PERFORMANCE PLAN

FY2014

APPROVED

Albuquerque Bernalillo County
Water Utility Authority

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Executive Summary

The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in allocating the Water Authority's financial resources. The FY14 Performance Plan assesses the performance of the Water Authority using a set of identified and tested, high-level performance measures. These measures are designed to help the Water Authority improve its operational efficiency and effectiveness by identifying areas of improvement. The measures also provide a mechanism to conduct comparative analyses in order to implement quality improvement processes and enhance decision-making.

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

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

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

Performance Key

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

Introduction

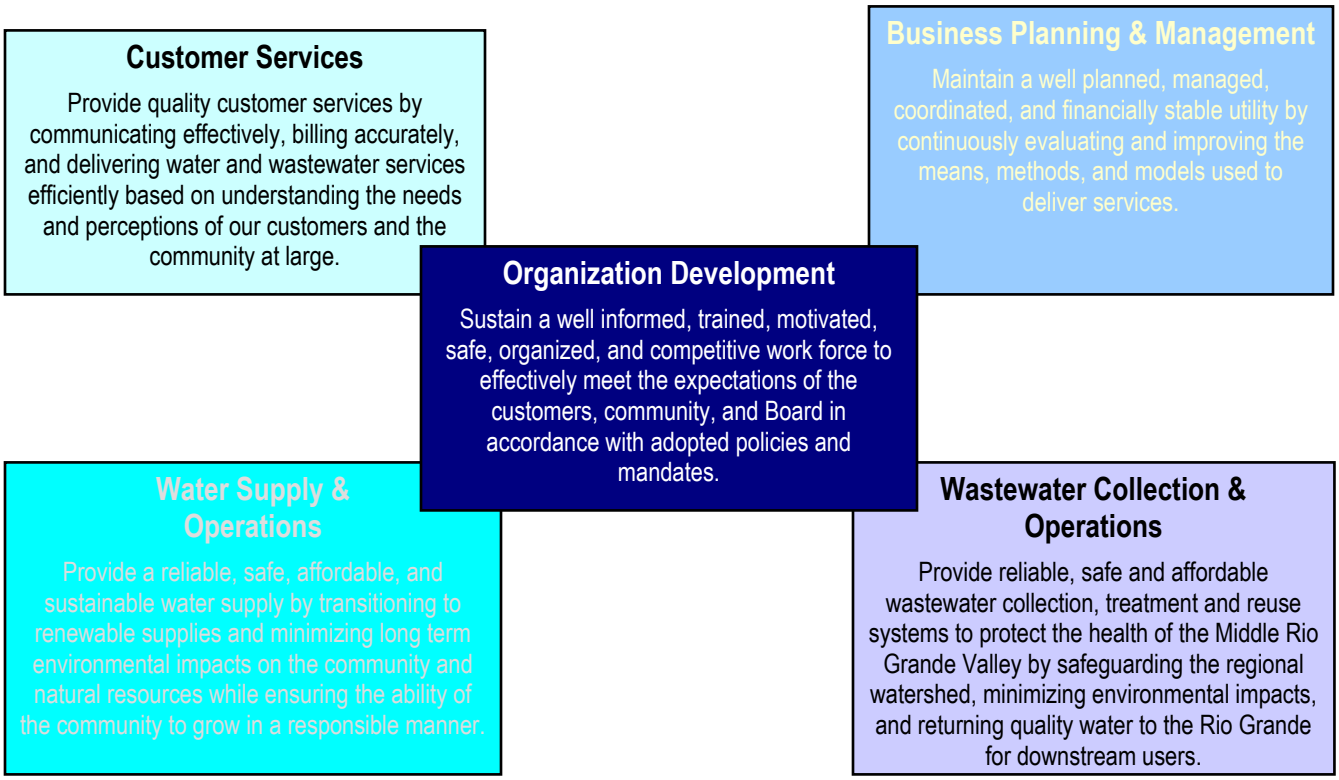
The Albuquerque Bernalillo County Water Utility Water Authority's (Water Authority) Budget Ordinance requires that a Performance Plan be connected to the Five-Year Goals and contain performance measures that help guide the operating and capital budgets in prioritizing and allocating the Water Authority's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

The Water Authority utilizes the *American Water Works Association's (AWWA) QualServe Benchmarking Performance Indicators Survey* (Survey) in developing its Performance Plan. The Survey provides utilities an opportunity to collect and track data from already identified and tested performance measures, based on the same collection process and definitions. The most recent survey data was compiled in 2011 by AWWA from over 100 different utilities. The survey is conducted every two to three years. The Performance Plan uses the survey data as a basis for its performance measures to track the Water Authority's performance with that of other utilities.

Five-Years Goals

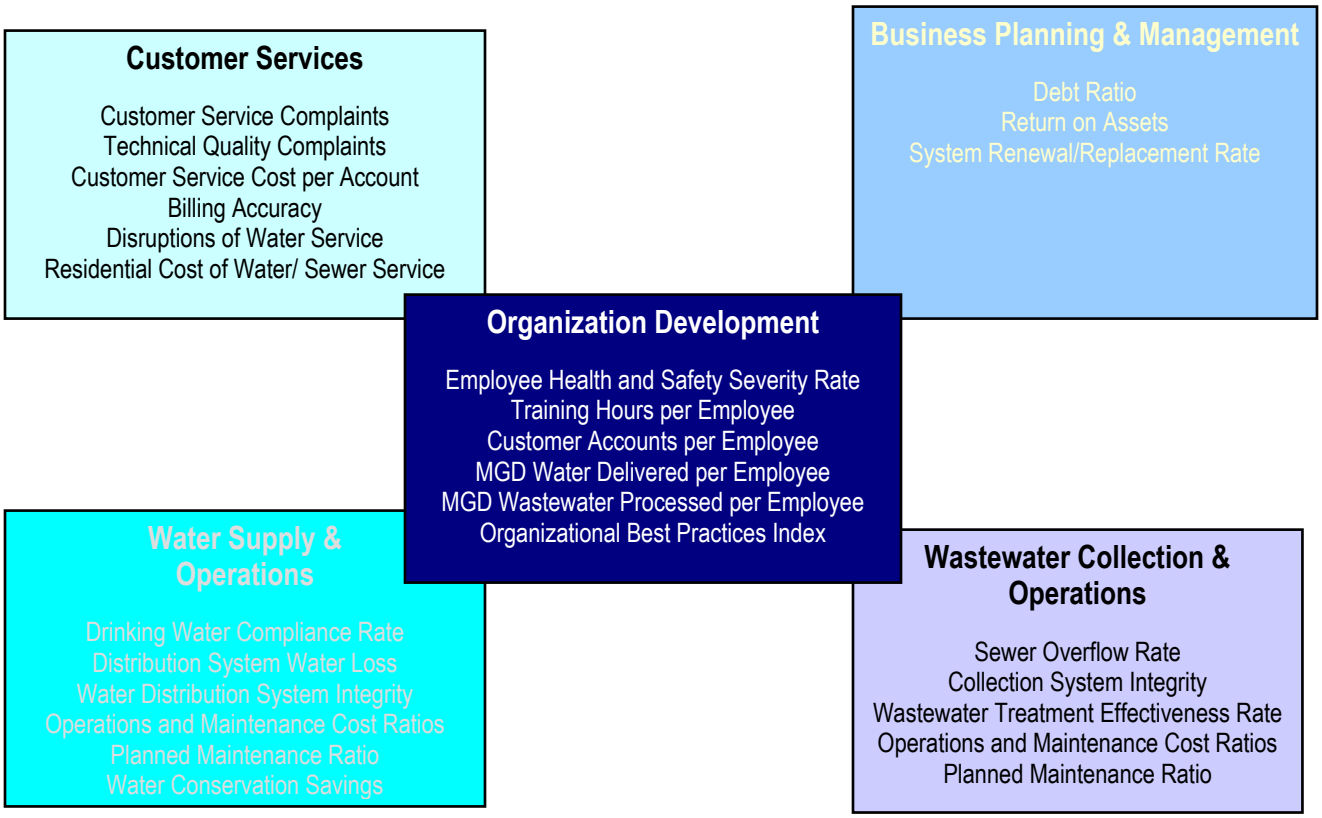
The Water Authority's Performance Plan is organized by the Water Authority's Five-Year Goal areas which are modeled after AWWA's QualServe business model. The QualServe model is modeled from fifteen successful quality achievement programs, including the Malcolm Baldridge National Quality Award Program,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

