

FY2011

PERFORMANCE PLAN

APPROVED

Trudy E. Jones, Chair

Maggie Hart Stebbins, Vice-Chair

Alan B. Armijo

Richard J. Berry

Art De La Cruz

Rey Garduño

Debbie O'Malley

Pablo R. Rael, Ex-Officio

Mark S. Sanchez, Executive Director



Albuquerque Bernalillo County
Water Utility Authority

Table of Contents

Section	Page
Executive Summary	i
Introduction	iii
Five Year Goals	iii
Performance Measure Types	iv
Performance Plan Logic Model	v
Benchmarking, Strategic Planning, Performance Accountability	vi
Presentation of Data	vii
Water Supply and Operations Goal	1
Drinking Water Compliance Rate	7
Distribution System Water Loss	9
Water Distribution System Integrity	11
Operations and Maintenance Cost Ratios	13
Planned Maintenance Ratio	17
Water Conservation Savings	21
Wastewater Collection and Operations Goal	25
Sewer Overflow Rate	31
Collection System Integrity	33
Wastewater Treatment Effectiveness Rate	35
Operations and Maintenance Cost Ratios	37
Planned Maintenance Ratio	41
Customer Services Goal	45
Customer Service Complaints/Technical Quality Complaints	51
Customer Service Cost per Account	55
Billing Accuracy	57
Disruptions of Water Service	59
Residential Cost of Water/Sewer Service	63
Business Planning and Management Goal	69
Debt Ratio	75
Return on Assets	77
System Renewal/Replacement Rate	79
Organization Development Goal	85
Employee Health and Safety Severity Rate	91
Training Hours per Employee	93
Customer Accounts per Employee (Water and Wastewater)	95
MGD Water Delivered and MGD Wastewater Processed per Employee	97
Organizational Best Practices Index	101

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 FY11 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. The measures also provide a mechanism to conduct comparative analyses in order to implement quality improvement processes and enhance decision-making.

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

The 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 of baseline, current, and target performance.

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

Performance Key

▲
Excellent

■
Good

■
Fair

▼
Poor

Introduction

The Albuquerque Bernalillo County Water Utility 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. The measures also 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, based on the same collection process and definitions. The most recent survey data was compiled in 2007 by AWWA from over 200 different utilities. The survey is conducted every two to three years. The Performance Plan uses the survey data as a basis for its performance measures to track the Authority's performance with that of other utilities.

Five-Years Goals

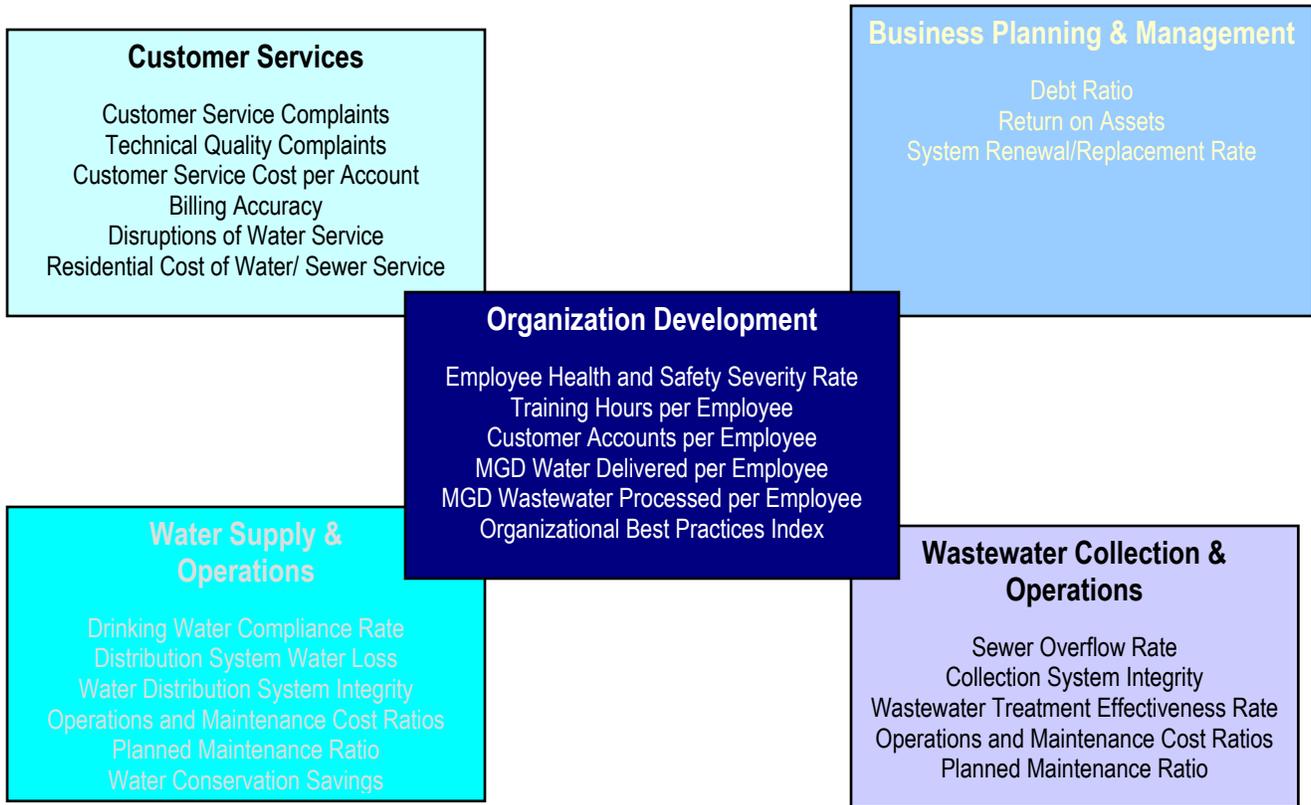
The Authority's Performance Plan is organized by the Authority's Five-Year Goal areas which are modeled after AWWA's QualServe business model. The QualServe model is modeled from fifteen successful quality achievement programs, including the Malcolm Baldrige National Quality Award Program, the Deming 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 which parallels the QualServe model. The Authority also has developed guiding 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. The performance measures are organized by the Authority's Five-Year Goal areas shown in Figure 2. The performance measures are linked to the Goal areas in that the tracking of the metric is used to achieve the long-term desired result for that goal.

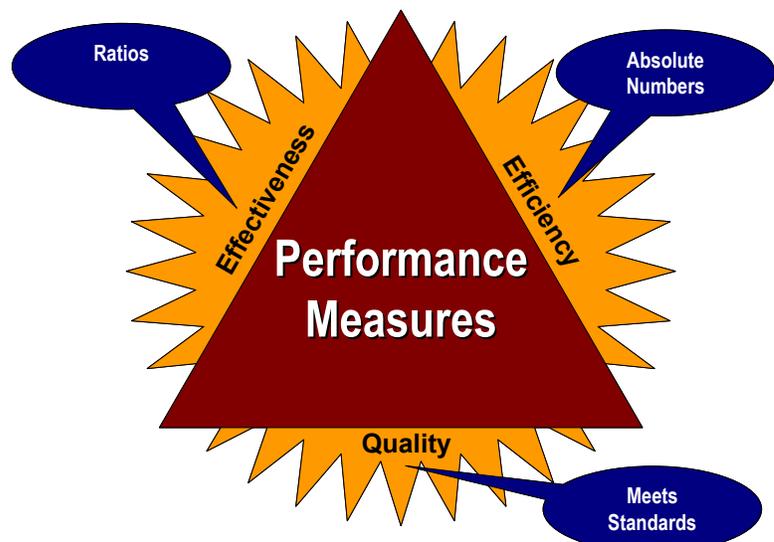
Figure 2: Performance Measures by Goal Area



Performance Measure Types

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

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



Performance Plan Logic Model

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

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

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

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



Benchmarking and Industry Peer Group

The Performance Plan contains three years of actual prior year data (FY07 through FY09) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY10) as well as projected performance in the proposed budget year (FY11). The Plan allows the Authority to benchmark its performance from year to year and to determine how its current and projected performance compare to baseline past performance.

In addition to assessing its performance year to year, the Authority also compares its performance with that of other utilities in its *industry peer group* (utilities in the western United States, utilities that serve populations of more than 500,000, and utilities with combined water/wastewater operations). As stated in the Introduction section, the Authority obtains its comparative data from the AWWA QualServe Benchmarking Performance Indicators Survey. 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

Strategic Planning, Budgeting and Improvement Process

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

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

Performance Accountability & Budgeting

Each Authority division manager is responsible for their respective goal areas and objectives and for tracking their performance. The Executive Director, who is the champion and supportive leader of the performance management, meets with the division managers and their staff to review progress reports on the performance measures and objectives. The 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 the annual budget. The Executive Director and the managers integrate performance reporting into the budget process in order to focus the budget discussion on the allocation of resources and to address performance gaps. The manager’s budget requests are tied either to performance measure targets or objectives in terms of providing a justification for their purpose. By integrating the objectives and performance measures into the budget process, the 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 the governing board.

Performance Measurement Linkage to Asset Management Planning

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

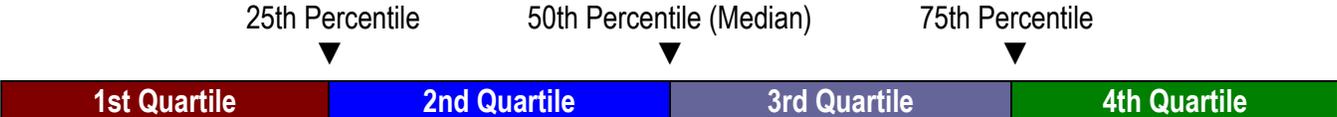
Communicating Performance Measurement

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

Presentation of Data

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

Figure 4: Percentile/Quartile Illustration

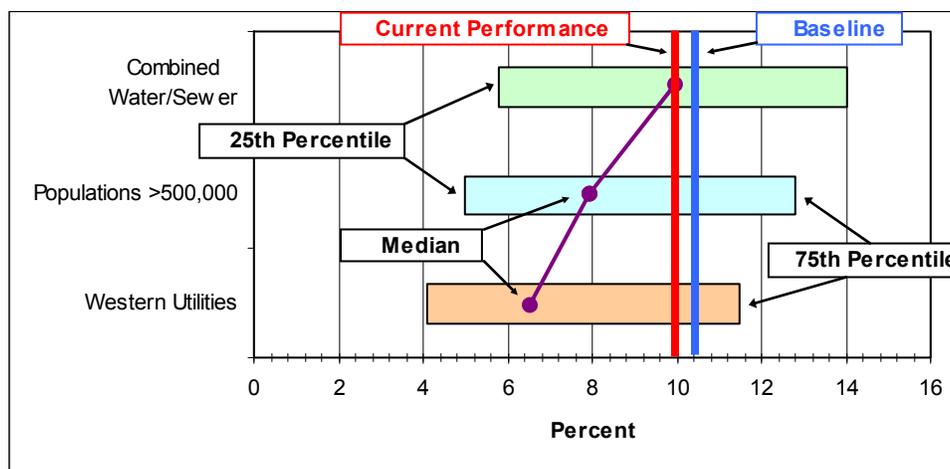


Using the Performance Comparison Chart

Figure 5 provides an example of the median range of values for the industry peer group. The green, blue and orange horizontal bars illustrate the median range (the 2nd and 3rd quartiles) of the industry peer group. The ends of the bars on the left are the boundaries for the 25th percentile, and the ends of the bars on the right are the boundaries for the 75th percentile. The purple circles on each bar indicate the median value, the 50th percentile, 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 5, the chart shows that the Authority's current performance is within the "median range" of all three categories of the industry peer group. Assuming that a low value for this measure is desirable, the Authority's performance is below the median value when compared to those utilities greater than 500,000 population and those utilities located in the Western United States. Any performance value greater than the 75th percentile would indicate poor performance. Whereas, any performance value less than 25th percentile would indicate excellent performance. For each performance comparison chart, there will be an indication of whether higher or lower values are desirable.

Figure 5: Example Performance Measure – Percentiles Indicated



Layout of Performance Plan

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

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

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

Goal 1

Water Supply and Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

Excellent
 Good
 Fair
 Poor

This page left intentionally blank

Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Estimate
Develop collaborative program-specific protocol agreements to document monitoring and analytical activities in support of regulatory compliance and process control requirements (FY11)	1-1	NA	■
Process model business practices for Water Quality, NPDES, and Water Quality Laboratory programs to improve efficiencies and define key performance metrics (FY11)	1-1	NA	■
Develop procedural conventions for all regulatory submittals to assure zero procedural violations with 100% of regulatory reports submitted on or before due date (FY11)	1-1	NA	■
Maintain completion of all stopped meter requests within 3 months of notification; test all large meters and identify high priority meters for repair or replacement (FY10/FY11)	1-2	■	■
Evaluate the Automated Meter Infrastructure program for meter replacement (FY10/FY11)	1-2	■	▲
Continue implementation of water loss programs including systematic lift-and-shift deployments of leak detection equipment on water lines and inspection of fire hydrants and other water distribution components as needed; reduce unaccounted-for-water by 1% (FY10/FY11)	1-2 1-3	■	■
Increase water operations planned maintenance for groundwater facilities by 10% (FY10/FY11)	1-5	■	▲
Achieve water use of 156 gallons per person per day (FY10/FY11)	1-6	▲	▲

Performance Key

		
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

This page left intentionally blank

Performance Measure Division Responsibility

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

This page left intentionally blank

**FY11 Performance Plan
Goal 1: Water Supply and Operations**

1-1 Drinking Water Compliance Rate

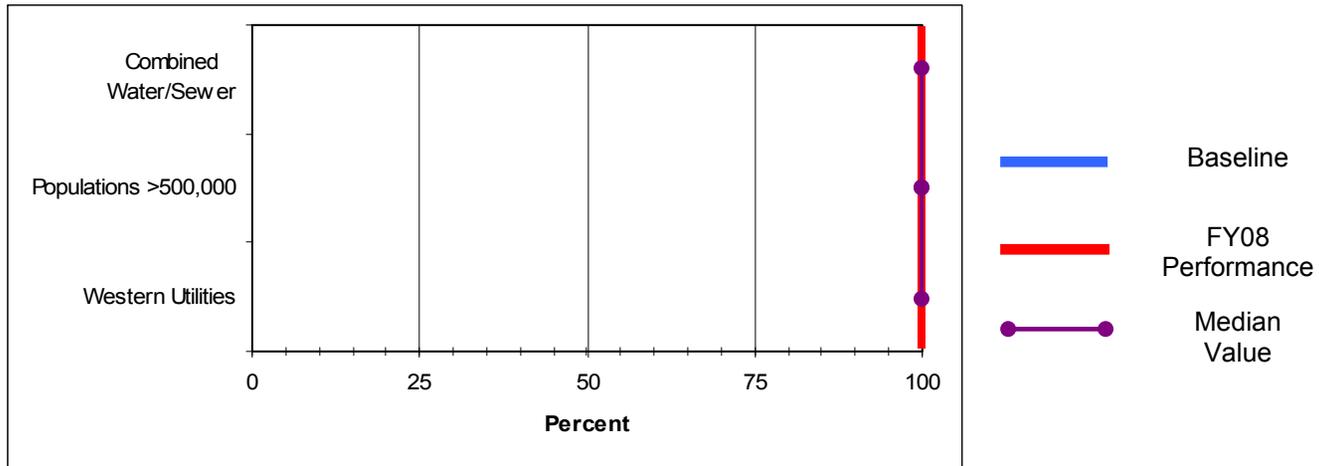
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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%	100%	100%	100%	100%	100%	Provide safe and reliable drinking water to our customers 100% of the time

Industry Benchmark

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

Performance Comparison Chart



Higher values are desirable

FY11 Performance Plan
Goal 1: Water Supply and Operations

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.

In December 2008, the Authority began distribution of treated surface water mixed with ground water resources as part of the San Juan-Chama Drinking Water Project (SJCDWP). For FY11, the Authority will operate the new surface water treatment plant at 75 percent capacity with a gradual increase to full capacity to minimize water quality changes. In 2009, the Authority directed an independent review of key water quality and treatment issues for the SJCDWP treatment plant. The study was performed by Dr. Kerry Howe, a professor of engineering at the University of New Mexico and a world-renowned expert in water treatment. The study concluded that the new plant will meet or exceed all Safe Drinking Water Act regulations.

