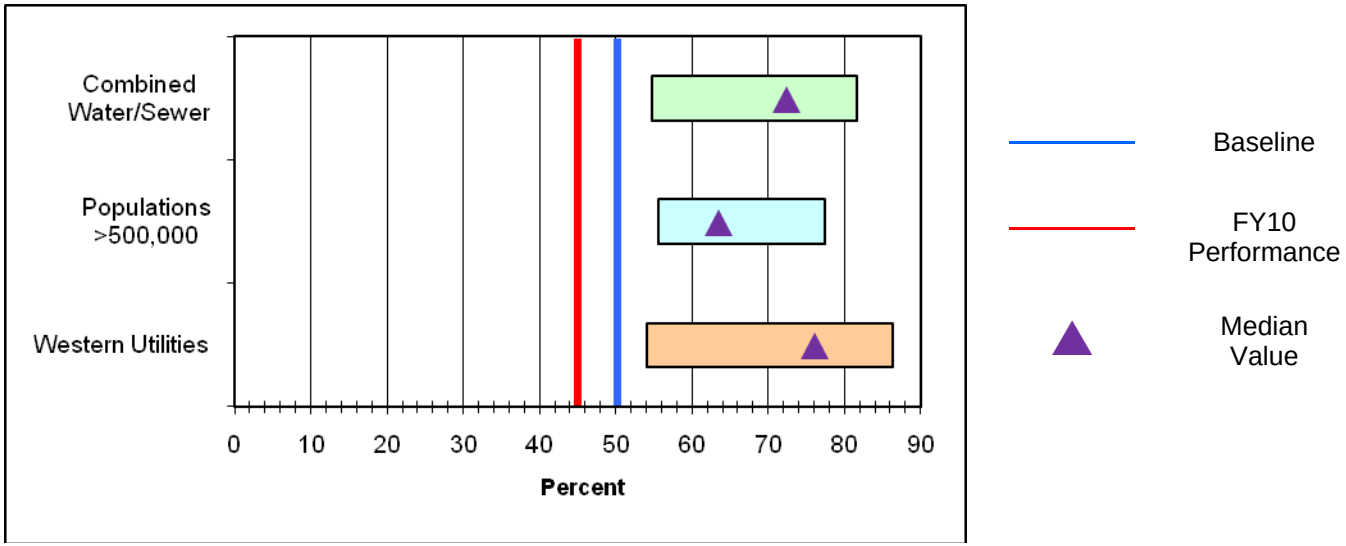
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	50%	57%	50%	45%	50%	55%	Reduce emergency maintenance from system malfunctions

Industry Benchmark (Hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
82%	73%	55%	78%	64%	56%	86%	77%	54%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

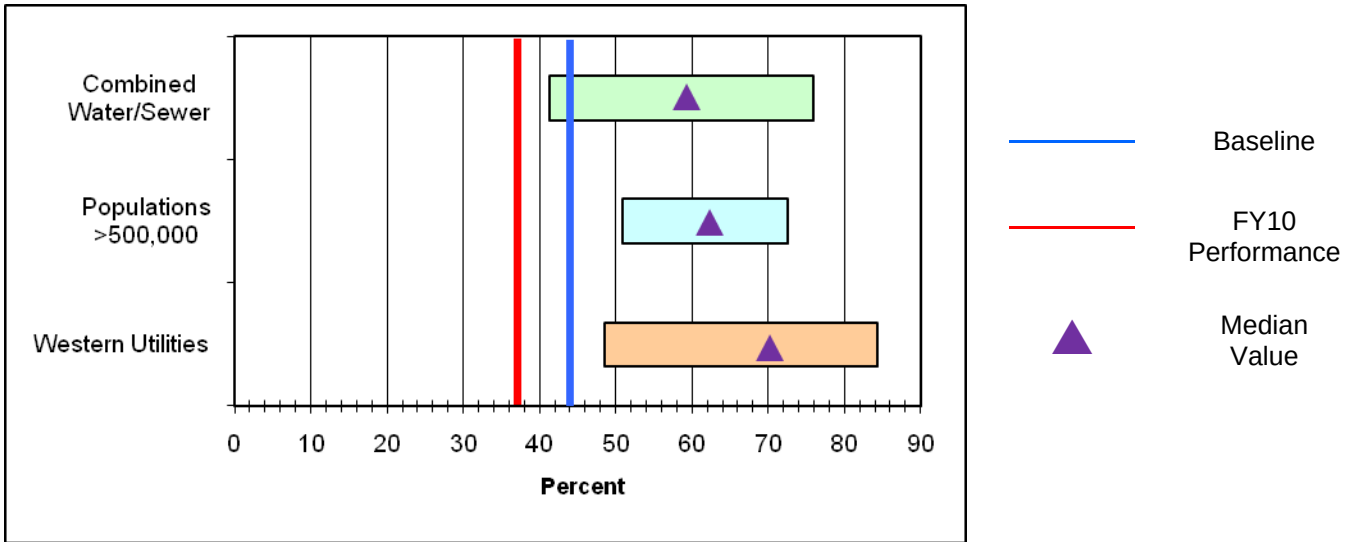
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	44%	47%	47%	37%	36%	41%	Reduce emergency maintenance from system malfunctions

Industry Benchmark (Cost)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
76%	60%	41%	73%	64%	51%	84%	71%	49%

Performance Comparison Chart (Cost)



Generally, higher values are desirable

Results Narrative

Planned maintenance includes preventive and predictive maintenance. Preventive maintenance is performed according to a predetermined schedule rather than in response to failure. Predictive maintenance is initiated when secondary monitoring signals from activities indicate that maintenance is due. All other maintenance is categorized as corrective (i.e., maintenance resulting from an asset that is no longer providing reliable service such as a breakdown, blockage, or leakage). Planned maintenance is preferable for assets for which the cost of repairs is high relative to the cost of corrective maintenance. The avoided cost includes both the cost of repair and the cost consequences of the service disruption, with the latter including an allowance for customer costs. Many utilities want to increase their percentage of planned maintenance activities and reduce their percentage of corrective maintenance activities. A higher ratio may indicate a reduction in emergency maintenance resulting from system malfunctions.

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years. For the past two fiscal years, there have been objectives to increase planned work orders at the wastewater treatment plant. This objective will also help the Water Authority meets its performance targets mentioned in Performance Measure 2-3, Wastewater Treatment Effectiveness Rate.

Planned maintenance is a key component to the Water Authority's asset management program. In FY08, the Water Authority sent several operation and maintenance staff to a maintenance training conference to learn how to replace costly and ineffective reactive activities, how to create reliability and managing physical assets, how to create an effective maintenance training program, and to listen to hear case studies and learn advanced techniques in preventative maintenance. In FY09, the Water Authority hired four planners/schedulers to assist in coordinating and scheduling work orders and projects to maximize efficiency and enhance productivity. Moreover, these new planners/schedulers will be dedicated to developing and updating predictive, preventative and condition-based maintenance programs and participate in monitoring and evaluating the programs' effectiveness. In FY10, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets.

FY12 Related Objectives

- Increase Southside Water Reclamation Plant planned maintenance by completing 12,500 labor hours by the end of the 4th Quarter of FY12.

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Goal 3
Customer Services

Guiding Goal Statement

Provide quality customer services by communicating effectively, billing accurately, and delivering water and wastewater services efficiently based on understanding the needs and perceptions of our customers and the community at large.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
3-1	Customer Service Complaints	■	■
3-1	Technical Quality Complaints	■	■
3-2	Customer Service Cost per Account	■	■
3-3	Billing Accuracy	▼	■
3-4	Planned Disruption of Service	■	■
3-4	UnPlanned Disruption of Service	■	■
3-5	Residential Cost of Water Service	■	■
3-5	Residential Cost of Wastewater Service	▲	▲
	Overall Goal Status	■	■

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Status	FY12 Estimate
Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time (FY10/FY11/FY12)	**3-1**	■	■	■
Upgrade call center phone systems and other automated technologies to effectively track customer service performance and integrate Northwest service area into new system (FY11)	**3-1**	NA	▲	▲
Develop and execute a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service (FY10/FY11)	**3-1**	▲	▲	▲
Increase paperless billing to 10,000 enrollments and implement added functionality for all web self-service users (FY10/FY11)	**3-3**	▼	■	▲
Evaluate water and sewer rate structures to ensure equity within the structures by the end of the 4th Quarter of FY11; continue the rate change to the Northwest service area (FY11)	**3-5**	NA	▲	▲

Performance Key

▲	■	▼
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

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Performance Measure Division Responsibility

Ref #	Performance Measure	Operations Field	Operations Compliance	Customer Services	Information Technology	Finance
3-1	Customer Service Complaints			✓		
3-1	Technical Quality Complaints		✓	✓		
3-2	Customer Service Cost per Account			✓		✓
3-3	Billing Accuracy			✓	✓	
3-4	Planned Disruption of Service	✓				
3-4	UnPlanned Disruption of Service	✓				
3-5	Residential Cost of Water Service					✓
3-5	Residential Cost of Wastewater Service					✓

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3-1 Customer Service Complaints and Technical Quality Complaints

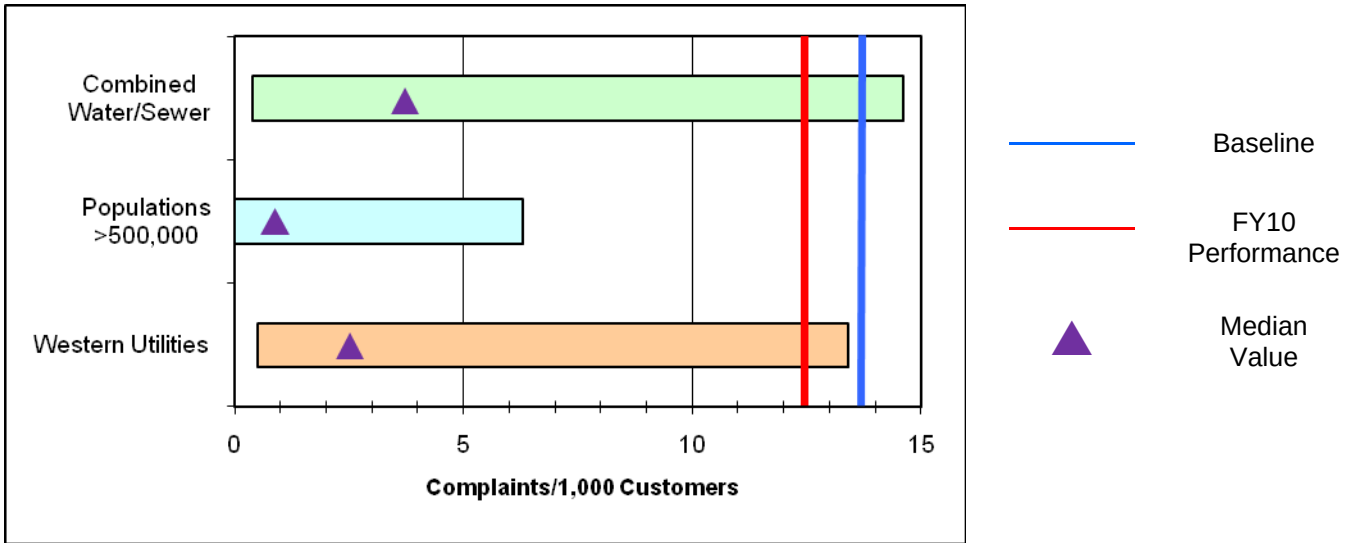
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of customer service complaints per 1,000 customer accounts	14.2	14.3	14.3	14.0	16.5	12.3	Improve customer satisfaction with service and product

