FISCAL YEAR




2009 Performance Plan

APPROVED

Albuquerque Bernalillo County
Water Utility Authority

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Albuquerque Bernalillo County

Water Utility Authority

Executive Summary

The Albuquerque Bernalillo County Water Utility Authority's (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 Authority's financial resources. The FY09 Performance Plan assesses the performance of the Authority using a set of identified and tested, high-level performance measures. These measures are designed to help the Authority improve its operational efficiency and effectiveness by identifying areas of improvement and 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 Authority assesses its performance in relation to the other utilities.

The FY09 Performance Plan contains 23 performance measures organized by the 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 Authority's performance compared to other utilities and tracks the Authority's progress over the last three fiscal years.

Goal	Performance Measure	FY05	FY06	FY07
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			
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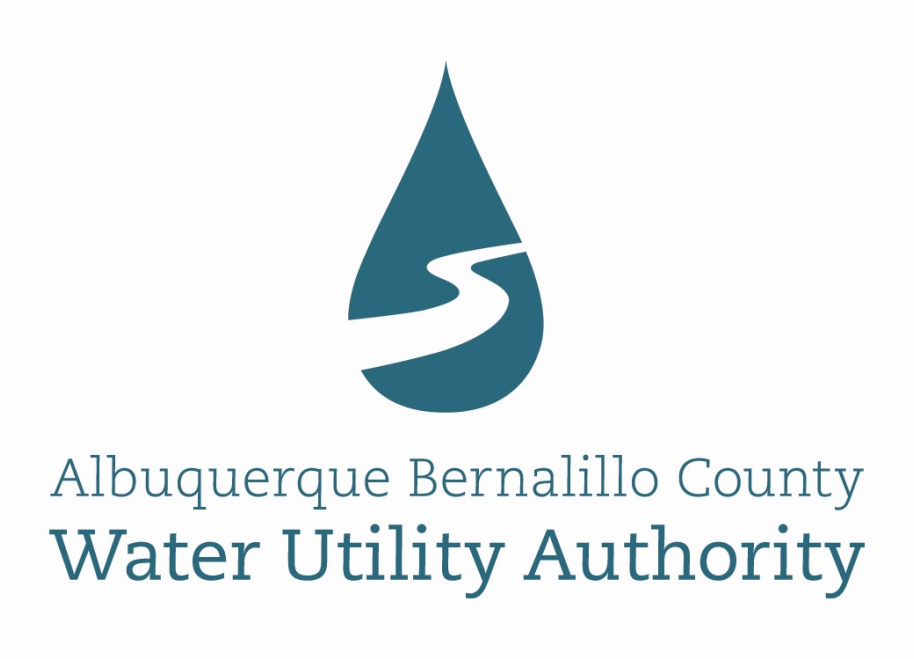
Organization Development	Employee Health and Safety Severity Rate			
	Training Hours per Employee			
	Customer Accounts per Employee, Water Delivered & Wastewater Processed per Employee			
	Organizational Best Practices Index			

Performance Key			
			
Excellent	Good	Fair	Poor


Albuquerque Bernalillo County
Water Utility Authority

Introduction

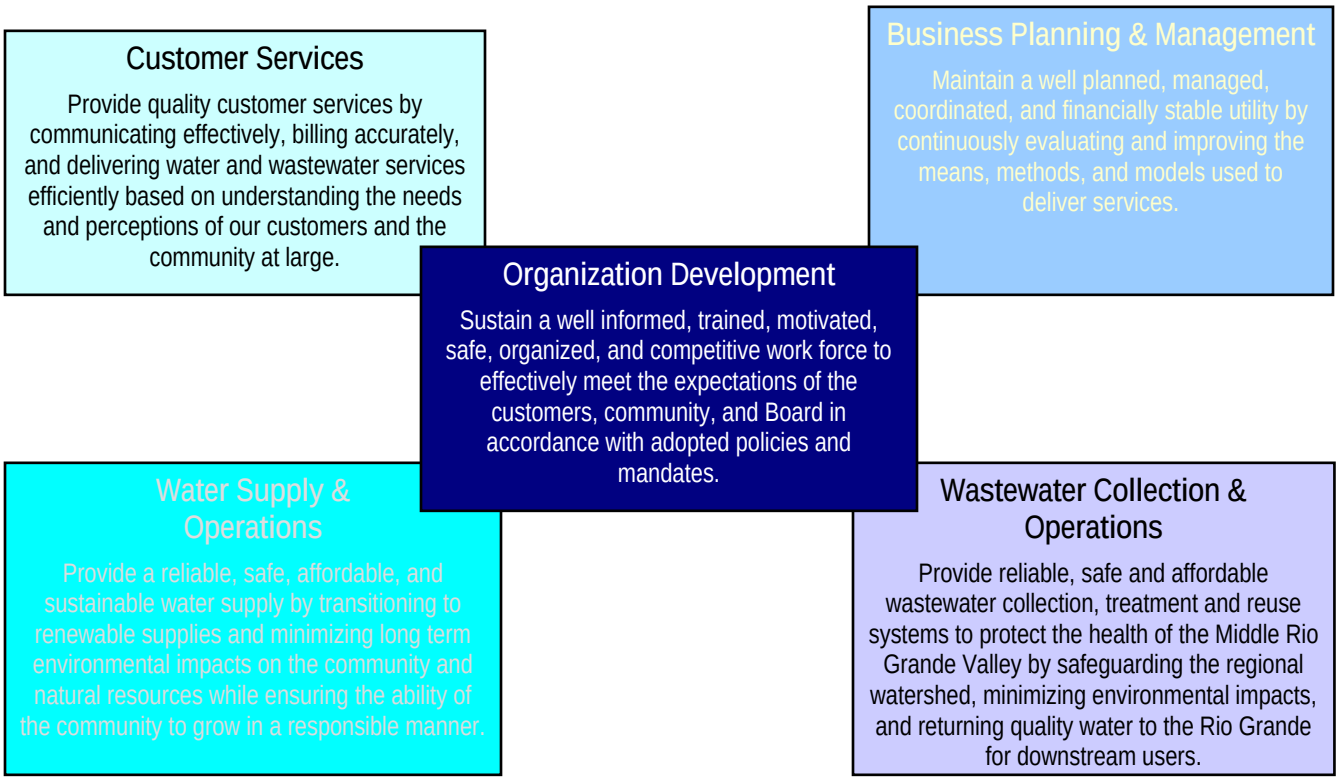
The Albuquerque Bernalillo County Water Utility Authority's (Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Authority's financial resources.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

The 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. The Survey's report provides summary data and comparative analyses of the survey data from over 200 different utilities. The Performance Plan uses the survey data as a basis for its performance measures to track the Authority's performance year to year as well as to compare its performance with other utilities.

Five-Years Goals

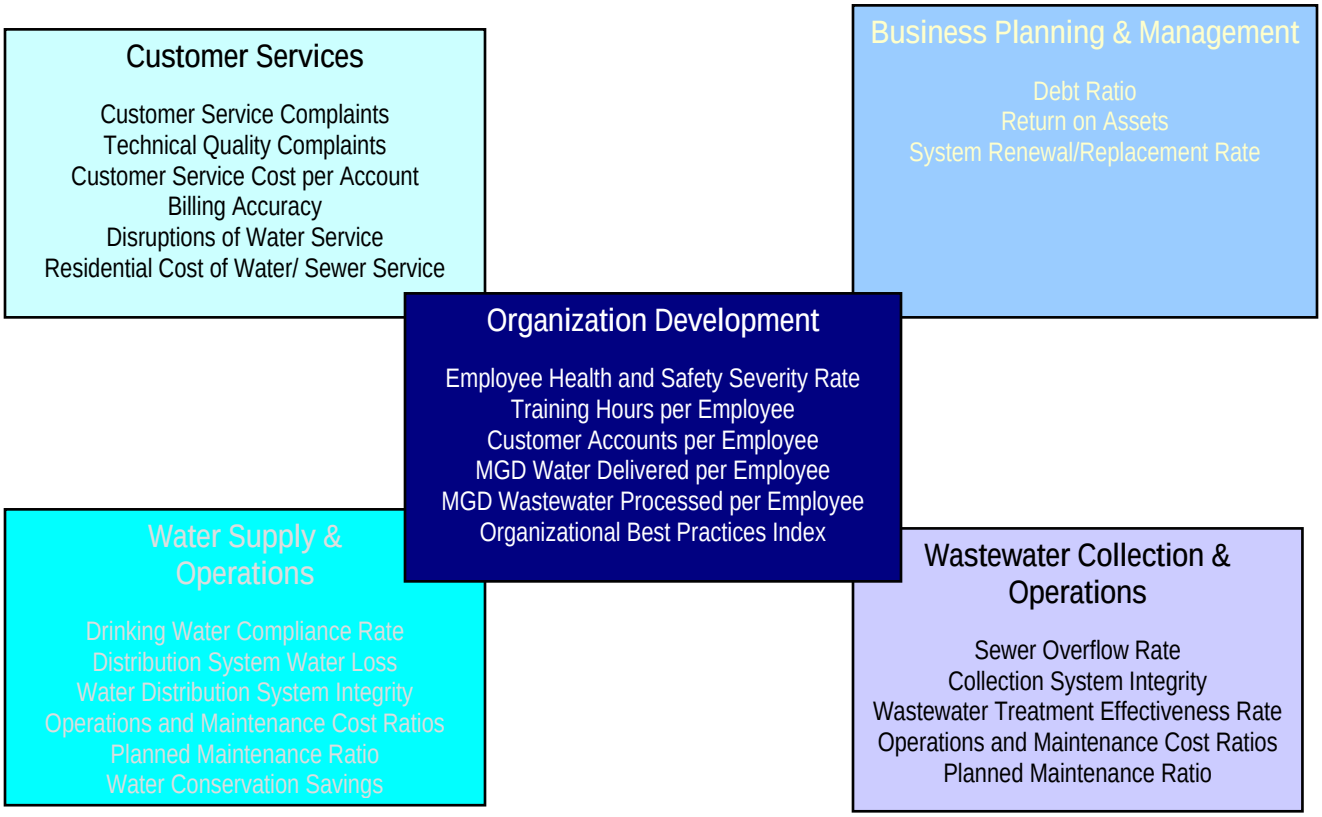
The Authority's Performance Plan is organized by the Authority's Five-Year Goal areas which are modeled after AWWA's QualServe business model. The QualServe framework is modeled from fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program, the Deming 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 Authority's Five-Year Goals. The Authority also has developed goal statements for each goal area which explains the long-term desired result for that goal.

Figure 1: Authority's Five-Year Goals



The Performance Plan contains 23 performance measures. These performance measures are organized by the Authority's Five-Year Goal areas shown in Figure 2.

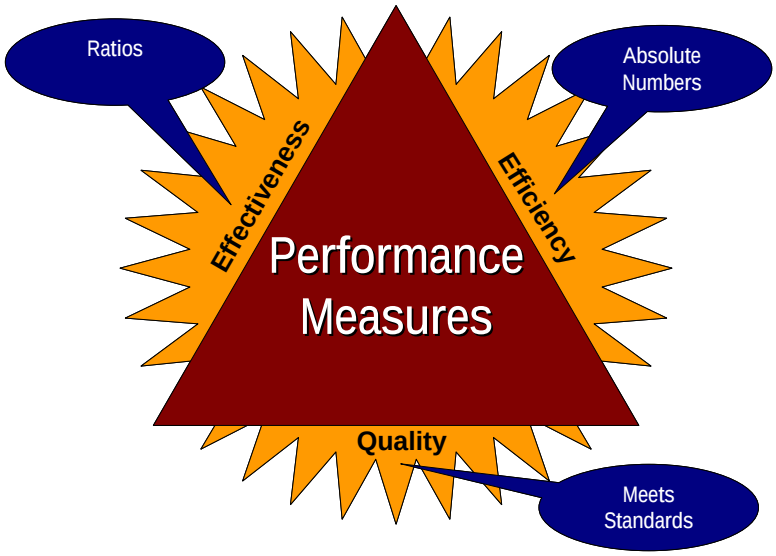
Figure 2: Performance Measures by Goal Area



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 performance measure quantifies 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 Authority would like to achieve in connection with its Five-Year Goals and One-Year Objectives. Simply stated, the performance measures identify gaps in service delivery or performance. They are used to help monitor the Authority's performance and develop performance targets in order to improve operational efficiency and effectiveness.

Benchmarking and Industry Peer Group

The Performance Plan contains three years of actual prior year data (FY05 through FY07) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY08) as well as projected performance in the proposed budget year (FY09). Therefore, the Plan shows a baseline of past performance and projected performance targets that drive financial and budgetary policies that are consistent with the Authority's Five-Year Goals.

In addition to assessing the Authority's performance year to year, the Plan also benchmarks with other utilities in the Western United States, utilities that serve populations greater than 500,000, and utilities with combined water/wastewater operations; this is referred to as the *industry peer group*. By benchmarking with other utilities, the Authority is able to assess its performance relative to other high-performing utilities. For each performance measure, the industry peer group is presented throughout this Plan using the following categories:

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

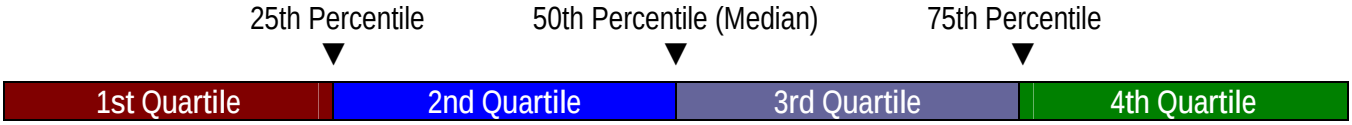
Presentation of Data

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 Authority is performing year to year and is performing compared to the the industry peer group. The tables and charts will help the Authority to identify opportunities for operational performance improvements and provide a mechanism to conduct comparative analyses in order to implement quality improvement processes.

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 3 illustrates the four quartiles. Data in the 2nd and 3rd quartiles is described as the "median range." The reason is that the median is the boundary between these two quartiles. 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 3: Percentile/Quartile Illustration

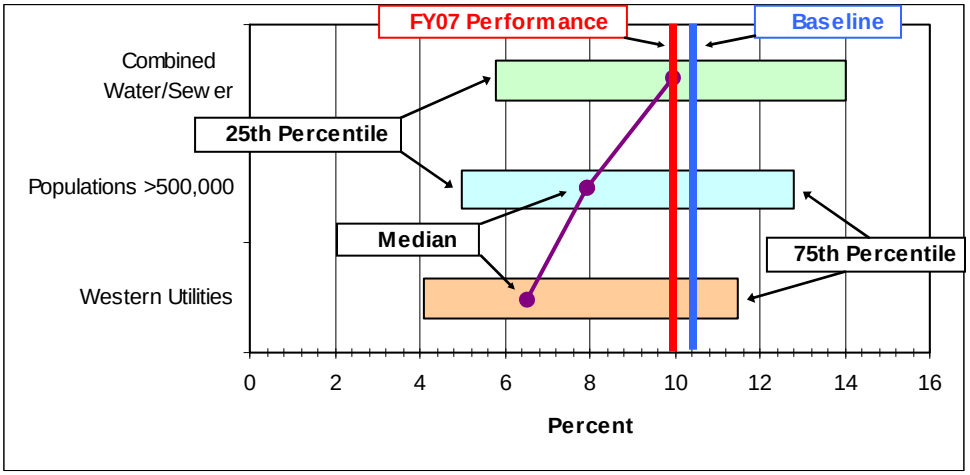


Using the Performance Comparison Chart

Figure 4 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 circles on each bar indicate the median value in the range. The vertical blue line represents the Authority's baseline performance and the vertical red line represents the Authority's latest actual performance.

In the example provided in Figure 4, the chart shows that the Authority's performance for FY08 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 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 if higher or lower values are desirable.

Figure 4: Example Performance Measure – Percentiles Indicated



Relationship of Performance Plan to Goals, Objectives and Budget

The Performance Plan is a component of the *Strategic Planning, Budgeting and Improvement Process* that was 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.

Performance Accountability

Each Authority division manager is responsible for their respective goal areas and objectives and for tracking their performance. On a monthly basis, the Executive Director meets with the division managers and their staff to review progress reports on the performance measures and objectives. The 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 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 Authority is balancing performance improvement with customer expectations.

The Authority also uses performance measures and performance targets in conjunction with the review of annual budget. The Executive Director and the managers integrate performance reporting with 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 Authority has moved from just measuring performance to managing performance and how and what it what it wants to achieve. As a result, the Authority has become more transparent and accountable to its customers and governing board.

Layout of Performance Plan

The performance measures are presented by the Authority's five goal areas. Each performance measure is presented in the logic model showing inputs, outputs and outcomes. In addition, each measure has both comparative statistics and charts showing how the Authority benchmarks with 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 and its relationship to the annual policy objectives.