For FY11, the Authority developed several policy objectives to improve the processes and procedures for water quality compliance reporting. The Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Develop collaborative program-specific protocol agreements to document monitoring and analytical activities in support of regulatory compliance and process control requirements by the end of the 4th Quarter of FY11.
- Process model business practices for Water Quality, NPDES, and Water Quality Laboratory programs to improve efficiencies and define key performance metrics by the end of the 4th Quarter of FY11.
- Develop procedural conventions for all regulatory submittals to assure zero procedural violations with 100% of regulatory reports submitted on or before due date through the end of the 4th Quarter of FY11.

**FY11 Performance Plan
Goal 1: Water Supply and Operations**

1-2 Distribution System Water Loss

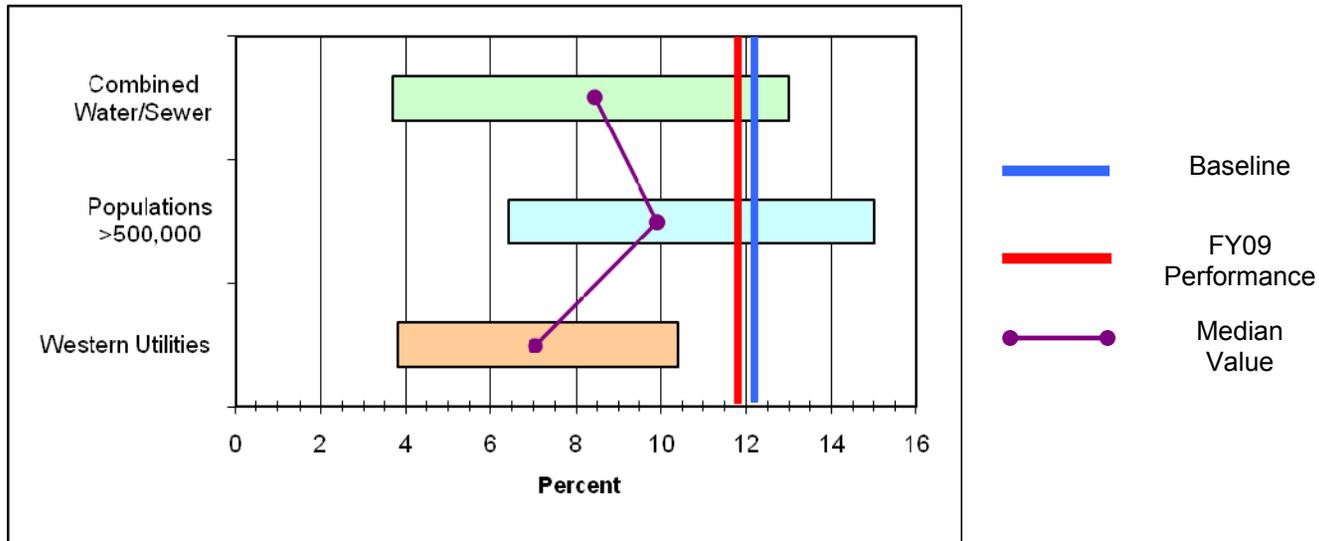
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	12.4%	12.6%	12.9%	11.8%	11.5%	11.2%	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

Results Narrative

Distribution system water loss is the difference between the volume of water distributed for use by all customer classes and the volume of water actually consumed by authorized users. There are many factors contributing to distribution system water loss. The major ones are leakage, metering inaccuracies, and unauthorized consumption. Among these, only leakage is a true loss of water. Metering inaccuracies affect the utility's capability for measuring true loss, but such inaccuracies can lead to both overstatements and understatements of the true loss. Unauthorized consumptions diminish revenues and should be dealt with, but they are not real losses of water. Because water losses impact revenues, it is important that a utility have practices in place to understand the specific causes of losses in its system. Tracking water losses will help the Authority understand the condition of distribution system infrastructure and the effects of its operation, maintenance, and replacement practices. This measure provides opportunity for the Authority 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. In FY09, the Authority began its 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 scarce resource. There are three FY11 objectives that consist of reducing both revenue and non-revenue water loss. One objective is to complete all stopped meter requests within 3 months of notification and to test all large meters and identify high priority meters for repair or replacement. A second objective is to implement an Automated Meter Infrastructure program for the Authority's large meters. A third objective is to implement lift-and-shift deployments of leak detection equipment on water lines and continue the inspection of fire hydrants, thereby reducing unaccounted-for-water by 1%. The Authority received \$200,000 in ARRA funding to purchase more leak detection equipment for its program. In addition, a leak detection technician was added in FY11 to help carry out this objective.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Maintain completion of all stopped meter requests within 3 months of notification through the end of the 4th Quarter of FY11; test all large meters and identify high priority meters for repair or replacement through the end of the 4th Quarter of FY11.
- Evaluate the Automated Meter Infrastructure program for meter replacement by the end of the 4th Quarter of FY11.
- Continue implementation of water loss programs including systematic lift-and-shift deployments of leak detection equipment on water lines and inspection of fire hydrants and other water distribution components as needed; reduce unaccounted-for-water by 1% by the end of the 4th Quarter FY11.

FY11 Performance Plan
Goal 1: Water Supply and Operations

1-3 Water Distribution System Integrity

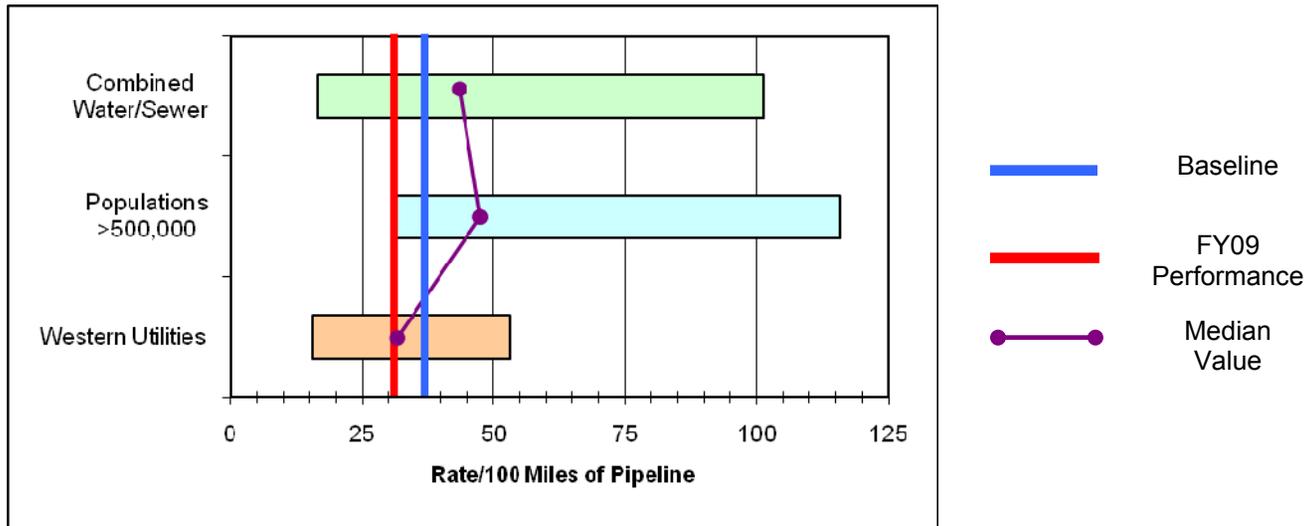
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	36.5	31.2	47.0	31.2	31.0	29.0	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

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. Since FY08, the Authority has invested \$1 million in steel water line rehabilitation in addition to planned water line rehabilitation spending. The purpose for this objective is to target steel lines because they leak the most in the system; about 44% of leaks result from steel water lines. The Authority included as an objective for FY11 to continue spending an additional \$1 million in steel water line rehabilitation. In the last five years, the Authority has seen a decrease in leaks from steel water lines by 50%.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- \$1 million shall be dedicated and used for identifying steel water pipes in poor condition and rehabilitating or replacing at least 2 miles of pipe by the end of the 4th Quarter of FY11.

**FY11 Performance Plan
Goal 1: Water Supply and Operations**

1-4 Operations and Maintenance Cost Ratio

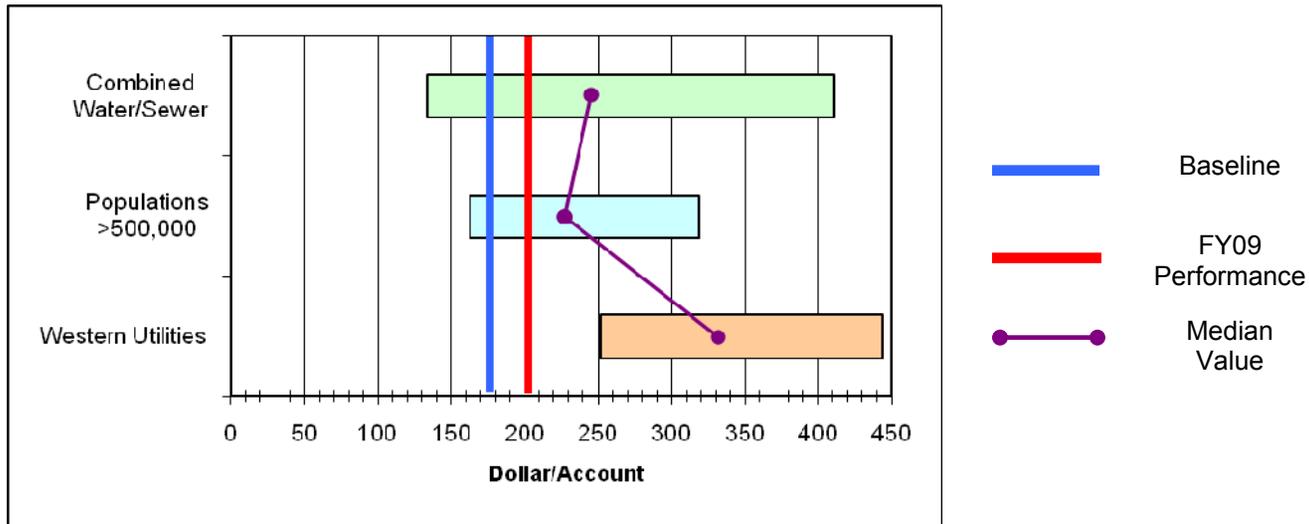
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	\$180	\$154	\$177	\$208	\$219	\$230	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

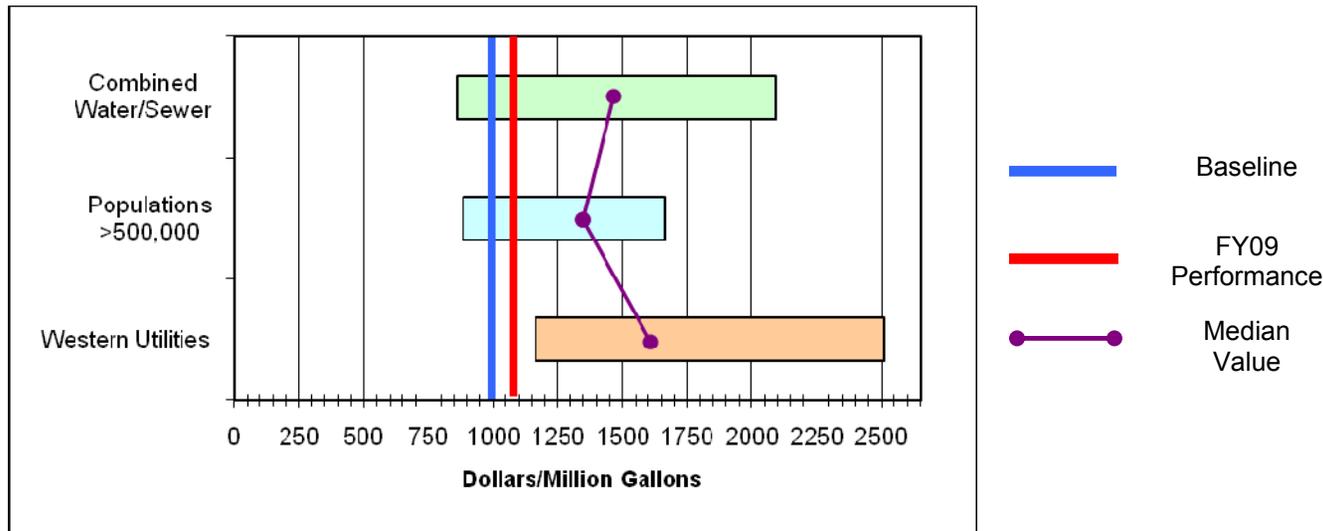
Performance Results for O&M Cost per MG Distributed

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	\$999	\$901	\$926	\$1,171	\$1,230	\$1,291	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

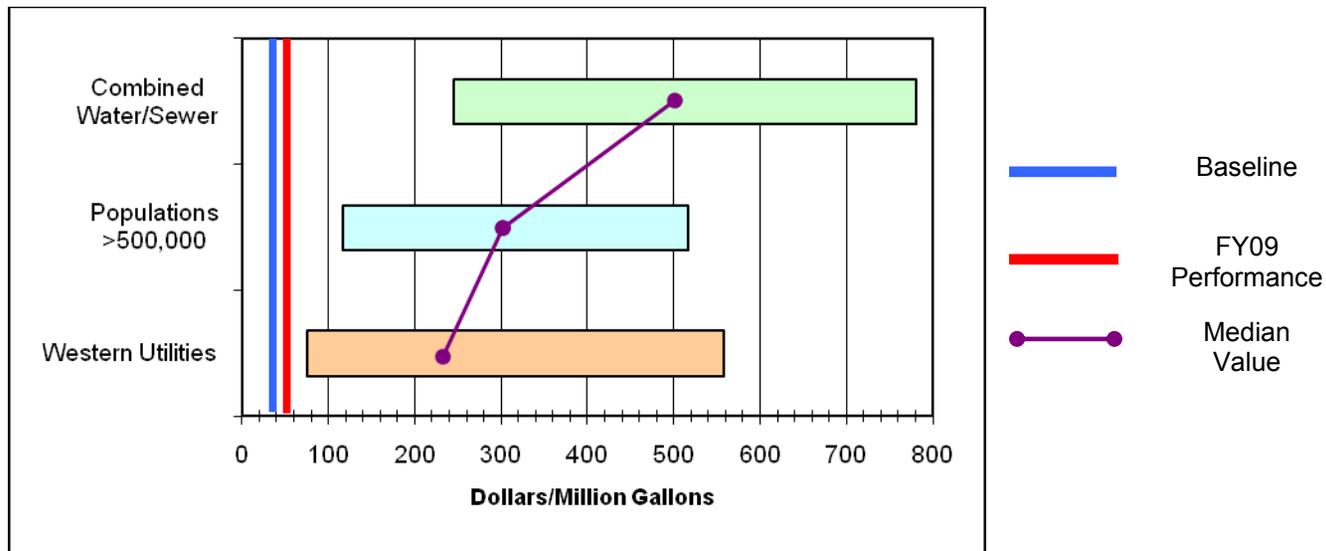
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total volume of water treated	\$39	\$27	\$38	\$51	\$54	\$57	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

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 within or above the median range for the past three fiscal years. However, O&M costs are expected to increase when the new surface drinking water project begins to operate above 75% capacity as is planned for FY11. 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. The Authority continues to work on optimizing chemical use at the treatment plant. Moreover, the Authority is developing a comprehensive energy master plan that will include demand and potential energy reduction measures and costs to implement alternative clean energy sources for use by the Authority.

FY11 Related Objectives

- Increase operation of the San Juan-Chama Water Treatment Plant by providing approximately of 75% of overall water demand from the project through the end of the 4th Quarter of FY11.