Figure 1: Water Authority's Five-Year Goals



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

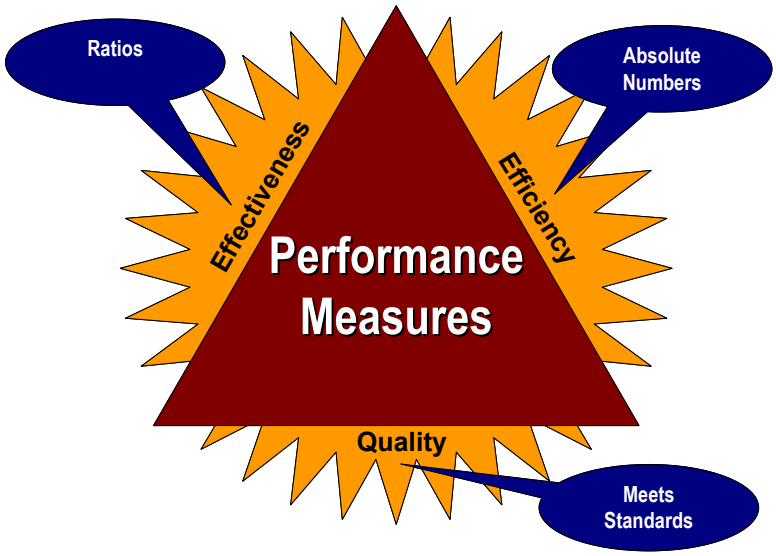
Figure 2: Performance Measures by Goal Area



Performance Measure Types

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

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



Performance Plan Logic Model

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

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

The Five-Year Goals and One-Year Objectives are incorporated into the logic model. Figure 3 shows the alignment between the goals, objectives and performance measures in the logic model. With the performance measures being used to identify gaps, the One-Year Objectives which are policy directives from the Water Authority Board are used to close performance or service delivery gaps and improve performance levels. It should be noted that not all One-Year Objectives are tied to performance measures or have a measurable component. Some Objectives are related to completing projects or improving or implementing 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 (FY10 through FY12) which establishes a baseline. The Plan also includes estimated current fiscal year performance measures (FY13) as well as projected performance in the proposed budget year (FY14). The Plan allows the Water Authority to benchmark its performance from year to year and to determine how its current and projected performance compare to baseline past performance. Overall, the Performance Plan's logic model incorporates five years of data in determining it's performance, evaluating trends, and determining projected performance.

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

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

Strategic Planning, Budgeting and Improvement Process

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

As a part of the Strategic Planning, Budgeting and Improvement Process, the Five-Year Goals, One-Year Objectives, and performance measures are integrated through the use of the logic model in order to achieve service delivery and performance improvement. A good example of the integration between performance measures and objectives is the Employee Health and Safety Severity Rate (see pages 93-94) which measures the rate of employee days lost from work due to illness or injury. Since starting the benchmarking process, the Water Authority noticed that its lost workdays were on average fifteen times higher than other utilities. As a result, the Water Authority has used the Objectives to implement several programs including safety incentive bonuses to reduce the number of employee lost days. Overall, the integration of the performance measures and objectives are used to achieve the long-term desired results of the Water Authority's Five-Year Goals.

Performance Accountability & Budgeting

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

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

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

Performance Measurement Linkage to Asset Management Planning

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

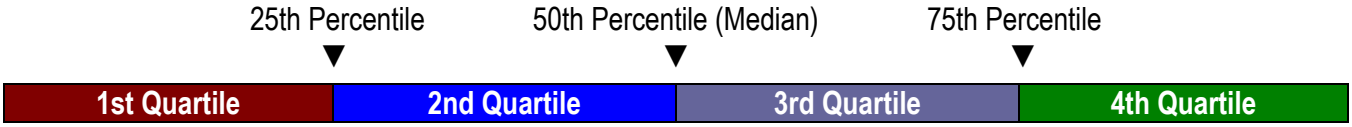
Communicating Performance Measurement

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

Presentation of Data

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

Figure 4: Percentile/Quartile Illustration

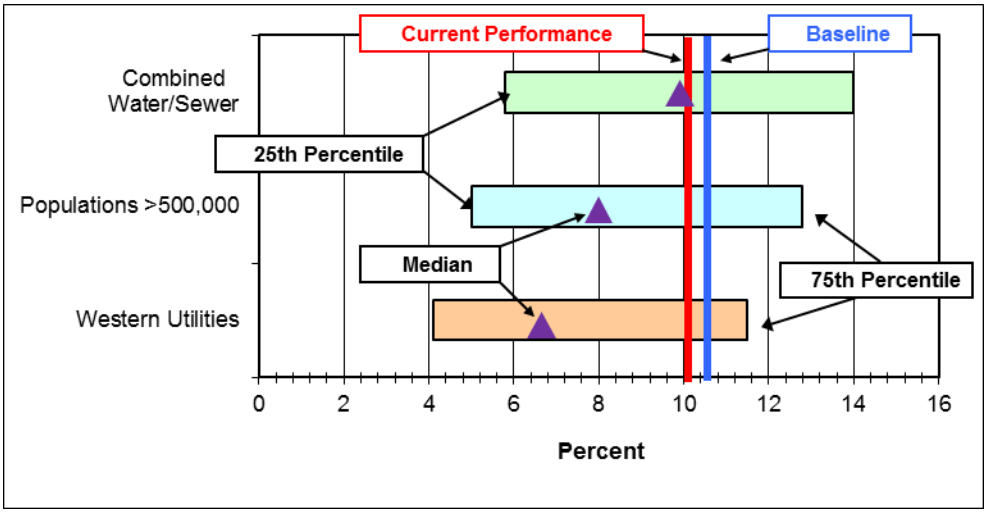


Using the Performance Comparison Chart

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

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

Figure 5: Example Performance Measure – Percentiles Indicated



Layout of Performance Plan

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

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

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

Goal 1
Water Supply and Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY12 – FY 14 Objectives	Measure Reference	FY12 Status	FY13 Status	FY14 Estimate
Continue implementation of the Water Quality Protection Policy and Action Plan including administrative, policy and technical support to the Water Quality Advisory Board (FY14)	1-1	NA	NA	■
Continue implementation of the Water Resources Management Strategy and report to the Customer Advisory Committee (FY11-FY14)	1-1	▲	▲	▲
Develop an internal large diameter valve exercise program including field location and GPS coordinates of existing valves (FY14)	1-1	■	■	■
Continue implementation of water loss programs through leak detection (FY10-FY14)	1-2 1-3	■	▲	▲
Increase water operations planned maintenance for drinking water facilities (FY10-FY14)	1-5	▲	▲	▲
Continue work on Partnership for Safe Water treatment and distribution self-assessments (FY14)	1-4	NA	■	■
Achieve water use goal of 148 gallons per person per day by 2014 (FY10-FY14)	1-6	▲	▲	▲