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1-1 Drinking Water Compliance Rate

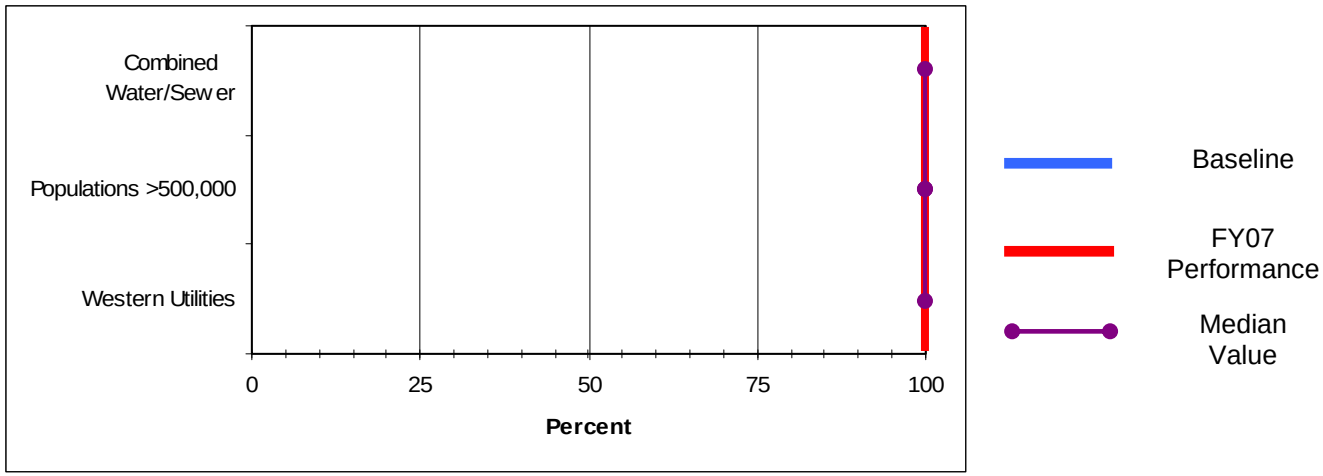
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Quality	Quantify the percentage of time each year that the 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
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Performance Comparison Chart



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 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.

By Fall 2008, the Authority will begin distribution of treated surface water mixed with ground water resources as part of the San Juan-Chama Drinking Water Project. In 2007, the Authority constructed a pilot plant which is a small-scale prototype of the large water treatment facility in order to begin testing the purification process. Since the spring of 2007, the Authority has distributed more than 900,000 bottles of San Juan-Chama Drinking Water to give its customers an opportunity to preview the water that will soon be coming from their taps.

In February 2008, the Authority had the purified surface water tested by two certified laboratories. The lab test results show that the purified surface water that will be distributed to our customers meets or exceeds all federal and state drinking water standards. In addition, an analysis of the Authority's treatment process by an outside expert concluded that the process's disinfection systems: 1) exceed regulatory requirements; 2) produce microbiologically safe water; and 3) are effective in removing fungi, bacteria, viruses, and protozoa.

A policy objective for FY08 which will be carried into FY09 is to update the Groundwater Protection Policy and Action Plan by integrating surface water quality protection into the current plan. Therefore, the Authority will have a comprehensive surface water and ground water protection policy plan.

In our 2008 Customer Opinion Survey:

- 98% of customers are either very or somewhat satisfied with the reliability/availability of water
- 82% of customers are either very or somewhat satisfied with the quality of drinking water

1-2 Distribution System Water Loss

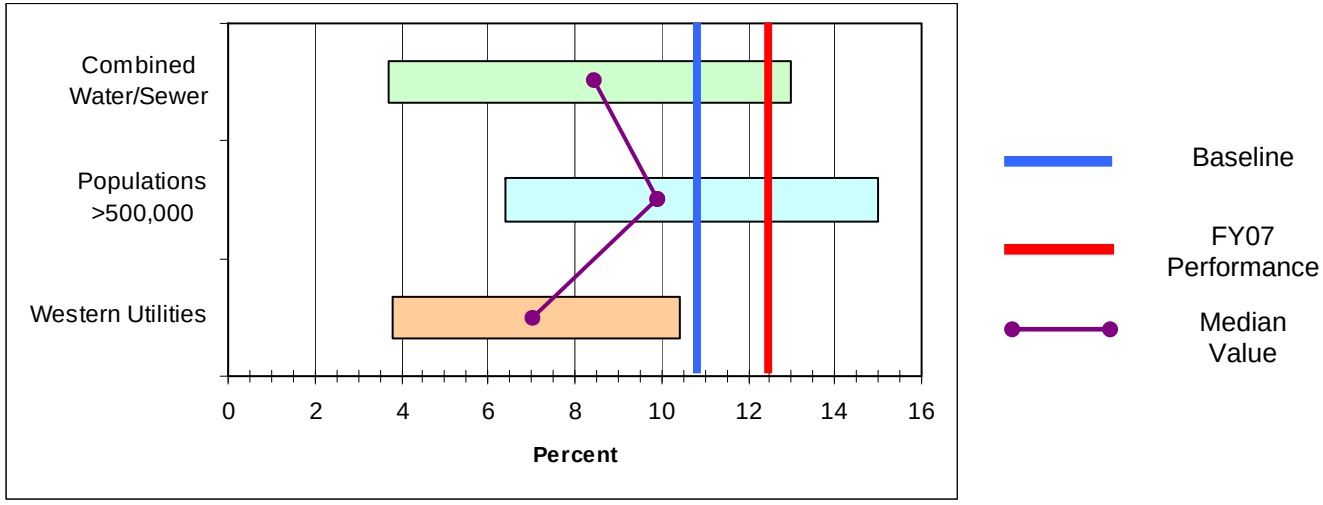
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Quantify the percentage of produced water that fails to reach customers and cannot otherwise be accounted for through authorized usage	Volume of water distributed, volume billed, volume unbilled but authorized	10.8%	9.9%	10.0%	12.5%	10.0%	9.0%	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
3.7%	8.5%	13.0%	6.4%	9.9%	15.0%	3.8%	7.2%	10.4%

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. The utility will then be able to make good decisions regarding operations, maintenance, and pipeline replacements. Tracking water losses helps utility managers understand the condition of distribution system infrastructure and the effects of its operation, maintenance, and replacement practices. This measure provides opportunity for a utility to compare the distribution system water loss against that in the distribution systems of other utilities.

Measurement Status

The Authority's performance in this measure has been within the median range for the past three fiscal years. Even though the percentage of water loss has increased over the past three fiscal years, the overall actual water loss is less because the Authority has decreased its production from water conservation. The Authority has developed a leak detection program that focuses on finding water line leaks before they surface, fixing leaking hydrants, and improving meter inaccuracy. This program will help move the Authority's performance in line with utilities in the Western United States where water is a more scare resource. An objective for FY09 is to continue implementation of water loss programs focusing on revenue water and to utilize the International Water Association/American Water Works Association Water Audit methodology for accounting and examination of water loss programs. This will provide a true picture of our "real" and "paper" losses.

In our 2008 Customer Opinion Survey:

- 56% 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

1-3 Water Distribution System Integrity

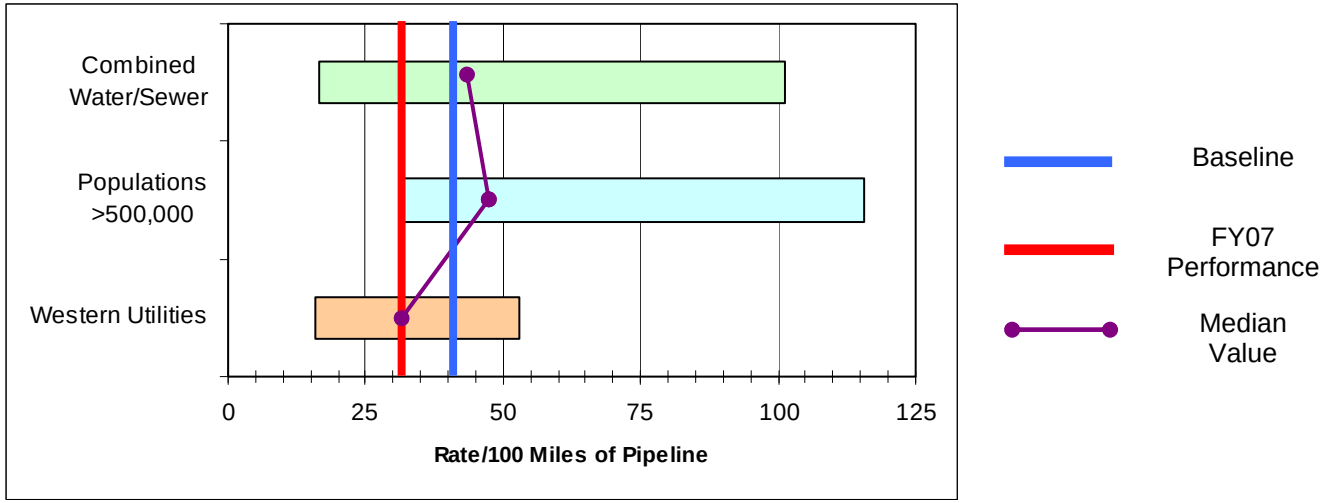
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	36.2	45.9	31.5	31.2	28.1	25.3	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
16.6	41.9	101.2	31.2	48.7	115.8	15.8	31.2	53.0

Performance Comparison Chart



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 Authority's performance in this measure has been within the median range for the past three fiscal years. The 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. Moreover, the Authority has adopted a FY08 policy objective to invest $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; about 44% of leaks result from steel water lines. The Authority has included as an objective for FY09 to continue spending an additional $1 million in steel water line rehabilitation.

In our 2008 Customer Opinion Survey:

- 55% of customers are either very or somewhat satisfied with the effectiveness of the Authority to repair leaks and the response time for restoring service

1-4 Operations and Maintenance Cost Ratio

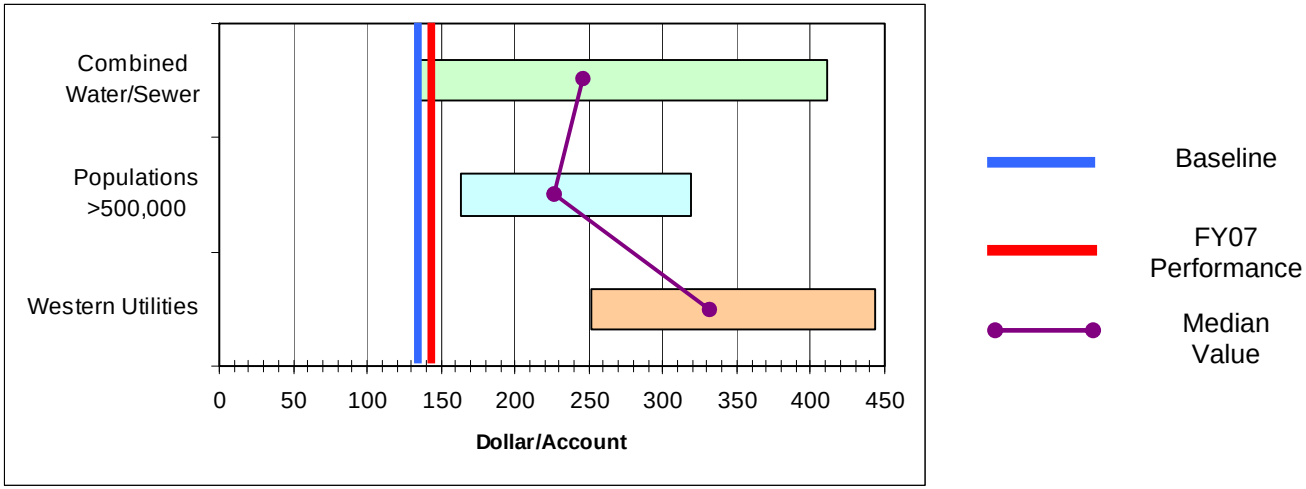
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$136	$130	$134	$144	$157	$167	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
$134	$247	$411	$163	$233	$319	$252	$339	$443

Performance Comparison Chart for O&M Cost per Account



Generally, lower values are desirable

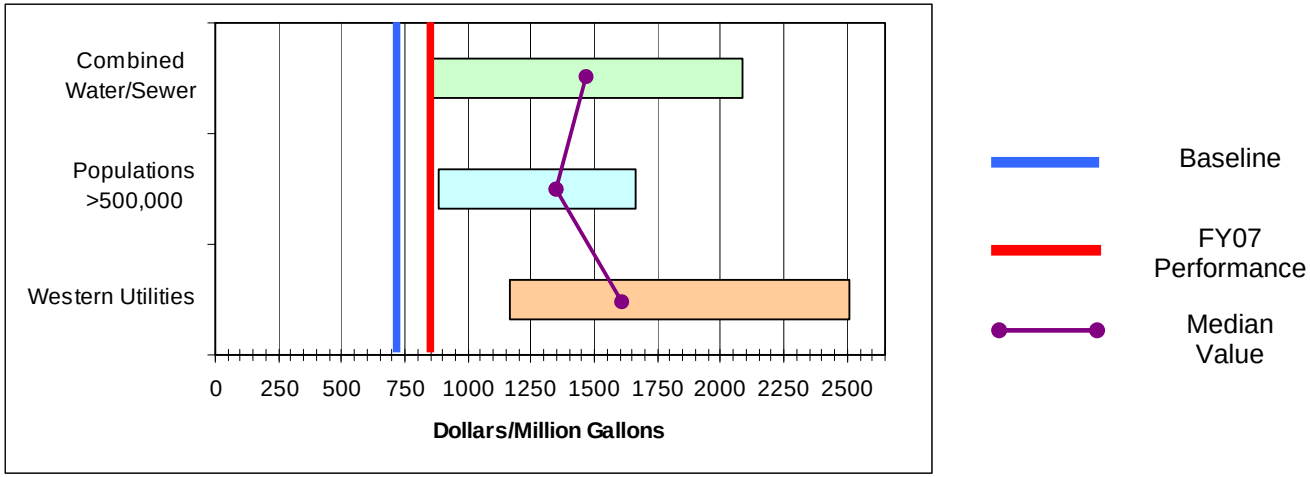
Performance Results for O&M Cost per MG Distributed

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$720	$657	$661	$843	$928	$1,039	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
$863	$1,431	$2,089	$885	$1,320	$1,665	$1,163	$1,608	$2,509

Performance Comparison Chart for O&M Cost per MG Distributed



Generally, lower values are desirable

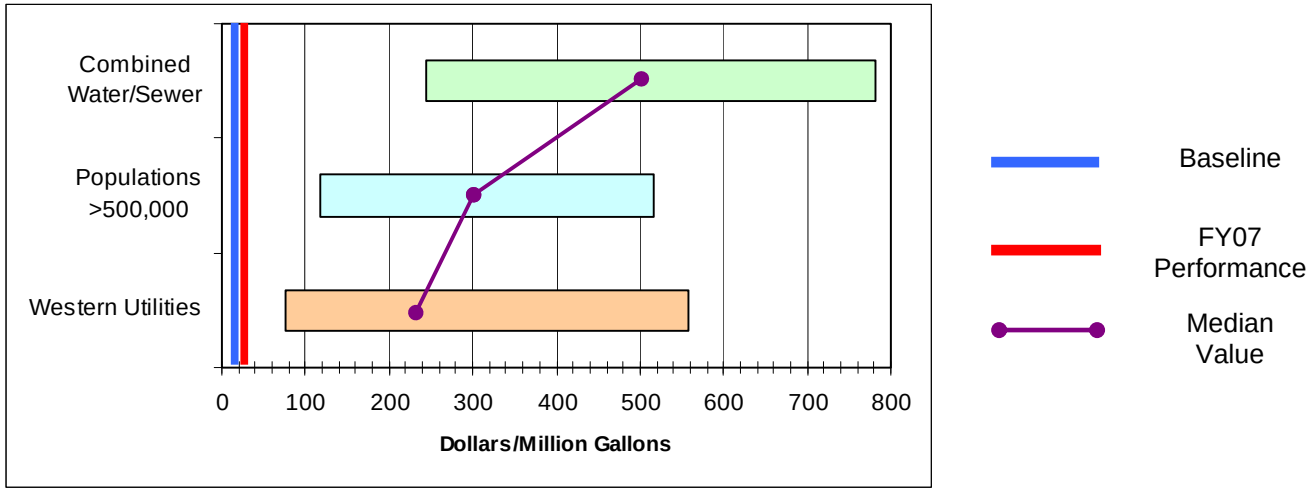
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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 treated	$20	$18	$17	$26	$226	$307	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
$245	$500	$781	$117	$301	$517	$75	$234	$558

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 Authority's performance in this measure has been above the median range for the past three fiscal years. However, O&M costs are expected to increase for the first few years when the new surface drinking water project is operational. The Authority is working on treatability studies to determine the optimum chemical doses for the surface water treatment plant which will help reduce operation costs.