**FY11 Performance Plan
Goal 1: Water Supply and Operations**

1-5 Planned Maintenance Ratio

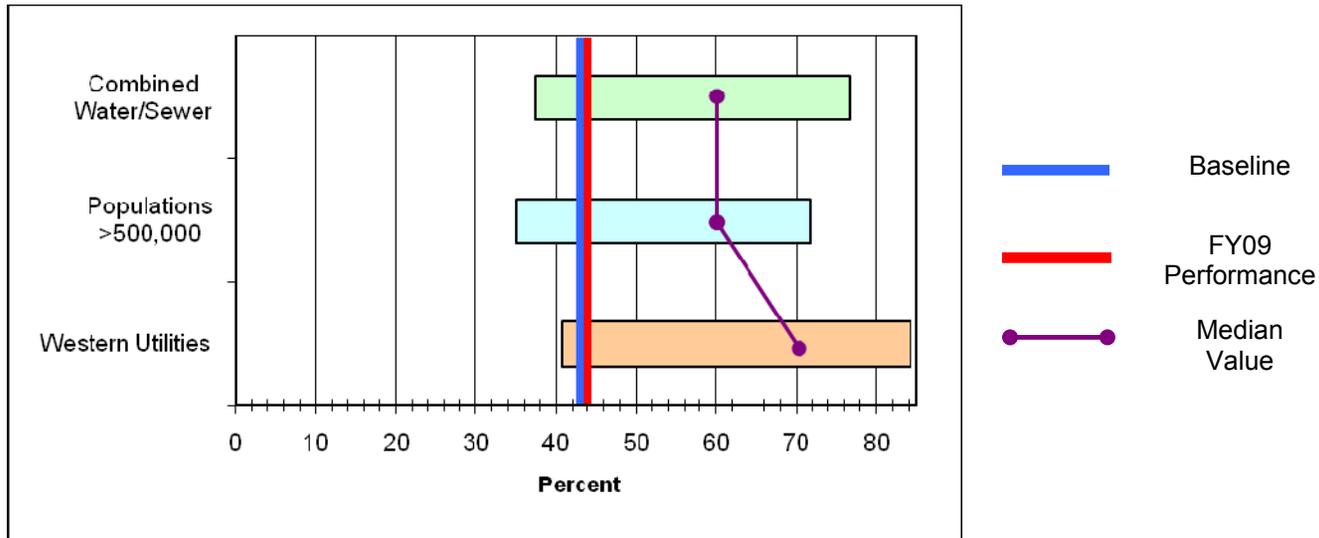
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	42.7%	38.8%	44.6%	44.6%	46.0%	48.0%	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

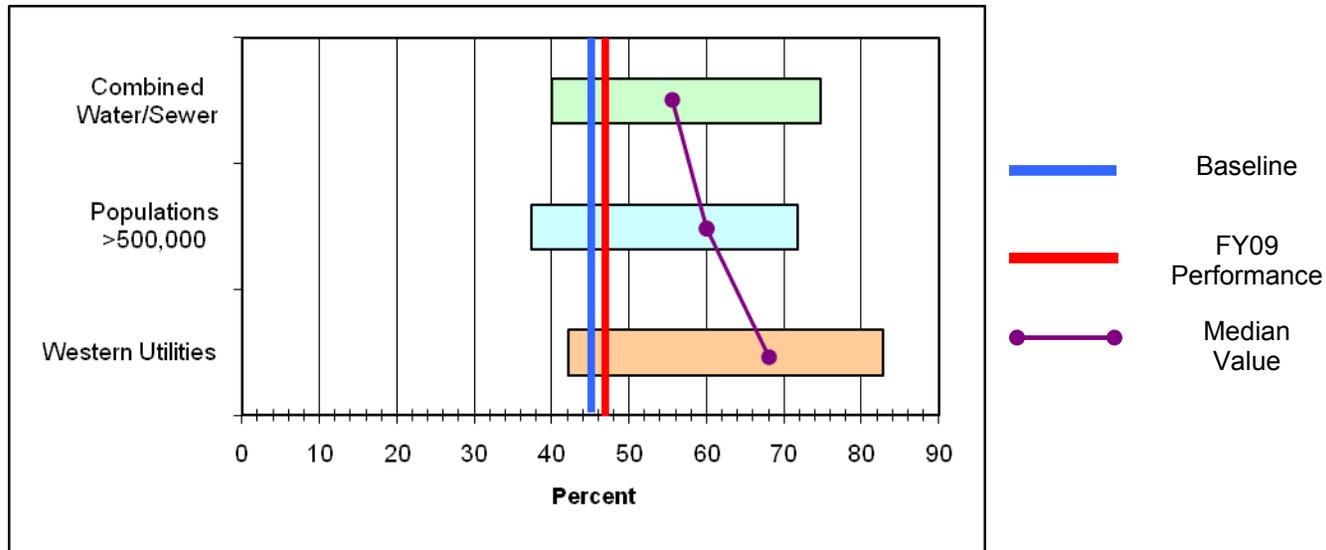
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	45.4%	43.5%	45.6%	47.1%	48.0%	49.0%	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

FY11 Performance Plan
Goal 1: Water Supply and Operations

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 within the median range for the past three fiscal years. Since FY08, the Authority has used this performance measure to identify gaps in planned/preventative maintenance activities. An objective for FY11 will focus on increasing water operations planned maintenance for groundwater facilities by 10%. For the distribution system, the Authority will be increasing planned maintenance by from implementing a leak detection program mentioned in Performance Measure 1-2, Distribution System Water Loss.

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. In FY09, the Authority hired four planners/schedulers to assist in coordinating and scheduling work orders and projects to maximize efficiency and enhance productivity. Moreover, these new planners/schedulers will be dedicated to developing and updating predictive, preventative and condition-based maintenance programs and participate in monitoring and evaluating the programs' effectiveness. In FY10, the Authority upgraded its work order system to integrate with the Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Authority's assets.

FY11 Related Objectives

- Increase water operations planned maintenance for groundwater facilities by 10% by the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 1: Water Supply and Operations

This page left intentionally blank

FY11 Performance Plan
Goal 1: Water Supply and Operations

1-6 Water Conservation Savings

Performance Results (Gallons per Capita)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				2007	2008	2009	2010	2011	
Effectiveness	Measure water savings by comparing the annual consumption and account growth by customer class and system-wide per capita usage	Gallons per person per day (GPCD)	162	167	161	159	156	155	Reduce water consumption to extend water resources and minimize environment impacts

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

Table 1-6-1 - GPCD Community Comparison

Community	Current GPCD	GPCD Goal	Year to Achieve Goal
<i>Albuquerque, New Mexico</i>	159	150	2014
Tucson, Arizona	141	162	2010
Denver, Colorado	170	165	2016
Colorado Springs, Colorado	165	162	2017
El Paso, Texas	135	140	2010-2020
San Antonio, Texas	124	116	2016

FY11 Performance Plan
Goal 1: Water Supply and Operations

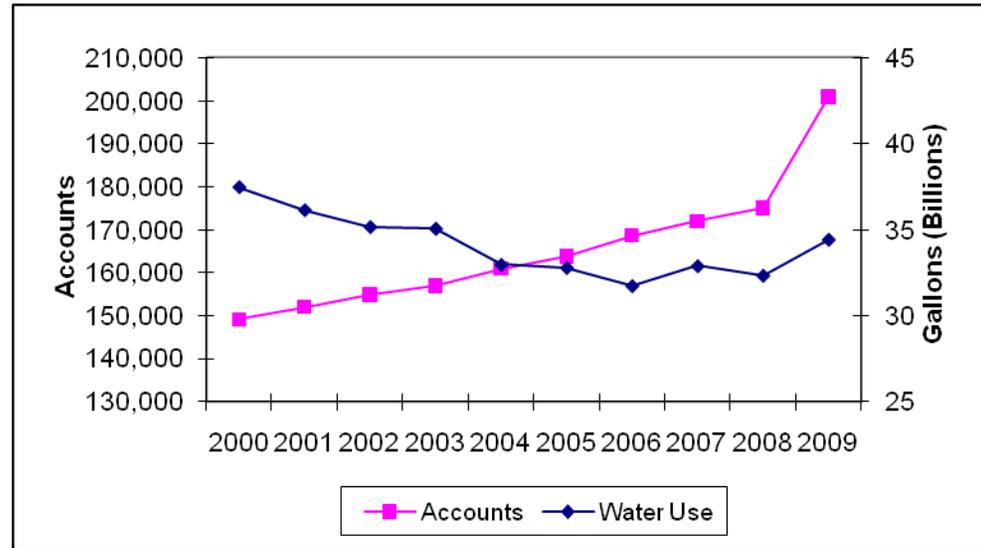
The Authority evaluates water use reduction by customer class to compare the relative number of gallons being used daily by each customer class to previous years. In 2009, many accounts were removed from the institutional customer class and transferred to the class designated as other. This accounts for the large drop in the usage of the institutional customer class and the corresponding increase in usage of the other class. The acquisition of New Mexico Utilities, Inc. (NMUI), a private utility, to the ABCWUA service area changed the characteristics of the population the Authority serves. As a result, the residential class appears to have used slightly more water in 2009 than in 2008.

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

Customer Class	2007	2008	2009
Residential	81.3	76.1	77.8
Commercial	19.3	23.5	23.1
Multi-family	23.6	22.3	19.7
Industrial	1.6	1.0	1.0
Institutional	17.4	15.4	6.6
Non-Revenue Water	22.0	21.3	19.4
Other	1.7	1.6	11.4
Total	166.9	161.2	158.9

Results Narrative

In 2009, the Authority decreased its pumping by 11% despite a 38% growth in customer accounts compared to the baseline years (1987-1993). There was a sharp increase in customer accounts in 2009 with the acquisition of NMUI, adding about 17,000 accounts; however, most of the customers were residential whose homes were built in the last ten years with low-water conservation fixtures so water use only increased by seven percent. The graph to the right compares water use with accounts from 2000 to 2009.



FY11 Performance Plan
Goal 1: Water Supply and Operations

Since the beginning of the conservation program over 155 billion gallons of water have been saved. This is enough water to serve the entire population of our service area for 4.5 years.

Authority customers used three gallons less per person per day in 2009 than in 2008, bringing the metropolitan area's daily per-person water usage down to 159 gpcd. The Authority will continue to reduce water consumption by implementing several initiatives to reduce outdoor consumption and to target commercial and industrial users. The Authority evaluates its rebate program on annual basis with the help of its Customer Advisory Committee.

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



FY11 Performance Plan
Goal 1: Water Supply and Operations

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



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



Gallons Per Capita Per Day 1994 – 2009

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Achieve water use of 156 gallons per person per day by the end of the 2nd Quarter of FY11.

Goal 2

Wastewater Collection & Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key



This page left intentionally blank

Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Estimate
Utilize asset management decision-making for selection of FY12 Large Diameter Sewer Rehabilitation project; continue study of small diameter sanitary sewer overflows and develop mitigations for evaluated overflows based on asset management principles (FY11)	2-1	NA	
Optimize the PRI-SC (Peroxide Regenerated Iron – Sulfide Control) program for odor control in the Collection System and at the Southside Water Reclamation Plant (FY11)	2-2	NA	
Limit overall permit excursions to no more than 5 operating discharge permit violations (FY10/FY11)	2-3		
Increase Southside Water Reclamation Plant planned maintenance work orders by 10% violations (FY10/FY11)	2-5		

Performance Key

		
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

This page left intentionally blank

Performance Measure Division Responsibility

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

This page left intentionally blank

**FY11 Performance Plan
Goal 2: Wastewater Collection and Operations**

2-1 Sewer Overflow Rate

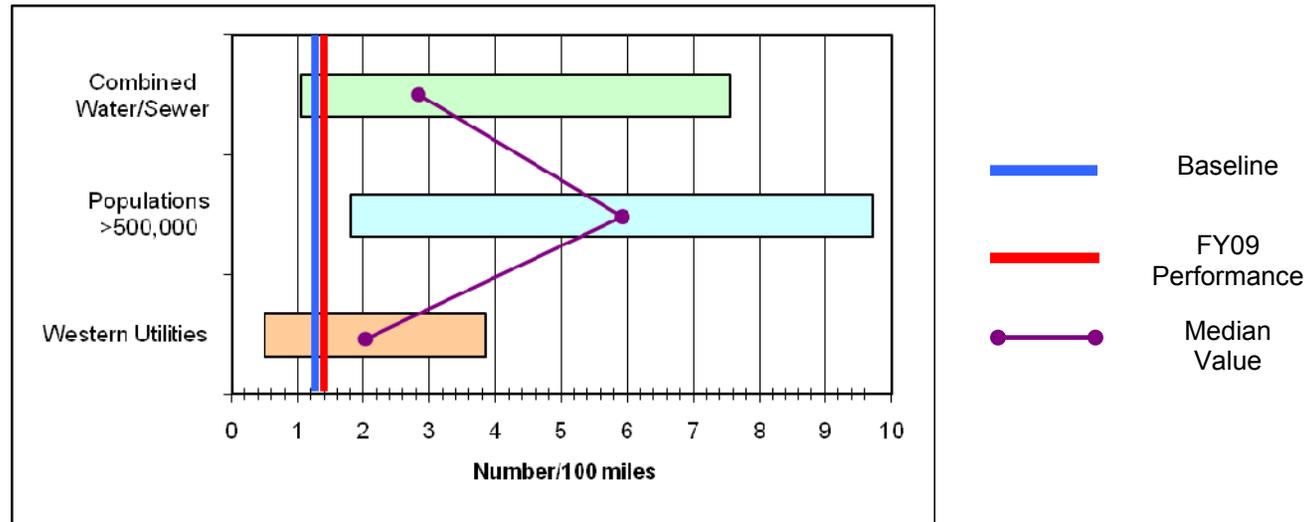
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	1.4	1.4	1.3	1.4	1.3	1.2	Improve the condition and reliability of the collection system and reduce customer complaints

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.0	2.7	7.6	1.8	6.1	9.7	0.5	2.0	3.9

Performance Comparison Chart



Generally, lower values are desirable

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

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

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Continue study of small diameter sanitary sewer overflows and develop mitigations for evaluated overflows based on asset management principles by the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

2-2 Collection System Integrity

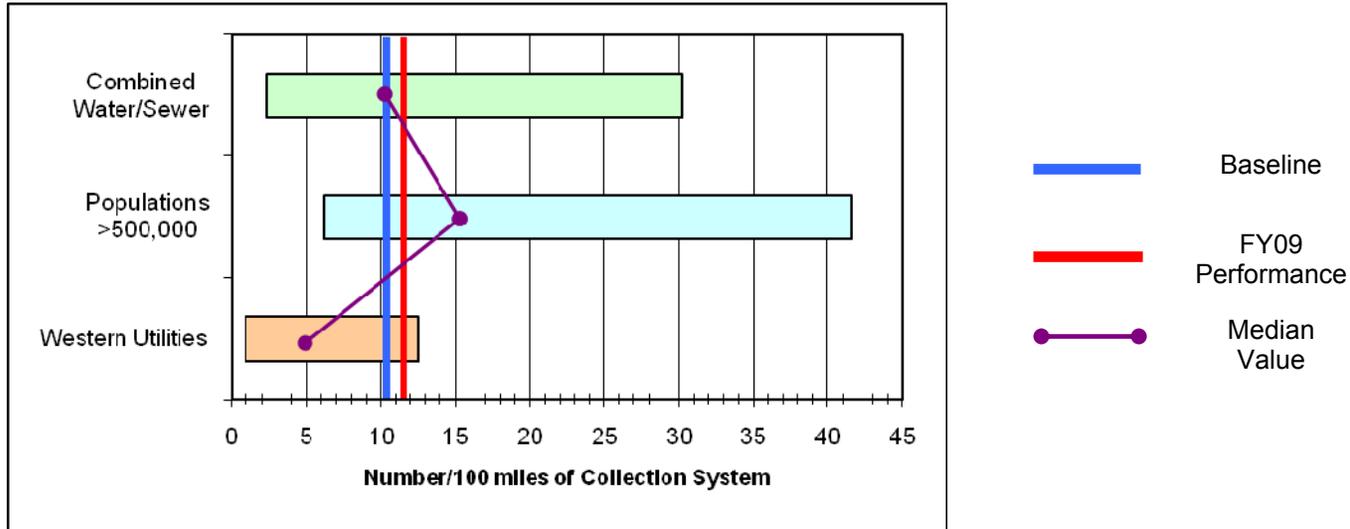
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	11.1	13.1	8.3	11.9	11.5	11.0	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

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. For FY11, the Authority will complete a specific ten year asset management plan for its large diameter sewer lines (interceptors) and begin implementation of the plan in FY12 which will help minimize expensive catastrophic failures. The Authority will also be televising all of the large diameter interceptors over a two-year period.