Industry Benchmark (Service Associated Complaints)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.4	3.4	14.6	0.0	1.2	6.3	0.5	2.6	13.4

Performance Comparison Chart (Service Associated Complaints)



Generally, lower values are desirable

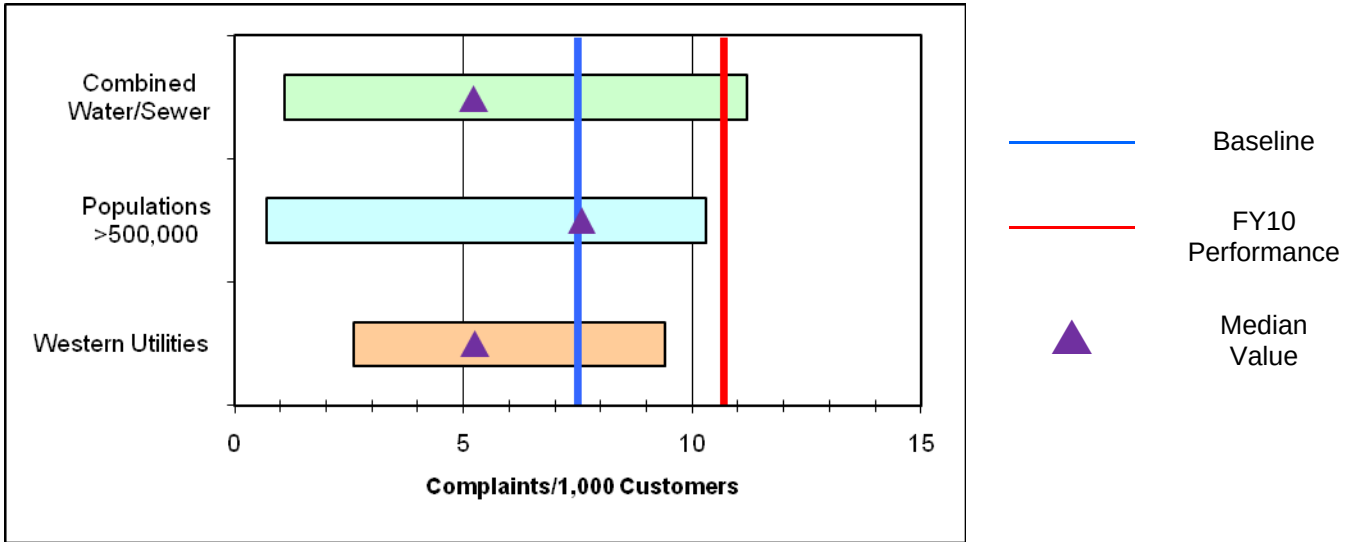
Performance Results (Technical Quality Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of technical quality complaints per 1,000 customer accounts	7.5	3.4	8.4	10.7	11.2	11.7	Improve customer satisfaction with service and product

Industry Benchmark (Technical Quality Complaints)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.1	5.2	11.2	0.7	7.6	10.3	2.6	5.3	9.4

Performance Comparison Chart (Technical Quality Complaints)



Generally, lower values are desirable

Results Narrative

These pair of measures captures all complaints received by the utility, which are reported either as "service associated" or as "technical quality" complaints. The number of complaints is a good measure of customer service. The two categories allow a utility to track those that are people related and those that are product related.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. The Water Authority adopted a policy objective in FY09 is to reduce call wait time to less than 1 minute, 90 percent of the time by use of staffing and technology which will make this closer to the water industry standard. The Water Authority maintained the call-wait-time metric in FY10 and FY11 and will continue to maintain it in FY12. In addition, the Water Authority has upgraded its call center phone systems to effectively track customer service performance; the new phone system also allows customers to pay their bills by phone and provide 24/7 service to billing, emergencies, and reporting water waste. Moreover, the Water Authority has developed and execute a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service in FY11.

In FY10, the Water Authority conducted a customer opinion survey in order to assess the Water Authority's performance from the customer's viewpoint from previous surveys. This was the third customer opinion survey conducted since the first survey in 2006 which allowed the Water Authority view trends of customer's opinions. The results of the 2010 survey have been incorporated into the Performance Plan as many questions or statements are connected to the benchmarks in the Performance Plan.

2010 Customer Opinion Survey

- 75% of customers gave either excellent or good rating on the overall quality of service provided by a customer service representative
- 89% of customers are either very or somewhat satisfied with the courtesy of the customer service representative
- 86% of customers are either very or somewhat satisfied with the knowledge and ability to answer your questions or resolve your issues
- 76% of customers are either very or somewhat satisfied with the length of wait to speak with a customer service representative

FY12 Related Objectives

- Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time through the 4th Quarter of FY12.
- Increase paperless billing to 10,000 enrollments and implement added functionality for all web self-service users by the end of 4th Quarter of FY12.
- Implement the Automated Meter Infrastructure program in conjunction with Meter Change Out Portal, Mass Meter Change Portal and Customer Services Portal by the end of 3rd Quarter FY12

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3-2 Customer Service Cost per Account

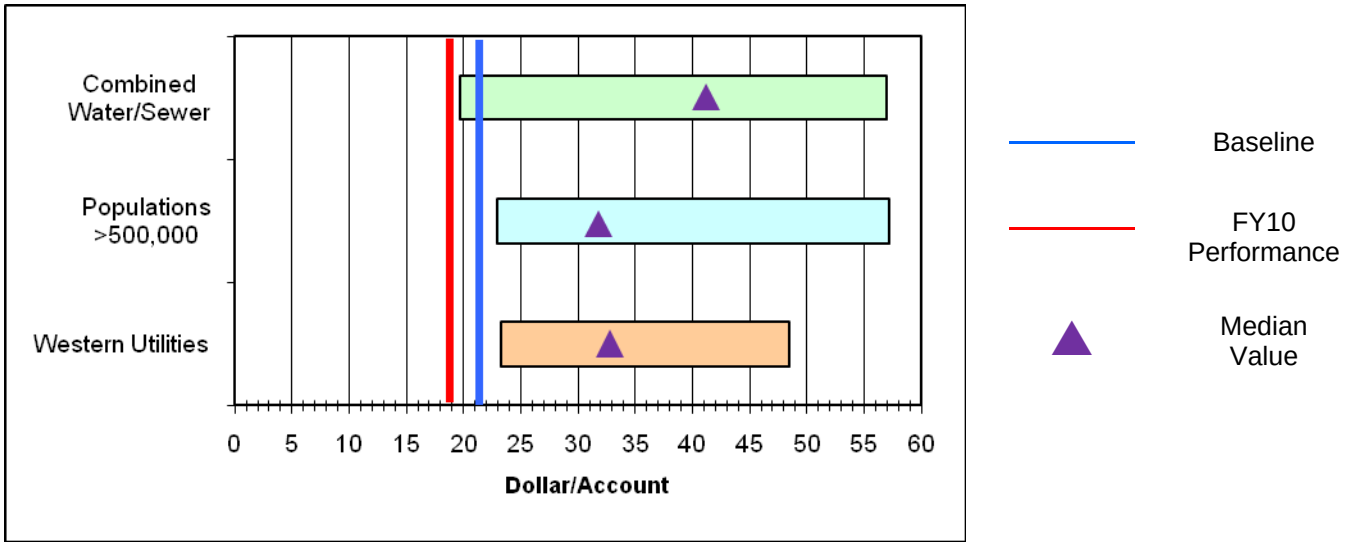
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$21.57	$22.81	$22.92	$18.98	$19.57	$19.43	Improve efficiency by reducing customer service cost per account while meeting customer expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$19.68	$41.79	$57.02	$22.94	$32.37	$57.25	$23.29	$33.20	$48.44

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

The measure is expressed as the cost of managing a single customer account for one year. When viewed alone, it quantifies resource efficiency. Viewing in conjunction with other measures such as customer complaints gives the utility more information about operational performance.

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. The Water Authority is planning a 5% rate increase in FY12 and another 5% rate increase FY14; however, the Water Authority anticipates that it will still be above the median range over the next four years.

3-3 Billing Accuracy

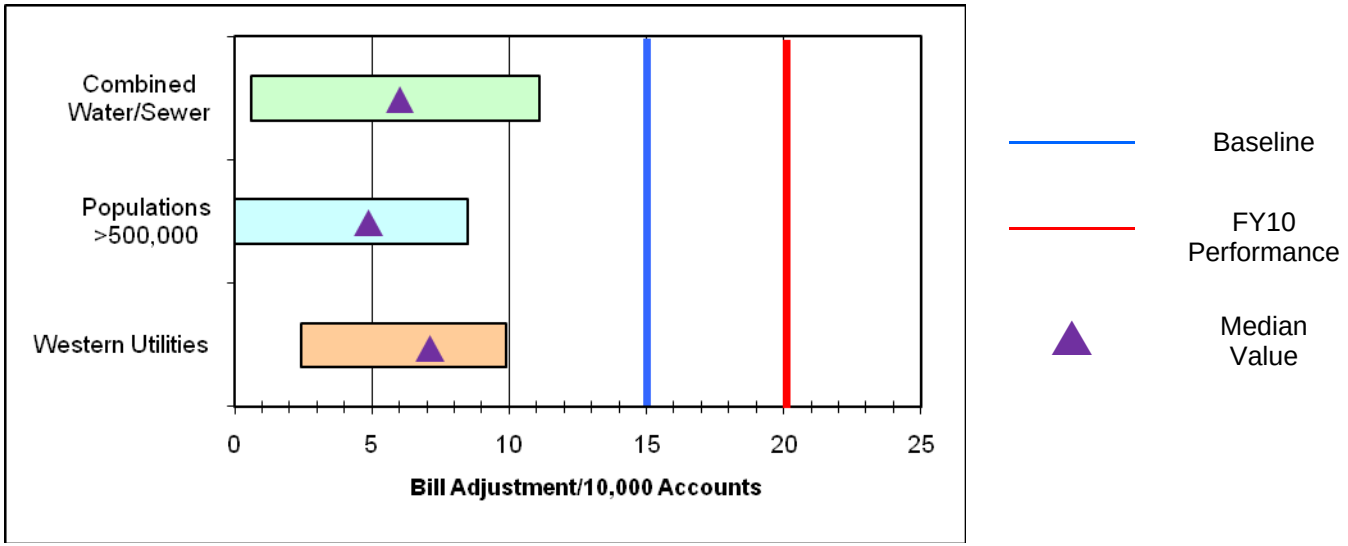
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	15.0	9.3	15.3	20.5	12.0	10.9	Improve billing accuracy to minimize customer complaints

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.6	6.7	11.1	0.0	4.9	8.5	2.4	7.2	9.9

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

Customers rarely think about their utility, unless they have a problem with service or billing. This measure helps a utility measure how effective its billing practices are relative to others.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. In FY08, there was an increase in error-driven billing adjustments due to misreads caused by below average temperatures; the misreads resulted in rebilling the accounts. In FY09, the conversion to a new billing system caused an increase in error-driven billing adjustments. In FY10, there were conversion issues related to incorporating the 17,000 New Mexico Utilities customers into the billing system and reclassifying specific customers. All conversion issues were resolved in FY11.