Performance Key

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

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Performance Measure Division Responsibility

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

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1-1 Drinking Water Compliance Rate

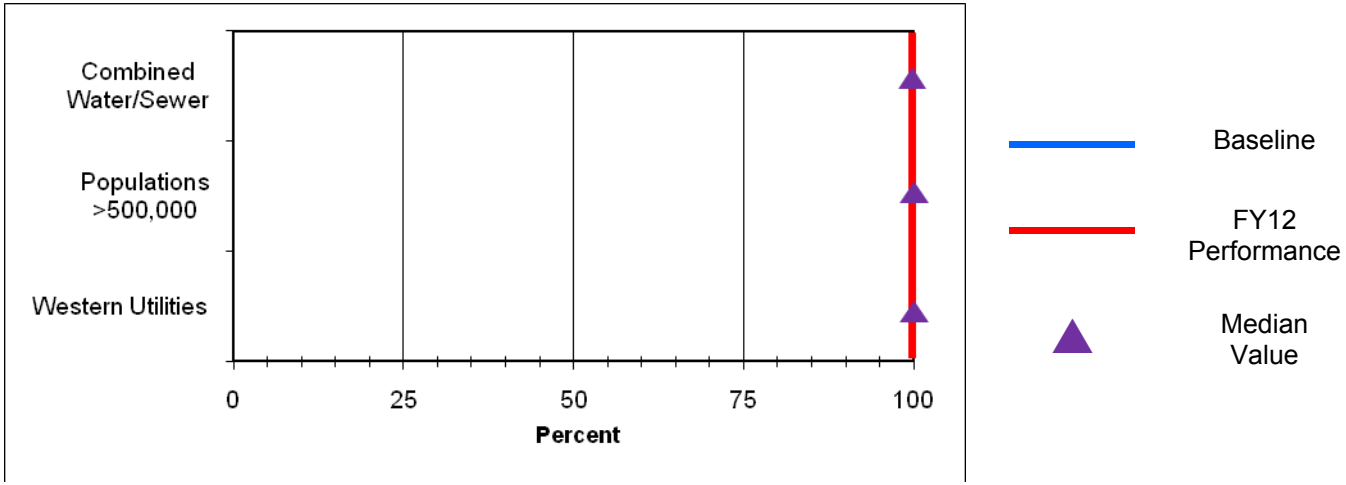
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Quality	Quantify the percentage of time each year that the Water Authority meets all of the health related drinking water standards in the US National Primary Drinking Water Regulations	Number of days in full compliance	100%	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



Generally, higher values are desirable

Results Narrative

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

Measurement Status

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

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

For FY12, the Water Authority developed several policy objectives to improve the processes and procedures for water quality compliance reporting. The Water Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions. In FY13, the Compliance Division developed and implemented a reporting system and environmental monitoring program.

2012 Customer Opinion Survey

- 98% of customers are either very or somewhat satisfied with the reliability/availability of water
- 79% of customers are either very or somewhat satisfied with the quality of drinking water

FY14 Related Objectives

- Routinely monitor emerging Federal Safe Drinking Water Act (SDWA) and Clean Water Act (CWA) regulations and New Mexico Water Quality Control Commission and Environmental Improvement Board regulations to identify and assess potential impacts on the Water Authority. Provide quarterly reports through the end of the 4th Quarter of FY14.
- Continue implementation of the Water Quality Protection Policy and Action Plan (WPPAP) including administrative, policy and technical support to the Water Quality Advisory Board (WPAB). Continue to monitor ongoing or new ground water contamination sites and provide technical comments to preserve and protect the aquifer and surface water supplies in the Middle Rio Grande. Provide quarterly status reports to the Water Authority Board through the 4th Quarter of FY14.

1-2 Distribution System Water Loss

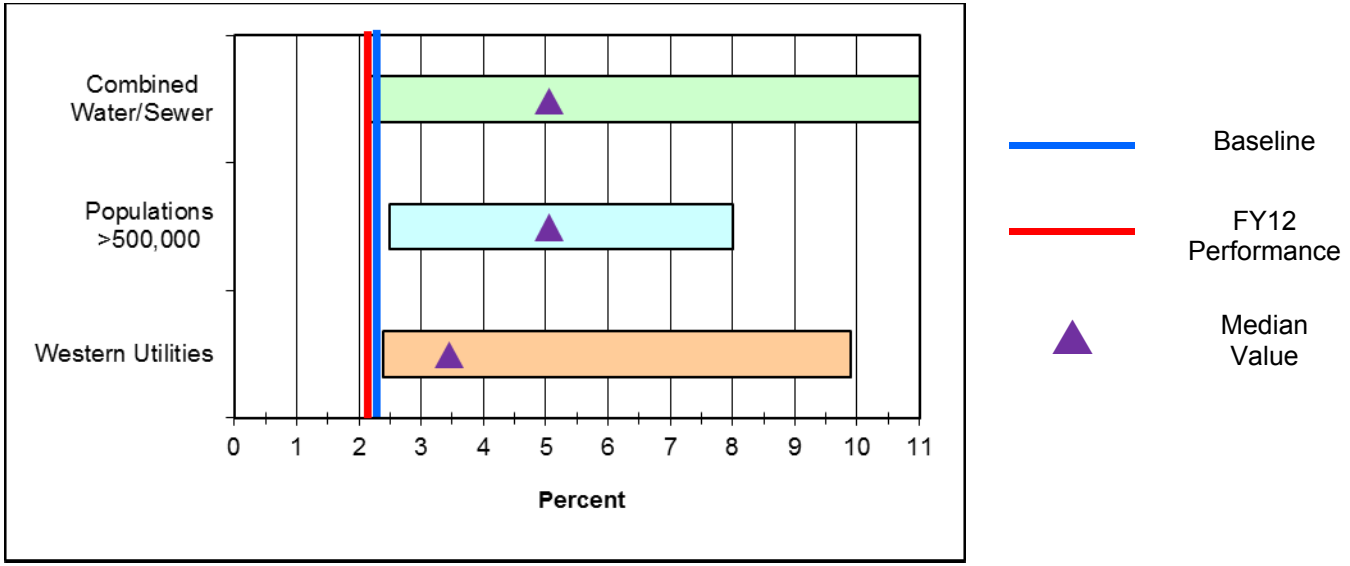
Performance Results (Apparent Losses)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Quantify the percentage of produced water that is not properly measured, accounted or paid for	Total water unbilled, meter inaccuracies, data handling errors, total water distributed	2.2%	2.2%	2.1%	2.2%	2.2%	2.2%	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
2.1%	5.1%	11.0%	2.5%	5.1%	8.0%	2.4%	3.5%	9.9%