2010 Customer Opinion Survey

- 94% of customers are either very or somewhat satisfied with the reliability of wastewater collection
- 81% of customers are either very or somewhat satisfied with the effectiveness of the Authority to control odors from sewer lines or treatment facilities

FY11 Related Objectives

- Utilize asset management decision-making for selection of FY12 Large Diameter Sewer Rehabilitation project by the end of the 4th Quarter of FY11.
- Optimize the PRI-SC (Peroxide Regenerated Iron – Sulfide Control) program for odor control in the Collection System and at the Southside Water Reclamation Plant through the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

2-3 Wastewater Treatment Effectiveness Rate

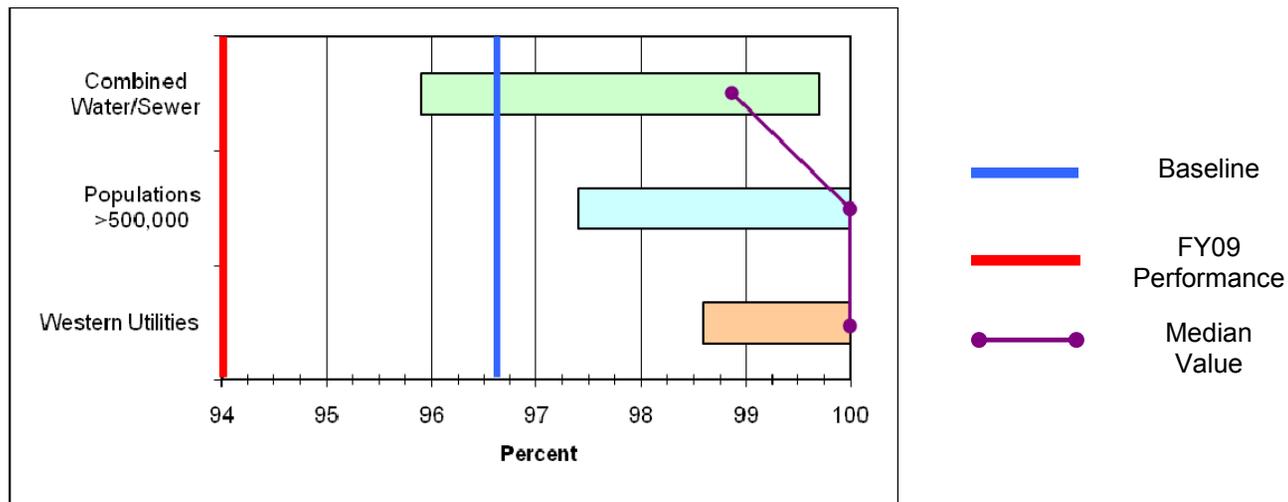
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	96.7%	97.5%	98.6%	94.0%	95.0%	96.0%	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

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 two of the last three fiscal years. The Authority's goal in for FY11 is to have no more than five non-compliance days. The Authority experienced a setback in FY09 with several violations caused by equipment upgrades. The Authority will continue in meeting its performance targets during major rehabilitation activities at the wastewater treatment plant over the next five fiscal years.

Also, for FY11, the Authority developed several policy objectives to improve the processes and procedures for wastewater quality compliance reporting. The Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY11.
- Develop collaborative program-specific protocol agreements to document monitoring and analytical activities in support of regulatory compliance and process control requirements by the end of the 4th Quarter of FY11.
- Process model business practices for Water Quality, NPDES, and Water Quality Laboratory programs to improve efficiencies and define key performance metrics by the end of the 4th Quarter of FY11.
- Develop procedural conventions for all regulatory submittals to assure zero procedural violations with 100% of regulatory reports submitted on or before due date through the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

2-4 Operations and Maintenance Cost Ratio

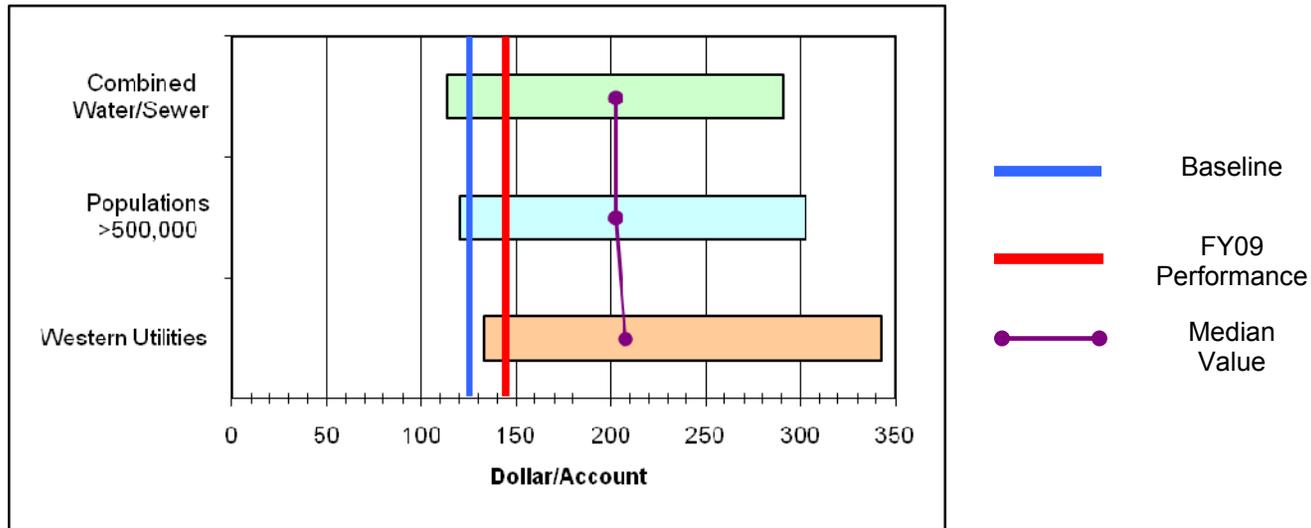
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	\$134	\$123	\$132	\$148	\$145	\$142	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

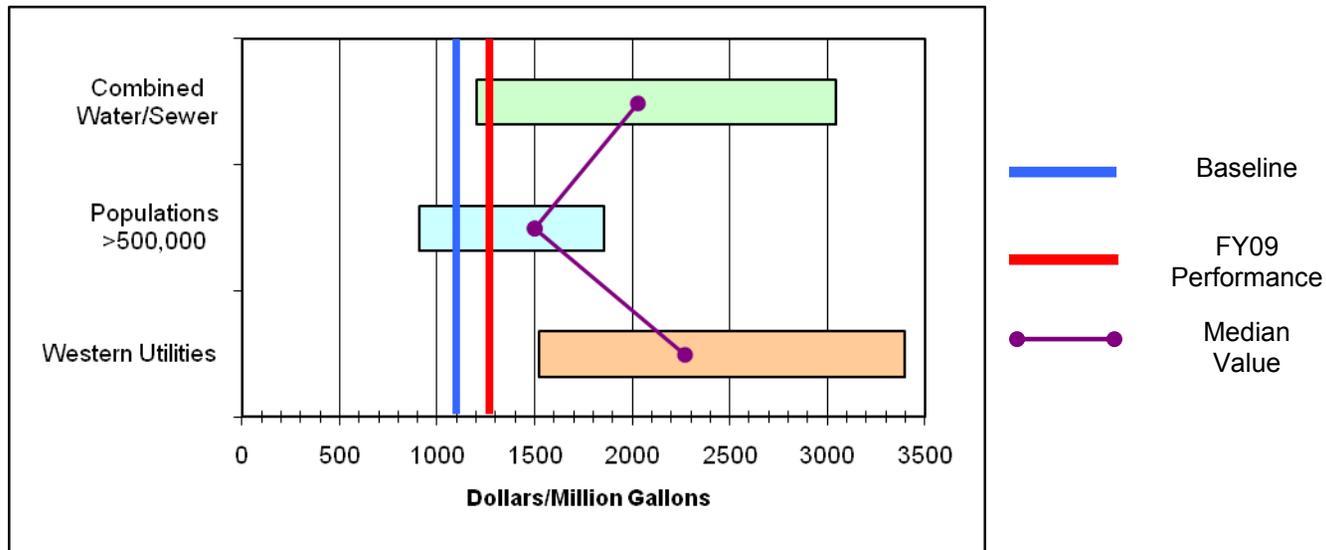
Performance Results for O&M Cost per MG Collected

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	\$1,110	\$1,004	\$1,043	\$1,284	\$1,258	\$1,232	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

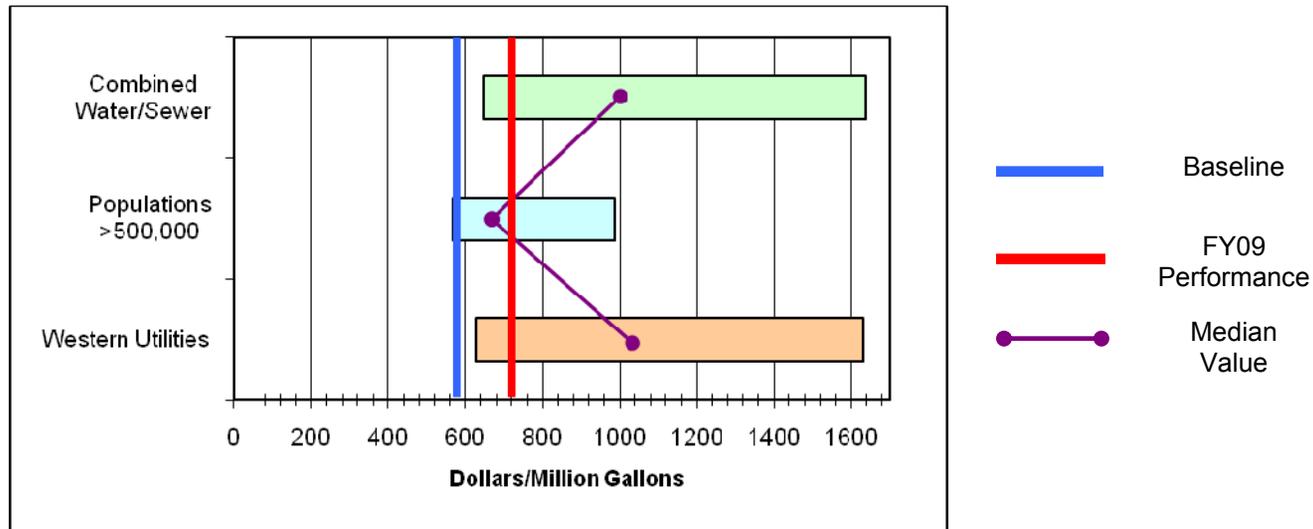
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total Direct O&M costs and total wastewater treated	\$594	\$531	\$516	\$735	\$698	\$663	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

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 within or above the median range for the past three fiscal years and is on-target to maintain this performance for the next two fiscal years.

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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

2-5 Planned Maintenance Ratio

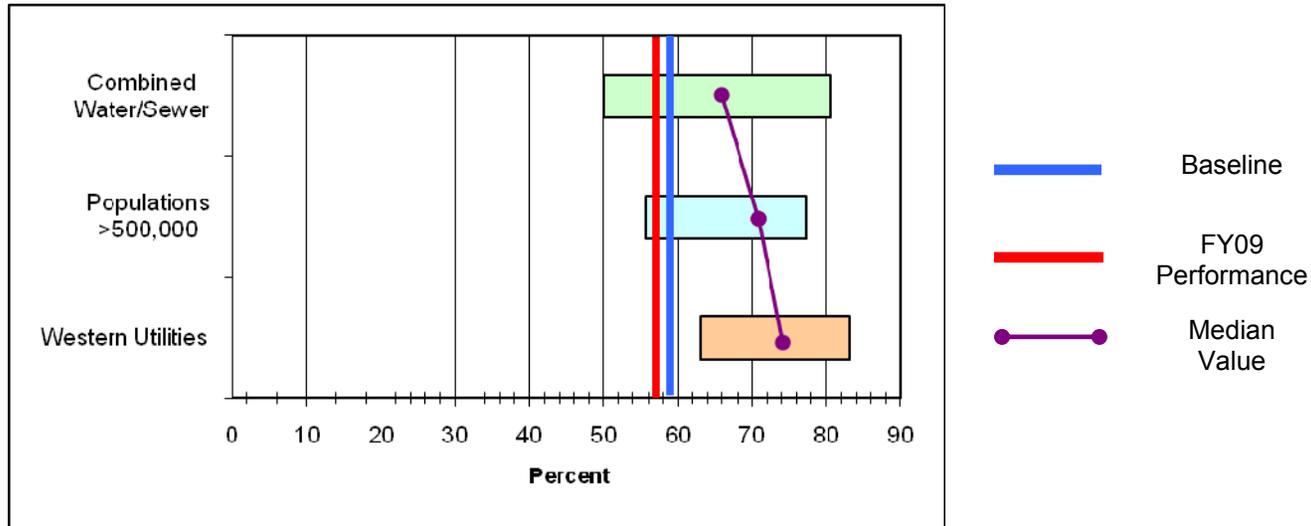
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	59.8%	65.5%	56.7%	57.1%	58.0%	59.0%	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

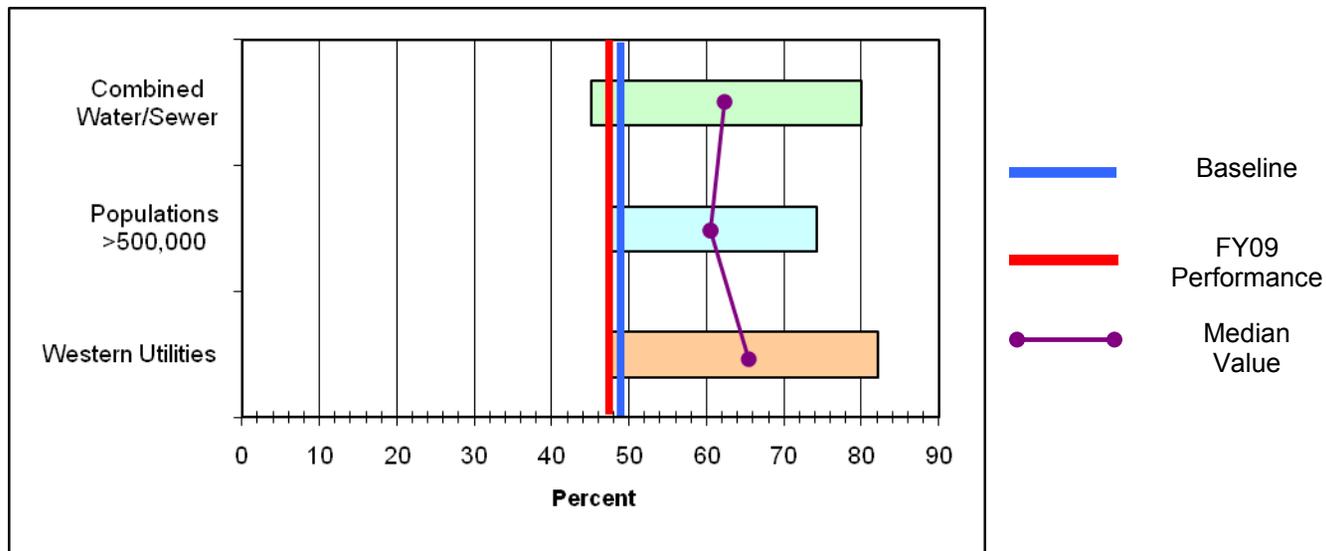
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Comparison of how effectively the Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	47.2%	46.9%	47.4%	47.2%	47.5%	48.0%	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

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

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 FY11 is to increase planned work orders by 10% at the wastewater treatment plant. This objective will also help the Authority meet its performance targets mentioned in Performance Measure 2-3, Wastewater Treatment Effectiveness Rate.

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. In FY09, the Authority hired four planners/schedulers to assist in coordinating and scheduling work orders and projects to maximize efficiency and enhance productivity. Moreover, these new planners/schedulers will be dedicated to developing and updating predictive, preventative and condition-based maintenance programs and participate in monitoring and evaluating the programs' effectiveness. In FY10, the Authority upgraded its work order system to integrate with the Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Authority's assets.