2010 Customer Opinion Survey

- 92% of customers are either very or somewhat satisfied with the accuracy of their bill
- 91% of customers are either very or somewhat satisfied with the bill format and water usage graph
- 92% of customers are either very or somewhat satisfied with the billing payment options

3-4 Disruptions of Water Service

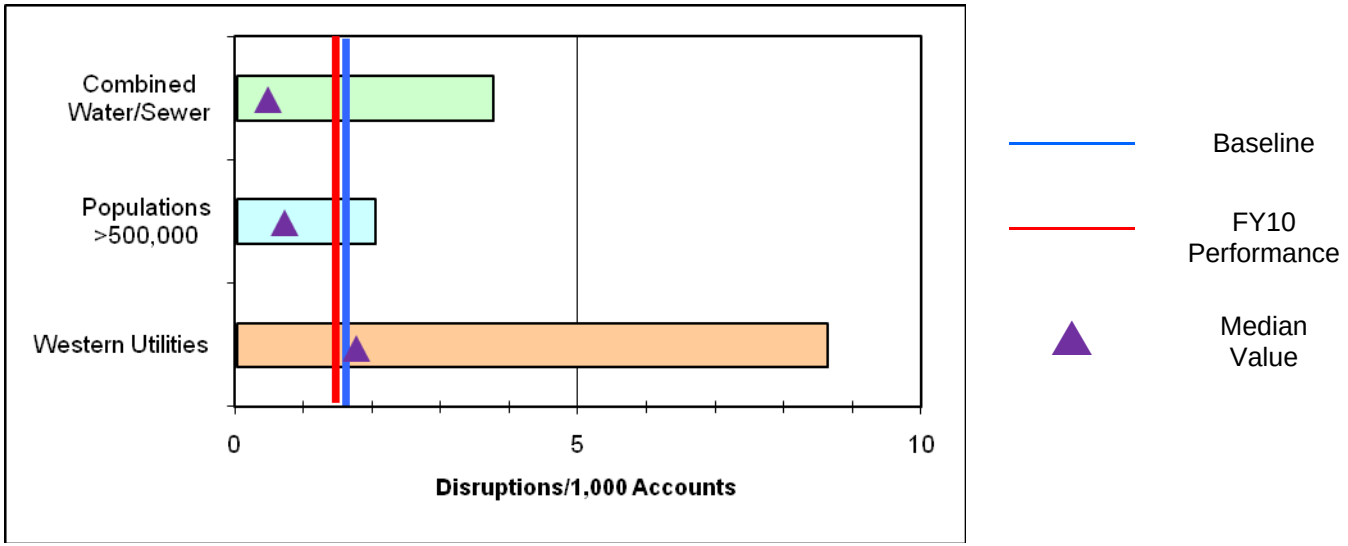
Performance Results Planned (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the numbers of water outages experienced by Water Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	1.6	1.6	1.6	1.4	1.4	1.4	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark Planned (less than 4 hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.0	0.6	3.8	0.0	0.7	2.0	0.0	1.9	8.7

Performance Comparison Chart Planned (less than 4 hours)



Generally, lower values are desirable

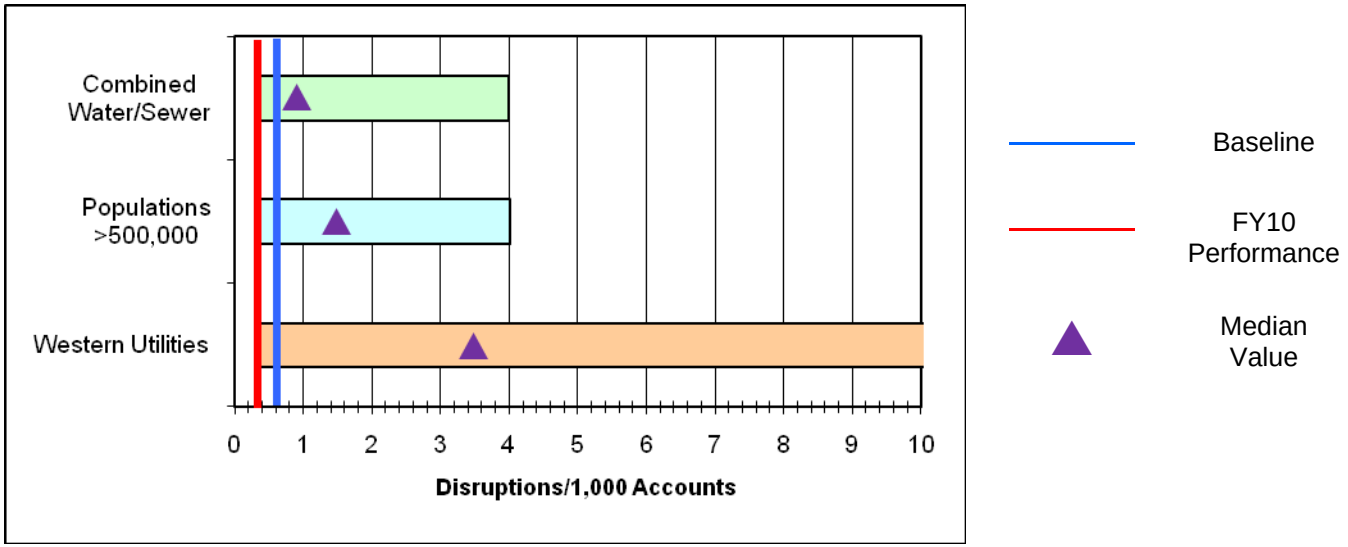
Performance Results Unplanned Disruptions (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the numbers of water outages experienced by Water Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.4	0.4	0.4	0.3	0.4	0.4	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (less than 4 hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.3	0.9	4.0	0.3	1.5	4.0	0.3	3.5	27.4

Performance Comparison Chart Unplanned (less than 4 hours)



Generally, lower values are desirable

Results Narrative

Customers have come to expect full water service all of the time. Maintenance and repair work that result in water outages or substantially reduced water pressure disrupt customer plans, bring complaints, and diminish goodwill toward the utility. This measure does not address inconveniences resulting from access limitations around construction and repair work sites. Large numbers and proportions of unplanned service disruptions likely reflect on distribution system inadequacies. Outages of long durations may be indicative of poor repair practices. The measure is calculated separately for planned and unplanned disruptions for durations less than four hours. For each category, the rate is expressed as the number of customers experiencing disruptions per 1,000 active customer accounts.

Measurement Status

The Water Authority's performance for planned and unplanned disruptions has been within the median range for the past three fiscal years. It is anticipated that unplanned disruptions will decrease as planned maintenance activities such as the leak detection program are implemented.

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3-5 Residential Cost of Water and/or Sewer Service

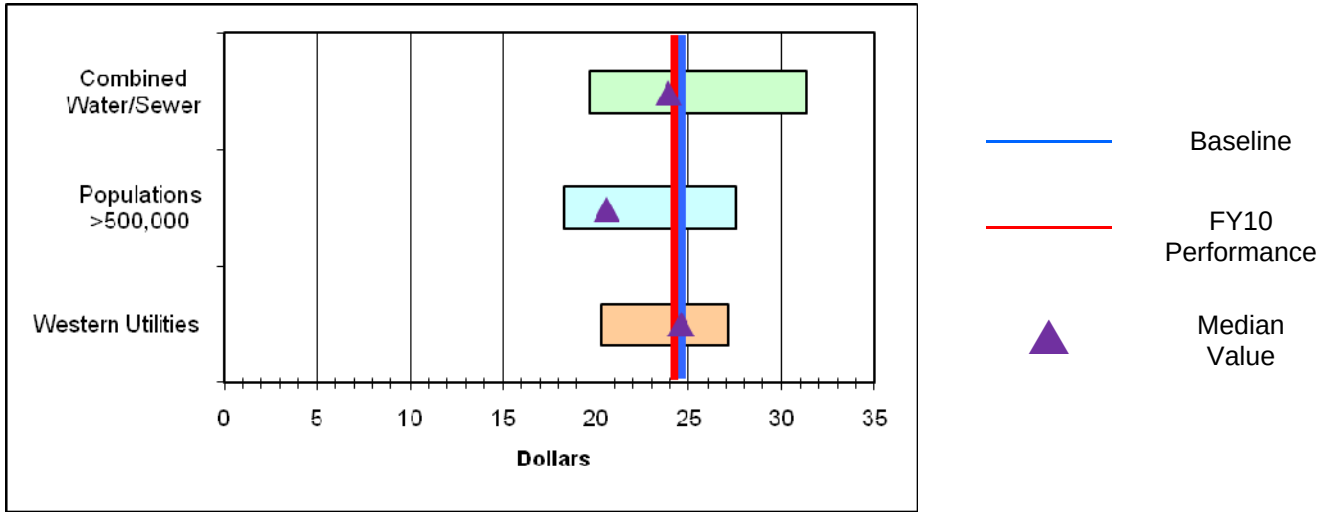
Performance Results (Monthly Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$24.40	$24.40	$24.40	$24.40	$24.40	$27.16	Provide affordable water and legally justifiable rates to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$19.65	$24.27	$31.34	$18.29	$20.85	$27.59	$20.31	$24.71	$27.11

Performance Comparison Chart (Monthly Residential Water Service)



Generally, lower values are desirable

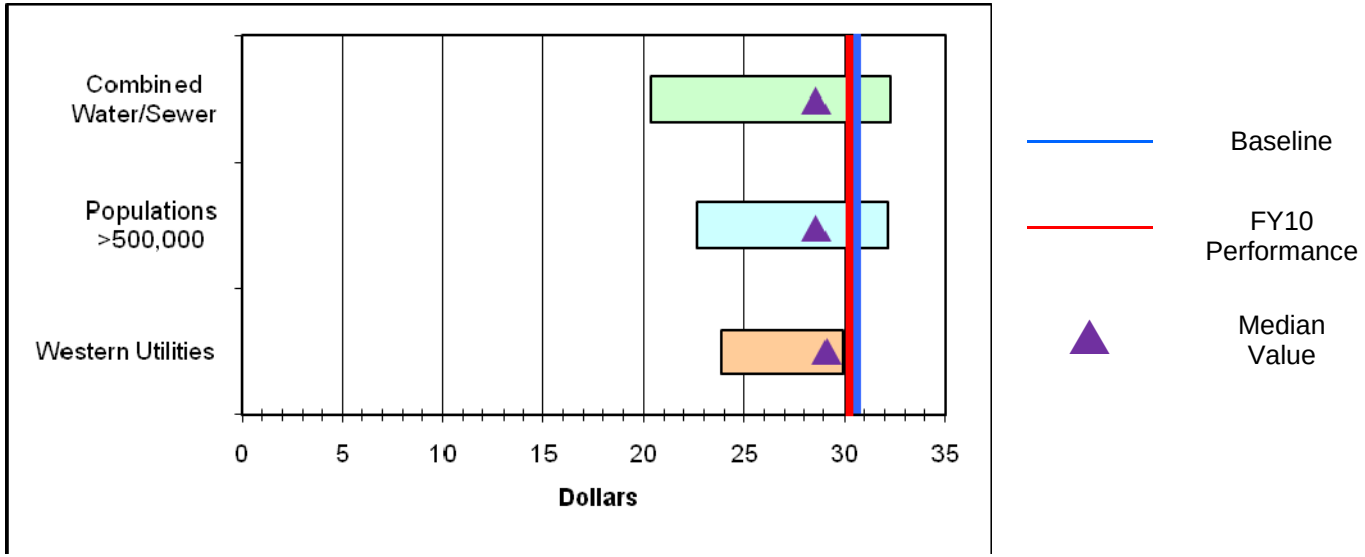
Performance Results (Average Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$30.04	$30.04	$30.04	$30.04	$30.04	$33.42	Provide affordable water and legally justifiable rates to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$20.40	$28.52	$32.24	$22.65	$28.36	$32.15	$23.85	$28.52	$29.91