Performance Comparison Chart



Generally, lower values are desirable

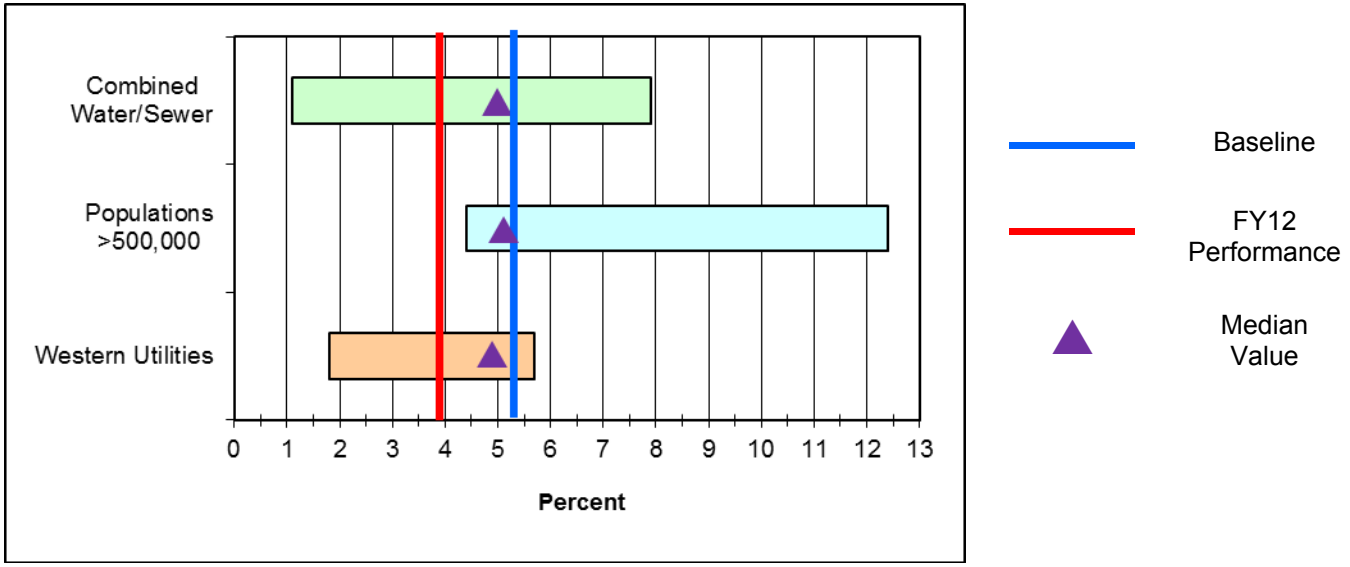
Performance Results (Real Losses)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Quantify the percentage of produced water that fails to reach customers and cannot otherwise be accounted for through authorized usage	Total water loss from leakages, total water distributed	5.3%	6.0%	6.1%	3.8%	3.4%	3.1%	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
1.1%	5.0%	7.9%	4.4%	5.4%	12.4%	1.8%	4.8%	5.7%

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

Distribution system water loss is the difference between the volume of water distributed for use by all customer classes and the volume of water actually consumed by authorized users. There are many factors contributing to distribution system water loss. The major ones are leakage, metering inaccuracies, and unauthorized consumption. Among these, only leakage is a true loss of water. Metering inaccuracies affect the utility's capability for measuring true loss, but such inaccuracies can lead to both overstatements and understatements of the true loss. Unauthorized consumptions diminish revenues and should be dealt with, but they are not real losses of water. Because water losses impact revenues, it is important that a utility have practices in place to understand the specific causes of losses in its system. Tracking water losses will help the Water Authority understand the condition of distribution system infrastructure and the effects of its operation, maintenance, and replacement practices. This measure provides opportunity for the Water Authority to compare the distribution system water loss against that in the distribution systems of other utilities. Non-Revenue Water (NRW), a term used to define where water losses exist within the distribution system. NRW includes apparent losses, real losses, unbilled metered and unbilled unmetered. It should be noted that Performance Measure 1-2 only benchmarks apparent and real losses and not total NRW.

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. In FY09, the Water Authority began its leak detection program that focused on finding water line leaks before they surface, fixing leaking hydrants, and improving meter inaccuracy. This program will help move the Water Authority's performance in line with utilities in the Western United States where water is a more scarce resource. In the past three years, the Water Authority has utilized the AWWA Water Audit methodology in determining its apparent and real water losses. In addition, the Water Authority participates in annual studies sponsored by the AWWA Water Loss Control Committee. This allows the water audits to be verified by water loss control experts which improves the utility's confidence in its data. For FY14, the Water Authority will continue to set targets for conventional and passive leak detection surveying.

2012 Customer Opinion Survey

- 56% of customers are either very or somewhat satisfied with the condition of the water lines in the number of leaks that they may observe surfacing

FY14 Related Objectives

- Reduce distribution water loss by locating water leaks from surveying 500 miles of small diameter water lines through conventional leak detection methods and 2,000 miles of small diameter water lines through acoustic leak detection by the end of the 4th Quarter of FY14.

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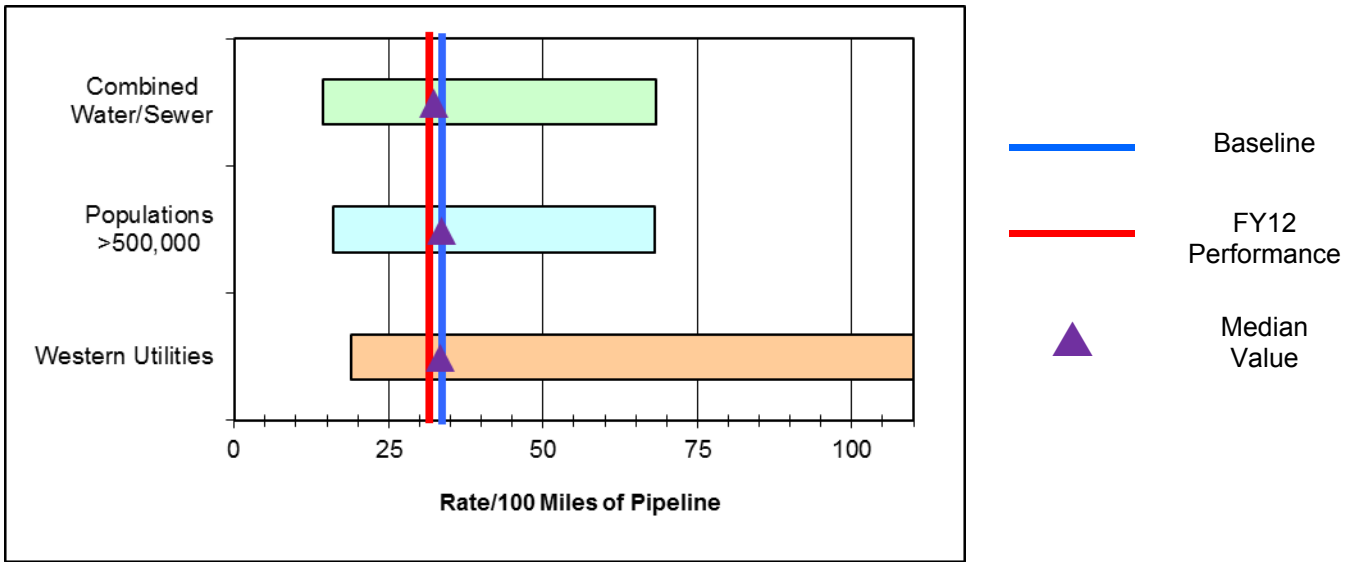
1-3 Water Distribution System Integrity