FY11 Related Objectives

- Increase Southside Water Reclamation Plant planned maintenance work orders by 10% by the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 2: Wastewater Collection and Operations

This page left intentionally blank

Goal 3 Customer Services

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

This page left intentionally blank

Linkage of Objectives to Performance Measures / Performance Status

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

Performance Key

		
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

This page left intentionally blank

Performance Measure Division Responsibility

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

This page left intentionally blank

**FY11 Performance Plan
Goal 3: Customer Services**

3-1 Customer Service Complaints and Technical Quality Complaints

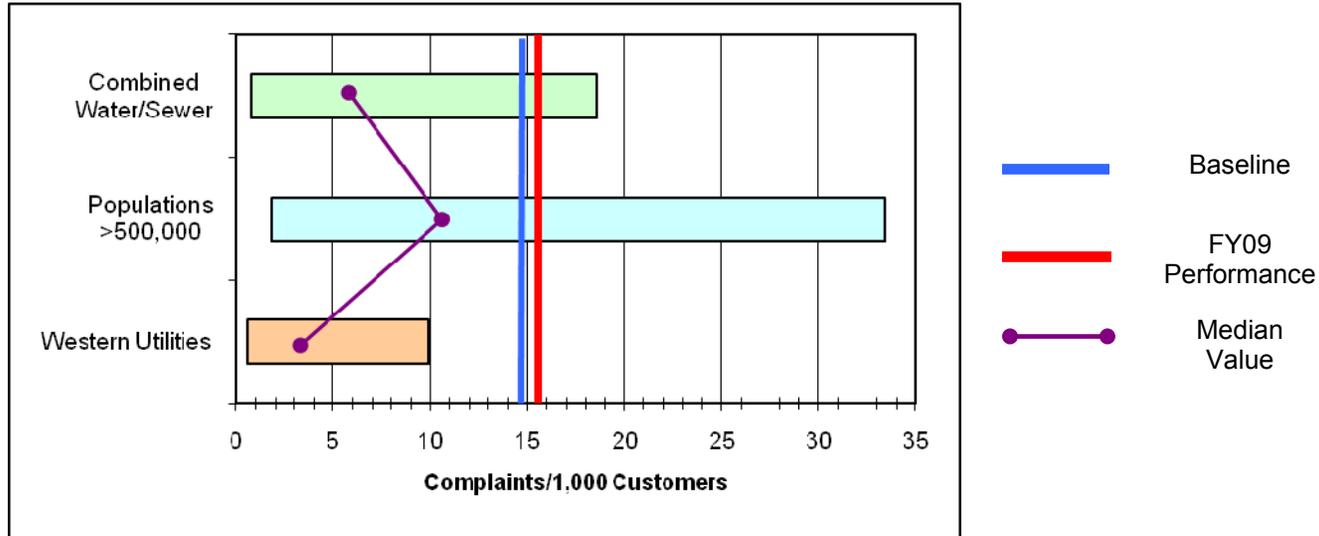
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	14.5	13.5	14.3	15.8	14.0	13.0	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

**FY11 Performance Plan
Goal 3: Customer Services**

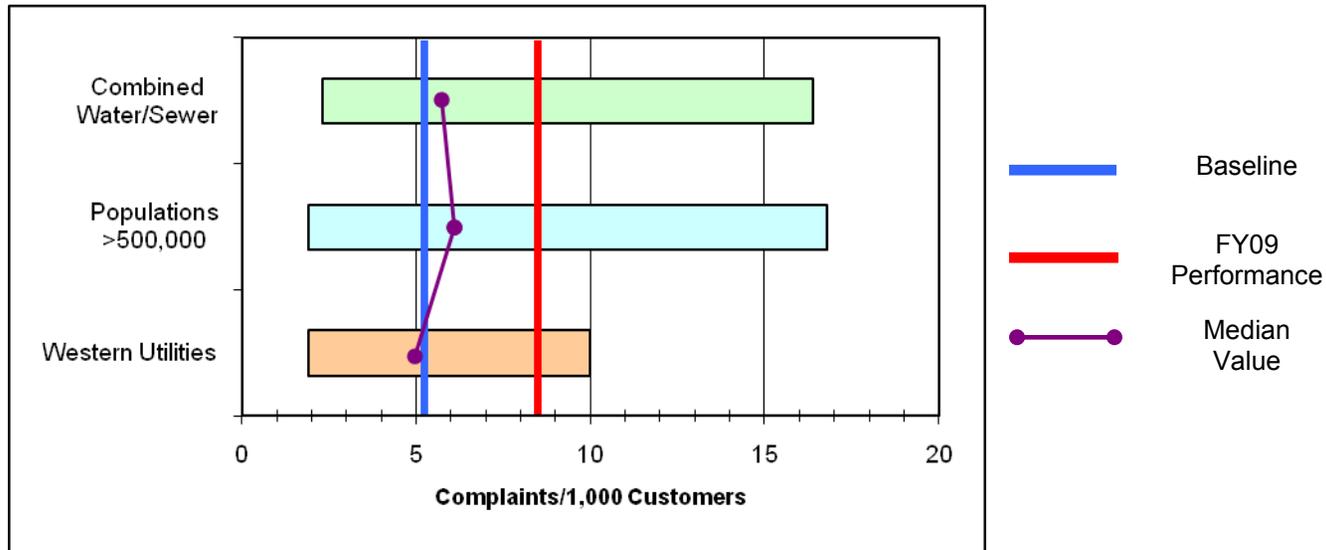
Performance Results (Technical Quality Complaints)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	6.1	5.4	4.3	8.5	7.5	6.5	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

FY11 Performance Plan
Goal 3: Customer Services

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 in FY09 is to reduce call wait time to less than 1 minute, 90 percent of the time by use of staffing and technology which will make this closer to the water industry standard. The Authority maintained the call-wait-time metric in FY10 and will continue to maintain it in FY11. In addition, the Authority will upgrade its call center phone systems and other automated technologies to effectively track customer service performance; the new phone system will allow customers to pay their bills by phone and provide 24/7 service to billing, emergencies, and reporting water waste. Moreover, the Authority will develop and execute a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service in FY11.

In FY10, the Authority conducted a customer opinion survey in order to assess the Authority’s performance from the customer’s viewpoint from previous surveys. This was the third customer opinion survey conducted since the first survey in 2006 which allowed the Authority view trends of customer’s opinions. The results of the 2010 survey have been incorporated into the FY11 Performance Plan as many questions or statements were connected to the benchmarks in the Performance Plan.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time through the 4th Quarter of FY11.
- Upgrade call center phone systems and other automated technologies to effectively track customer service performance and integrate Northwest service area into new system by the end of the 2nd Quarter of FY11.
- Develop and execute a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service through the 4th Quarter of FY11.

***FY11 Performance Plan
Goal 3: Customer Services***

This page left intentionally blank

**FY11 Performance Plan
Goal 3: Customer Services**

3-2 Customer Service Cost per Account

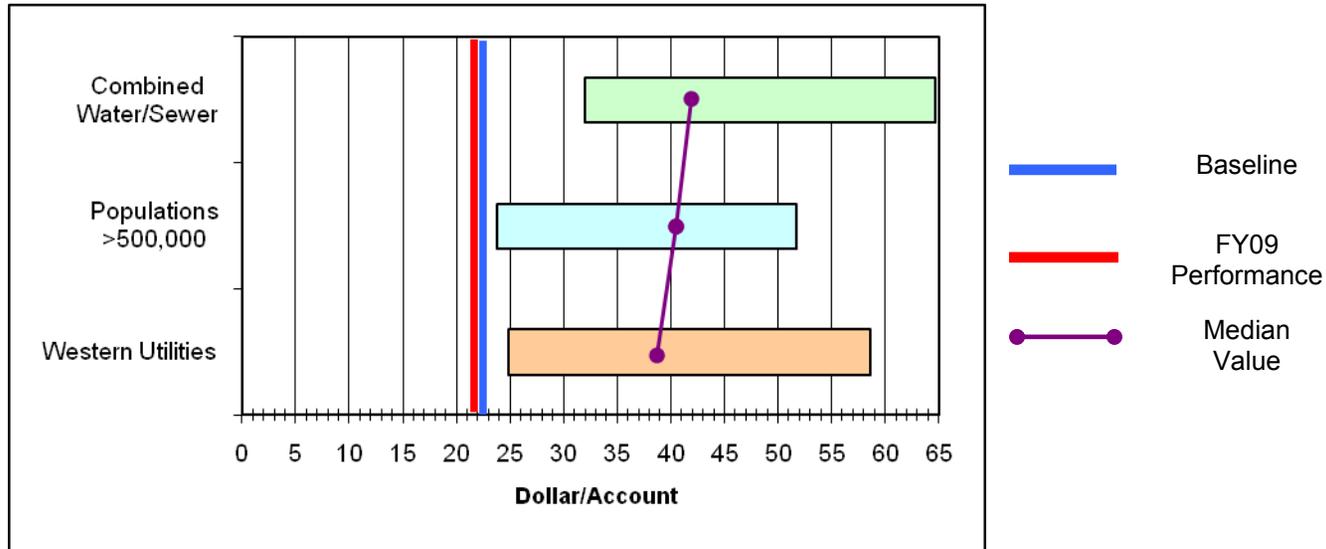
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Measure the amount of resources the Authority applies to its customer service program	Total customer service cost and the number of active accounts	\$23.30	\$24.19	\$22.74	\$23.00	\$23.00	\$23.00	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

FY11 Performance Plan
Goal 3: Customer Services

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. The Authority is planning a 5% rate increase in FY12 and another 5% rate increase FY14; however, the Authority anticipates that it will still be above the median range over the next four years.

**FY11 Performance Plan
Goal 3: Customer Services**

3-3 Billing Accuracy

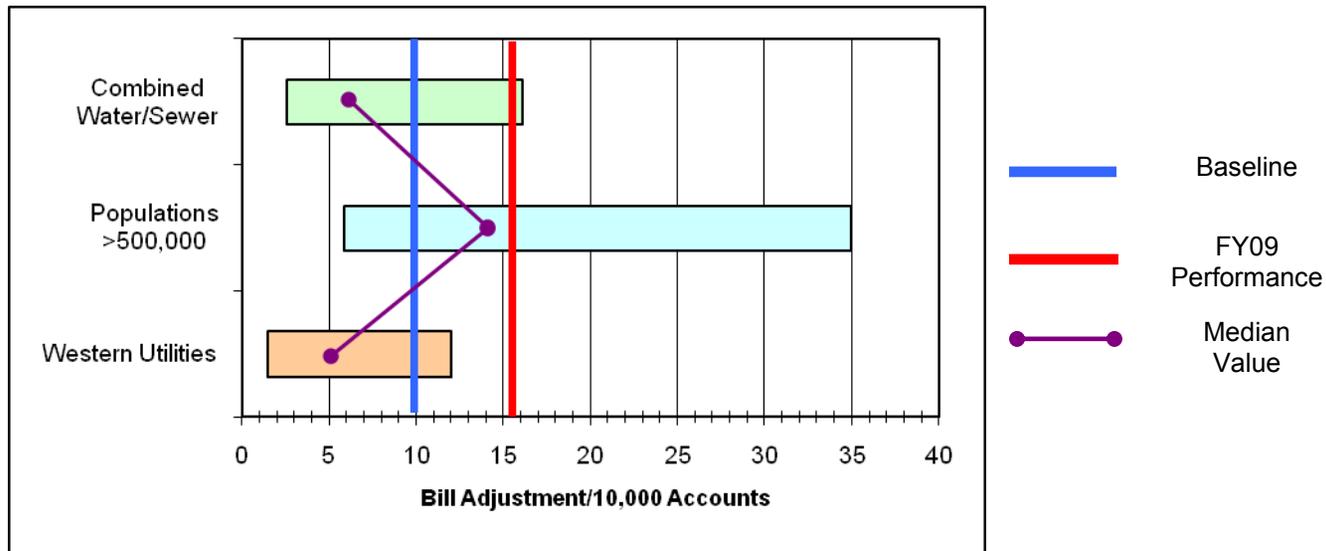
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Measure the effectiveness of the Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	10.0	5.5	9.3	15.3	14.0	13.0	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

FY11 Performance Plan
Goal 3: Customer Services

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 FY08, there was an increase in error-driven billing adjustments due to misreads caused by below average temperatures; the misreads resulted in rebilling the accounts. In FY09, the conversion to a new billing system caused an increase in error-driven billing adjustments.

2010 Customer Opinion Survey

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

**FY11 Performance Plan
Goal 3: Customer Services**

3-4 Disruptions of Water Service

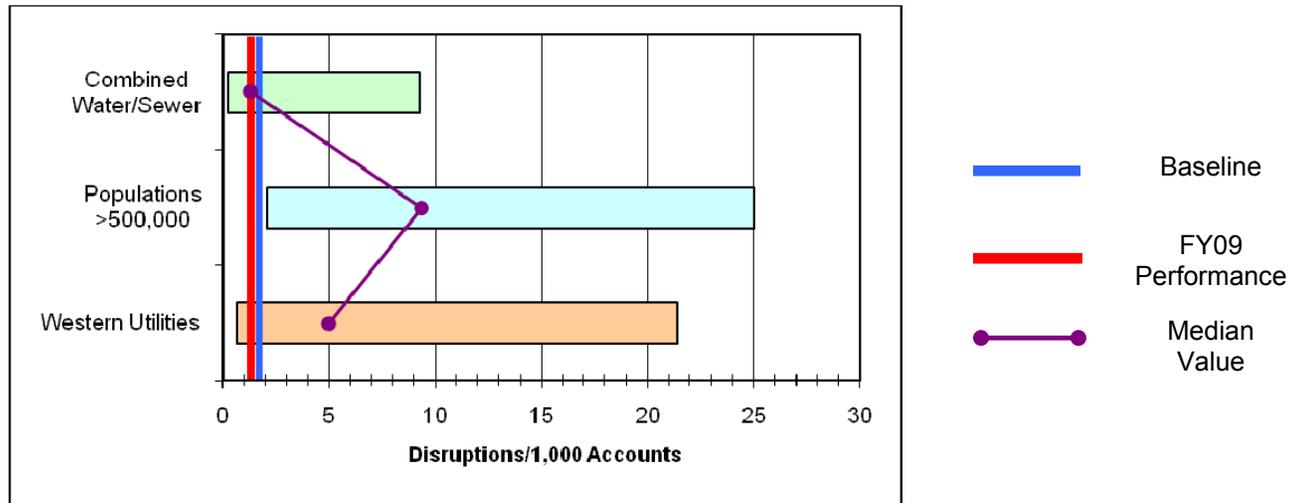
Performance Results Planned (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/ Est		Projected
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		FY07	FY08	FY09	FY10	FY11	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time
			1.75	2.13	1.63	1.50	1.40	1.30	

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

**FY11 Performance Plan
Goal 3: Customer Services**

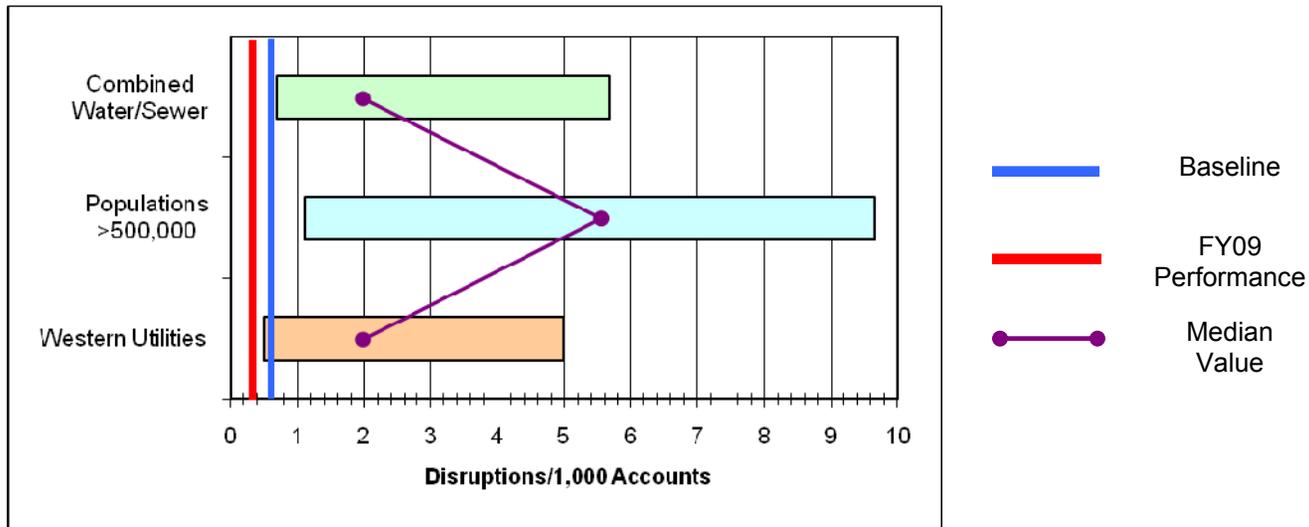
Performance Results Unplanned Disruptions (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs					Outcome
			Baseline	Prior Year Actuals			Current/ Est	
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	0.36	FY07	FY08	FY09	FY10	FY11
				0.43	0.36	0.30	0.30	0.25