Performance Comparison Chart (Average Residential Water Service)



Generally, lower values are desirable

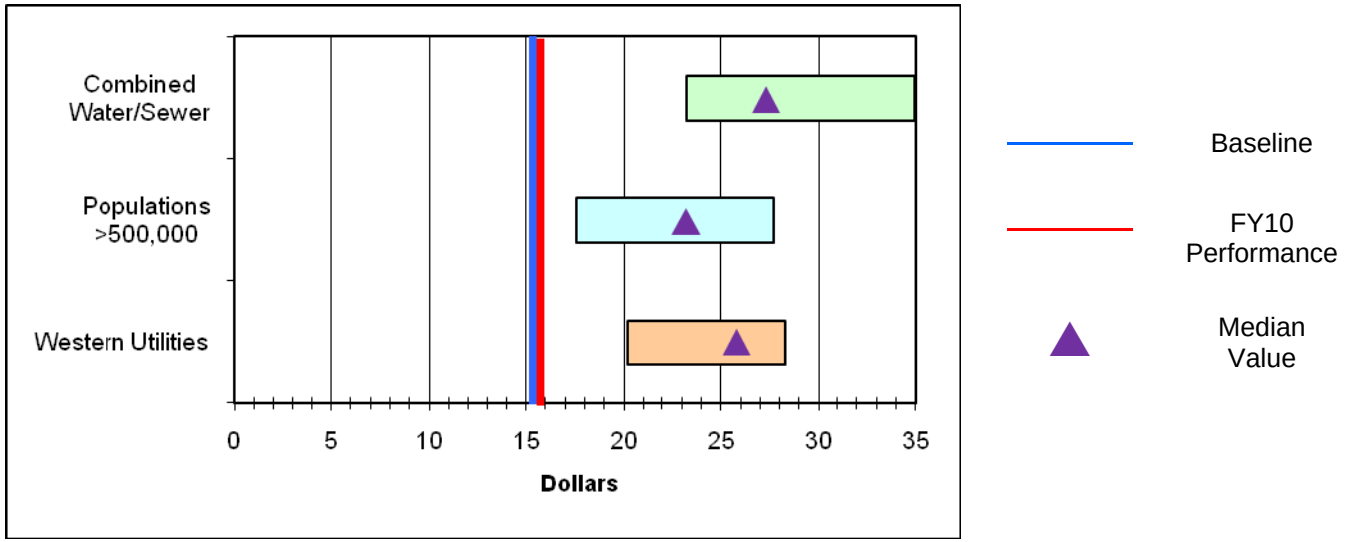
Performance Results (Monthly Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$15.30	$15.30	$15.30	$15.30	$15.30	$19.70	Provide affordable water and legally justifiable rates to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$23.23	$27.52	$34.93	$17.60	$23.37	$27.72	$20.21	$25.90	$28.27

Performance Comparison Chart (Monthly Residential Sewer Service)



Generally, lower values are desirable

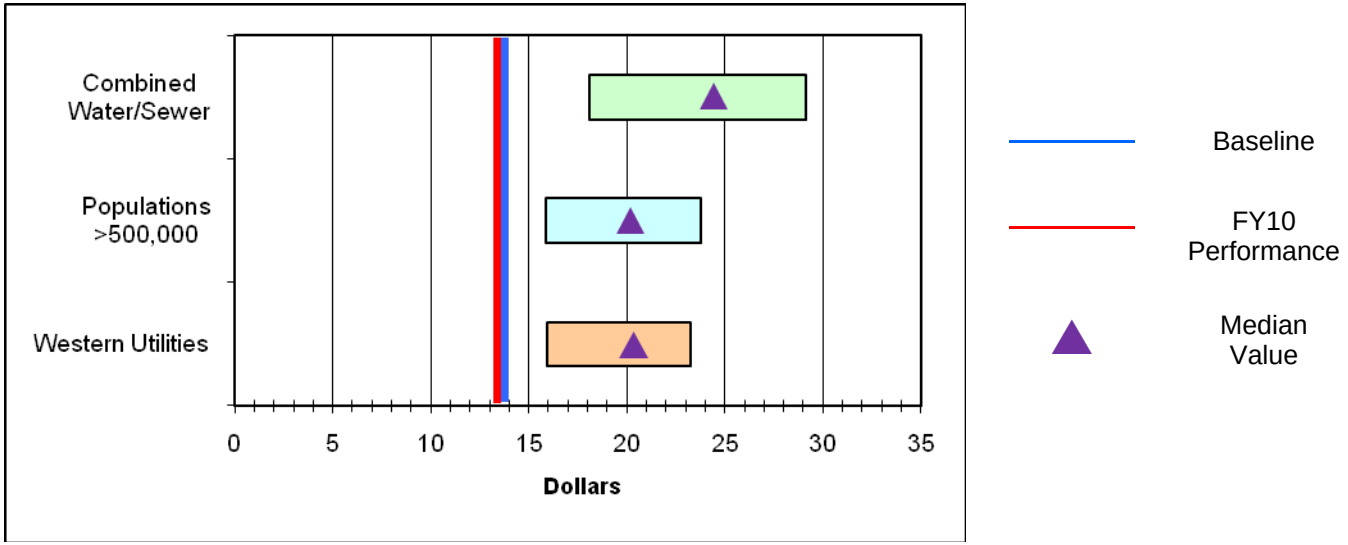
Performance Results (Average Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$13.74	$13.74	$13.74	$13.74	$13.74	$16.35	Provide affordable water and legally justifiable rates to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$18.10	$24.62	$29.11	$15.84	$20.28	$23.75	$15.93	$20.28	$23.24

Performance Comparison Chart (Average Residential Sewer Service)



Generally, lower values are desirable

Results Narrative

This measure shows individual costs for water and wastewater:

1. Bill amount for monthly residential water service for a customer using 7,500 gallons per month
2. Average residential water bill amount for one month of service
3. Bill amount for monthly residential wastewater service for a customer using 7,500 gallons of water per month
4. Average residential wastewater bill amount for one month of service

The data provided is based on a bill amount for a typical residential customer served water through a 3/4 × 5/8-inch meter. Because each utility is unique, this measure is quite complex. In some places, rates may be artificially low or high in order for achieve non-utility objectives. In others, utilities may have rates controlled by public utility commissions.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years for monthly and average residential water service, and above the median range for the past three fiscal years for monthly and average residential sewer service. The Water Authority completed a comprehensive water and wastewater rate study in FY05 which had not been done in over fifteen years. The Water Authority adopted a policy objective for FY08 to update that rate study in order to include wholesale water rates. Another reason to update the rate study is to include a cost of services model for master planned communities so that these new large developments pay 100% of the cost for building master planned facilities. A policy objective for FY11 is to evaluate water and sewer rate structures to ensure equity within the structures. The 2010 rate structure evaluation included incorporating former New Mexico Utilities into the Water Authority rate structure. The FY12 rate ordinance also added a 200% tier to the extra use surcharge to promote conservation and increased the Low Use Water Discount from 20% to 30%. A 5% rate increase was implemented in FY12 and another 5% rate increase is planned for FY14; however, the Water Authority anticipates that it will still be above the median range over the next five years.

2010 Customer Opinion Survey

- 89% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid

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Goal 4
Business Planning & Management

Guiding Goal Statement

Maintain a well planned, managed, coordinated, and financially stable utility by continuously evaluating and improving the means, methods, and models used to deliver services.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
4-1	Debt Ratio	▼	▼
4-2	Return on Assets	▼	▼
4-3	System Renewal / Replacement Rate (Water)	▼	■
4-3	System Renewal / Replacement Rate (Wastewater)	■	■
	Overall Goal Status	▼	▼

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Status	FY12 Estimate
Based on GFOA best practices and in accordance with the Ten-Year Financial Plan, evaluate various options for increasing the financial capacity for capital spending (FY12)	**4-1**	NA	NA	▲
Based on GFOA best practices and in accordance with the Ten-Year Financial Plan, develop a strategy to increase the Water Authority's reserve fund to one-twelfth of operating expenses (FY12)	**4-1**	NA	NA	▲
Continue implementation of the Comprehensive Asset Management Program to manage existing assets more effectively and plan for future needs; continue integration of Asset Management Plan into the Capital Decade Plan (FY10/FY11/FY12)	**4-3**	■	■	■
Expend $31 million in water and wastewater capital rehabilitation and replacement programs; $1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines (FY10/FY11/FY12)	**4-3**	■	▲	▲
Implement the Reclamation Rehabilitation Asset Management Plan; begin construction of reclamation facilities including a new Preliminary Treatment Facility and a new Dewatering Facility (FY10/FY11/FY12)	**4-3**	■	■	■

Performance Key

▲	■	▼
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

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Performance Measure Division Responsibility

Ref #	Performance Measure	Finance	Operations Water Resources, Engineering & Planning
4-1	Debt Ratio	✓	
4-2	Return on Assets	✓	
4-3	System Renewal / Replacement Rate (Water)	✓	✓
4-3	System Renewal / Replacement Rate (Wastewater)	✓	✓

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4-1 Debt Ratio

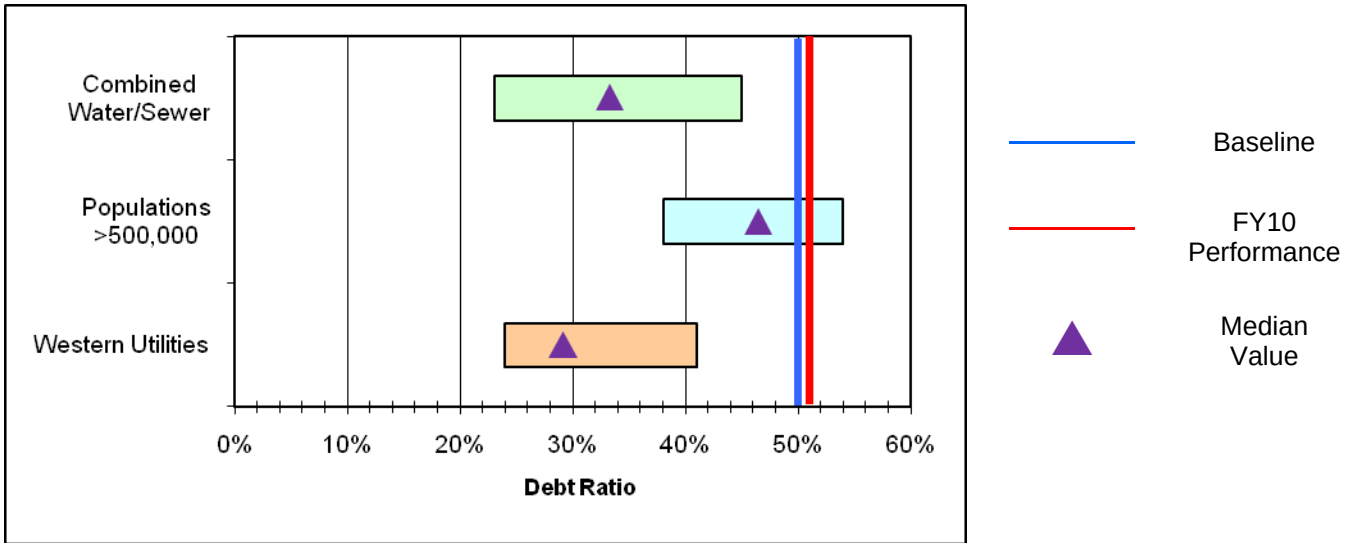
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	50%	48%	51%	51%	51%	51%	Maintain low debt burden and communicate fiscally responsible to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
23%	33%	45%	38%	46%	54%	24%	29%	41%

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative
The higher the calculated debt ratio, the more dependent the utility is on debt financing. Many utilities use this measure as an internal measure of performance. Debt equity ratio is an important measure because a high debt burden brings larger costs for interest and capital repayments.