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the condition of the water distribution system	Number of leaks per 100 miles of distribution piping	33.9	35.1	34.8	31.8	31.5	30.3	Improve the condition and reliability of the water distribution system and reduce emergency repairs and water supply interruptions

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
14.3	31.0	68.3	16.0	33.0	68.0	19.0	33.0	110.0



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years. The Water Authority has adopted policy objectives for the past three fiscal years to increase spending on water line rehabilitation which will help reduce emergency repairs and water supply interruptions. Since FY08, the Water Authority has invested $1 million in steel water line rehabilitation in addition to planned water line rehabilitation spending. The purpose for this objective is to target steel lines because they have a higher frequency of leaks than other material types in the system. The Water Authority included as an objective for FY14 to continue spending an additional $1 million in steel water line rehabilitation. In the last five years, the Water Authority has seen a decrease in leaks from steel water lines by 50%. For FY11, the Water Authority completed a ten-year asset management plan for its small diameter water lines. This plan has been utilized for the past three fiscal years in its capital planning in order to replace water lines that are past their useful life and have had multiple leaks on the same line segment.

2012 Customer Opinion Survey

- 60% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to repair leaks and the response time for restoring service

FY14 Related Objectives

- $1 million shall be dedicated and used for identifying steel water pipes in critical or poor condition and rehabilitating or replacing at least 2 miles of small diameter steel water lines by the end of the 4th Quarter of FY14.

1-4 Operations and Maintenance Cost Ratio

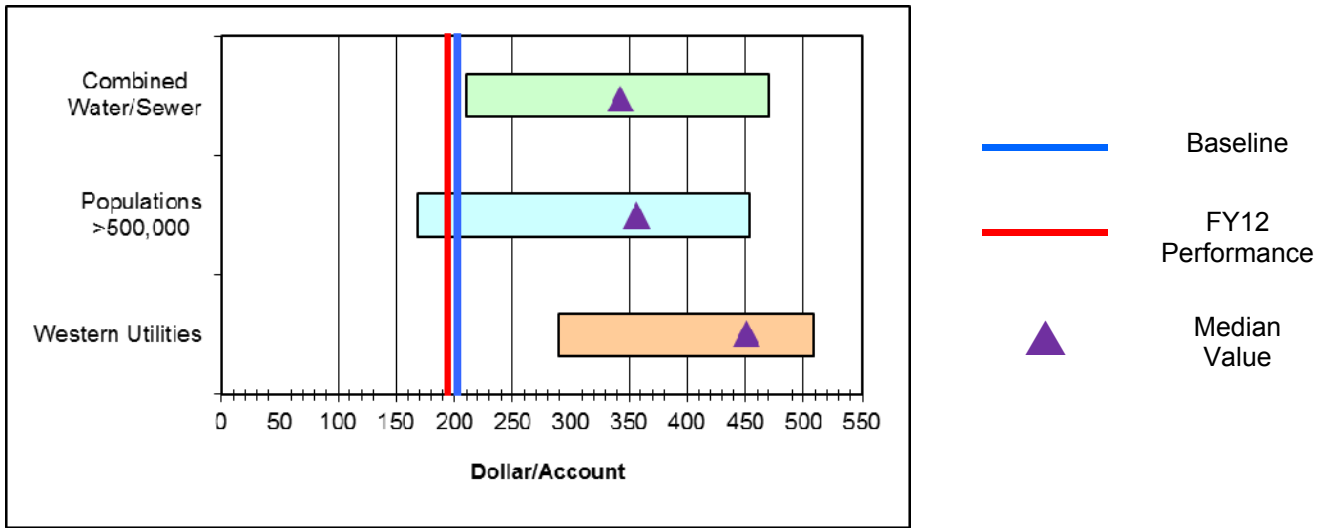
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$203	$202	$213	$194	$218	$226	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
$210	$340	$470	$168	$362	$454	$290	$450	$508

Performance Comparison Chart for O&M Cost per Account



Generally, lower values are desirable

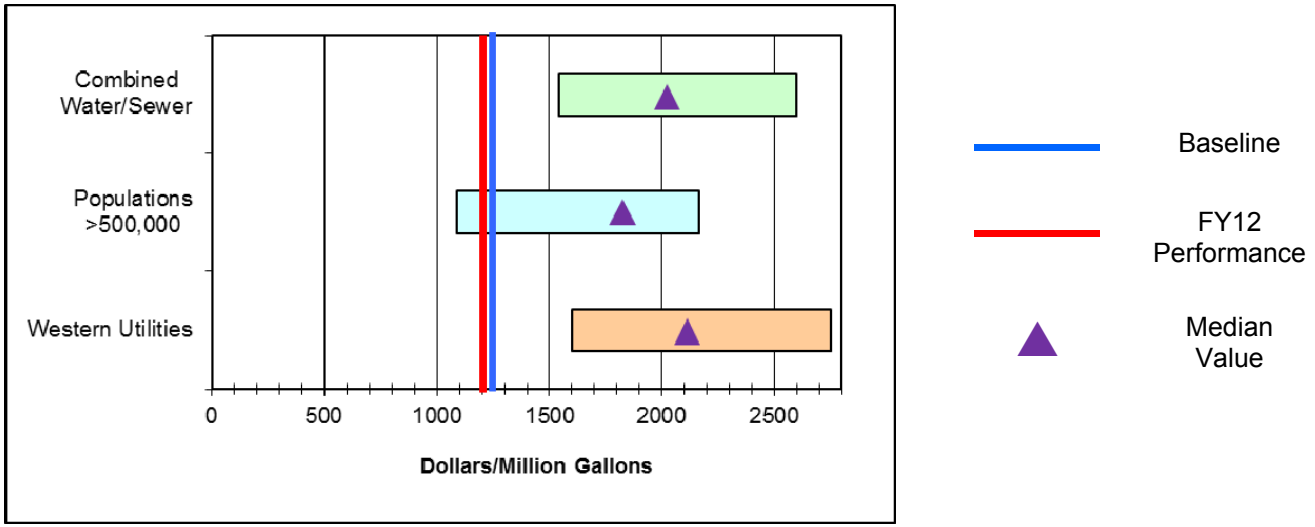
Performance Results for O&M Cost per MG Distributed

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify all utility costs related to operations and maintenance (O&M), with breakouts of those costs related to water treatment, as related to volumes processed and the number of active customers	Total O&M costs and total volume of water distributed	$1,237	$1,215	$1,293	$1,202	$1,379	$1,441	Maintain lower O&M costs without reducing customer level of service

Industry Benchmark for O&M Cost per MG Distributed

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$1,540	$2,002	$2,596	$1,089	$1,824	$2,164	$1,599	$2,141	$2,752