1-5 Planned Maintenance Ratio

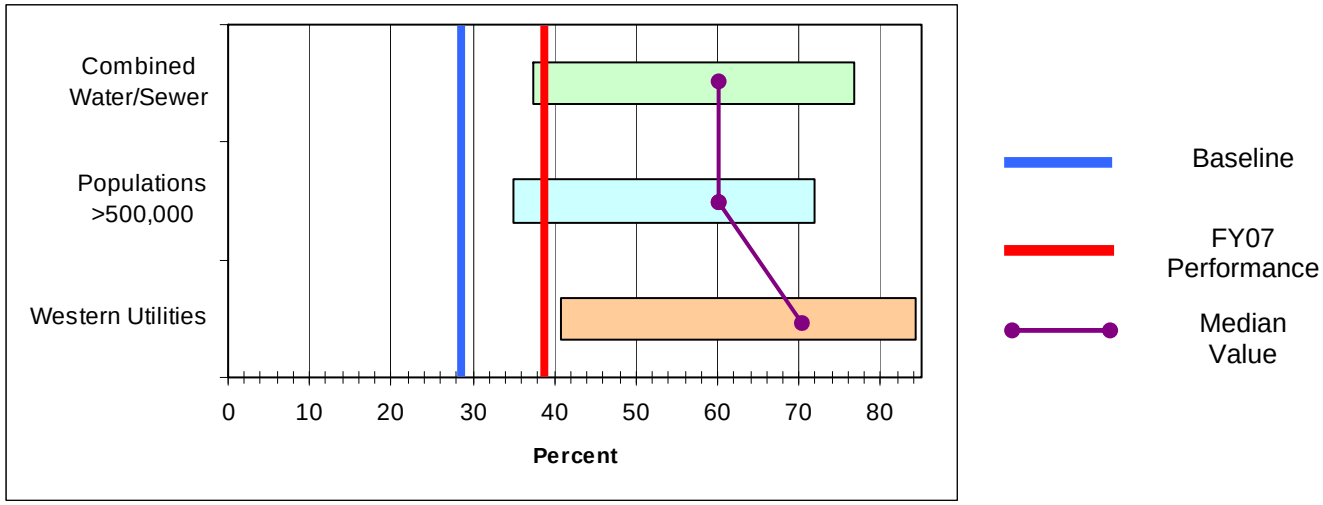
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	28.7%	14.4%	33.0%	38.8%	44.2%	49.7%	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
76.7%	60.0%	37.5%	71.9%	60.0%	35.0%	84.2%	70.0%	40.7%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

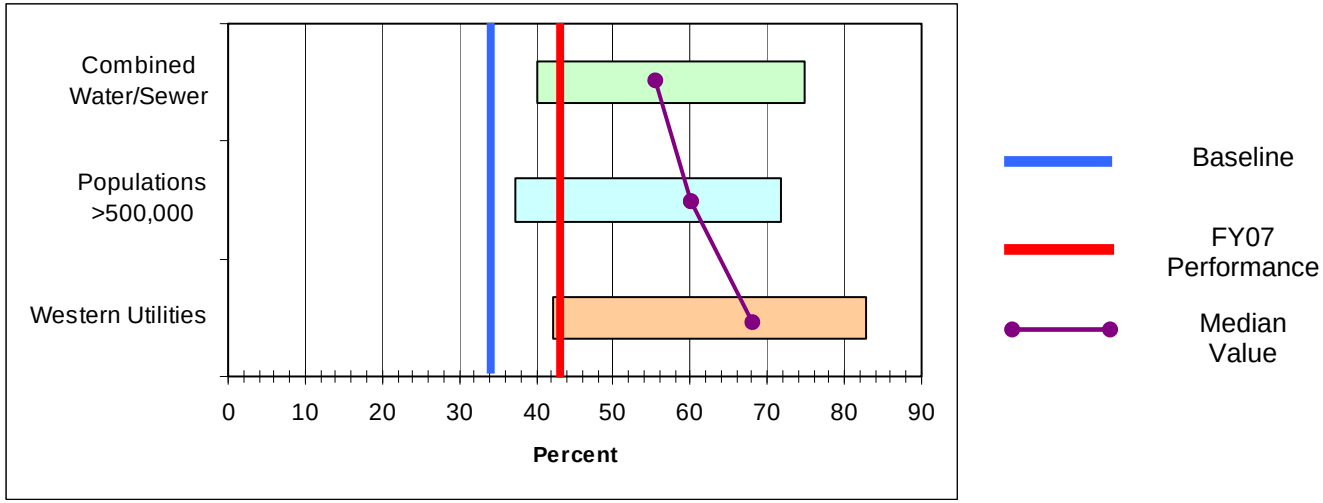
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	34.3%	25.2%	34.2%	43.4%	48.9%	54.5%	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
74.7%	57.1%	40.0%	71.8%	60.0%	37.4%	82.8%	67.8%	42.1%

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 Authority's performance in this measure has been below the median range for the two of the three fiscal years. Corrective maintenance was higher in FY05 due to installation of new water control system at wells, reservoirs, and pump stations. Planned maintenance has improved in FY06 and FY07. The Authority adopted a FY08 policy objective to improve planned/ preventative maintenance by 25%. The increased hours will result from implementing a leak detection program which help will reduce emergency repairs. An objective for FY09 is to further increase planned/preventative maintenance by 25%. Planned maintenance is a key component to the Authority's asset management program. In FY08, the 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. The staff members will help implement these new techniques in conjunction with the asset management program.

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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	
				2005	2006	2007	2008	2009	
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class	Gallons per person per day	250	174	165	167	165	162.5	Reduce water consumption to extend water resources and minimize environment impacts

Industry Benchmark

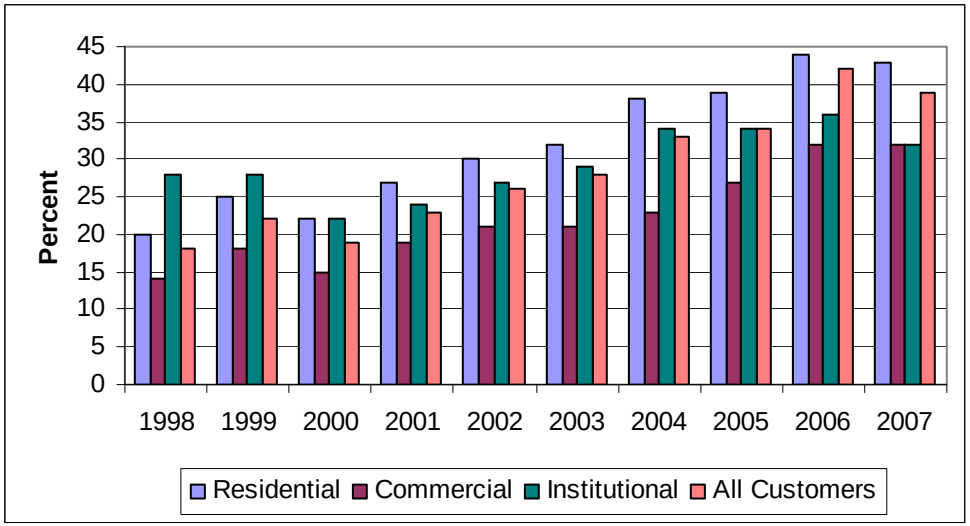
Currently, there is no industry standard for measuring water conservation savings. Water conservation is not performance measure that is tracked by AWWA on the national scale. However, there have some recent regional studies. In a 2001 report that included thirteen western communities, the Authority's water usage is comparable to the other communities. The range is from 170 gpcd (Tucson) to 366 gpcd (Scottsdale) for all classes. The mean for all the communities surveyed was 229 gpcd. There were thirteen cities in the study: Albuquerque, Boulder, Denver, El Paso, Grand Junction, Highlands Ranch, Las Vegas, Mesa, Phoenix, Scottsdale, Taylorsville, Tempe and Tucson. In 2001, the Authority's system-wide per capita usage was 205 gpcd. At the end of 2007, it was 167 gpcd. The gallons per capita per day method, divides the total water produced by the total population served.

Since 1995, the Authority has utilized the per account method to measure water conservation savings. Based on AWWA recommendations, this is the preferred method of measuring water conservation savings. The per account method compares water use in the baseline years for an account type to water use in the current year. The Authority uses both methods of measurement in order to compare with other utilities. The table and chart below show the percent reduction in water conservation savings from 1998 to 2007 compared to the baseline years using the per account method.

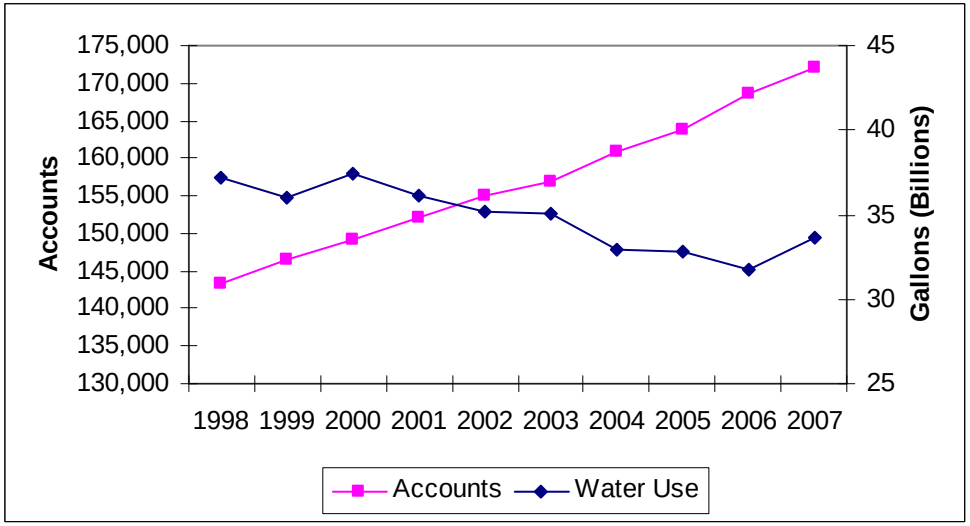
Water Conservation Savings by Customer Class from Baseline Years (1987-1993)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Residential	20%	25%	22%	27%	30%	32%	38%	39%	44%	43%
Commercial	14%	18%	15%	19%	21%	21%	23%	27%	32%	32%
Institutional	28%	28%	22%	24%	27%	29%	34%	10%	36%	32%
All Customers	18%	22%	19%	23%	26%	28%	33%	34%	42%	39%

Water Conservation Savings by Customer Class Graph



Comparison of Customer Accounts to Water Use



Results Narrative

The Authority has decreased its pumping by 12% despite a 37% growth in customer accounts and has saved over 1 billion gallons over the last decade. Overall, water consumption has decreased by 39% compared to the baseline years (1987-1993).

In 2007, over 17 billion gallons of water has been saved by the water conservation program assuming that without the conservation program, the population would have continued to use water at 250 gallons per capita per day.

The Authority will continue to reduce water consumption by continuing to implement several initiatives to reduce outdoor consumption and to target commercial and industrial users. These initiatives were recommended by the Authority's customer advisory committee and were adopted as objectives by the Authority.

In our 2008 Customer Opinion Survey:

- 65% of customers are either very or somewhat satisfied with the education they receive on water issues and conservation programs
- 82% of customers feel that it is very or somewhat important for the Authority to increase water conservation programs

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2-1 Sewer Overflow Rate

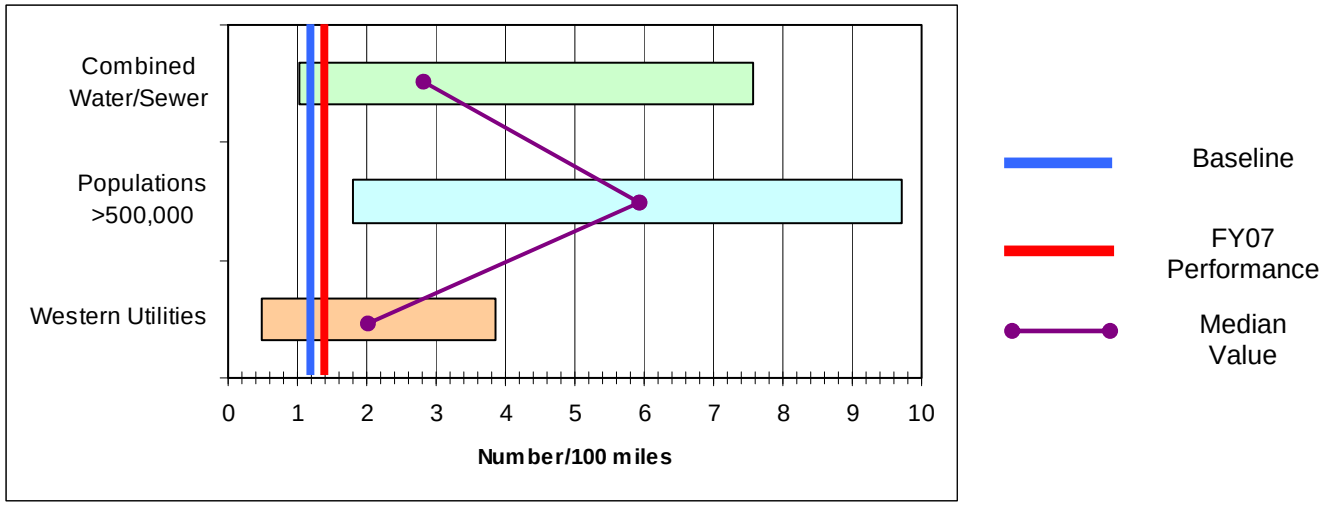
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	1.2	1.10	1.10	1.40	1.05	1.00	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
1.04	2.73	7.56	1.79	6.09	9.72	0.49	2.04	3.85

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 Authority's performance in this measure has been above 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. An objective for FY09 is to develop and implement asset management decision-making for the collection system by applying asset management principles to reduce sewer overflows, televising 20% of unlined concrete interceptors per year, and developing a plan for lift station preventive maintenance by field operations staff.

In our 2008 Customer Opinion Survey:

- 57% of customers are either very or somewhat satisfied with the condition of the sewer lines in the number of overflows that they may observe
- 48% of customers are either very or somewhat satisfied with the effectiveness of the Authority to respond to overflows or backups and the response time for restoring service

2-2 Collection System Integrity

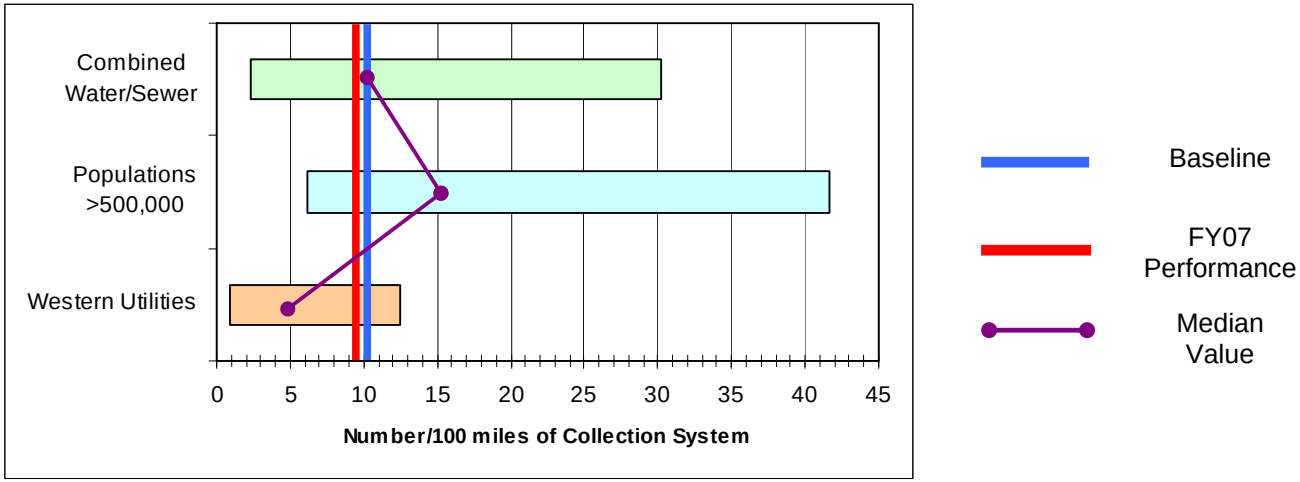
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	10.1	12.3	8.3	9.6	7.9	7.5	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
2.3	10.3	30.2	6.2	15.0	41.6	0.9	4.0	12.5

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 Authority's performance in this measure has been within the median range for the past three fiscal years. The Authority has increased its capital spending on sewer interceptor replacement to help minimize expensive catastrophic failures. An objective for FY09 is to expedite outmoded equipment replacement and plant facilities renovation based on asset management principles by identifying and prioritizing high-risk assets.