Measurement Status
The Water Authority's performance in this measure has been below the median range for the past three fiscal years. From FY08 to FY09, assets increased by 7.5% while liabilities increased by 14%. From FY09 to FY10, assets increased by 10% while liabilities increased by 4%.

The Water Authority has borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $638 million in outstanding debt which is primarily attributed to carrying out the Water Resources Management Strategy projects, including the San Juan Chama Drinking Water Project. In addition, the Water Authority has secured its water supply for the long term compared to most utilities which must invest a significant amount of capital in securing a water supply. The Water Authority has never managed for a high rating from the three rating agencies. Although the ratings are above peer average, the amount of debt and cash on hand tend to be below peer. However, the cost of the new facilities, rehabilitation of existing facilities and asset management plan implementation will continue to require significant capital financing. The only way to improve this category would be to not invest in the required capital improvements and/or have significant rate increases to improve cash on hand. The long term outlook for the Water Authority is above peer given the capital investments which will be made and the rapid retirement of debt. The Water Authority has a bond rating of Aa1 by Moody's and AA- by Fitch and AAA by Standard and Poor's – all ratings which are above peer.

FY12 Related Objectives
- Based on GFOA best practices and in accordance with the Ten-Year Financial Plan, evaluate various options for increasing the financial capacity for capital spending and provide a report to the Water Authority Board by the 2nd Quarter of FY12.
- Based on GFOA best practices and in accordance with the Ten-Year Financial Plan, develop a strategy to increase the Water Authority's reserve fund to one-twelfth of operating expenses and provide a report to the Water Authority Board by the end of the 2nd Quarter FY12.

4-2 Return on Assets

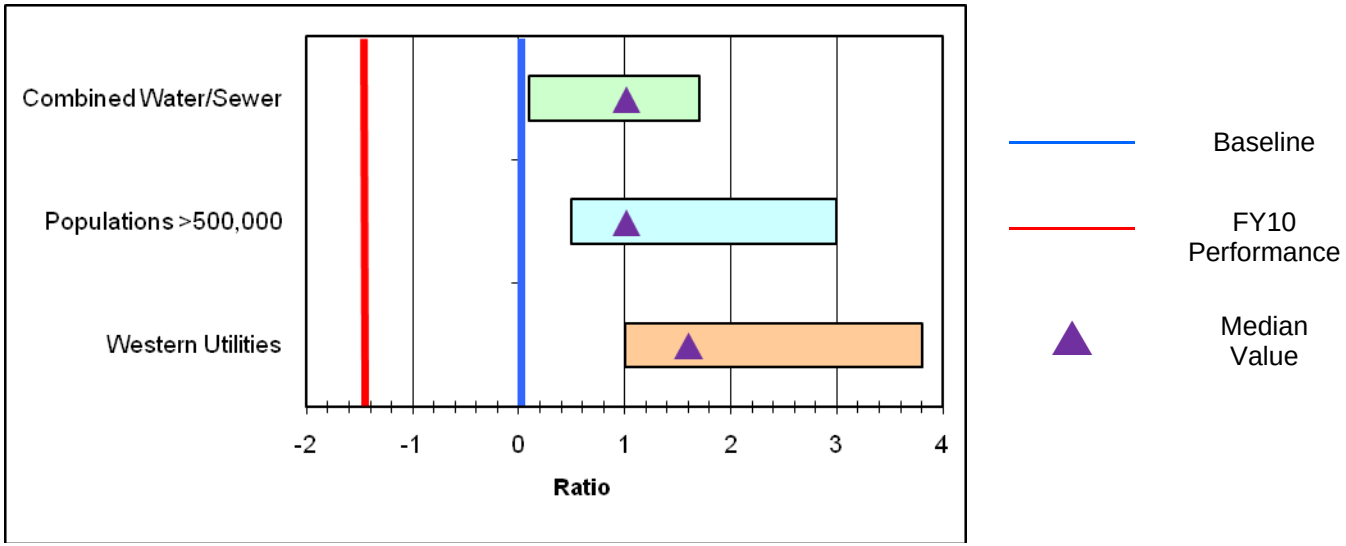
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	0.1%	1.4%	0.5%	-1.4%	-1.5%	-0.1%	Improve the financial health of the Water Authority

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.7%	1.0%	0.1%	3.0%	1.0%	0.5%	3.8%	1.6%	1.0%

Performance Comparison Chart



Generally, higher values are desirable

Results Narrative

The return on assets ratio measures how well a utility's management team is doing its job. A comparison of net income and average total assets, the return on assets ratio reveals how much income management has been able to squeeze from each dollar's worth of a utility's assets. All utilities are interested in their financial health and are particularly sensitive to this measure, seeking higher ratios where possible.

Measurement Status

The Water Authority's performance in this measure has been within the median range for two of the last three fiscal years. The Water Authority's performance in this measure has decreased over the last three years. The recently completed $500 million San Juan Chama Drinking Water Project has had a major impact on depreciation and interest expenses. In addition, connection charges revenue declined by 22% from FY08 to FY11. From 2007 to 2009, building permits for new construction in the Albuquerque metropolitan area decreased by 239% because of the downturn in the economy. However, the Water Authority has maintained a 2% increase in customer accounts during the same time period not including the acquisition of a private utility in 2009 which added about 17,000 accounts. The 2% increase trend in customer accounts is a result from adding households from developed but unserved areas that were on domestic wells and septic systems to the Water Authority's water and wastewater system as part of the Valley Utilities Project.

The Water Authority has developed and implemented a long term financial plan which anticipates revenue needs allows for financial stability, ongoing system improvements and rate stability for customers. It has also ensured conservative financial policies, including 12 year financing on basic capital with 50% cash, $30 million must be invested in system rehabilitation and replacement. In addition, it has established rate reserve fund to mitigate revenue fluctuations and postpone rate increases ($2 million per year contributed).

4-3 System Renewal / Replacement Rate

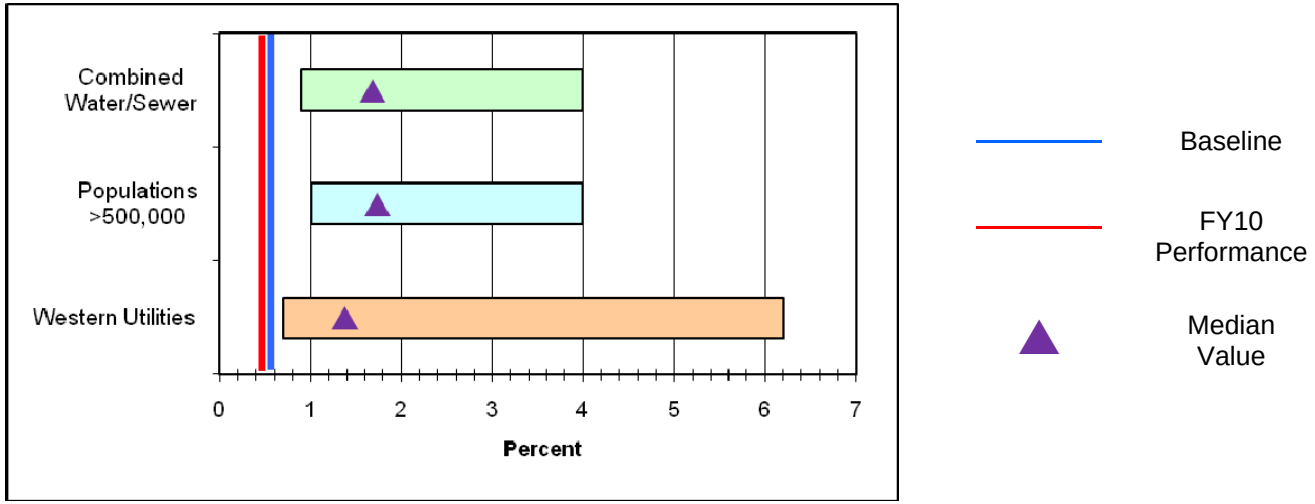
Performance Results (Water Pipeline & Distribution)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
4.0%	1.7%	0.9%	4.0%	1.7%	1.0%	6.2%	1.4%	0.7%

Performance Comparison Chart (Water Pipeline & Distribution)



Generally, higher values are desirable

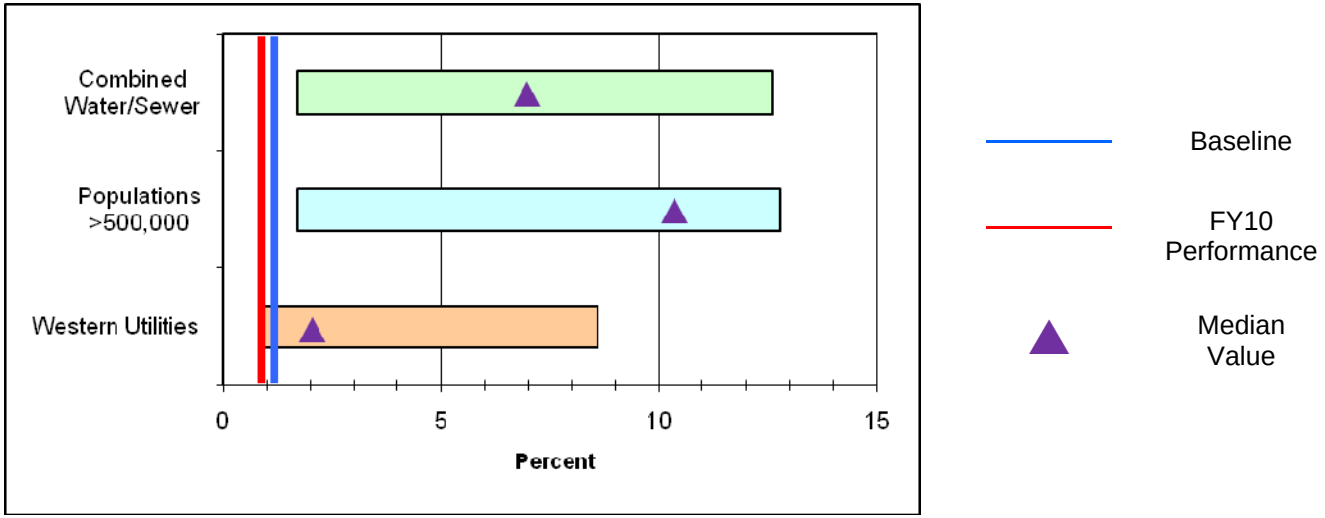
Performance Results (Water Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.2%	1.5%	1.3%	0.8%	1.2%	1.1%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
12.6%	6.9%	1.7%	12.8%	10.4%	1.7%	8.6%	2.1%	0.9%