Performance Comparison Chart for O&M Cost per MG Distributed



Generally, lower values are desirable

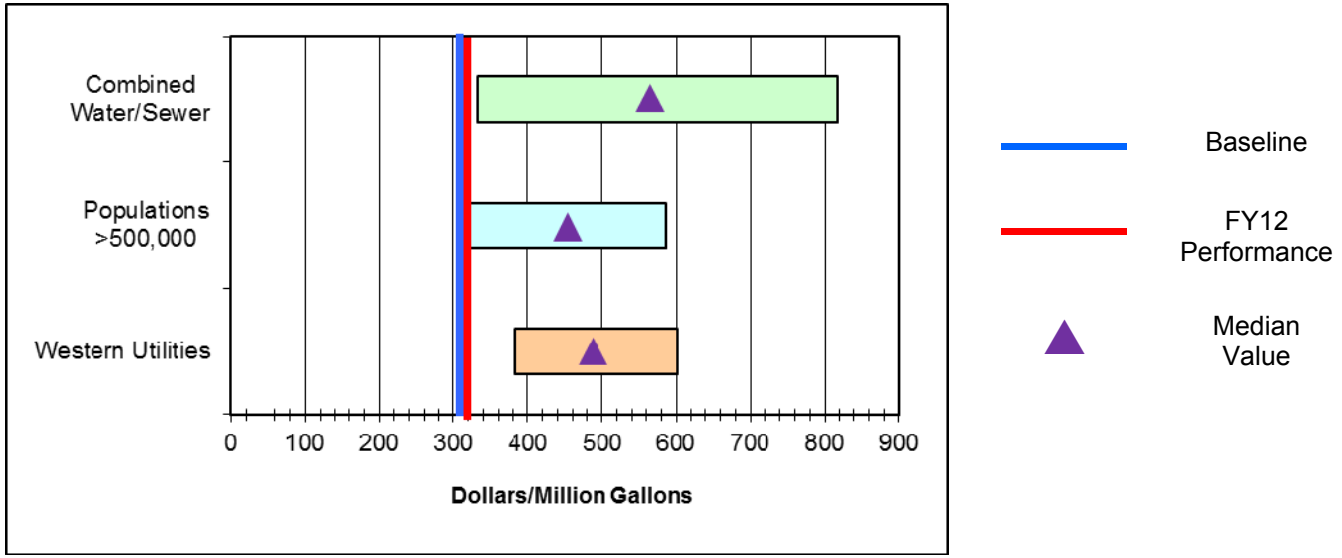
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$312	$295	$328	$314	$337	$403	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
$332	$563	$817	$312	$484	$586	$383	$493	$601

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



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. O&M costs have increased with operating the new surface drinking water plant. The Water Authority is working on treatability studies to determine the optimum chemical doses for the surface water treatment plant which will help reduce operation costs. The Water Authority continues to work on optimizing chemical use at the treatment plant. Moreover, the Water Authority is developing a comprehensive energy master plan that will include demand and potential energy reduction measures and costs to implement alternative clean energy sources for use by the Water Authority. For FY14, the Water Authority will continue to work on the Partnership for Safe Water program to optimize its system operations and performance.

FY14 Related Objectives

- Continue work on the Partnership for Safe Water program for surface water treatment and drinking water distribution systems to optimize water system operations and performance by the end of the 4th Quarter of FY14.
- Develop an internal large diameter valve exercise program including field location and GPS coordinates of existing valves. The program shall include developing exercise protocol and SOP's and determining manpower needs and equipment to implement a priority phasing schedule based on business risk exposure rating. The phasing schedule shall be completed by the end of the 4th Quarter of FY14.
- Transition the meter-reading representatives to a Utility Tech position and add the AMI curriculum to the training program to transfer small meter replacement into customer service by the end of the 4th Quarter of FY14.

1-5 Planned Maintenance Ratio

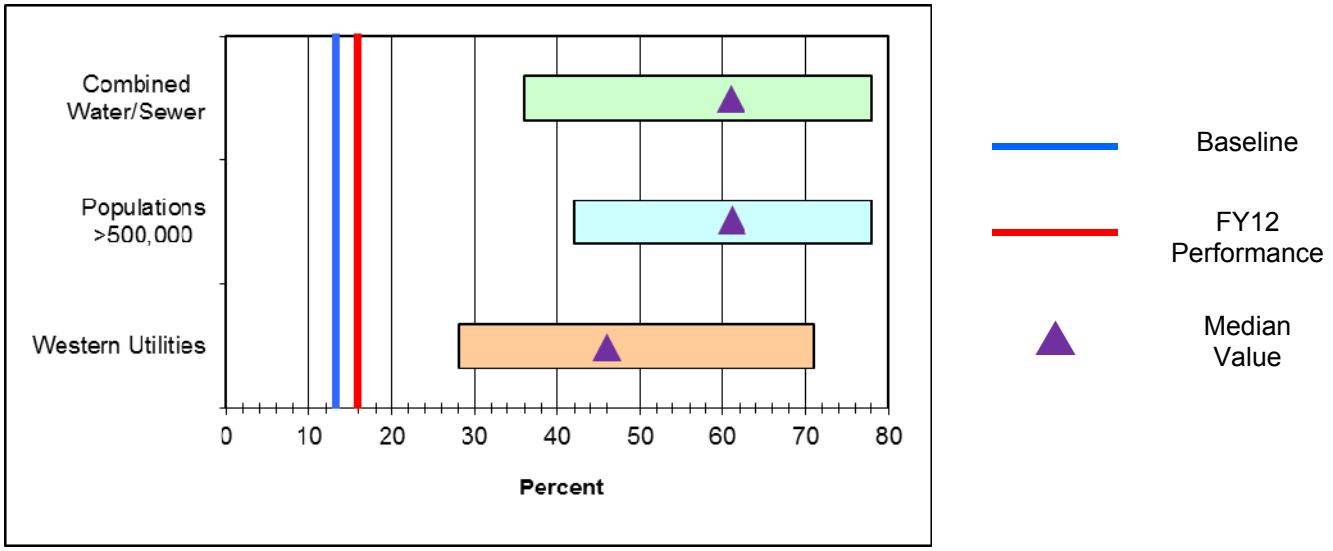
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	13%	11%	12%	16%	27%	29%	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
78%	61%	36%	78%	61%	42%	71%	46%	28%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

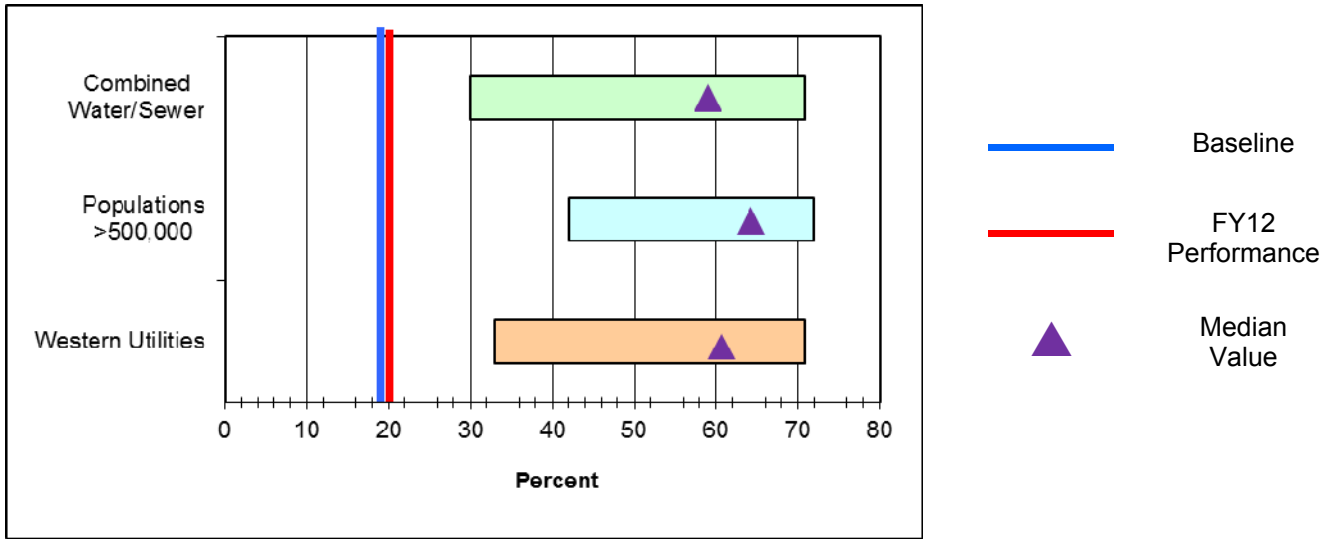
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	18%	17%	17%	20%	22%	23%	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
71%	59%	30%	72%	65%	42%	71%	61%	33%