In our 2008 Customer Opinion Survey:

- 96% of customers are either very or somewhat satisfied with the reliability of wastewater collection
- 76% of customers are either very or somewhat satisfied with the effectiveness of the Authority to control odors form sewer lines or treatment facilities

2-3 Wastewater Treatment Effectiveness Rate

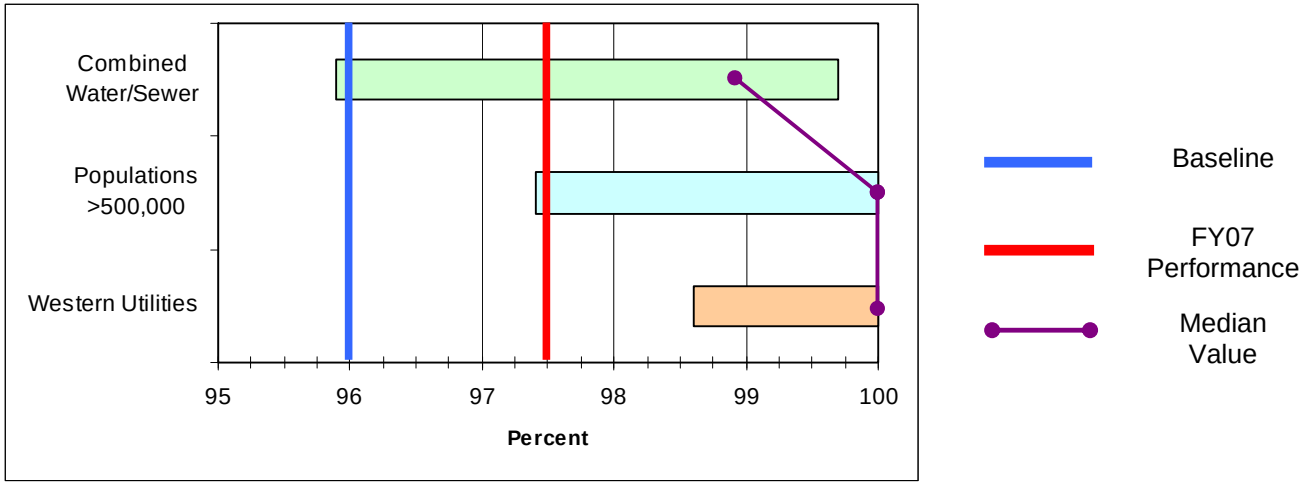
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Quality	Quantify the Authority's compliance with the effluent quality standards in effect at each of its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	95.9%	92.6%	97.5%	97.5%	98.6%	99.0%	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
99.7%	98.8%	95.9%	100.0%	100.0%	97.4%	100.0%	99.9%	98.6%

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 Authority's performance in this measure has been within the median range for two of the past three fiscal years. Its performance is a result of two reasons. First, through FY05, the Authority operated under a very strict administrative continued discharge permit. This is the result of the Isleta Pueblo water quality standards for ceremonial use of the river water. The Authority treats to very low limits to allow the members of the pueblo to drink the water during ceremonies. Second, the Authority's discharge permit changes with the river flow. For example, in FY05 a local irrigation district continued to irrigate in November which resulted in very low permit levels for the entire month of November. As a result, in FY06, the Authority renegotiated an EPA discharge permit in order to allow the Authority to report using a four-day average. The Authority's goal in for FY08 is to have no more than five non-compliance days due to the process optimization. The Authority achieved this goal and is proceeding to continue this performance in FY09.

In our 2008 Customer Opinion Survey:

- 83% of customers feel that it is very or somewhat important that the Authority should return high quality treated water back to the river

2-4 Operations and Maintenance Cost Ratio

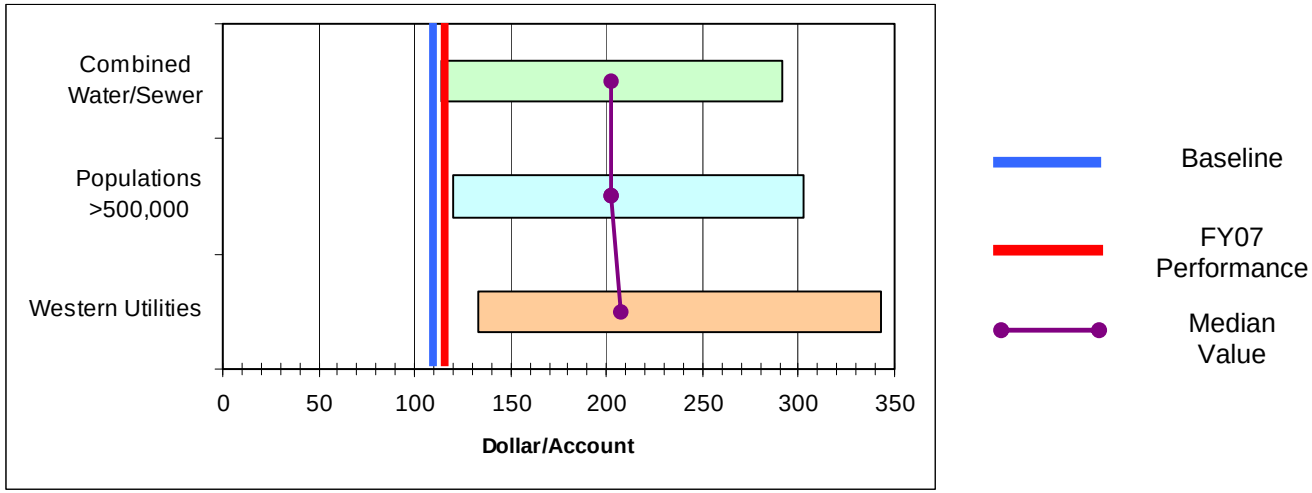
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$110	$111	$107	$112	$122	$133	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
$114	$209	$291	$120	$209	$303	$133	$213	$343

Performance Chart for O&M Cost per Account



Generally, lower values are desirable

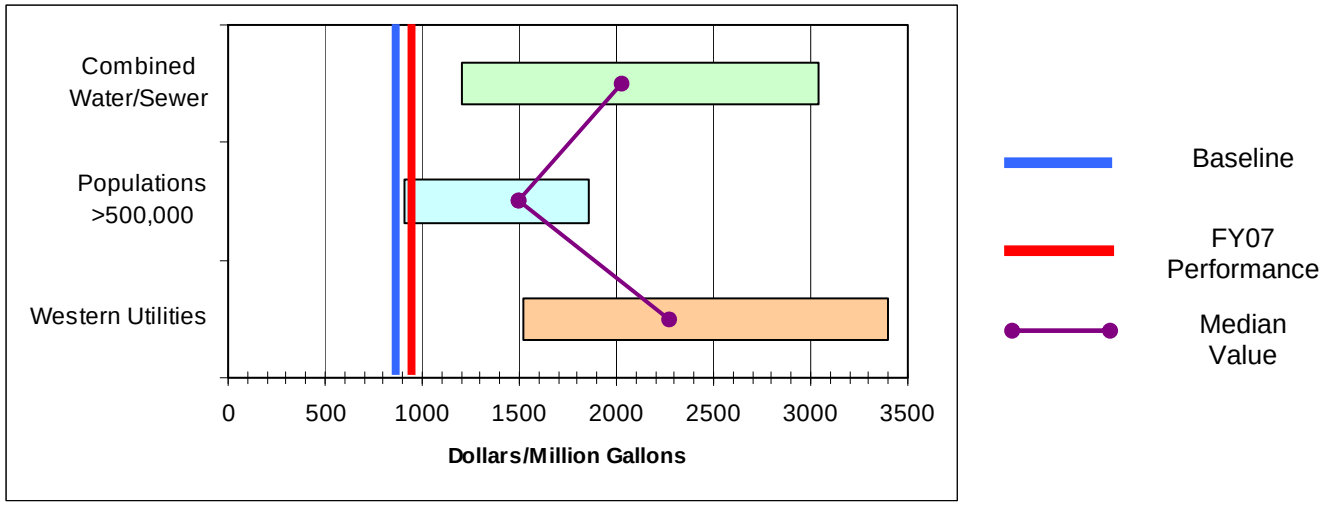
Performance Results for O&M Cost per MG Collected

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$892	$864	$899	$913	$1,004	$1,105	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
$1,200	$2,022	$3,044	$906	$1,500	$1,859	$1,523	$2,293	$3,398

Performance Comparison for O&M Cost per MG Collected



Generally, lower values are desirable

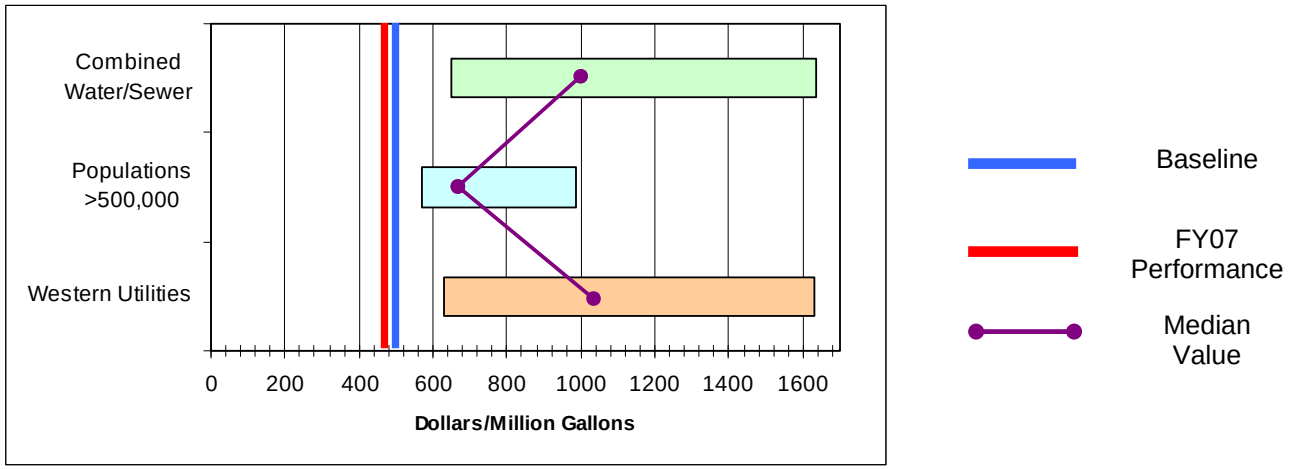
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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 treated	$534	$474	$635	$494	$544	$598	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
$648	$1,006	$1,636	$569	$676	$987	$630	$1,080	$1,630

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

2-5 Planned Maintenance Ratio

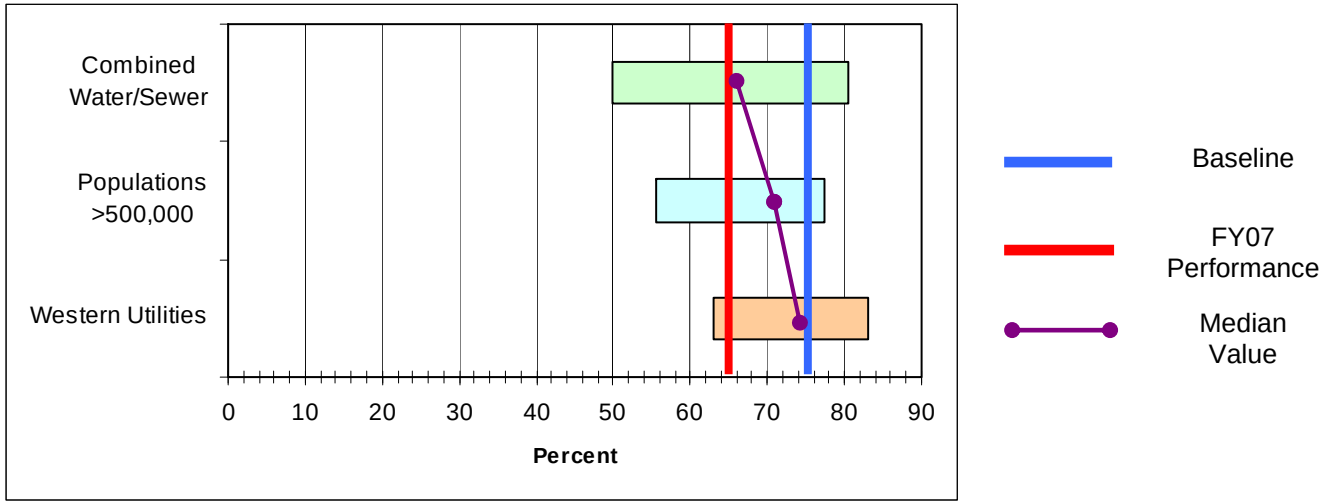
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	75.6%	83.5%	77.8%	65.5%	70.3%	74.7%	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
80.6%	66.6%	50.0%	77.3%	71.2%	55.6%	83.1%	74.2%	63.0%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

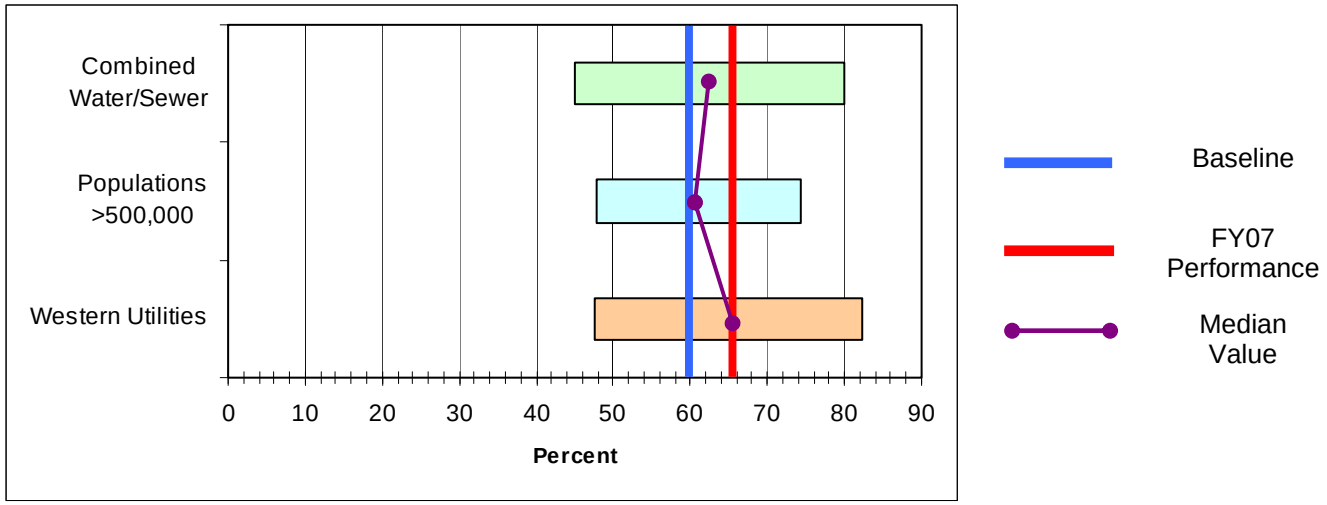
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	60.3%	63.3%	52.0%	65.5%	67.6%	69.7%	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
80.0%	64.4%	45.1%	74.3%	60.2%	47.8%	82.2%	65.8%	47.5%

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 Authority's performance in this measure has been within the median range for the past three fiscal years and is on-target to maintain this performance for the next two fiscal years. An objective for FY09 is to increase planned/preventative work orders by 50%. Planned maintenance is a key component to the Authority's asset management program. In FY08, the 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. The staff members will help implement these new techniques in conjunction with the asset management program.