Performance Comparison Chart (Water Facility & Pumping)



Generally, higher values are desirable

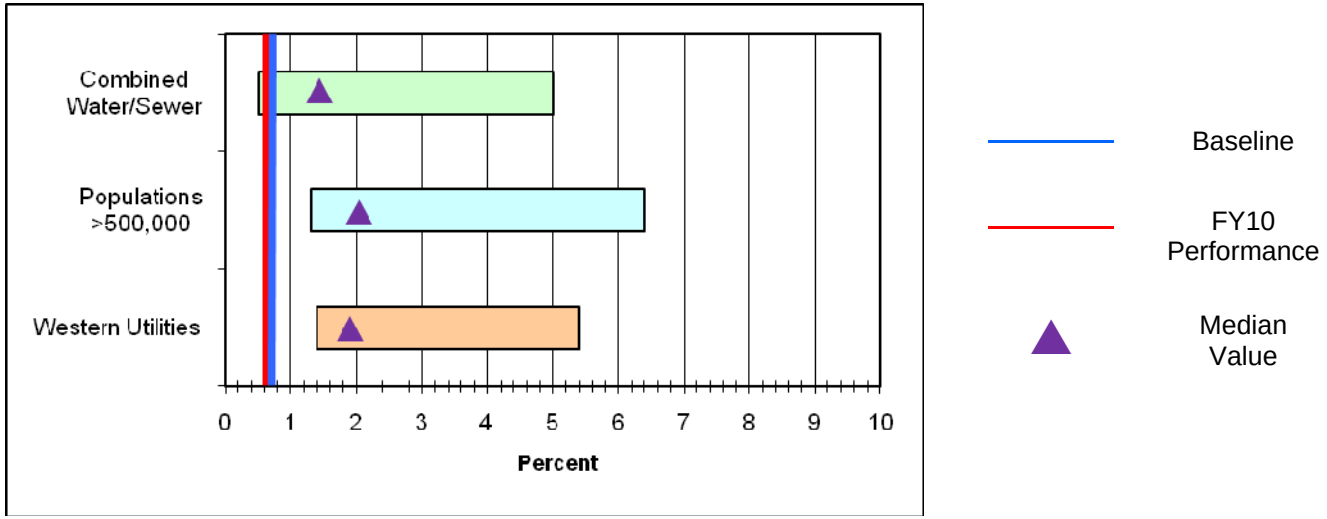
Performance Results (Wastewater Pipeline & Collection)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.7%	0.8%	0.8%	0.6%	0.7%	0.7%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
5.0%	1.5%	0.5%	6.4%	2.1%	1.3%	5.4%	1.8%	1.4%

Performance Comparison Chart (Wastewater Pipeline & Collection)



Generally, higher values are desirable

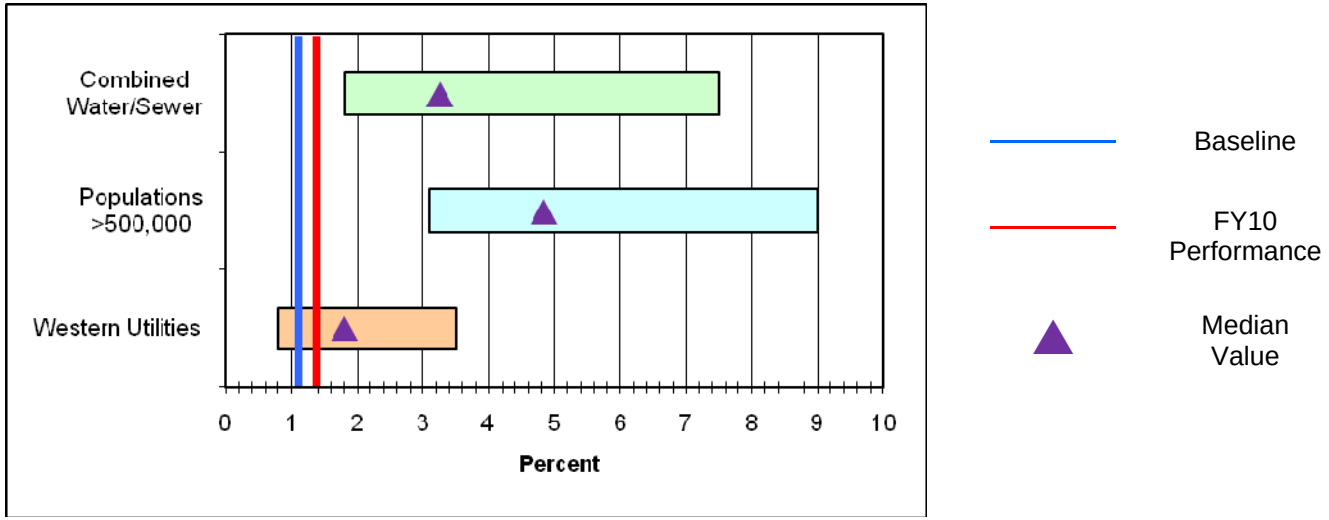
Performance Results (Wastewater Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.1%	1.0%	0.9%	1.4%	1.1%	1.1%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
7.5%	3.3%	1.8%	9.0%	4.8%	3.1%	3.5%	1.8%	0.8%

Performance Comparison Chart (Wastewater Facility & Pumping)



Generally, higher values are desirable

Results Narrative

This measure quantifies the degree to which a water or wastewater utility is replacing its infrastructure based on target lives for both water and wastewater asset groups. Data for these asset groups are provided in four categories:

1. Water pipeline/distribution
2. Water treatment facility and pumping
3. Wastewater pipelines and collection
4. Wastewater treatment facility and pumping

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years for water distribution system and treatment and wastewater collection system and treatment. In FY07, the Water Authority increased its capital program spending from $30 million per year to $43 million per year, including significant increases in planned rehabilitation spending from $22 million to $30 million. Over the last five years, the Water Authority has averaged $37 million on rehabilitation spending.

In FY08, the Water Authority formally established its asset management program and established a Steering Committee to implement the program. The Committee's role is to communicate and drive the development and implementation of the asset management program. The program is an extensive, well thought out 'Business Model' that helps the Water Authority make better acquisition, operations and maintenance, renewal, and replacement decisions. In FY10, the Water Authority completed an Asset Management Plan (AMP) as a part of its asset management program. The AMP provides a 30-year projection that allows the Water Authority to budget for renewals and replacements into the future. In addition, the Water Authority will begin upgrading its work order system in a manner that supports asset management business objectives. Moreover, the Water Authority has incorporated asset management principles and management of risk into ten-year Capital Improvement Plan.

2010 Customer Opinion Survey

- 84% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

FY12 Related Objectives

- Continue implementation of the Comprehensive Asset Management Program to manage existing assets more effectively and plan for future needs; complete ten-year asset management plans by the 4th Quarter of FY12; and continue integration of Asset Management Plan into the CIP Decade Plan.
- Expend $31 million in water and wastewater capital rehabilitation and replacement programs by the end of the 4th Quarter of FY12. $1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY12.
- Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY12.

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Goal 5
Organizational Development

Guiding Goal Statement

Sustain a well informed, trained, motivated, safe, organized, and competitive work force to effectively meet the expectations of the customers, community, and Board in accordance with adopted policies and mandates.

Goal Performance Scorecard

Ref #	Performance Measure	Status	Trend
5-1	Employee Health and Safety Severity Rate	▼	▼
5-2	Training Hours per Employee	■	■
5-3	Customer Accounts per Employee (Water)	▲	▲
5-3	Customer Accounts per Employee (Wastewater)	▲	▲
5-3	MGD Water Delivered per Employee	▲	▲
5-3	MGD Wastewater Processed per Employee	▲	▲
5-4	Organizational Best Practices Index	■	■
	Overall Goal Status	■	■

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Status	FY12 Estimate
Reduce the number of employee injury lost days by 10% (FY10/FY11/FY12)	**5-1**	▲	■	▲
Develop and implement an incentive program to advance all capable water and wastewater system employees to journey-level certification (FY12)	**5-2**	NA	NA	■
Implement online training modules (i.e., harassment avoidance, substance abuse policy, and employee safety) as well as facility tours for new employee orientation (FY11)	**5-2**	NA	▲	▲
Continue implementation of succession and knowledge management planning to prepare for the large number of retirements expected in the next five to ten years and to effectively manage the Water Authority's assets (FY10/FY11)	**5-4**	■	■	■
Implement the classification and compensation study (FY10/FY11)	**5-4**	■	▲	▲
Develop employee performance evaluations to include performance on goals, objectives and benchmarks (FY10/FY11/FY12)	**5-4**	■	■	▲
Develop and/or update all standard operating procedures, business process changes, and work order closure procedures (FY11)	**5-4**	NA	■	■
Maintain vacancy rate between 8%-10% (FY10/FY11/FY12)	**5-4**	▲	▲	▲

Performance Key

▲	■	▼
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

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Performance Measure Division Responsibility

Ref #	Performance Measure	Operations	Financial / Business Services	Human Resources
5-1	Employee Health and Safety Severity Rate			✓
5-2	Training Hours per Employee			✓
5-3	Customer Accounts per Employee (Water)	✓	✓	
5-3	Customer Accounts per Employee (Wastewater)	✓	✓	
5-3	MGD Water Delivered per Employee	✓	✓	
5-3	MGD Wastewater Processed per Employee	✓	✓	
5-4	Organizational Best Practices Index	✓	✓	✓

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5-1 Employee Health and Safety Severity Rate