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

FY11 Performance Plan
Goal 3: Customer Services

Results Narrative

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

Measurement Status

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

***FY11 Performance Plan
Goal 3: Customer Services***

This page left intentionally blank

**FY11 Performance Plan
Goal 3: Customer Services**

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

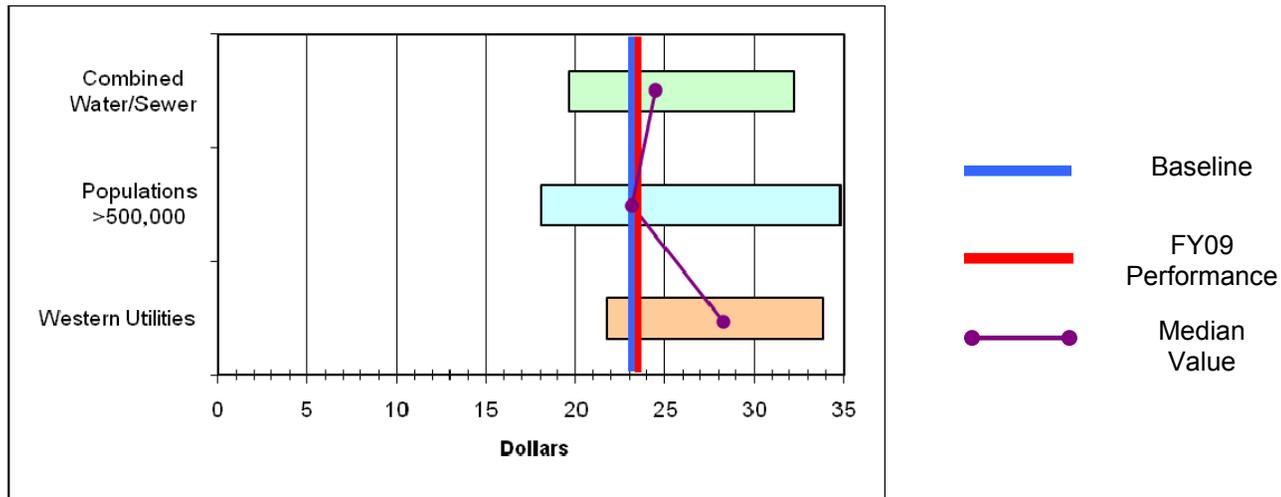
Performance Results (Monthly Residential Water Service)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$25.00	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

**FY11 Performance Plan
Goal 3: Customer Services**

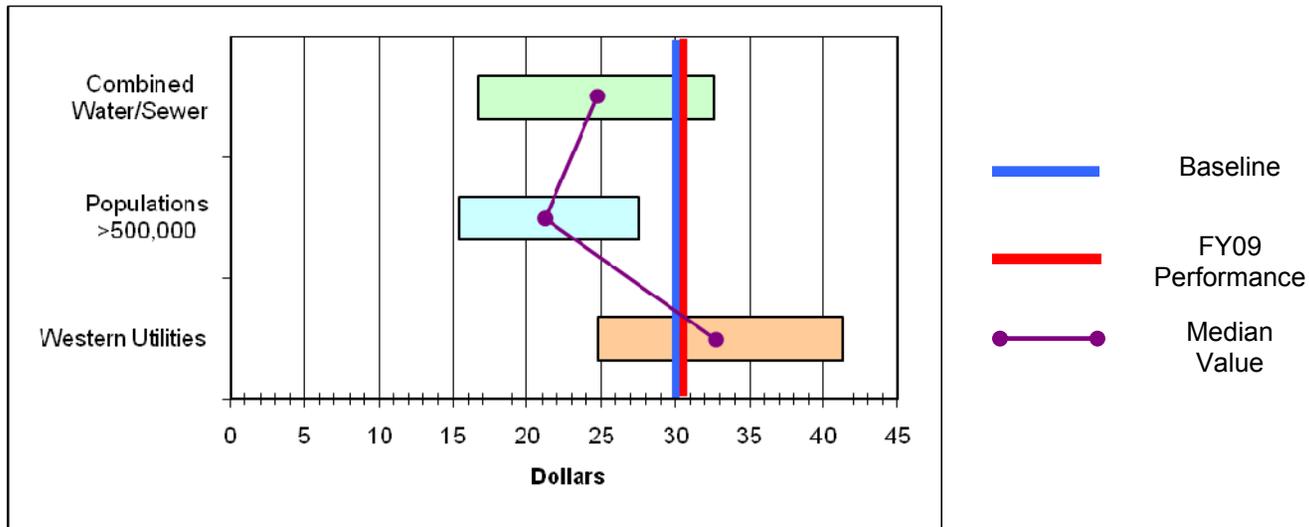
Performance Results (Average Residential Water Service)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	\$30.04	\$30.04	\$30.04	\$30.04	\$30.04	\$31.00	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

**FY11 Performance Plan
Goal 3: Customer Services**

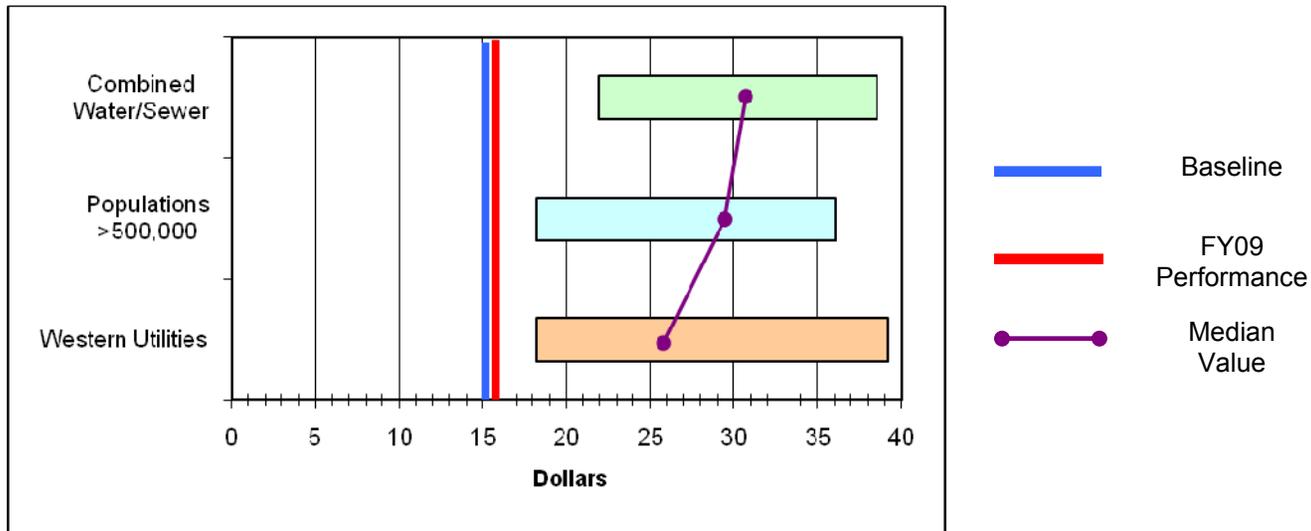
Performance Results (Monthly Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	\$15.03	\$15.03	\$15.03	\$15.03	\$15.03	\$16.00	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

**FY11 Performance Plan
Goal 3: Customer Services**

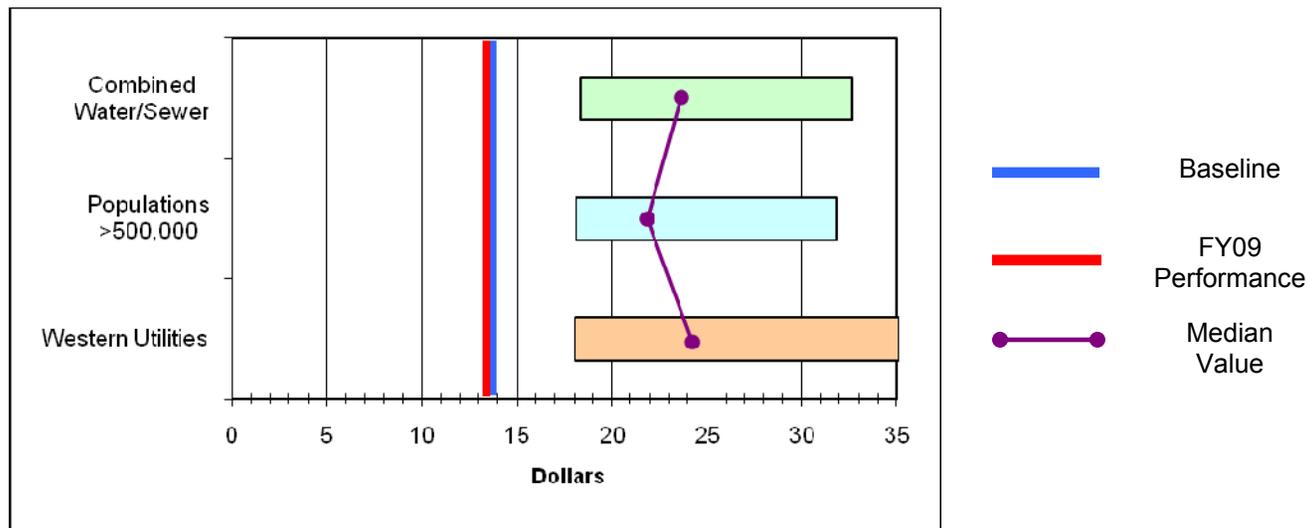
Performance Results (Average Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	\$13.74	\$13.74	\$13.74	\$13.74	\$13.74	\$14.00	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

FY11 Performance Plan
Goal 3: Customer Services

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 service, and above the median range for the past three fiscal years for monthly and average residential 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. A policy objective for FY11 is to evaluate water and sewer rate structures to ensure equity within the structures.

The Authority is planning a 5% rate increase in FY12 and another 5% rate increase FY14; however, the Authority anticipates that it will still be above the median range over the next four years.

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Evaluate water and sewer rate structures to ensure equity within the structures by the end of the 4th Quarter of FY11; continue the rate change to the Northwest service area by the end of the 4th Quarter of FY11.

***FY11 Performance Plan
Goal 3: Customer Services***

This page left intentionally blank

Goal 4

Business Planning & Management

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

			
Excellent	Good	Fair	Poor

This page left intentionally blank

Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Estimate
Continue implementation of the Comprehensive Asset Management Program to manage existing assets more effectively and plan for future needs; complete comprehensive data collection for all assets by the end of the 3rd Quarter of FY11; and begin integration of Asset Management Plan into the 2012-2021 Decade Plan.	4-3		
Expend \$31 million in water and wastewater capital rehabilitation and replacement programs by the end of the 4th Quarter of FY11. \$1 million shall be dedicated and used for identifying steel water pipes in poor condition and rehabilitating or replacing at least 2 miles of pipe by the end of the 4th Quarter of FY11.	4-3		
Begin implementation of the Reclamation Rehabilitation Asset Management Plan; begin construction of reclamation facilities including a new Preliminary Treatment Facility and a new Dewatering Facility by the end of the 4th Quarter of FY11.	4-3		

Performance Key

		
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

This page left intentionally blank

Performance Measure Division Responsibility

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

This page left intentionally blank

**FY11 Performance Plan
Goal 4: Business Planning and Management**

4-1 Debt Ratio

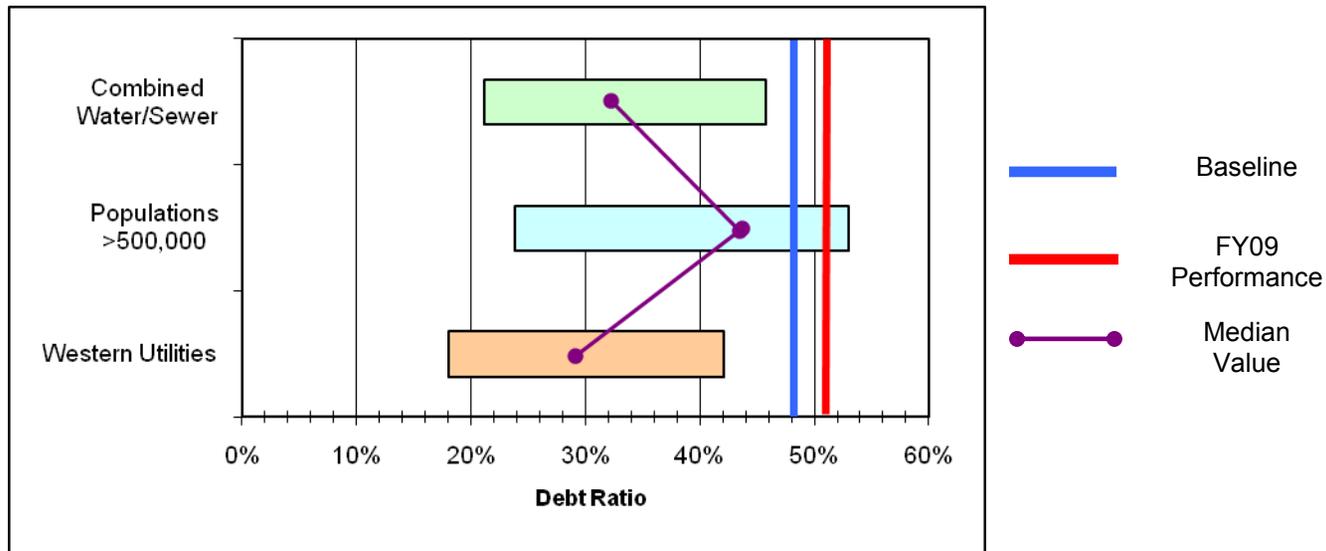
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Quantify the Authority's level of indebtedness	Total liabilities and total assets	48%	46%	48%	51%	53%	56%	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

FY11 Performance Plan
Goal 4: Business Planning and Management

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 below the median range for the past three fiscal years. From FY06 to FY07, assets increased by 9% while liabilities increased by 16%. From FY07 to FY08, assets increased by 8% while liabilities increased by 12%. From FY08 to FY09, assets increased by 3% while liabilities increased by 13%.

The Authority has borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the \$500 million San Juan Chama Drinking Water Project. The 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 improved in the last three years. In 2008, 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.

**FY11 Performance Plan
Goal 4: Business Planning and Management**

4-2 Return on Assets

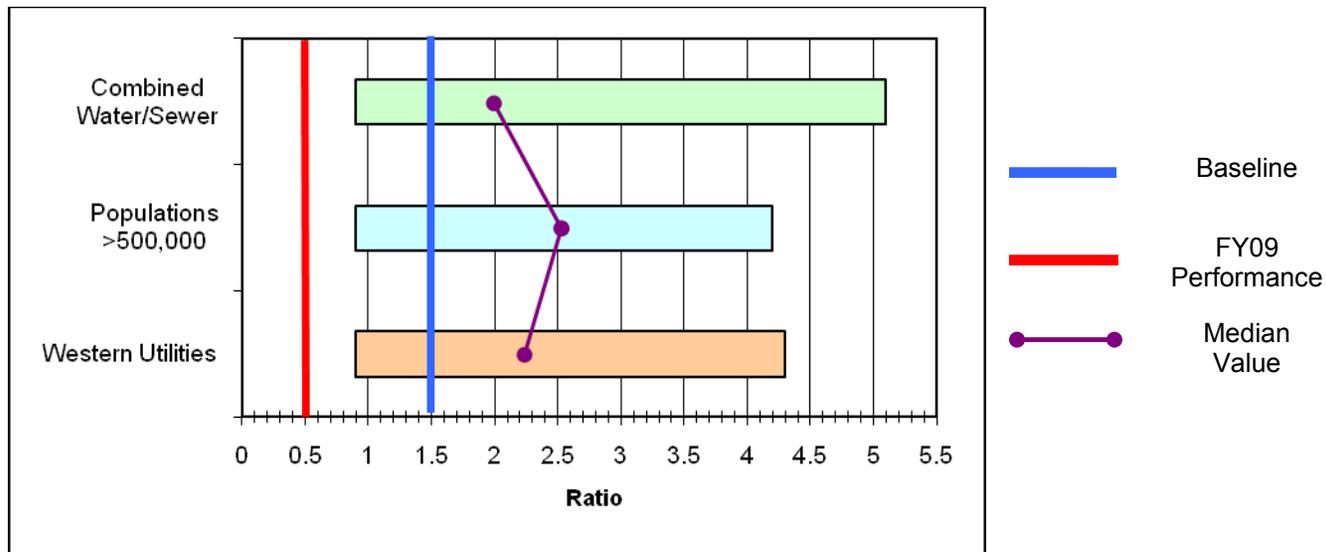
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
Effectiveness	Measure the financial effectiveness of the Authority	Net income and total assets		FY07	FY08	FY09	FY10	FY11	Improve the financial health of the Authority
			1.5%	2.6%	1.4%	0.5%	0.75%	1.0%	

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

FY11 Performance Plan
Goal 4: Business Planning and Management

Results Narrative

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

Measurement Status

The Authority's performance in this measure has been within the median range for two of the last three fiscal years. The Authority's performance in this measure has decreased over the last three years. The baseline performance ratio has decreased from 2.8% to 1.5%. The recently completed \$500 million San Juan Chama Drinking Water Project has had a major impact on depreciation and interest expenses. In addition, connection charges revenue declined by 97% from FY07 to FY09. From 2007 to 2009, building permits for new construction in the Albuquerque metropolitan area decreased by 239% because of the downturn in the economy. However, the Authority has maintained a 2% increase in customer accounts during the same time period not including the acquisition of a private utility in 2009 which added about 17,000 accounts. The 2% increase trend in customer accounts is a result from adding households from developed but unserved areas that were on domestic wells and septic systems to the Authority's water and wastewater system as part of the Valley Utilities Project.