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3-1 Customer Service Complaints and Technical Quality Complaints

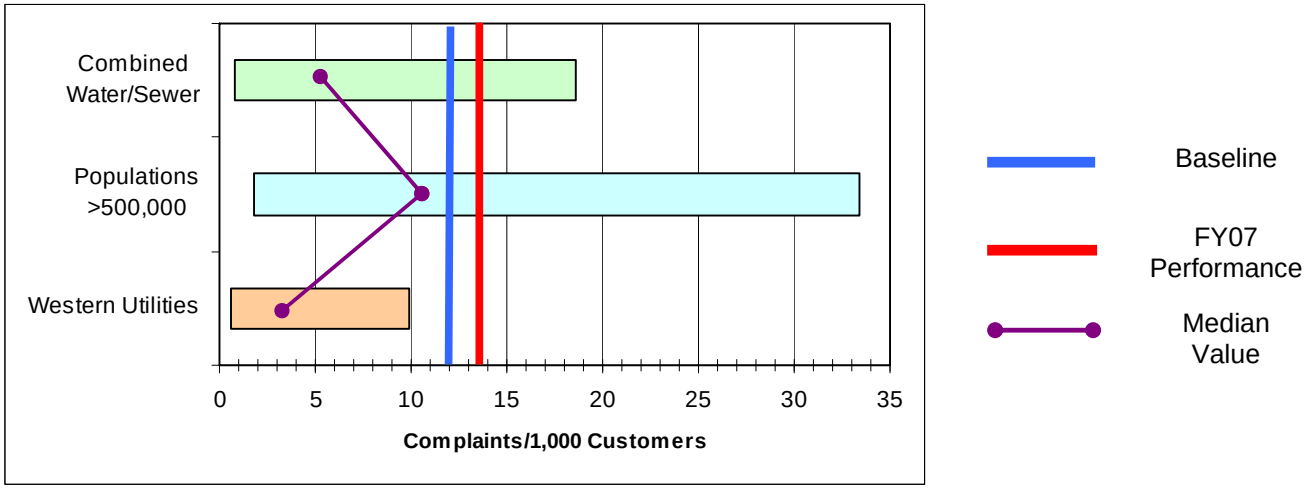
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure the complaint rates experienced by the 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	12.0	14.2	8.4	13.5	8.0	7.8	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
0.8	5.2	18.6	1.8	11.0	33.4	0.6	3.0	9.9

Performance Comparison Chart (Service Associated Complaints)



Generally, lower values are desirable

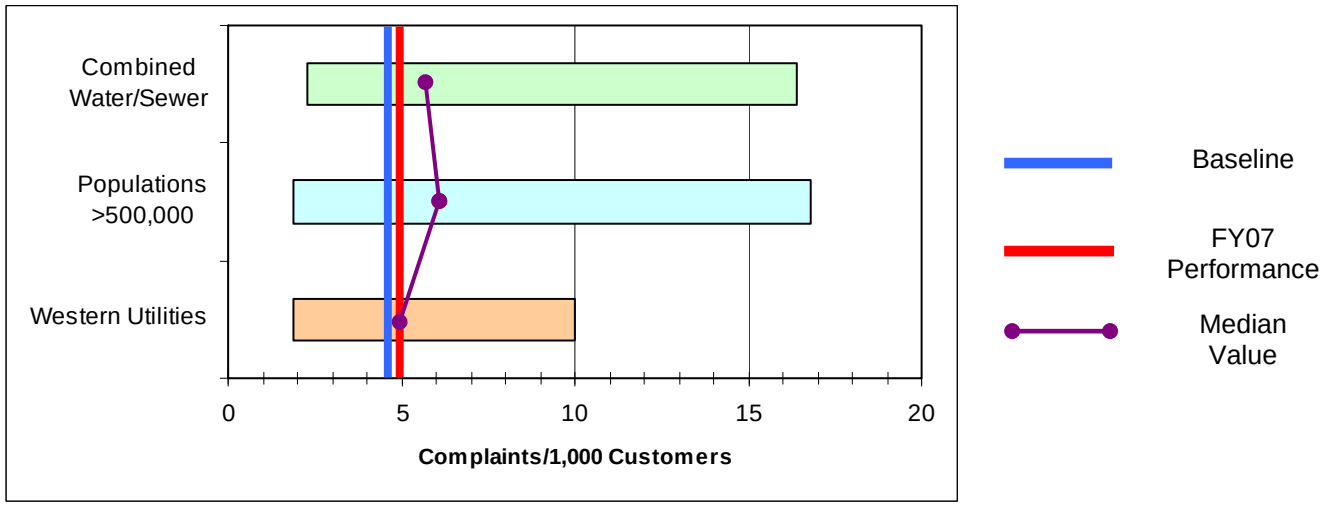
Performance Results (Technical Quality Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure the complaint rates experienced by the 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	4.7	4.9	4.3	5.0	4.0	6.0	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
2.3	6.2	16.4	1.9	5.7	16.8	1.9	5.0	10.0

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 Authority’s performance in this measure has been within the median range for the past three fiscal years. The Authority adopted a policy objective to develop a Customer Relations Strategy and Customer Outreach and Education Program in order to improve customer service. A policy objective for 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. In addition, another policy objective is to develop customer relations performance benchmark metrics based on best practices. Moreover, the Authority plans to develop a consolidated marketing and public relations program to enhance the Water Authority’s image, build public support for present and future initiatives, and educate the public about critical water-related issues

Furthermore, the Authority’s fiscal agent, Bank of America, will become a full service host to implement a variety of payment options which include: web payments, credit card payments, check by phone and Interactive Voice Response.

In our 2008 Customer Opinion Survey:

- 75% of customers gave either excellent or good rating on the overall quality of service provided by a customer service representative
- 84% of customers are either very or somewhat satisfied with the courtesy of the customer service representative
- 80% of customers are either very or somewhat satisfied with the knowledge and ability to answer your questions or resolve your issues
- 67% of customers are either very or somewhat satisfied with the length of wait to speak with a customer service representative

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3-2 Customer Service Cost per Account

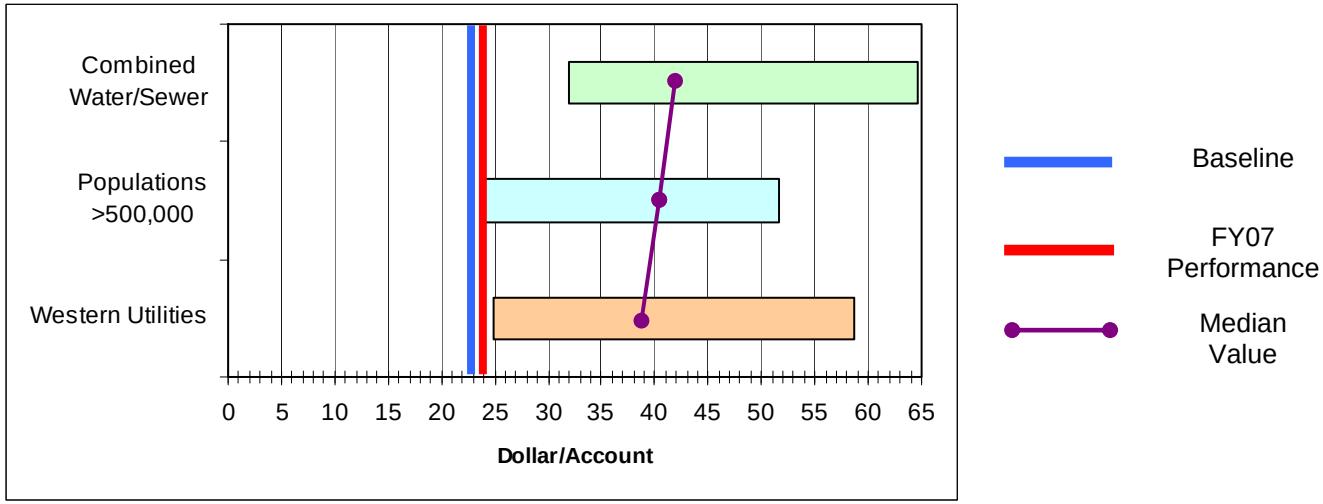
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Measure the amount of resources the Authority applies to its customer service program	Total customer service cost and the number of active accounts	$24	$21	$24	$25	$24	$22	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
$31.96	$42.03	$64.64	$23.83	$41.24	$51.69	$24.92	$38.82	$58.64

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 Authority's performance in this measure has been above the median range for the past three fiscal years. When compared to the number of customer complaints, it shows that the Authority is both effective and efficient with its resources.

3-3 Billing Accuracy

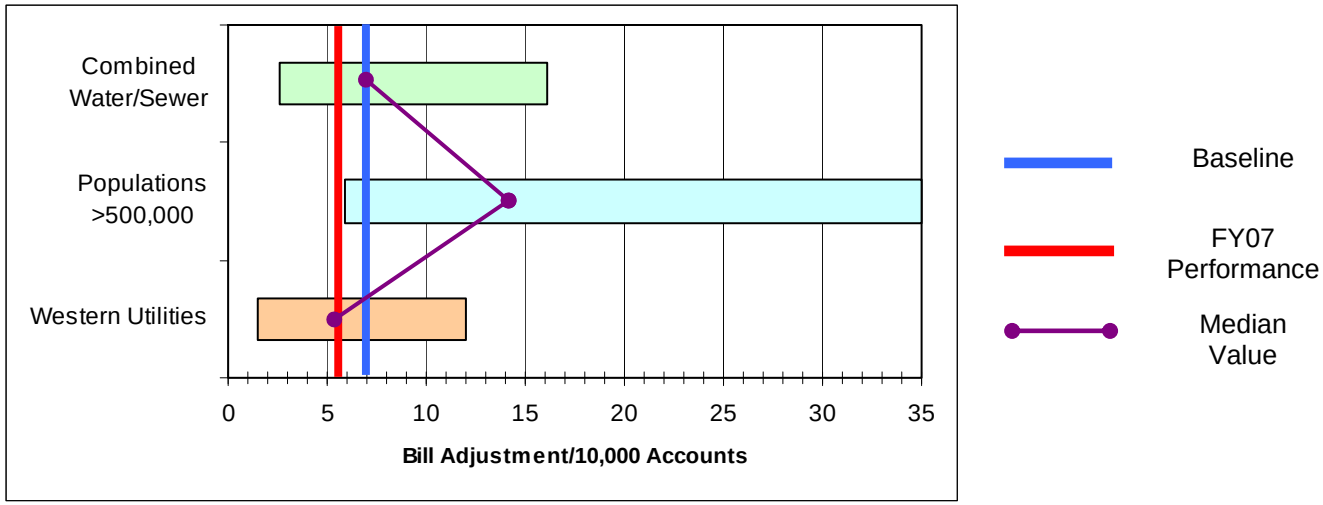
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure the effectiveness of the Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	6.9	8.0	7.2	5.5	5.0	4.5	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
2.6	7.1	16.1	5.9	14.3	35.0	1.5	5.6	12.0

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 Authority's performance in this measure has been within the median range for the past three fiscal years. In FY06, the Authority reduced delinquencies from $2 million to $1.2 million through more aggressive collection efforts.

In our 2008 Customer Opinion Survey:

- 87% of customers are either very or somewhat satisfied with the accuracy of their bill
- 86% of customers are either very or somewhat satisfied with the bill format and water usage graph

3-4 Disruptions of Water Service

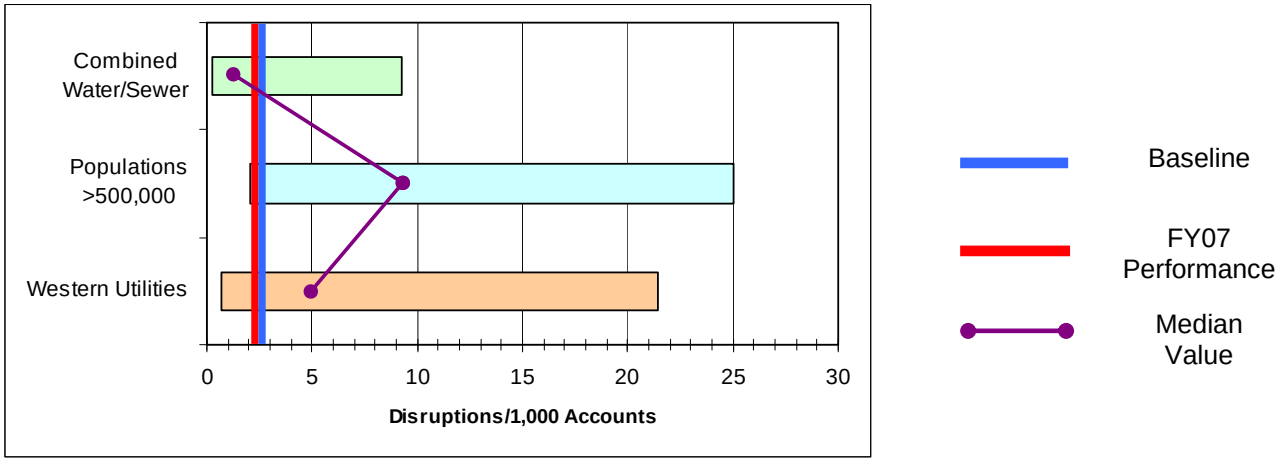
Performance Results Planned (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	2.3	2.99	1.66	2.13	1.33	1.00	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
0.22	1.26	9.29	2.09	9.85	25.00	0.67	5.00	21.40

Performance Comparison Chart Planned (less than 4 hours)



Generally, lower values are desirable

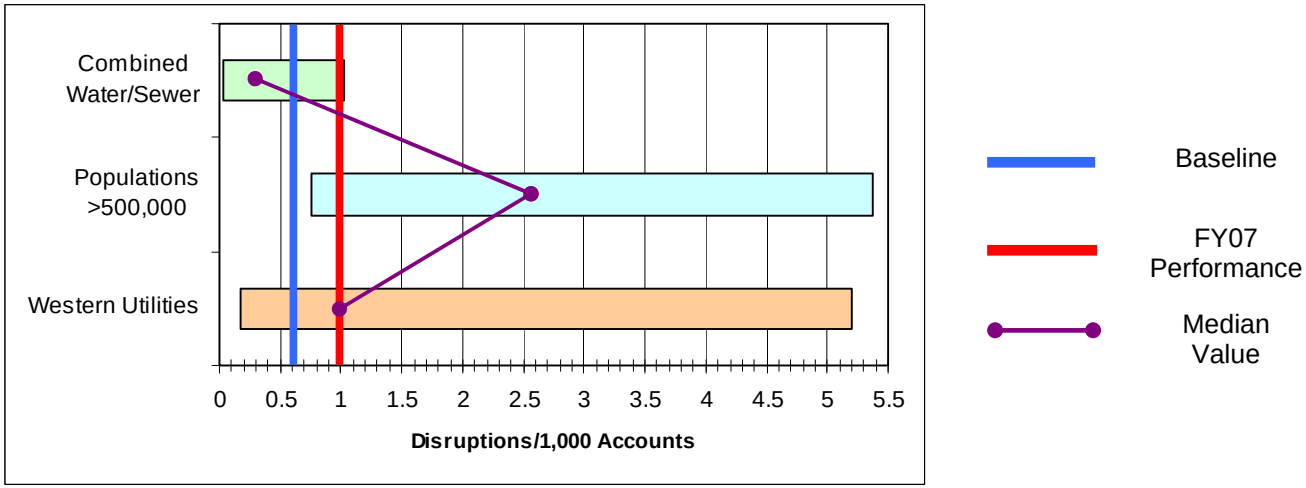
Performance Results Planned Disruptions (between 4 and 12 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.6	0.63	0.15	1.01	.15	.10	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (between 4 and 12 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
0.03	0.28	1.02	0.75	2.53	5.38	0.18	1.00	5.20

Performance Comparison Chart Planned Disruptions (between 4 and 12 hours)



Generally, lower values are desirable

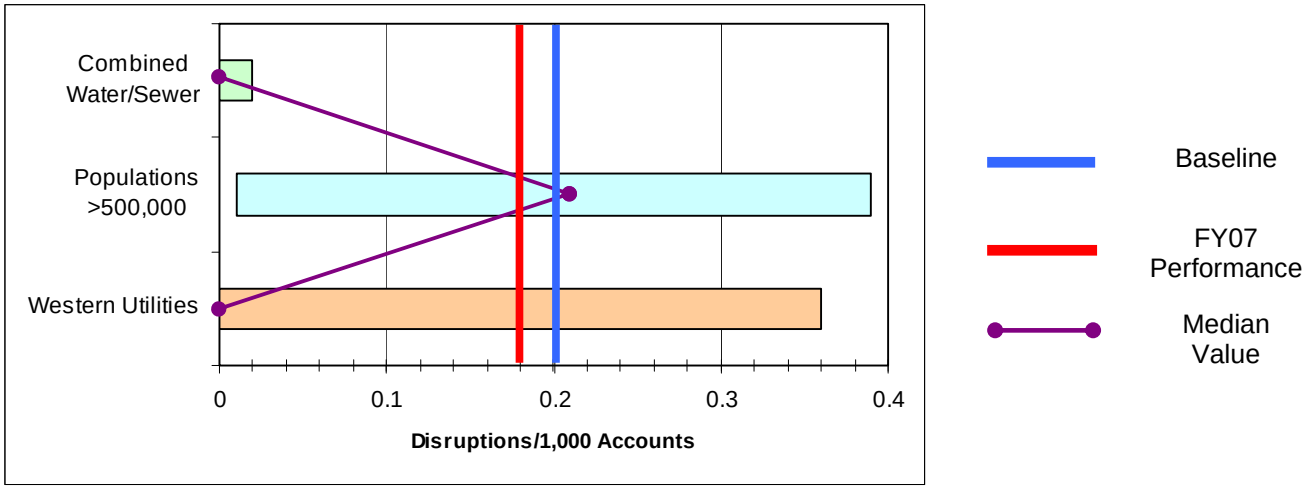
Performance Results Planned Disruptions (greater than 12 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.2	0.10	0.33	0.18	.22	.11	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (greater than 12 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
0.00	0.00	0.02	0.01	0.22	1.39	0.00	0.00	0.36

Performance Comparison Chart Planned Disruptions (greater than 12 hours)