Performance Comparison Chart (Cost)



Generally, higher values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years. Since FY08, the Water Authority has used this performance measure to identify gaps in planned/preventative maintenance activities. Over the past three fiscal years, the Water Authority has focused on increasing water operations planned maintenance for its groundwater facilities and the surface water plant. For the distribution system, the Water Authority will be increasing planned maintenance through its leak detection program mentioned in Performance Measure 1-2, Distribution System Water Loss. For FY14, there are two policy objectives with planned maintenance targets for both the ground and surface water facilities.

Planned maintenance is a key component to the Water Authority's asset management program. In FY10, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets.

FY14 Related Objectives

- Complete Ground Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 55% of all completed maintenance labor hours by the end of the 4th Quarter of FY14.
- Complete Surface Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 35% of all completed maintenance labor hours by the end of the 4th Quarter of FY14.

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1-6 Water Conservation Savings

Performance Results (Gallons per Capita)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2010	2011	2012	2013	2014	
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)	152	157	150	148	144	142	Reduce water consumption to extend water resources and minimize environment impacts

Currently, there is no industry benchmarking for measuring water conservation savings. However, this metric will be included in the 2013 AWWA Utility Benchmarking Survey. In the past, the Water Authority would compare its per capita use and water conservation goals with five comparable southwestern communities. They include Tucson, Denver, Colorado Springs, El Paso and San Antonio. Table 1-6-1 below compares the Water Authority's per capita use and gallons per capita per day (GPCD) goal with the other communities. Note that some communities calculate their GPCD differently. For example, Tucson only includes potable water use, and Denver only includes billed water. The FY15 Performance Plan will be using more accurate data from the 2013 Benchmarking Survey.

Table 1-6-1 - GPCD Community Comparison

Community	Current GPCD	GPCD Goal	Year to Achieve Goal
Albuquerque, New Mexico	148	135	2024
Tucson, Arizona *(potable only)*	131	-	-
Denver, Colorado *(billed only)*	173	165	2016
Colorado Springs, Colorado	173	150	-
El Paso, Texas	135	140	2010-2020
San Antonio, Texas	135	115-135	2016

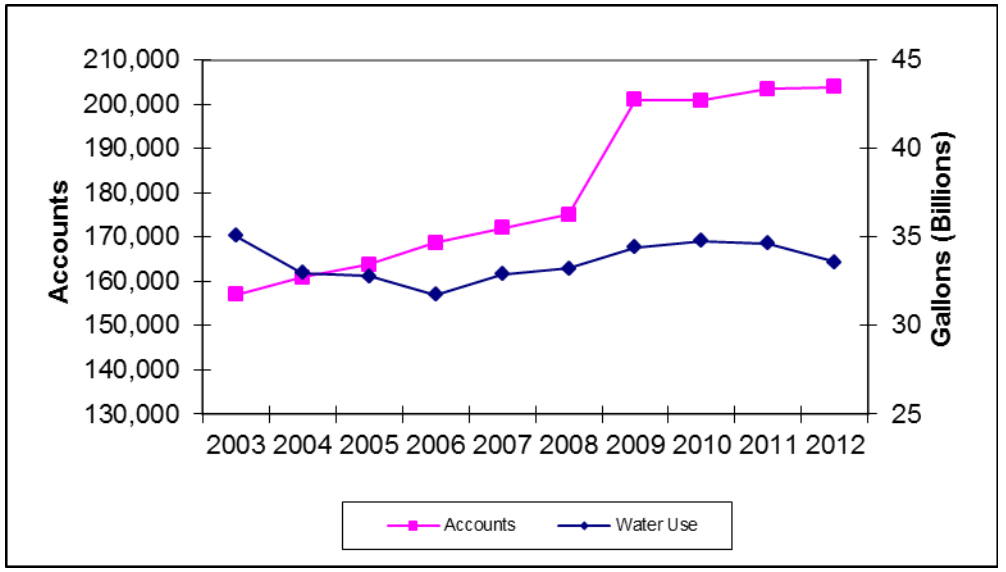
The Water Authority evaluates water use reduction by customer class to compare the relative number of gallons being used daily by each customer class to previous years. In 2009, many accounts were removed from the Institutional customer class and transferred to the class designated as Other. This accounts for the large drop in the usage of the Institutional customer class and the corresponding increase in usage of the Other class. Table 1-6-2 below shows the GPCD by customer class for the last six calendar years. This table also includes Non-Revenue Water (NRW), a term used to define where water losses exist within the distribution system. NRW includes apparent losses, real losses, unbilled metered and unbilled unmetered.

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

Customer Class	2007	2008	2009	2010	2011	2012
Residential	81.3	76.1	77.8	72.8	71.6	69.1
Commercial	19.3	23.5	23.1	22.1	21.9	21.1
Multi-family	23.6	22.3	19.7	20.1	20.2	18.8
Industrial	1.6	1.0	1.0	.94	0.9	0.8
Institutional	17.4	15.4	6.6	7	6.8	6.9
Non-Revenue Water	22.0	21.3	19.4	21.5	14.8	18.7
Other	1.7	1.6	11.4	12.5	13.4	12.2
Total	**166.9**	**161.2**	**158.9**	**156.9**	**149.6**	**147.6**

Results Narrative

Total yearly water use has declined from 40.6 billion gallons in the mid-1990s to 33.6 billion gallons in 2012. Even though accounts have increased by 47 percent during this time, water use declined by 12 percent. The graph to the right compares water use with accounts from 2003 to 2012. There was a sharp increase in customer accounts in 2009 with the acquisition of NMUI, adding about 17,000 accounts; however, most of the customers were are residential whose homes were built in the last decade with low-water conservation fixtures so water use only increased by seven percent. The graph to the right compares water use with accounts from 2003 to 2012.



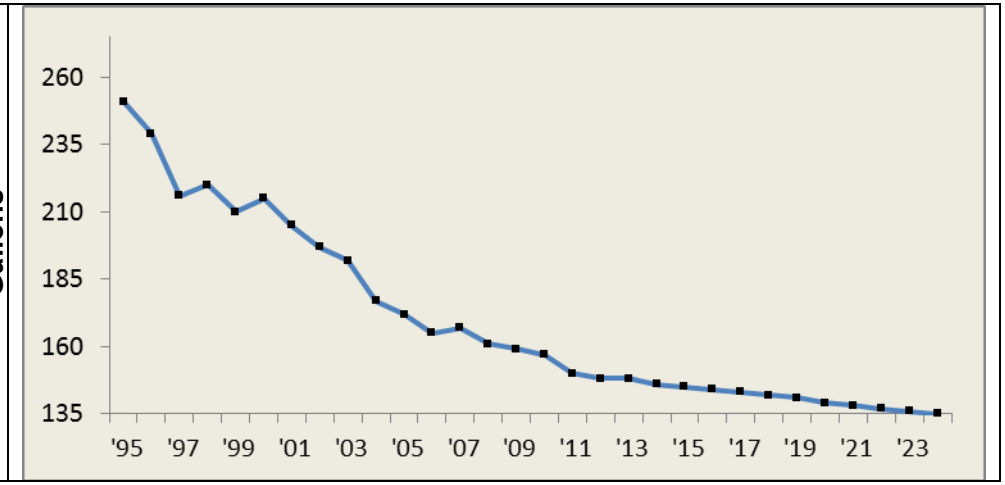
Since the beginning of the conservation program over 223 billion gallons of water have been saved. This is enough water to serve the entire population of the service area for 6 years.