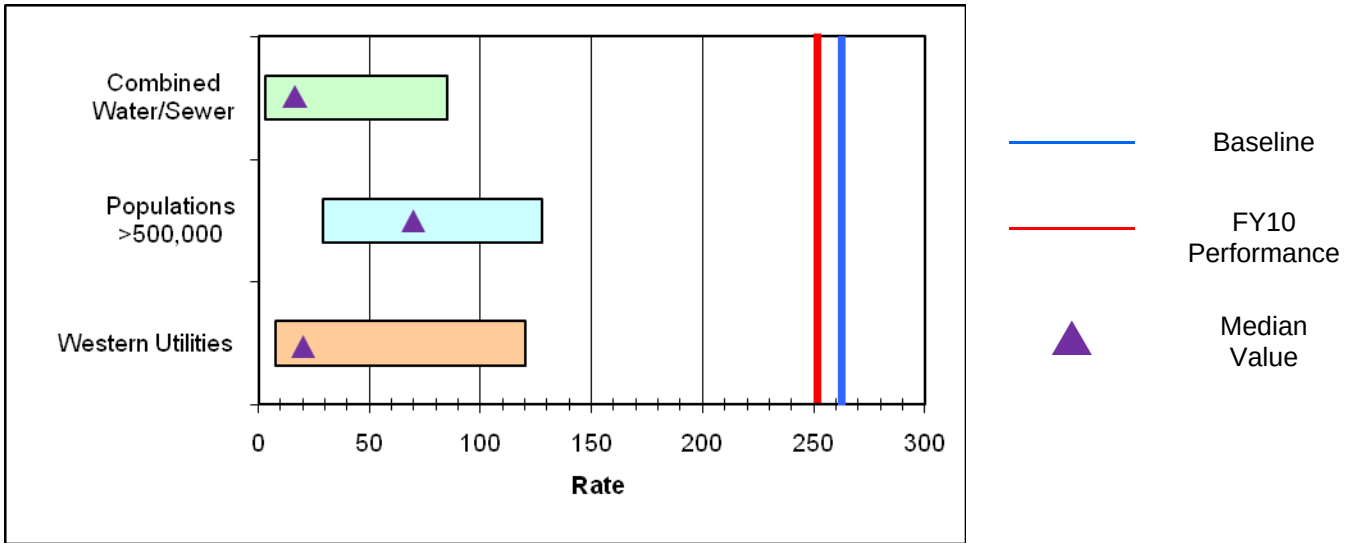
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2008	2008	2010	2011	2012	
Effectiveness	Quantify the rate of employee days lost from work due to illness or injury	Total workdays away from work and total hours worked by all employees	265	406	136	252	223	210	Improve employee heath and safety to reduce total workdays from work

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
3	21	85	29	70	128	8	25	120

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

The Occupational Safety and Health Administration (OSHA) has established accident and illness recording and reporting requirements that affect most organizations. The OSHA standard is recommended because it has broad applicability and most utilities are already recording the needed data. The OSHA lost-days measure quantifies the rate of days lost due to illness or injury per 100 employee-years of work. It was selected as a good measure for water and wastewater utilities because it summarizes a very useful set of data that is readily available at most utilities.

Excessive lost workdays affect productivity and can cost utilities in a number of ways. Health care, insurance premiums, and overtime can all be adversely impacted by lost work due to injury or health reasons.

Measurement Status

The Water Authority's performance in this measure has been below the median range since the Water Authority began measuring its performance in 2005. Since 2005, the Water Authority's performance in this measure has improved every year with a dramatic drop in 2009 – a 76% decrease from 2008. From past policy objectives, the Water Authority has developed safe work incentives and routine employee safety training. In addition, the Water Authority improved its Light Duty Program in order to get workers back to the job safely. This new process has provided a clearer understanding on what needs to take place when an injury occurs including the documentation, payroll coding and expectation and assignment of the employee. In 2009, the Water Authority awarded its employees with a $500 incentive payment, taxes paid, and in 2010, employees received $300 for meeting injury reduction goals. However, the Water Authority did not meet its FY11 goal due to several long-term injuries. A policy objective for FY12 is to keep the same goal from FY11 and reduce the number of employee lost days by 10% connected with a $300 per employee safety incentive program.

FY12 Related Objectives

- Reduce the number of employee injury lost days by 10% by the end of the 4th Quarter of FY12.

5-2 Training Hours per Employee

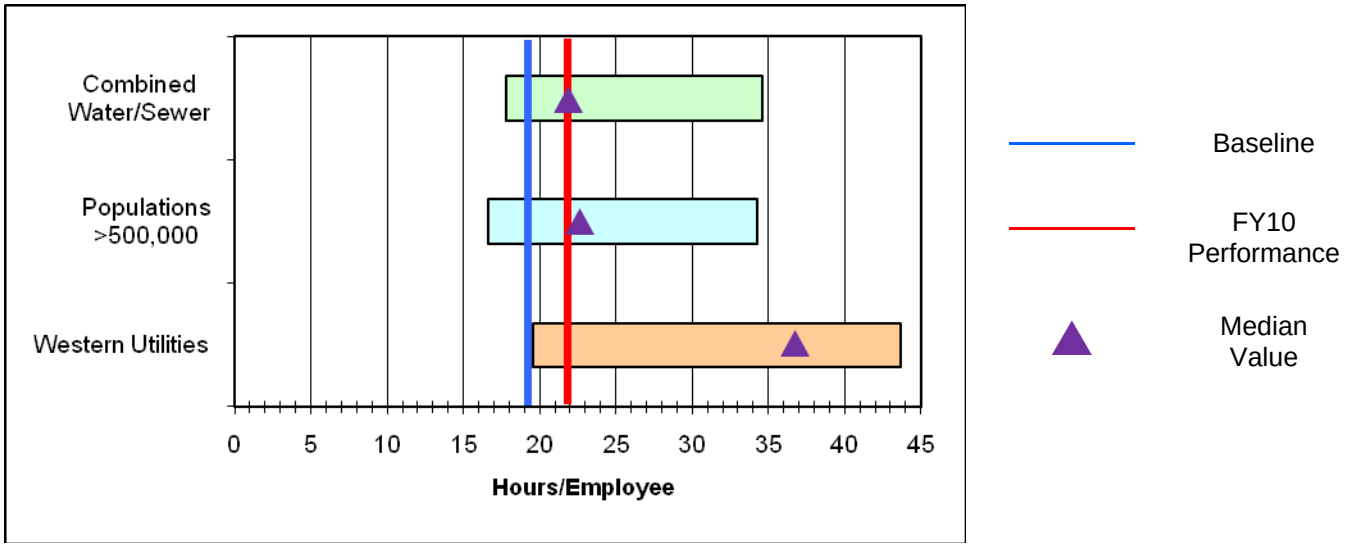
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Effectiveness	Measure the quantity of formal training Water Authority employees actually completing	Number of formal training hours per employee per year	19	14	20	22	24	26	Improve employee knowledge and skills to maintain a motivated and effective works force

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
35	22	18	34	24	17	44	37	20

Performance Comparison Chart



Generally, higher values are desirable

Results Narrative
This measure is intended to reflect the organization's commitment to formal training as a means of improving employee knowledge and skills. It also does not address the effectiveness or efficiency of the training programs used by the utility.

Measurement Status
The Water Authority's performance in this measure has been within the median range for the past three fiscal years. The Water Authority adopted a policy objective in FY09 to increase certification training hours and by creating an organizational succession plan by implementing hiring, training and certification programs for mechanics, electricians and electronics technicians. The Water Authority has improved it performance in this measure in FY10 and FY11 from implementation of several training programs. The Water Authority will continue to improve its performance in FY12 on continuing to implement its training programs and developing new programs. A new program in FY12 is develop and implement an incentive program to advance all capable utility system employees to journey-level certification.

FY12 Related Objectives
- Develop and implement an incentive program to advance all capable water and wastewater system employees to journey-level certification (both utility and state) through the end of the 4th Quarter of FY12.

5-3 Customer Accounts per Employee, MGD Water Delivered per Employee, & MGD Wastewater Processed per Employee

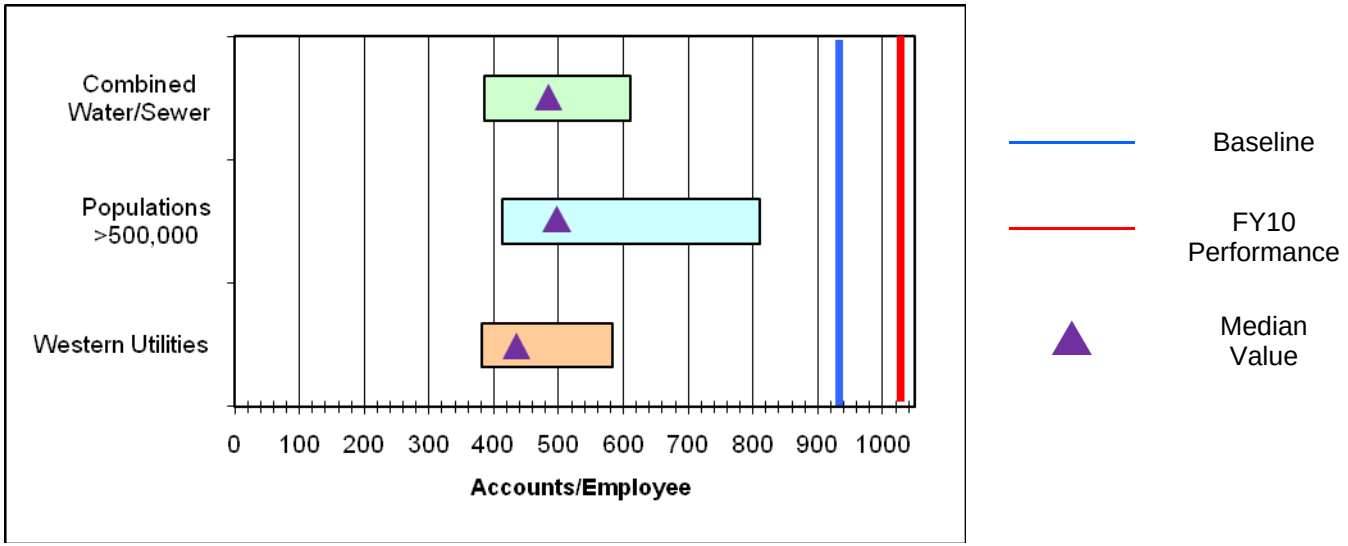
Performance Results (Customer Water Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	931	844	927	1,023	958	955	Provide efficient service to our customers to meet their expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
611	488	385	811	500	413	583	429	381

Performance Comparison Chart (Customer Water Accounts per Employee)



Generally, higher values are desirable

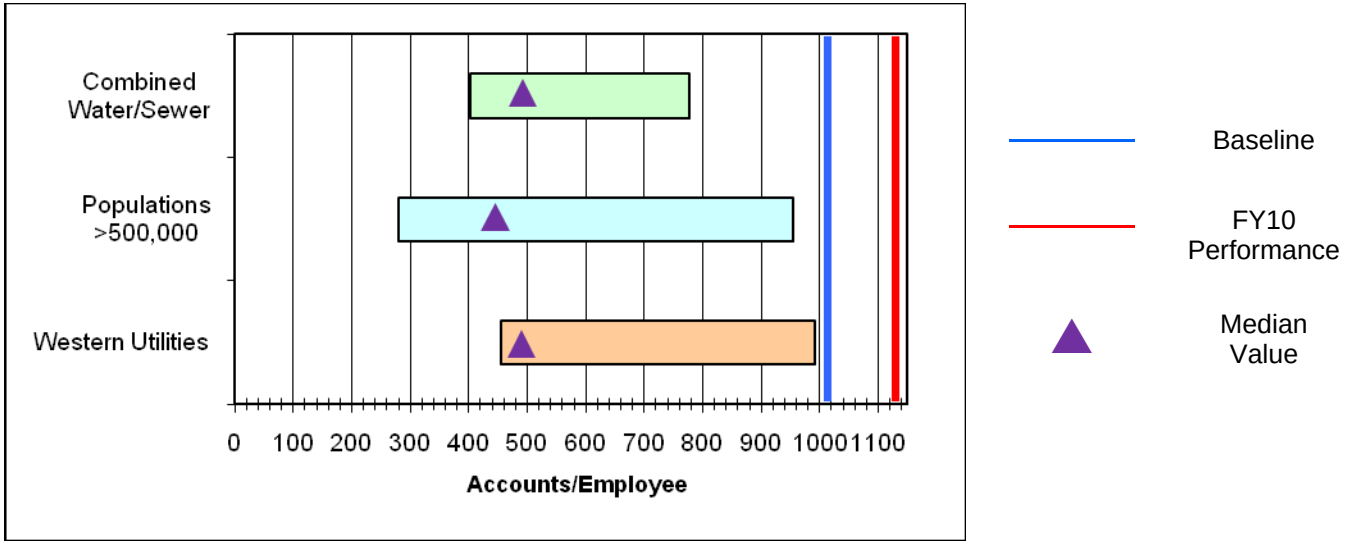
Performance Results (Customer Wastewater Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	1,066	1,031	1,028	1,138	1,115	1,120	Provide efficient service to our customers to meet their expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
777	494	403	955	451	279	991	494	455