Generally, lower values are desirable

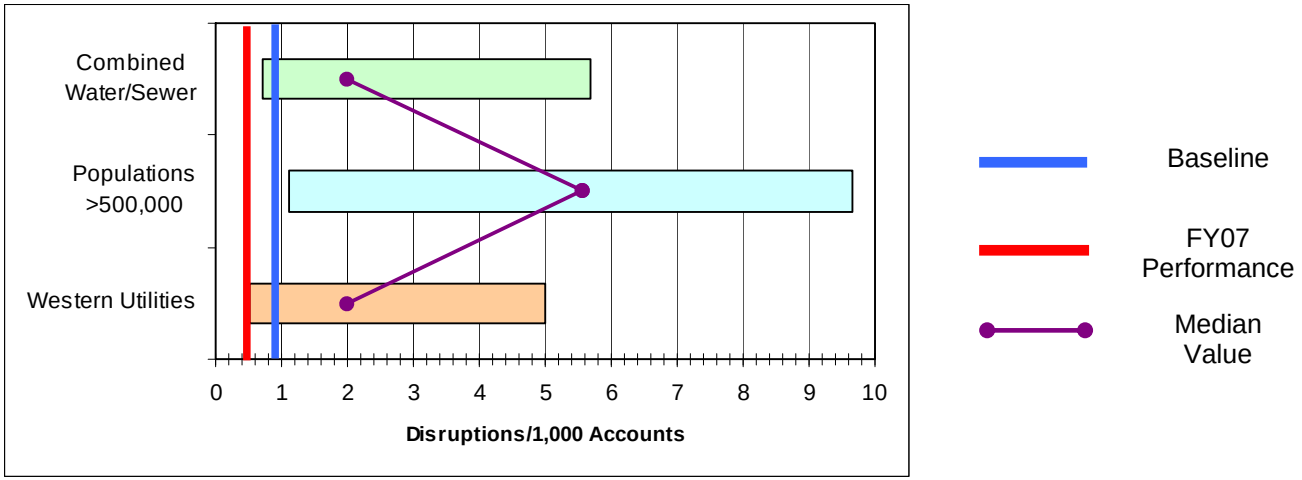
Performance Results Unplanned Disruptions (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.8	0.87	1.01	0.43	.90	.80	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
0.70	1.94	5.68	1.12	5.63	19.66	0.50	1.98	5.00

Performance Comparison Chart Unplanned (less than 4 hours)



Generally, lower values are desirable

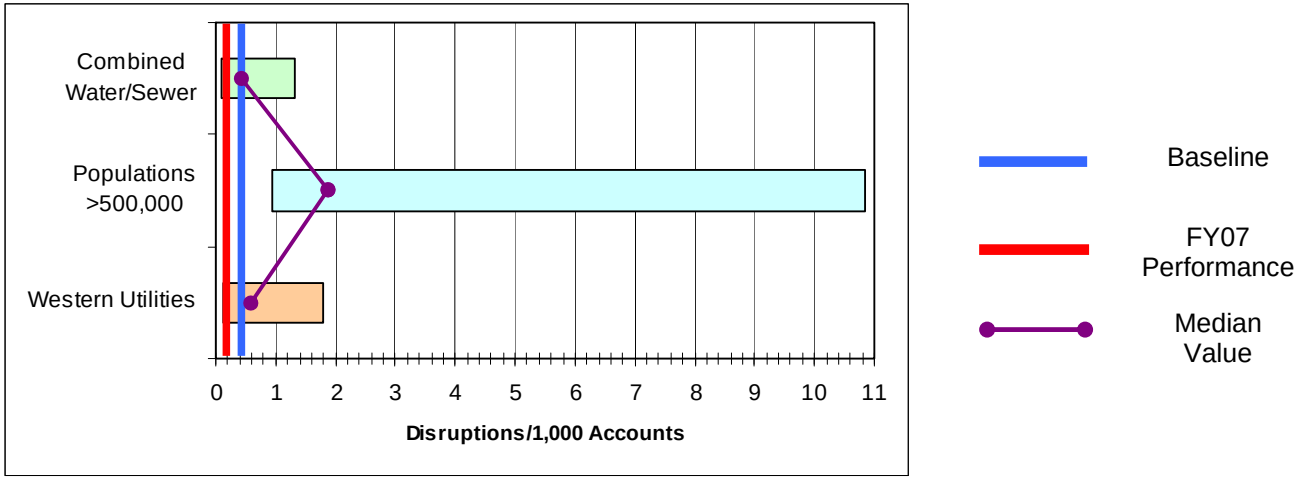
Performance Results Unplanned Disruptions (between 4 and 12 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.4	0.40	0.61	0.20	.50	.40	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (between 4 and 12 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
0.10	0.43	1.33	0.93	1.85	10.83	0.14	0.50	1.79

Performance Comparison Chart Unplanned Disruptions (between 4 and 12 hours)



Generally, lower values are desirable

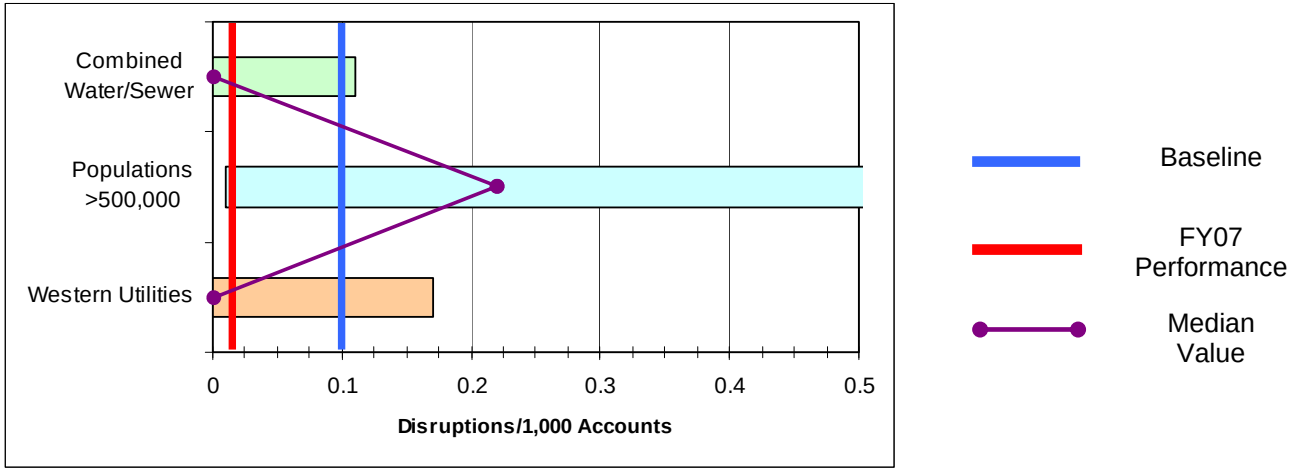
Performance Results Unplanned Disruptions (greater than 12 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the numbers of water outages experienced by Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.1	0.07	0.05	0.03	.03	.03	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (greater than 12 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
0.00	0.00	0.11	0.01	0.22	1.57	0.00	0.00	0.17

Performance Comparison Chart Unplanned Disruptions (greater than 12 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 family of measures quantifies the numbers and durations of water service disruptions. It does not address inconveniences resulting from access limitations around construction and repair work sites. Six separate measures are supported: planned and unplanned service disruptions for durations of less than 4 hours, between 4 and 12 hours, and more than 12 hours. 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 of three different durations. For each of these six categories, the rate is expressed as the number of customers experiencing disruptions per 1,000 active customer accounts.

Measurement Status

The Authority's performance for planned and unplanned disruptions in the three different durations 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

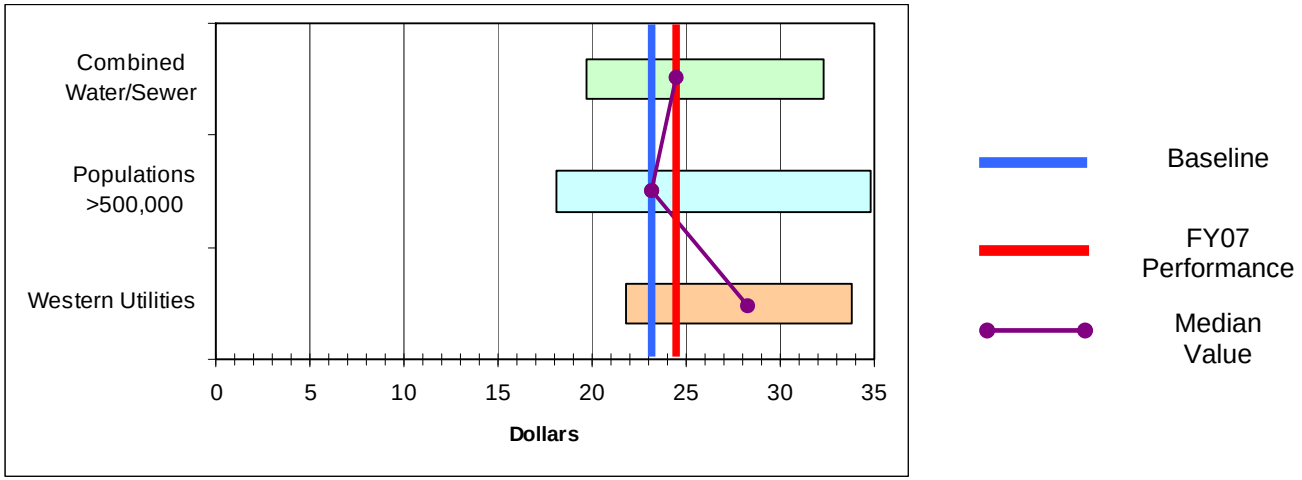
Performance Results (Monthly Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$23	$21.91	$24.00	$24.40	$24.40	$24.40	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
$19.69	$24.39	$32.26	$16.75	$23.20	$27.64	$21.77	$27.75	$33.84

Performance Comparison Chart (Monthly Residential Water Service)



Generally, lower values are desirable

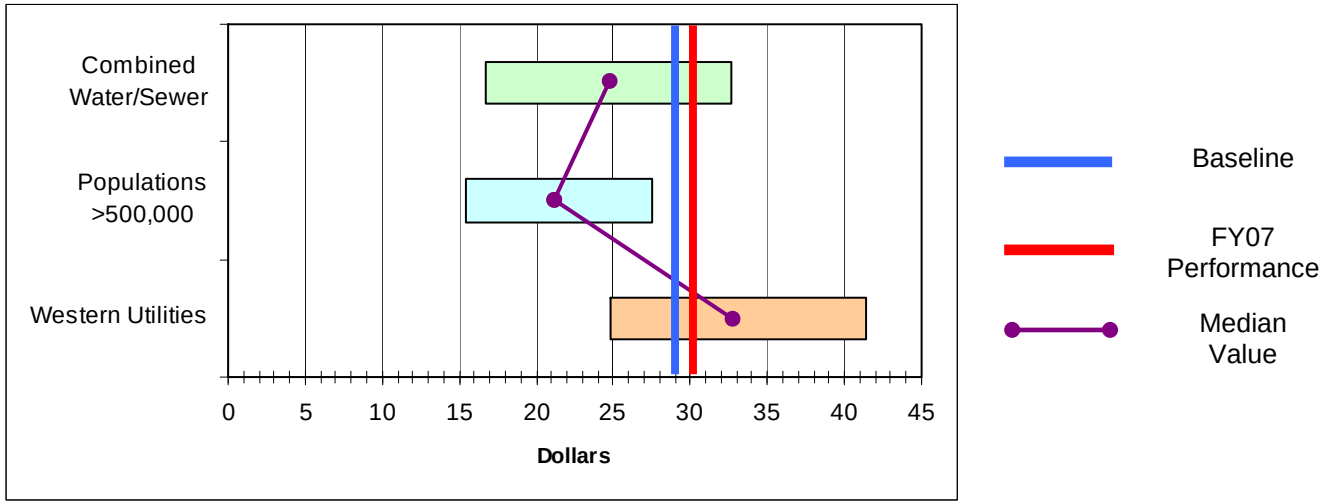
Performance Results (Average Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$29	$26.83	$30.00	$30.04	$30.04	$30.04	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
$16.70	$24.40	$32.60	$15.44	$21.86	$27.47	$24.82	$33.43	$41.35

Performance Comparison Chart (Average Residential Water Service)



Generally, lower values are desirable

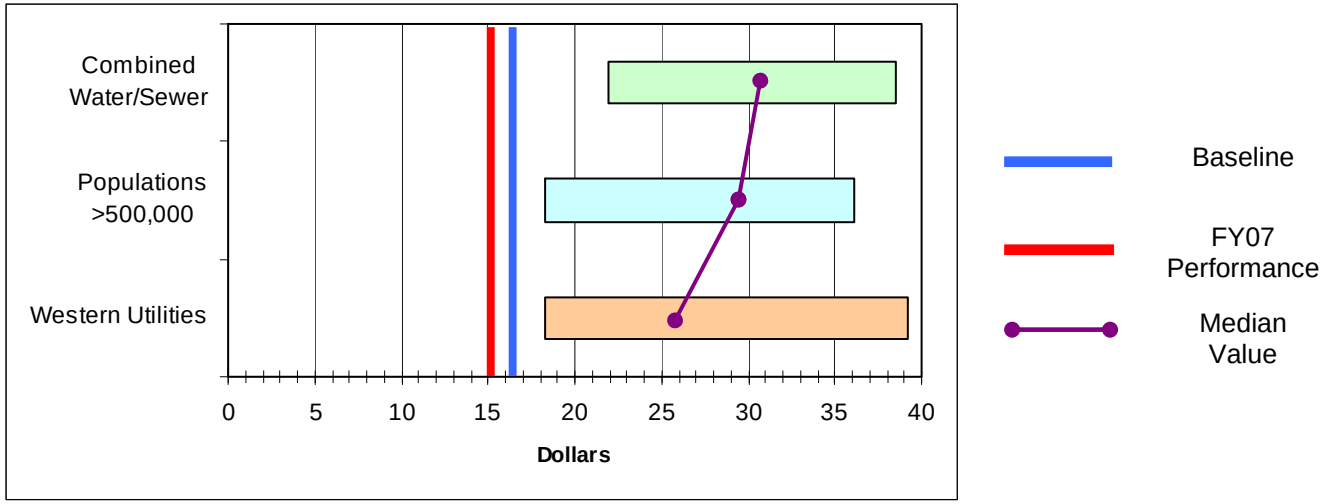
Performance Results (Monthly Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$16	$18.74	$15.00	$15.03	$15.30	$15.30	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
$21.98	$30.61	$38.55	$18.26	$29.60	$36.08	$18.26	$25.96	$39.25

Performance Comparison Chart (Monthly Residential Sewer Service)



Generally, lower values are desirable

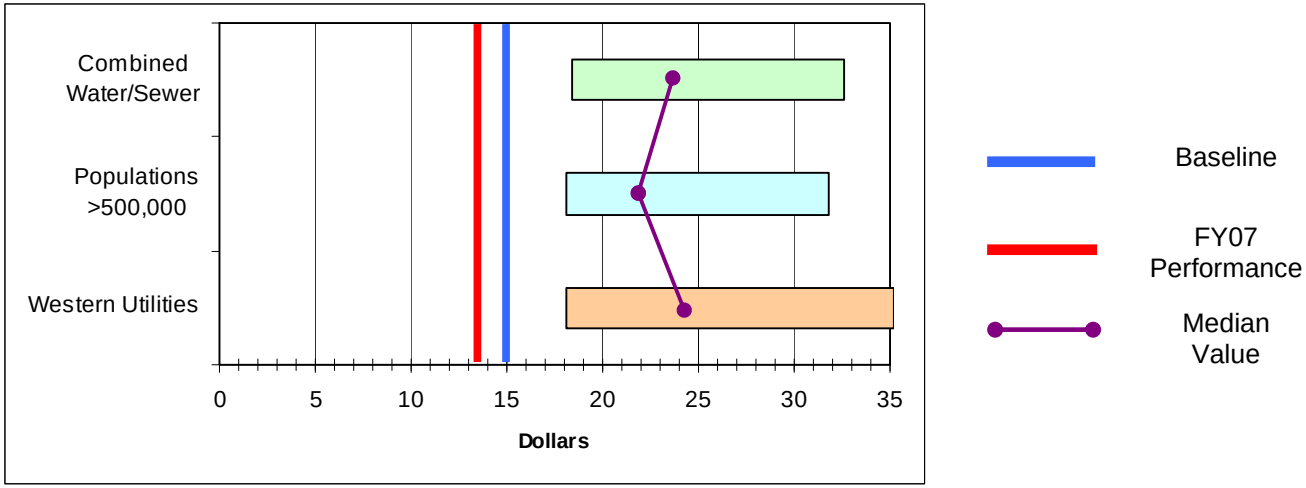
Performance Results (Average Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	$17.39	$14.00	$13.74	$13.74	$13.74	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
$18.40	$23.30	$32.62	$18.10	$21.73	$31.79	$18.05	$24.47	$35.15

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 Authority's performance in this measure has been within the median range for the past three fiscal years for monthly and average residential water and sewer service. The Authority completed a comprehensive water and wastewater rate study in FY05 which had not been done in over fifteen years. The 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.