FY11 Performance Plan
Goal 4: Business Planning and Management

4-3 System Renewal / Replacement Rate

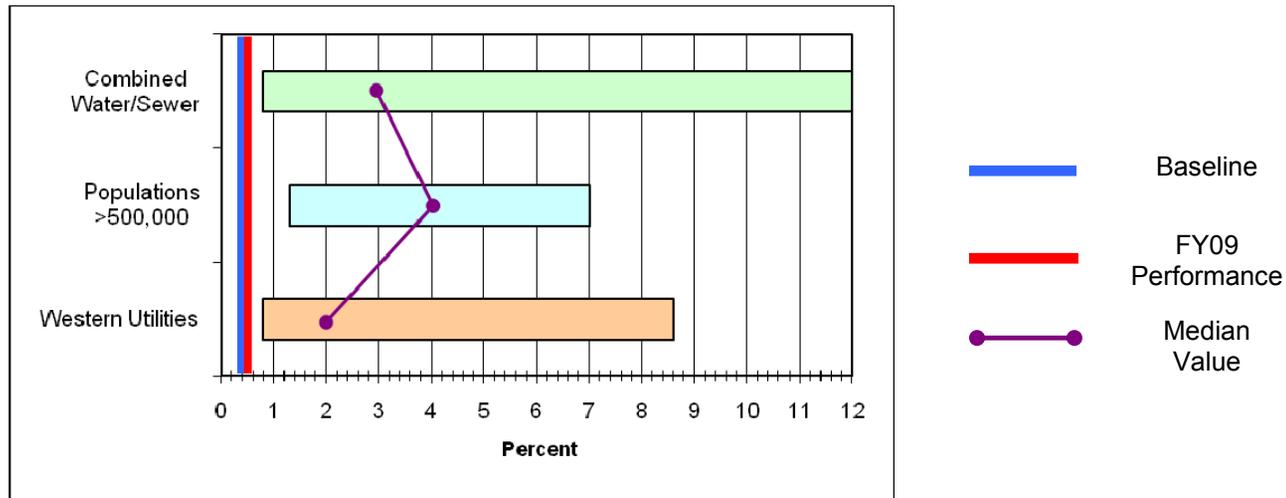
Performance Results (Water Pipeline & Distribution)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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 group	0.6%	0.5%	0.6%	0.8%	1.0%	1.5%	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
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

FY11 Performance Plan
Goal 4: Business Planning and Management

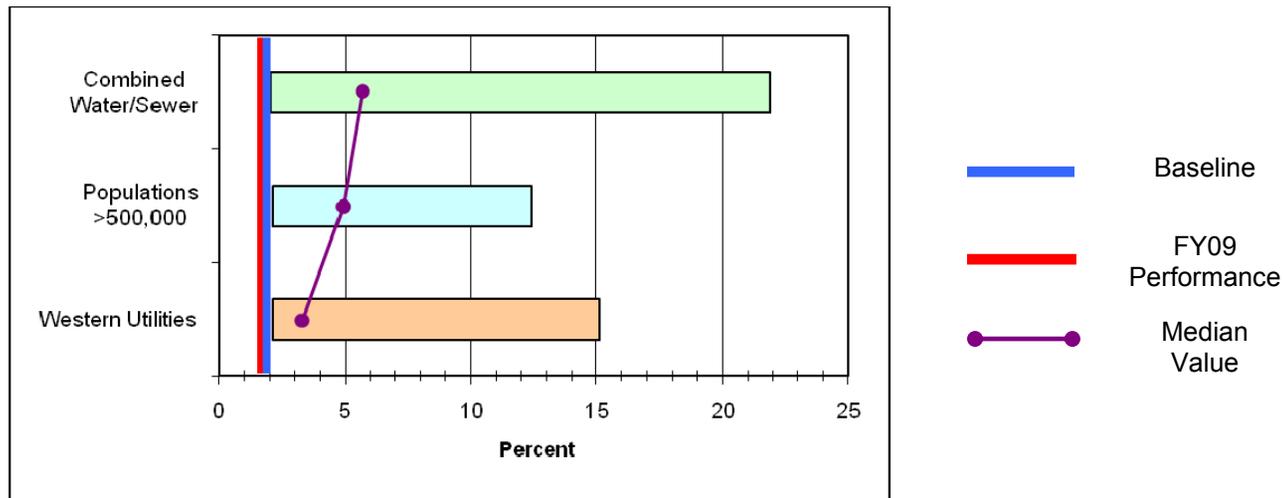
Performance Results (Water Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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 group	1.8%	2.1%	1.7%	1.7%	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

**FY11 Performance Plan
Goal 4: Business Planning and Management**

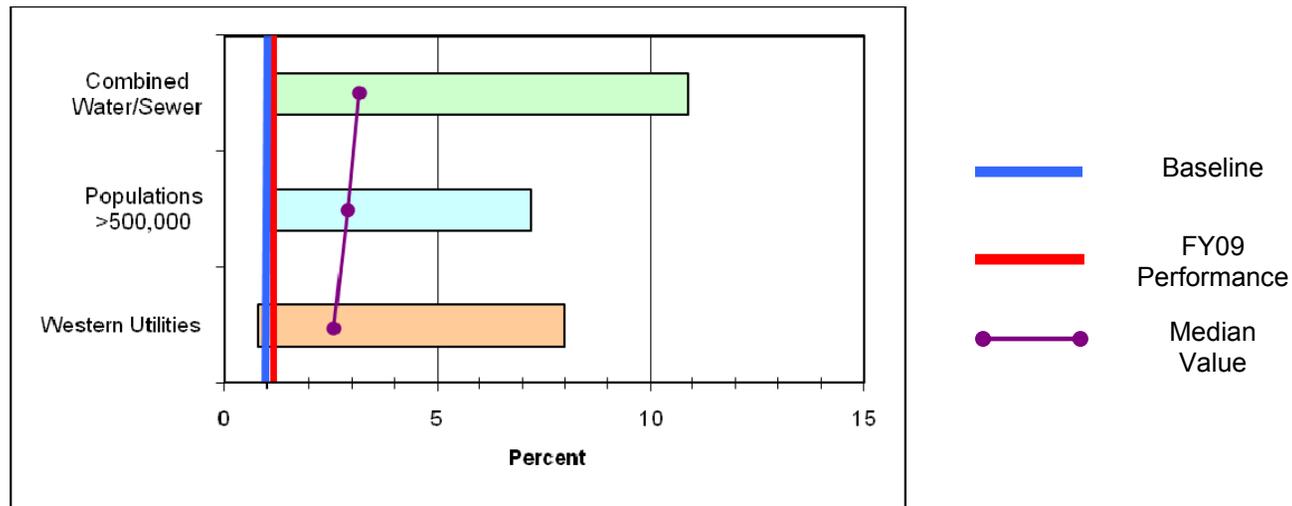
Performance Results (Wastewater Pipeline & Collection)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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 group	1.1%	1.0%	1.1%	1.1%	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
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

FY11 Performance Plan
Goal 4: Business Planning and Management

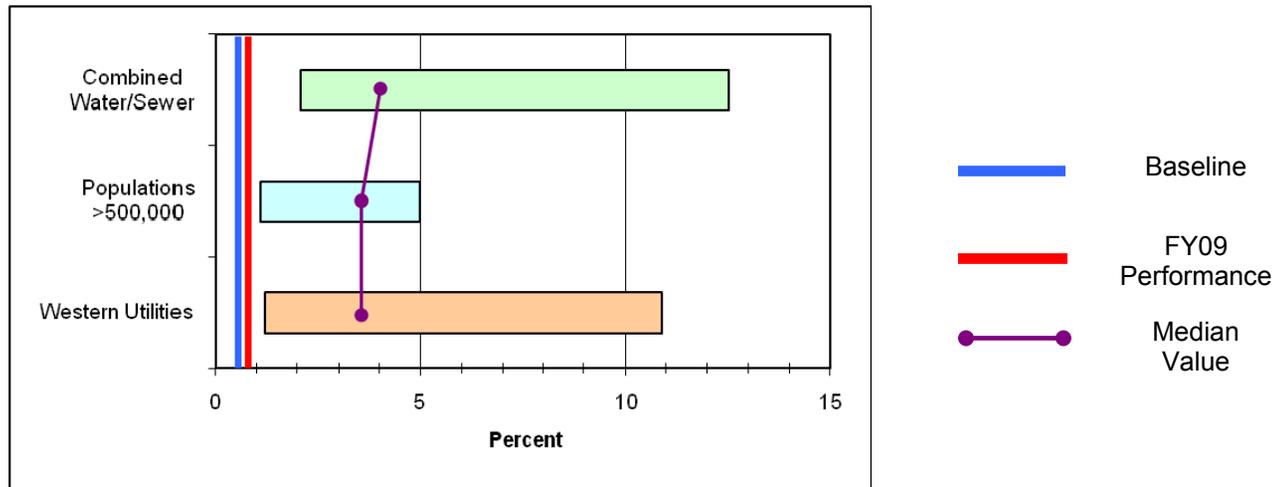
Performance Results (Wastewater Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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 group	0.8%	0.8%	0.7%	0.8%	0.9%	1.1%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
12.5%	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

FY11 Performance Plan
Goal 4: Business Planning and Management

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 the median range for the past three fiscal years for water distribution system and treatment and wastewater collection system and treatment. In FY07, the Authority increased its 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. Since FY07, the Authority has averaged \$30.6 million on rehabilitation spending.

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

2010 Customer Opinion Survey

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

FY11 Related Objectives

- Continue implementation of the Comprehensive Asset Management Program to manage existing assets more effectively and plan for future needs; complete comprehensive data collection for all assets by the end of the 3rd Quarter of FY11; and begin integration of Asset Management Plan into the 2012-2021 Decade Plan.
- Expend \$31 million in water and wastewater capital rehabilitation and replacement programs by the end of the 4th Quarter of FY11. \$1 million shall be dedicated and used for identifying steel water pipes in poor condition and rehabilitating or replacing at least 2 miles of pipe by the end of the 4th Quarter of FY11.
- Begin implementation of the Reclamation Rehabilitation Asset Management Plan; begin construction of reclamation facilities including a new Preliminary Treatment Facility and a new Dewatering Facility by the end of the 4th Quarter of FY11.

FY11 Performance Plan
Goal 4: Business Planning and Management

This page left intentionally blank

Goal 5

Organizational Development

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

This page left intentionally blank

Linkage of Objectives to Performance Measures / Performance Status

FY10/FY11 Objective	Measure Reference	FY10 Status	FY11 Estimate
Reduce the number of employee injury lost days by 10% (FY10/FY11)	5-1	▲	▲
Complete certification training courses from the 2010-2011 training calendar (FY11)	5-2	NA	■
Implement online training modules (i.e., harassment avoidance, substance abuse policy, and employee safety) as well as facility tours for new employee orientation (FY11)	5-2	NA	▲
Develop and implement a certification training program for 1) the Lab Analysts by the end of the 2nd Quarter of FY11 and 2) the Control Center Operators (FY11)	5-2	NA	■
Review and update the Treatment Plant Operator (TPO) certification program and add the Field Operator Technician to this certification program (FY11)	5-2	NA	■
Continue implementation of succession and knowledge management planning to prepare for the large number of retirements expected in the next five to ten years and to effectively manage the Water Authority's assets (FY10/FY11)	5-4	■	■
Implement the classification and compensation study (FY10/FY11)	5-4	■	▲
Develop performance evaluations to include performance on goals, objectives and benchmarks (FY10/FY11)	5-4	■	■
Develop and/or update all standard operating procedures, business process changes, and work order closure procedures (FY11)	5-4	NA	■

Performance Key

		
Completed/Achieved	Work in Progress	Did Not Complete/Achieve

This page left intentionally blank

Performance Measure Division Responsibility

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

This page left intentionally blank

**FY11 Performance Plan
Goal 5: Organization Development**

5-1 Employee Health and Safety Severity Rate

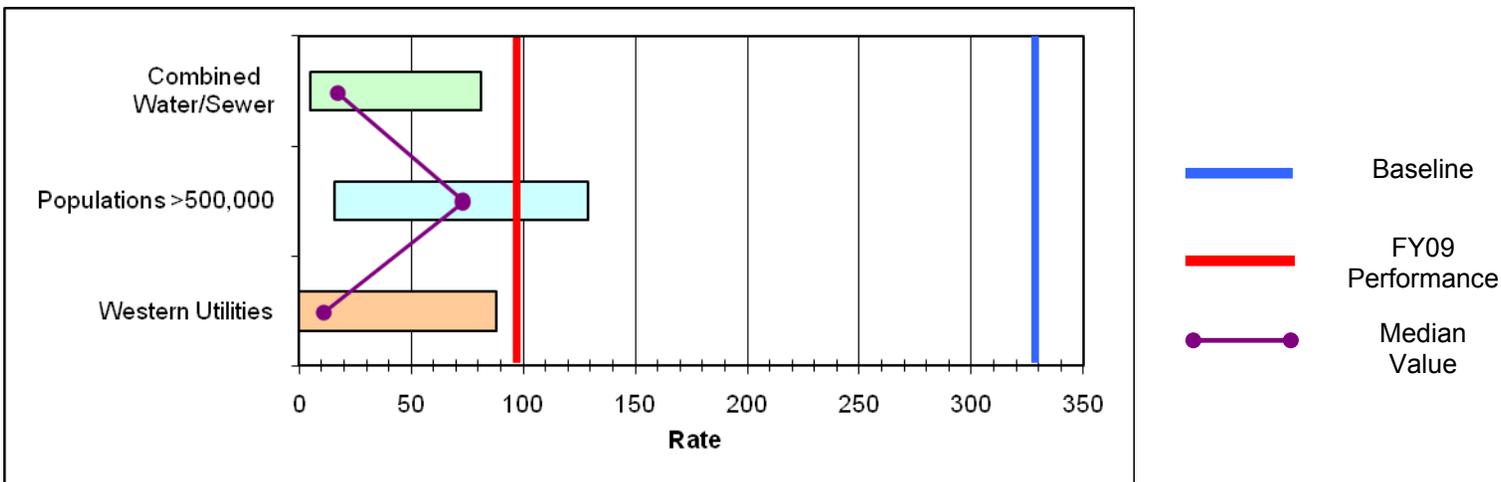
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				2007	2008	2009	2010	2011	
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	329	485	406	97	87	78	Improve employee health 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

FY11 Performance Plan
Goal 5: Organization Development

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 since the Authority began measuring its performance in 2005. Since 2005, the Authority's performance in this measure has improved every year with a dramatic drop in 2009 – a 76% decrease from 2008. From past policy objectives, the Authority has developed safe work incentives and routine employee safety training. In addition, the Authority improved its Light Duty Program in order to get workers back to the job safely. This new process has provided a clearer understanding on what needs to take place when an injury occurs including the documentation, payroll coding and expectation and assignment of the employee. In 2009, the Authority awarded its employees with a \$500 incentive payment, taxes paid, and in 2010, employees received \$300 for meeting injury reduction goals. A policy objective for FY11 is to reduce the number of employee lost days by another 10% connected with a safety incentive program.

FY11 Related Objectives

- Reduce the number of employee injury lost days by 10% by the end of the 4th Quarter of FY11.