Performance Comparison Chart (Customer Wastewater Accounts per Employee)



Generally, higher values are desirable

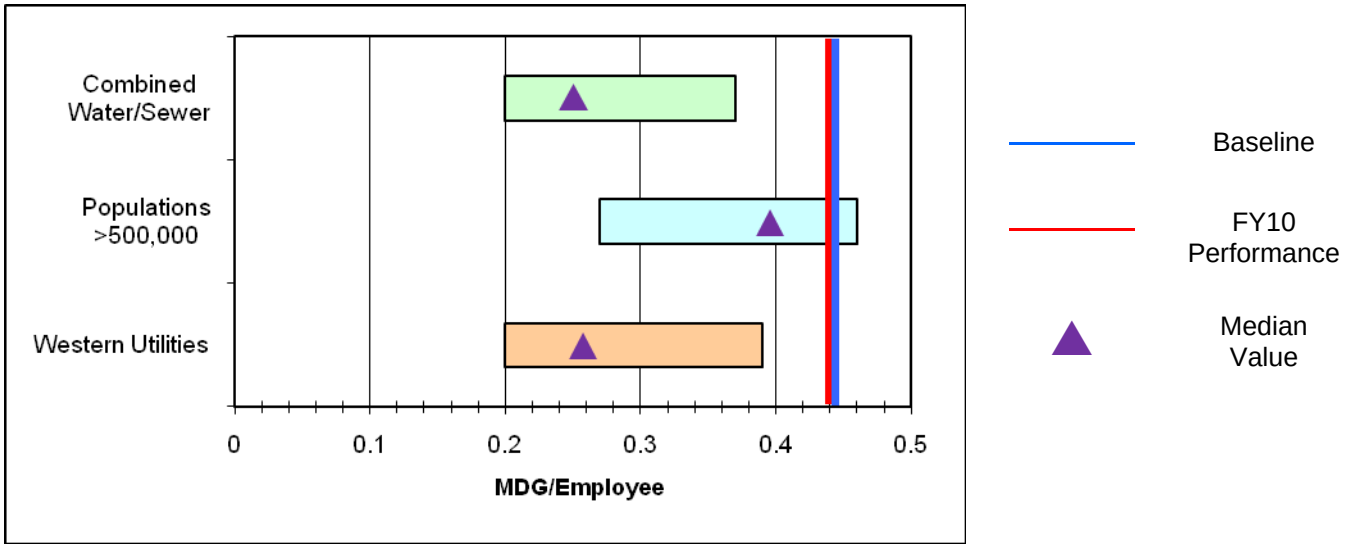
Performance Results (MGD Water Delivered per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.44	0.43	0.45	0.44	0.45	0.45	Provide efficient service to our customers to meet their expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.37	0.25	0.20	0.46	0.39	0.27	0.39	0.27	0.20

Performance Comparison Chart (MGD Water Delivered per Employee)



Generally, higher values are desirable

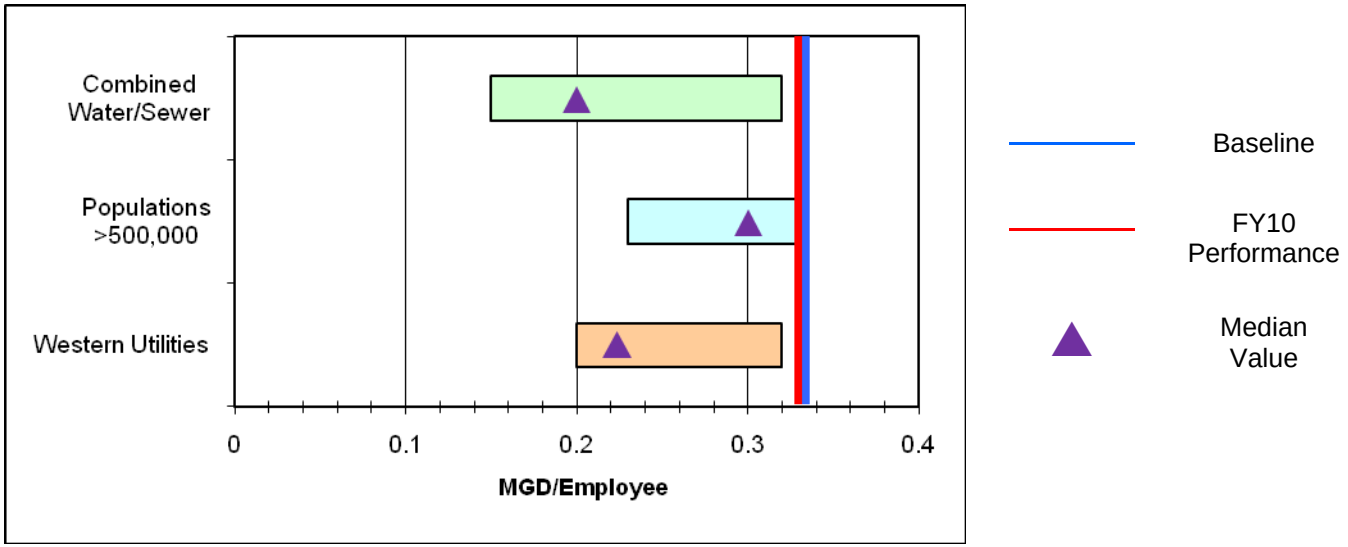
Performance Results (MGD Wastewater Processed per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.34	0.37	0.33	0.33	0.32	0.31	Provide efficient service to our customers to meet their expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.32	0.22	0.15	0.33	0.31	0.23	0.32	0.23	0.20

Performance Comparison Chart (MGD Wastewater Processed per Employee)



Generally, higher values are desirable

Results Narrative

These measures measure employee efficiency. By expressing them in terms of both accounts and millions of gallons (MGD) per day of water delivered or wastewater processed, the effects of customer class are diminished.

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years for water accounts per employee. The Water Authority's performance has been within the upper median range for wastewater accounts per employee. It is within the median range of millions of gallons per day of water delivered or wastewater processed. It is expected that the Water Authority will maintain its performance in this area for the next two fiscal years.

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5-4 Organizational Best Practices Index

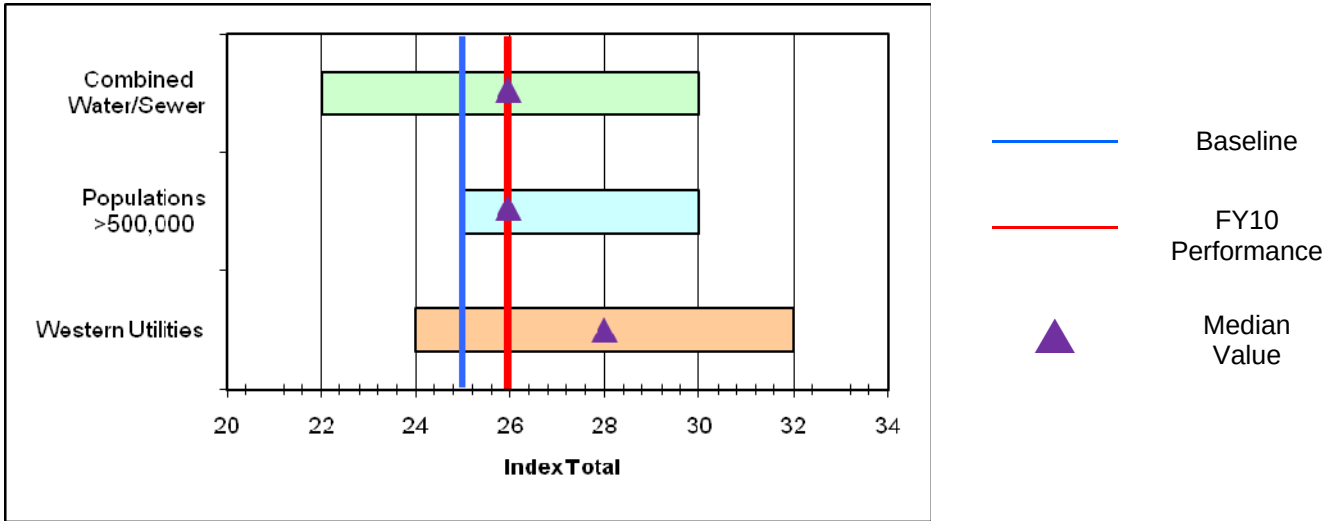
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY08	FY09	FY10	FY11	FY12	
Quality	To summarize the Water Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree to which the Water Authority is implementing the seven organizational best practices	25	25	25	26	27	27	Implement best management practices to sustain a competitive work force

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
30	26	22	30	26	25	32	28	24

Performance Comparison Range Chart



Generally, higher values are desirable

Results Narrative

This measure summarizes the status of implementation of good management practices at a utility. It is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. Correlations with other measures might show that performance in other areas is related to investments in improved management practices. The Water Authority used a self-scoring system to identify the degree to which each of seven important practices being implemented. The scoring system is based on the results from the QualServe Self Assessment that the Water Authority completed in 2004. Scores for the seven areas are aggregated to provide an index score.
The practices included in the index are as follows:

- Strategic Planning
- Long-Term Financial Planning
- Risk Management Planning
- Optimized Asset Management Program
- Performance Measurement System
- Customer Involvement Program
- Continuous Improvement Program

Measurement Status

The Water Authority's performance in this measure is within the median range for past three fiscal years. After implementing the areas of improvement suggested in the QualServe Peer Review, the Water Authority anticipates continued progress on this measure. This measure is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. There are several policy objectives in FY11 and FY12 to help the Water Authority improve its performance in this measure.

FY12 Related Objectives

- Conduct an AWWA QualServe Self Assessment to obtain employee opinions on the Water Authority's operations by end of the 2nd Quarter of FY12.
- Implement employee performance evaluation system that aligns to performance objectives and benchmarks by the end of the 4th Quarter of FY12.
- Develop and/or update all standard operating procedures and compile them into an electronic library by the end of the 4th Quarter of FY12.
- Maintain a utility-wide vacancy rate of no greater than 8% through FY12.