In our 2008 Customer Opinion Survey:

- 84% 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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4-1 Debt Ratio

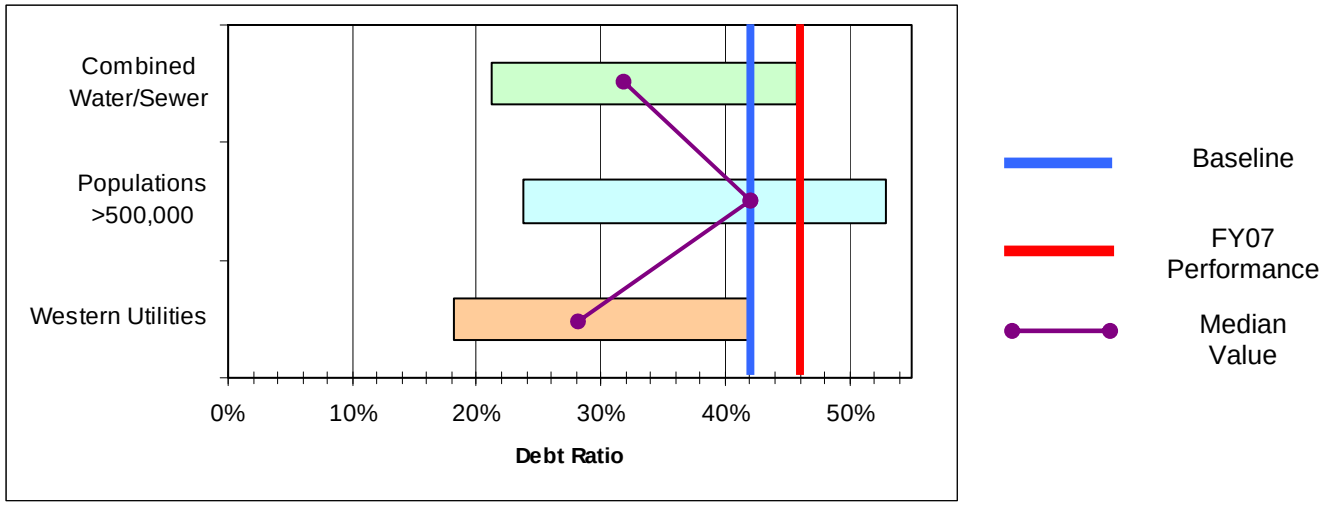
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the Authority's level of indebtedness	Total liabilities and total assets	42%	37%	42%	46%	49%	47%	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
21%	32%	46%	24%	42%	53%	18%	28%	42%

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 Authority's performance in this measure has been within the median range for the past three fiscal years.

From FY06 to FY07, assets increased by 10% while liabilities increased by 20%. The Authority is borrowing a significant amount of funds to pay for a new surface drinking water project. The project is the largest in state history costing approximately $480 million. The Debt Ratio is good indicator of how much debt can be absorbed. The Authority also uses the Debt Service Ratio as an indicator on how much revenues are available to pay for debt service. .

The Authority's bond rating has increased for the second time in three years. Standard and Poors upgraded the Authority's bond rating from AA to AAA, one of the highest ratings an agency can receive. In 2006, Moody's Investor Services upgraded the Authority's bond rating from Aa2 to Aa3. Fitch assigned a bond rating of AA with a positive outlook. The bond rating could mean lower interest rates on bonds on the money borrowed. One the Authority's strategies for deferring rate increases is to minimize the cost of issuing debt.

4-2 Return on Assets

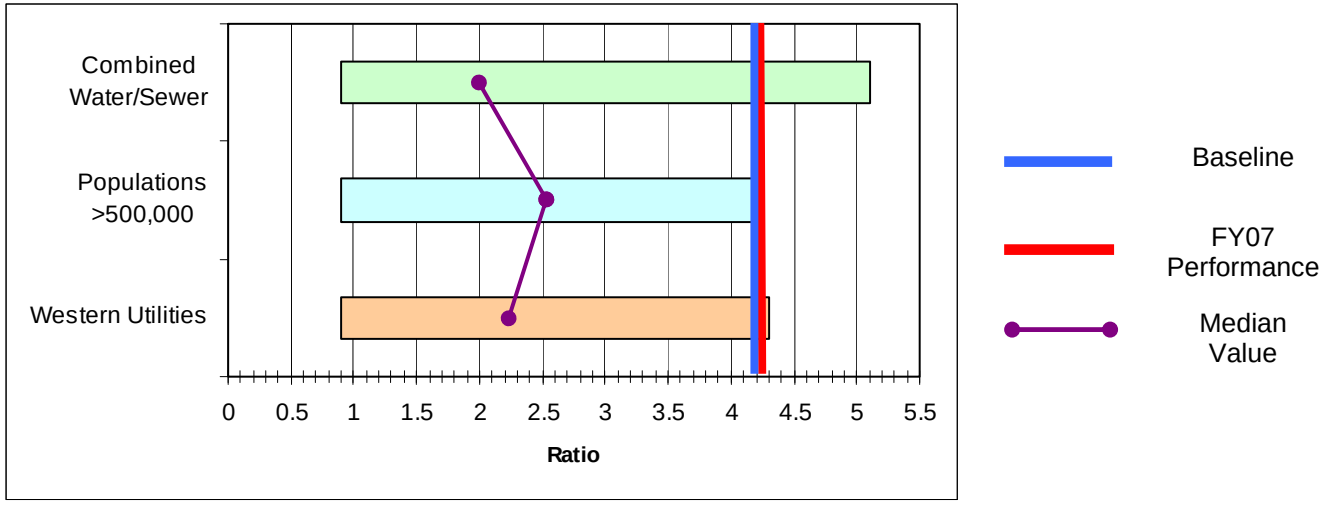
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure the financial effectiveness of the Authority	Net income and total assets	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%	Improve the financial health of the 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
5.1%	2.0%	0.9%	4.2%	2.5%	0.9%	4.3%	2.3%	0.9%

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. Investors and potential investors use this ratio to evaluate a company's leadership. All utilities are interested in their financial health and are particularly sensitive to this measure, seeking higher ratios where possible.

Measurement Status

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

4-3 System Renewal / Replacement Rate

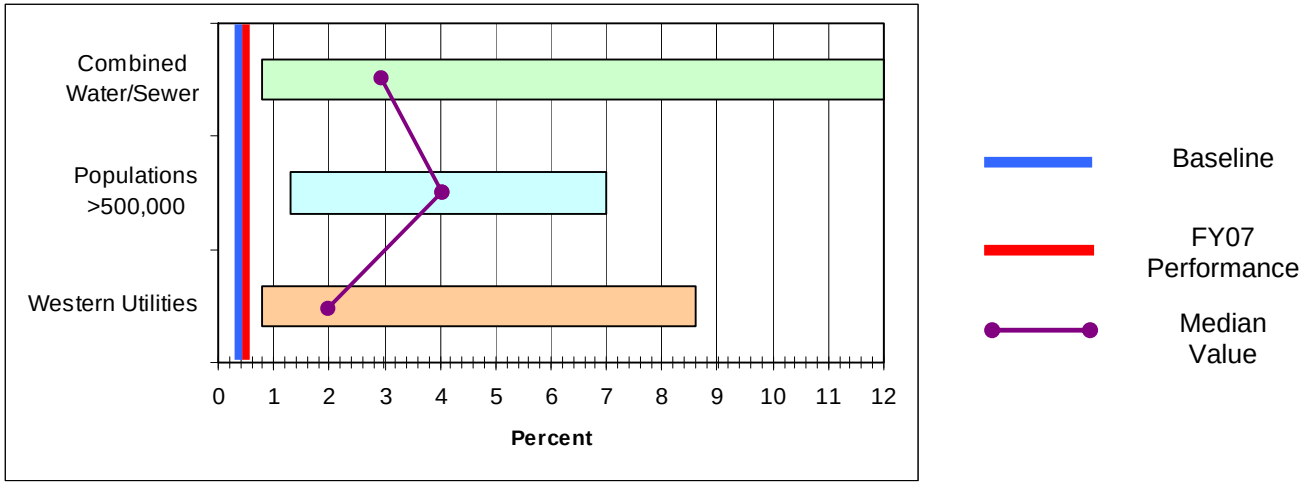
Performance Results (Water Pipeline & Distribution)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the rate at which the 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	0.4%	0.3%	0.3%	0.5%	1.0%	2.0%	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
12.0%	2.9%	0.8%	7.0%	4.1%	1.3%	8.6%	2.0%	0.8%

Performance Comparison Chart (Water Pipeline & Distribution)



Generally, higher values are desirable

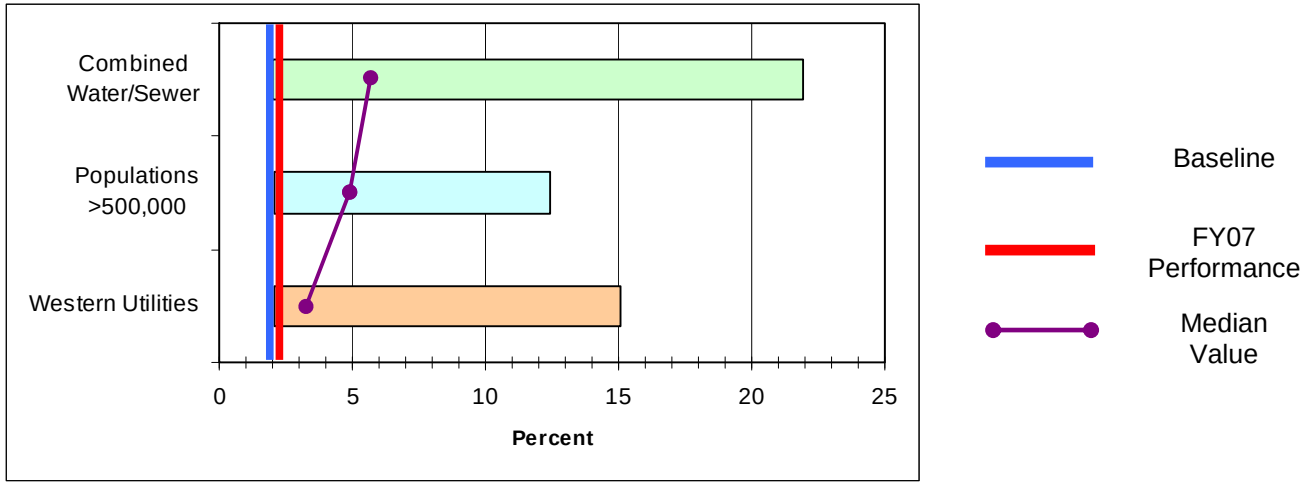
Performance Results (Water Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the rate at which the 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	1.7%	1.4%	1.5%	2.1%	2.0%	2.5%	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
21.9%	5.4%	2.0%	12.4%	5.0%	2.1%	15.1%	3.4%	2.1%

Performance Comparison Chart (Water Facility & Pumping)



Generally, higher values are desirable

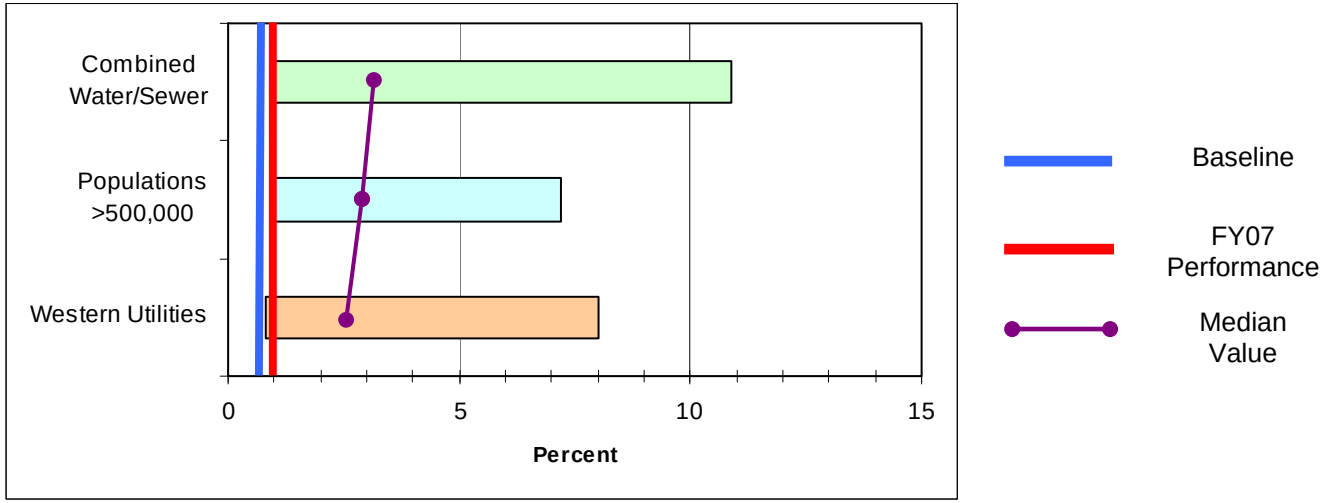
Performance Results (Wastewater Pipeline & Collection)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the rate at which the 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	0.7%	0.4%	0.8%	1.0%	1.0%	1.6%	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
10.9%	3.2%	1.0%	7.2%	2.7%	1.0%	8.0%	2.6%	0.8%

Performance Comparison Chart (Wastewater Pipeline & Collection)



Generally, higher values are desirable

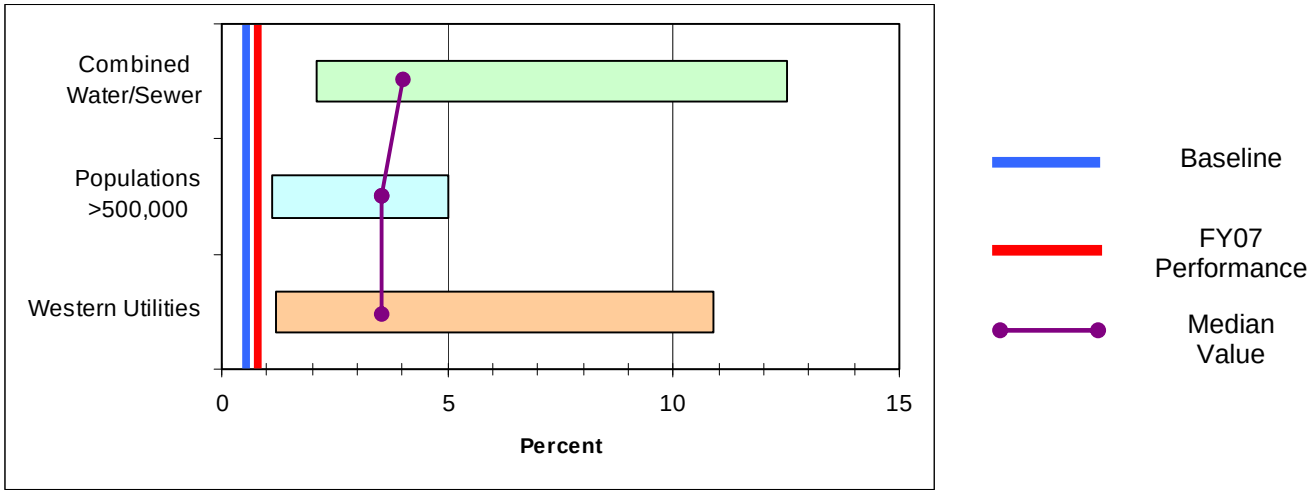
Performance Results (Wastewater Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Quantify the rate at which the 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	0.8%	0.8%	0.8%	0.7%	1.5%	2.0%	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
12.5%	4.0%	2.1%	5.0%	3.3%	1.1%	10.9%	3.4%	1.2%

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 each of two asset groups: (1) water distribution system and treatment and (2) wastewater collection system and treatment. Data for these two 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 Authority's performance in this measure has been below or at the bottom of the median range for the past three fiscal years for water distribution system and treatment and wastewater collection system and treatment. The Authority has increased capital program spending from $30 million per year to $40 million per year, including significant increases in planned rehabilitation spending from $22 million to $30 million. In addition, The Authority adopted a 100% increase in connection fees in order to generate additional revenue and make more funds available for rehabilitation and replacement.

In FY08, the Authority formally established its asset management program and established a Steering Committee to implement the program. The Steering Committee began by conducting an Asset Management Gap Assessment which compares our organization against the industry's 'best practices' in asset management. The Committee's role will be to communicate and drive the development and implementation of the asset management program. The Committee's work plan for FY08 and part of FY09 includes the development of an asset register and hierarchy, an asset management information systems strategy, and a capital project validation process. The Committee will also work on knowledge transfer management, risk mapping of our assets, setting service levels, and developing an asset management plan. In addition, the Authority will begin upgrading its work order system in a manner that supports asset management business objectives.