**FY11 Performance Plan
Goal 5: Organization Development**

5-2 Training Hours per Employee

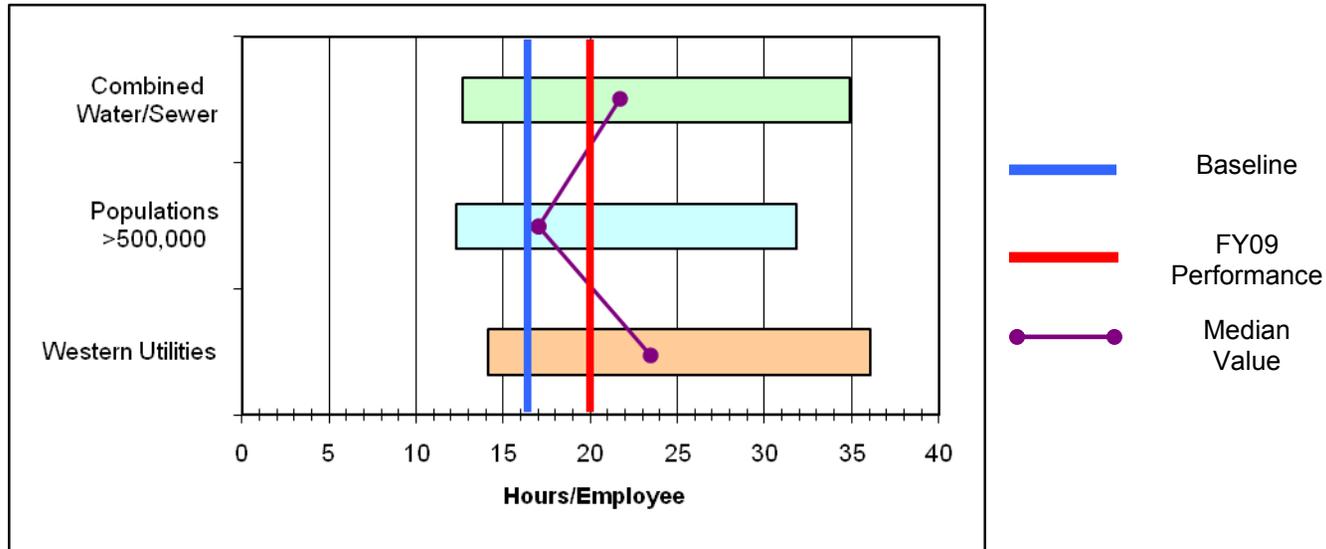
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Effectiveness	Measure the quantity of formal training Authority employees actually completing	Number of formal training hours per employee per year	16.5	15.5	14.0	20.0	22.0	23.0	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

FY11 Performance Plan
Goal 5: Organization Development

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 adopted a policy objective in FY09 to increase certification training hours and by creating an organizational succession plan by implementing hiring, training and certification programs for mechanics, electricians and electronics technicians. The Authority has improved its performance in this measure in FY10 from implementation of several training programs. The Authority will continue to improve its performance in FY11 on continuing to implement its training programs and developing new programs. There are several policies objectives for FY11 to help improve training for employees.

FY11 Related Objectives

- Complete certification training courses from the 2010-2011 training calendar through the end of the 4th Quarter of FY11.
- Implement online training modules (i.e., harassment avoidance, substance abuse policy, and employee safety) as well as facility tours for new employee orientation by end of the 2nd Quarter FY11.
- Develop and implement a certification training program for 1) the Lab Analysts by the end of the 2nd Quarter of FY11 and 2) the Control Center Operators by the end of the 2nd Quarter of FY11.
- Review and update the Treatment Plant Operator (TPO) certification program and add the Field Operator Technician to this certification program the end of the 2nd Quarter of FY11.

**FY11 Performance Plan
Goal 5: Organization Development**

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

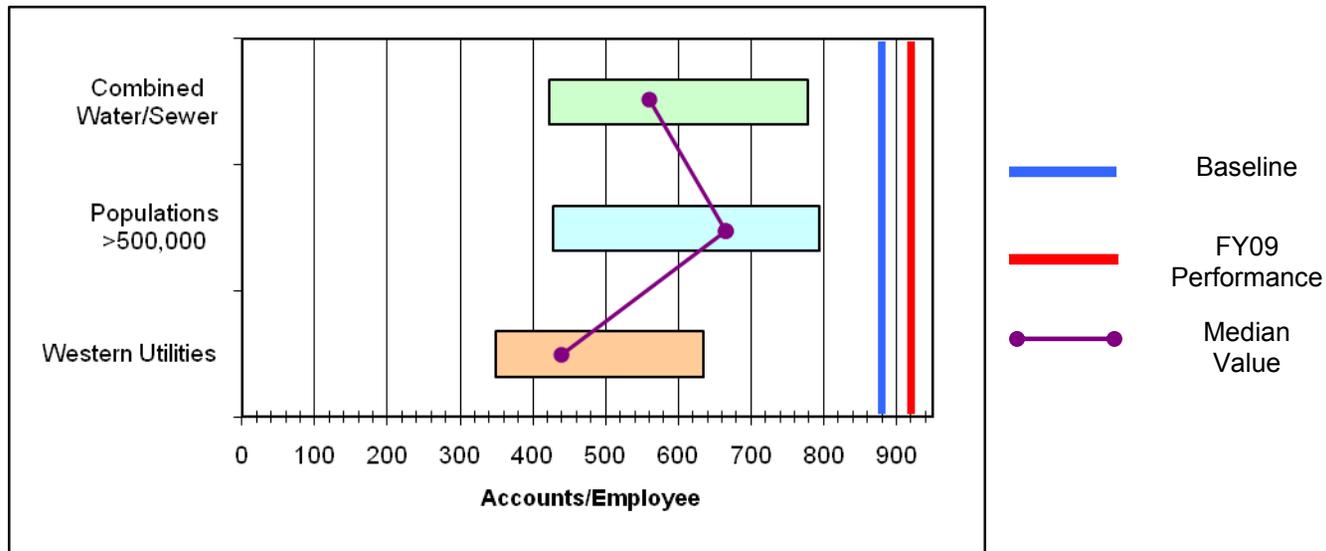
Performance Results (Customer Water Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	888	879	847	924	970	1,018	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

**FY11 Performance Plan
Goal 5: Organization Development**

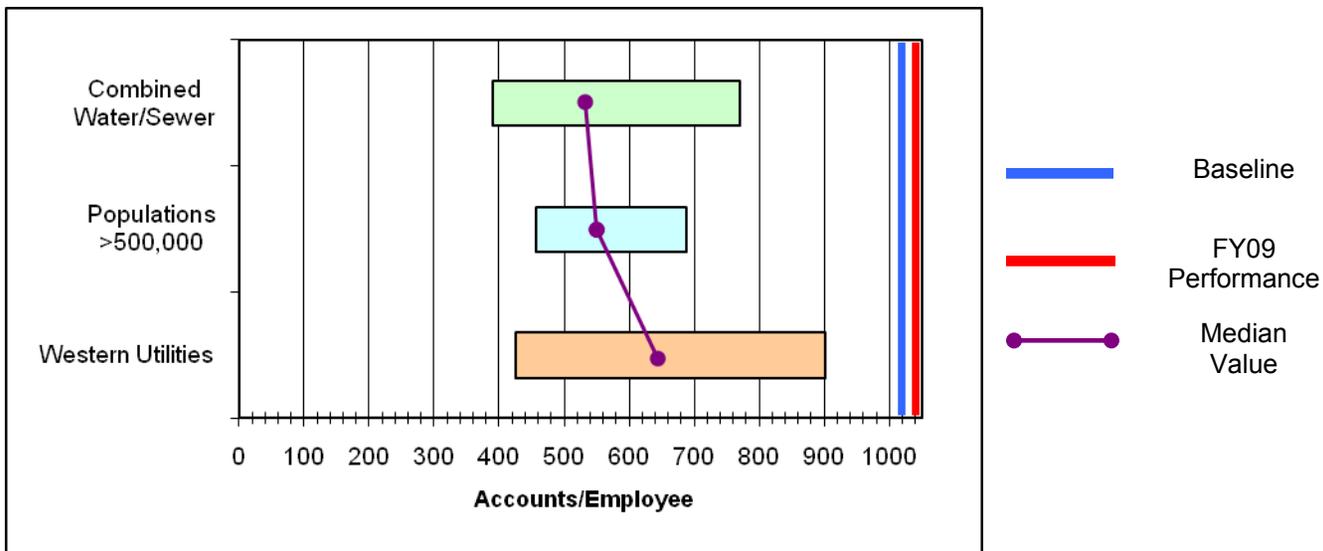
Performance Results (Customer Wastewater Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	1,019	1,013	1,018	1,027	1,078	1,132	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

**FY11 Performance Plan
Goal 5: Organization Development**

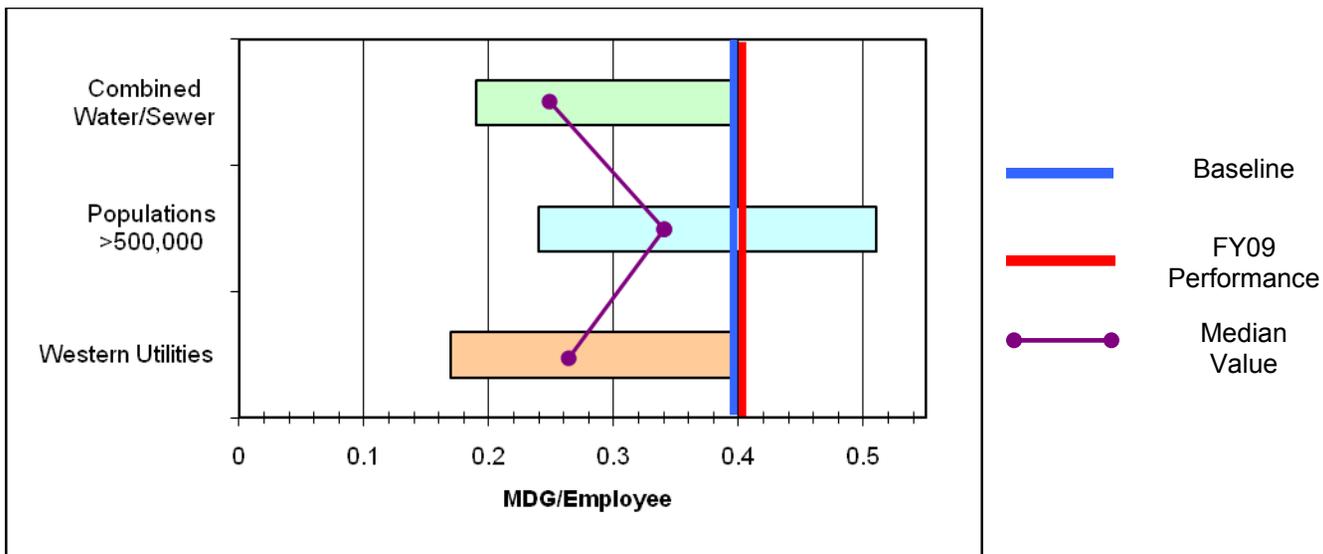
Performance Results (MGD Water Delivered per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	0.40	0.40	0.40	0.40	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

**FY11 Performance Plan
Goal 5: Organization Development**

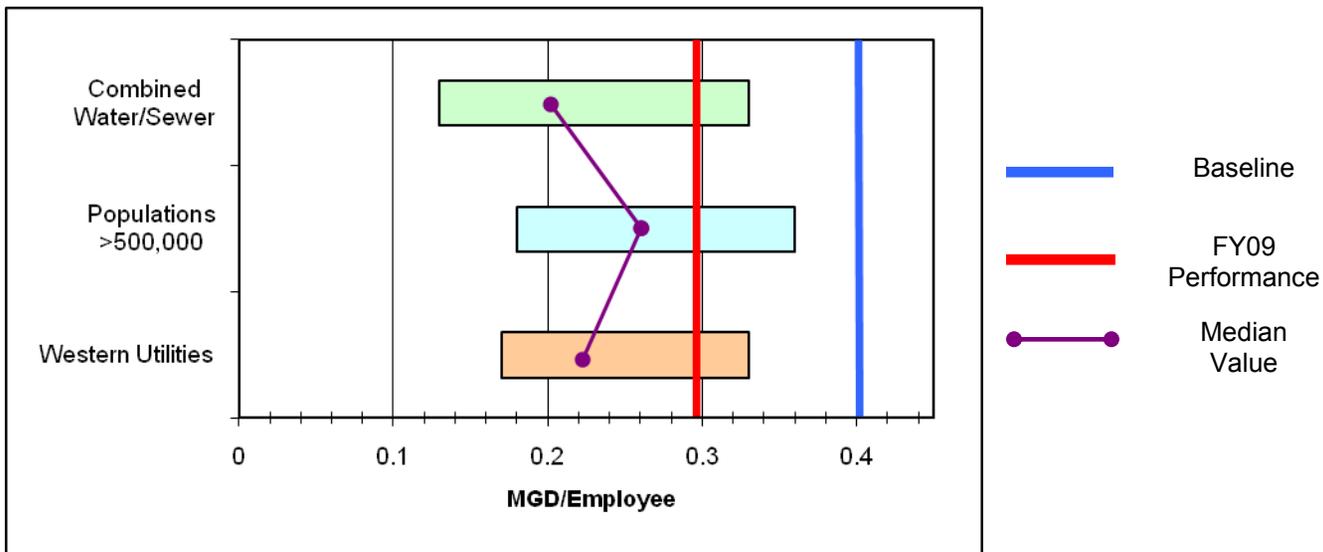
Performance Results (MGD Wastewater Processed per Employee)

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	0.35	0.40	0.30	0.35	0.35	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

FY11 Performance Plan
Goal 5: Organization Development

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 of 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.

***FY11 Performance Plan
Goal 5: Organization Development***

This page left intentionally blank

**FY11 Performance Plan
Goal 5: Organization Development**

5-4 Organizational Best Practices Index

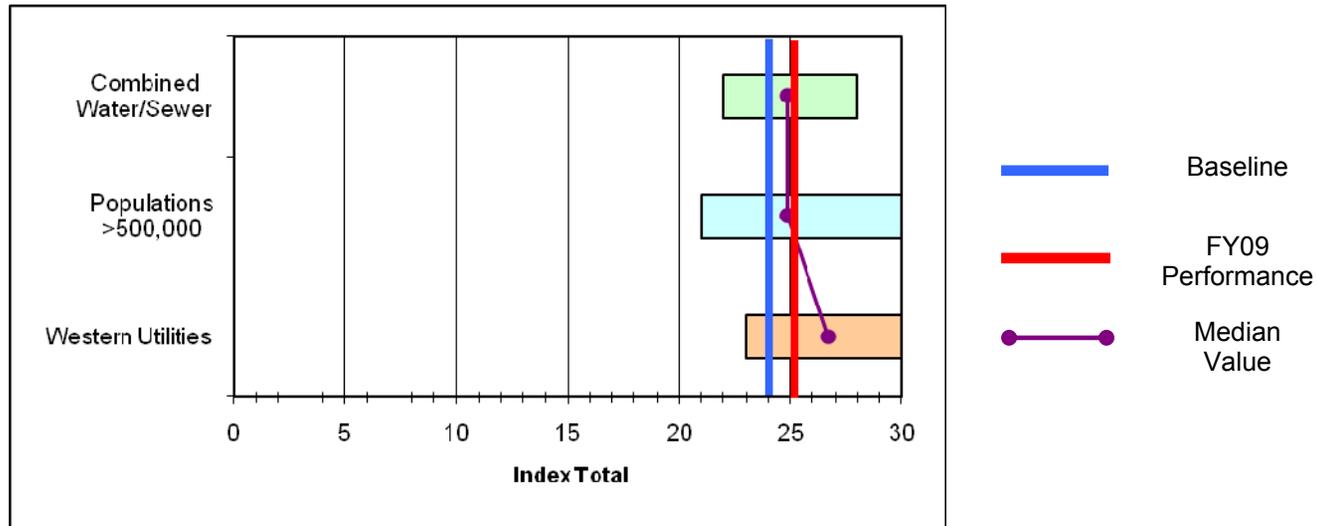
Performance Results

Measure Type	Purpose	Inputs	Outputs					Outcome	
			Baseline	Prior Year Actuals			Current/Est		Projected
				FY07	FY08	FY09	FY10	FY11	
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	24	22	25	25	26	26	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

FY11 Performance Plan
Goal 5: Organization Development

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 Program
- Performance Measurement System
- Customer Involvement Program
- Continuous Improvement Program

Measurement Status

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

FY11 Related Objectives

- Continue implementation of succession and knowledge management planning to prepare for the large number of retirements expected in the next five to ten years and to effectively manage the Water Authority's assets through the end of the 4th Quarter of FY11.
- Implement the classification and compensation study by the end of the 4th Quarter of FY11.
- Develop performance evaluations to include performance on goals, objectives and benchmarks by the end of the 4th Quarter of FY11.
- Develop and/or update all standard operating procedures, business process changes, and work order closure procedures by the end of the 4th Quarter of FY11.
- Maintain a utility-wide vacancy rate of no greater than 9% through FY11.