In our 2008 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

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5-1 Employee Health and Safety Severity Rate

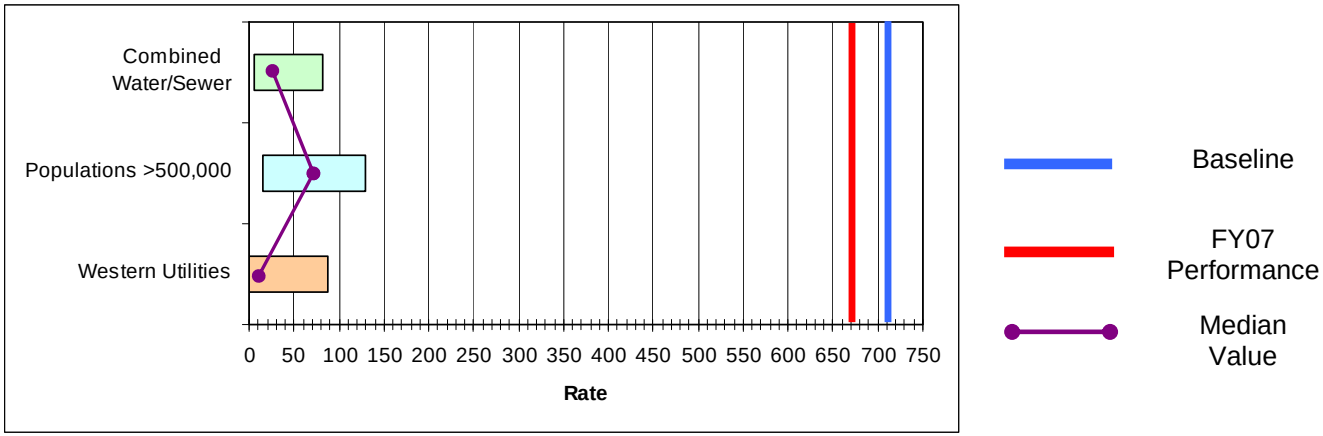
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
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	721	577	911	674	402	292	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
5.0	21.2	81.4	15.8	74.4	128.9	0.1	21.2	88.1

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 Authority's performance in this measure has been below the median range for the past three fiscal years. In FY06, the Authority adopted a policy objective to improve its performance in this area by developing safe work incentives and routine employee safety training. In FY07, the Authority adopted policy objectives to develop a comprehensive health and safety program and a risk mitigation strategy. Moreover, the Authority adopted a policy objective in FY08 to reduce the number of employee lost days by 25% based on implementing the programs developing in FY06 and FY07. It is anticipated that there will be a 40% decrease in employee lost days at the end of FY08. The second part of this objective is to provide a better 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. A $500 Safety Incentive will be awarded to each employee if the Authority meets the goals in injury lost time hours. The Authority has adopted a policy objective in FY09 to reduce the number of employee lost days by another 25%.

5-2 Training Hours per Employee

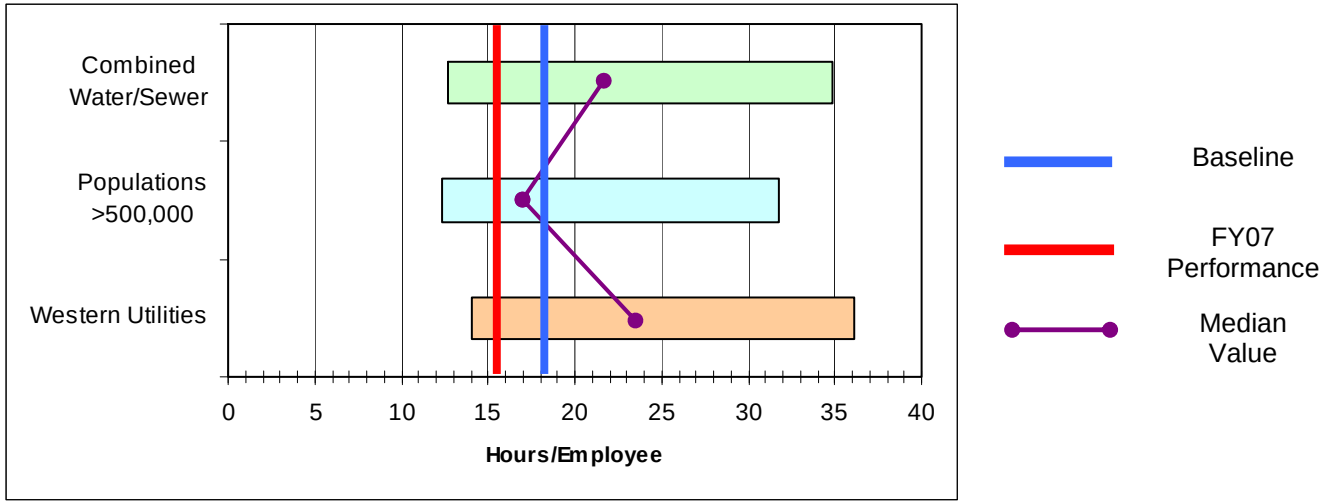
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Effectiveness	Measure the quantity of formal training Authority employees actually completing	Number of formal training hours per employee per year	18.1	21.8	17.0	15.5	20.0	25.0	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
34.9	22.5	12.7	31.8	16.8	12.3	36.1	23.7	14.1

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 Authority's performance in this measure has been within the median range for the past three fiscal years. The Authority has adopted policy objective for 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.

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

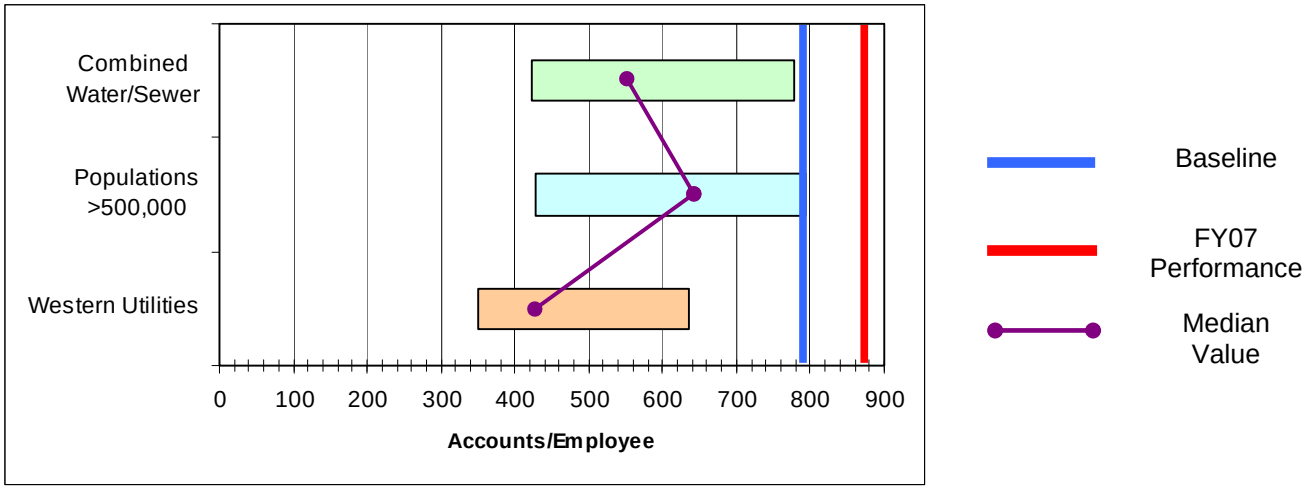
Performance Results (Customer Water Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	798.3	687	829	879	850	875	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
778	559	422	794	653	428	635	422	349

Performance Comparison Chart (Customer Water Accounts per Employee)



Generally, higher values are desirable

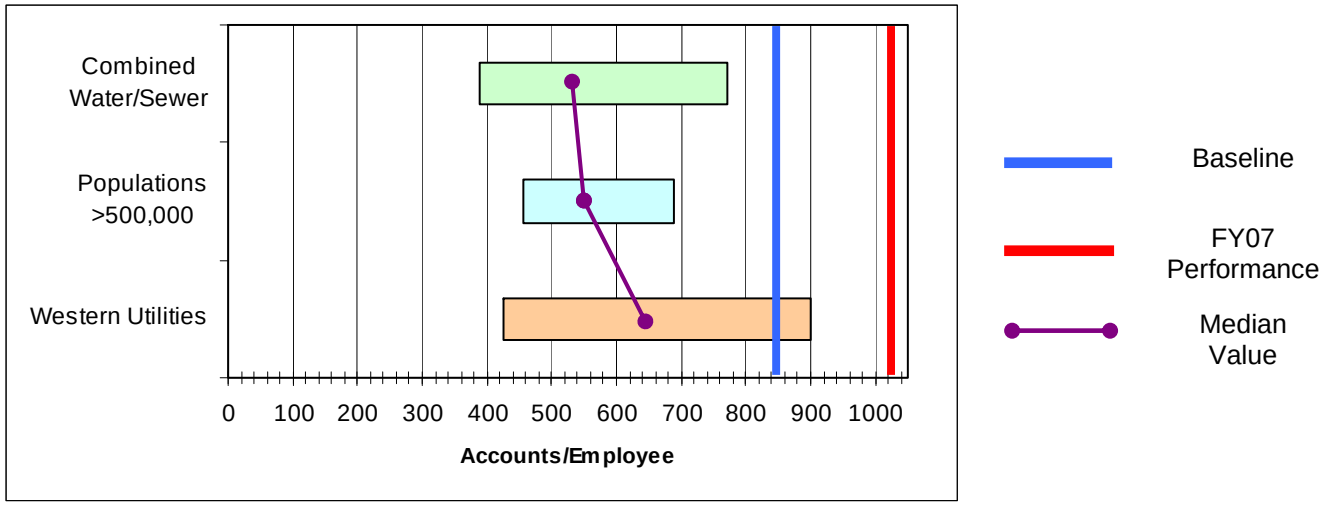
Performance Results (Customer Wastewater Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	845.3	701	822	1,013	830	840	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
771	538	390	688	548	457	901	646	426

Performance Comparison Chart (Customer Wastewater Accounts per Employee)



Generally, higher values are desirable

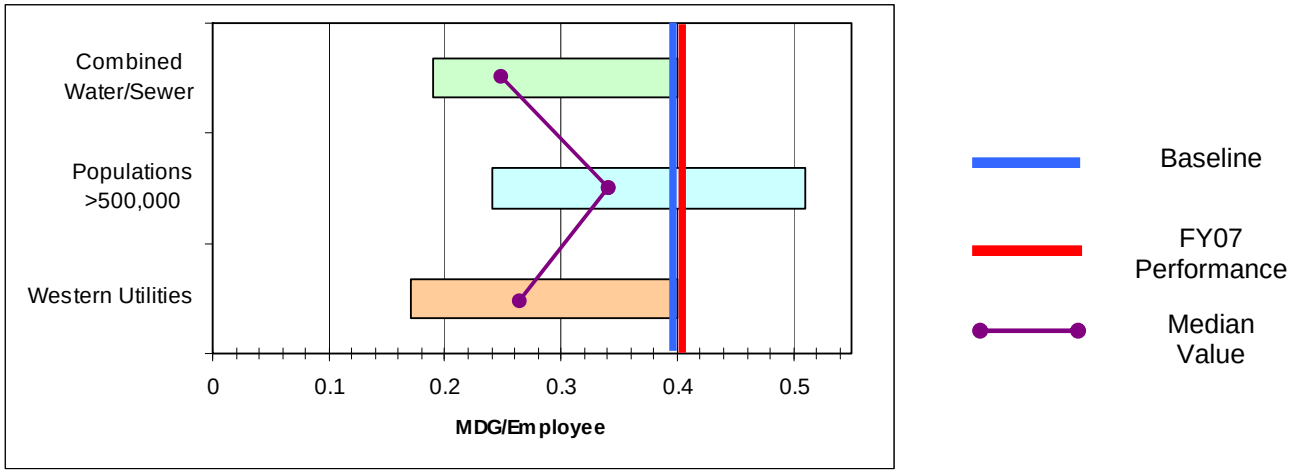
Performance Results (MGD Water Delivered per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.40	0.40	0.50	0.40	.45	.40	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
0.40	0.25	0.19	0.51	0.34	0.24	0.40	0.26	0.17

Performance Comparison Chart (MGD Water Delivered per Employee)



Generally, higher values are desirable

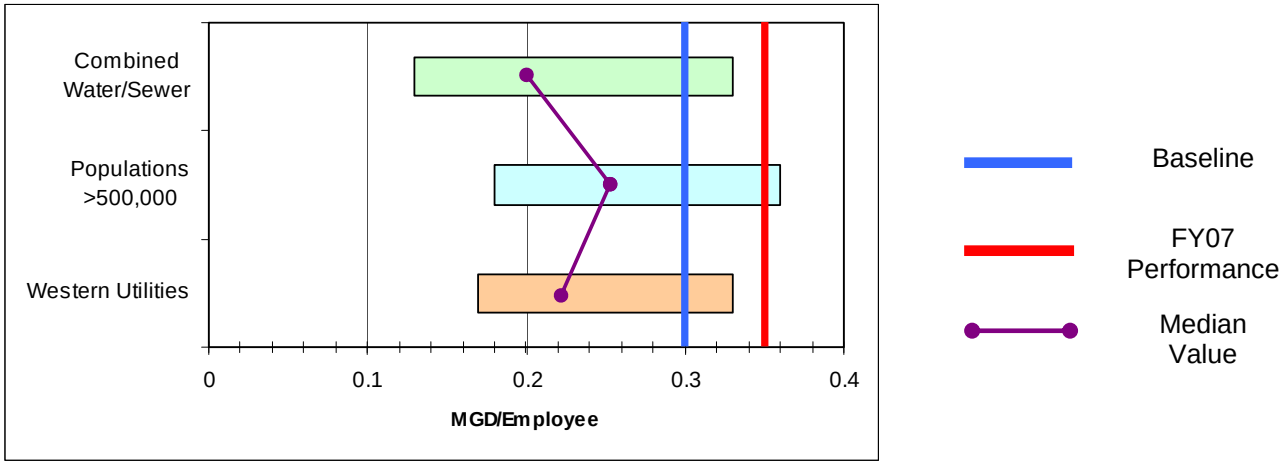
Performance Results (MGD Wastewater Processed per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.30	0.30	0.30	0.35	.30	.30	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
0.33	0.20	0.13	0.36	0.25	0.18	0.33	0.22	0.17

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

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5-4 Organizational Best Practices Index

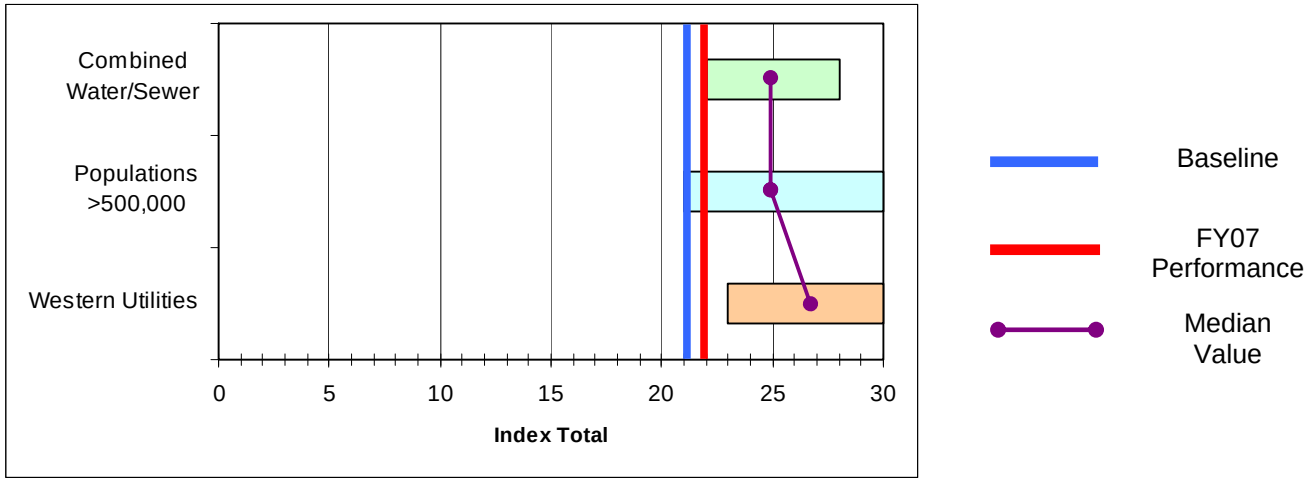
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY05	FY06	FY07	FY08	FY09	
Quality	To summarize the Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree to which the Authority is implementing the seven organizational best practices	21	21	21	22	22	23	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
28	25	22	30	25	21	30	27	23

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 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 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
- Performance measurement
- Customer involvement
- Customer involvement

Measurement Status

The Authority's performance in this measure is within the lower median range for past three fiscal years. After implementing the areas of improvement suggested in the QualServe Peer Review, it is expected that the Authority will make 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.