Water Authority customers used about two gallons less per person per day in 2012 than in 2011, bringing the metropolitan area's daily per-person water usage down to 148 gpcd. The 148 gpcd number is actually less than the 155 gpcd mandated by the Office of the State Engineer as a condition of using surface water from the San Juan-Chama Drinking Water Project. The State Engineer had required that this goal be met by 2024. By reaching the 150 GPCD goal three years early, Albuquerque saved an additional 2 billion gallons. The Water Authority will continue to reduce water consumption by implementing several initiatives to reduce outdoor consumption and to target commercial and institutional users. The Water Authority evaluates its rebate program on annual basis with the help of its Customer Advisory Committee. In FY13, the Water Authority adopted a new goal based on several community meetings and industry stakeholder meetings. Based on all the customer input, the Water Authority Board set a new water conservation goal of 135 GPCD to be achieved by 2024. The proposed new programs are designed to target more outdoor savings and to focus on more programs for non-residential customers, because residential customers have already made dramatic water usage reductions. These changes are projected to reduce overall demand from 134,669 acre-feet in 2024 to 122,399 acre-feet and projected to save 59,157 acre-feet over the ten year period.

One reason for the success in water reduction is from the 1-2-3-2-1 "Water by the Numbers" program, which asks Water Authority customers to voluntarily limit their outdoor water usage to one day per week in March, two days a week in April and May and three days a week in the summer before ramping down in the fall. To the right is the diagram used to educate customers on the program.

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

The Water Authority's goal is to reduce per capita per day to 135 gpcd by 2024. The graph to the right shows the Water Authority's progress since 1994 in meeting the 135 gpcd goal by 2024.



2012 Customer Opinion Survey

- 76% of customers are either very or somewhat satisfied with the utility's conservation programs
- 77% of customers feel that it is very or somewhat important for the Water Authority to increase water conservation programs

FY14 Related Objectives

- Maintain water use at 148 gallons per person per day and implement the updated Water Conservation Plan programs by the end of the 2nd Quarter of FY14; establish annual goals to be achieved over the next ten years based on the savings to be achieved from Plan's programs.

Goal 2
Wastewater Collection & Operations

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY12 – FY 14 Objectives	Measure Reference	FY12 Status	FY13 Status	FY14 Estimate
Implement Capacity Management Operation Maintenance program to manage sanitary sewer overflows (FY13-FY14)	**2-1**	NA	■	▲
Televise and assess condition of small diameter sewer lines (FY13-FY14)	**2-1/2-2**	NA	▼	■
Minimize odors at the Southside Water Reclamation Plant and sanitary sewer system (FY11-FY14)	**2-2**	■	▲	▲
Limit overall permit excursions to no more than 5 operating discharge permit violations (FY10-FY13)	**2-3**	▼	▼	■
Improve the reliability of compliance results by developing an environmental monitoring program (FY12-FY14)	**2-3**	■	■	▲
Improve compliance with the Water Authority's ordinances by continuing validation of compliance of food establishments, extra-strength discharge users, and industrial waste permit holders (FY12-FY14)	**2-3**	▲	▲	▲
Examine water reclamation and reuse alternatives for future use of wastewater effluent or other non-potable water sources (FY14)	**2-4**	NA	NA	■
Increase Southside Water Reclamation Plant planned maintenance work orders (FY10-FY14)	**2-5**	■	■	■

Performance Key

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

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Performance Measure Division Responsibility

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

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2-1 Sewer Overflow Rate

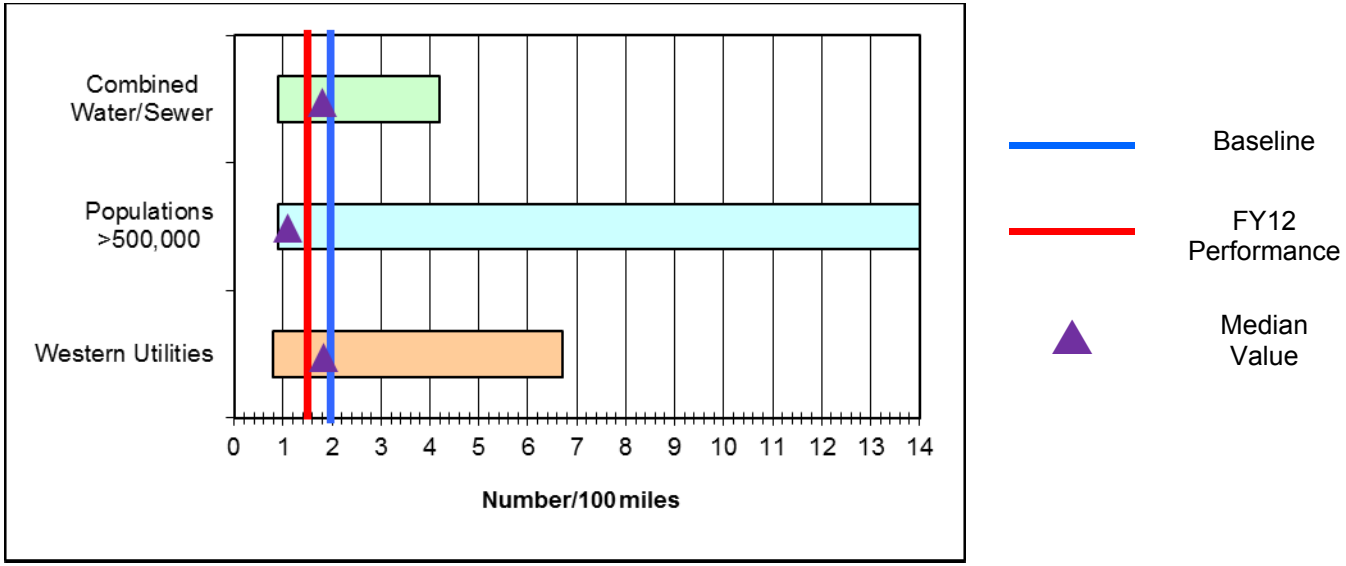
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the condition of the collection system and the effectiveness of routine maintenance	Number of sewer overflows per 100 miles of collection piping	2.0	2.7	1.7	1.5	2.4	2.6	Improve the condition and reliability of the collection system and reduce customer complaints

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.9	1.7	4.2	0.9	1.1	14.0	0.8	1.8	6.7

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years and is on-target to maintain a very low overflow rate for the next two fiscal years. The Water Authority has been using its GIS in connection with its upgraded work order system based on asset management principles to analyze sanitary sewer overflows. For FY14, the Collection Section will implement the CMOM activities from the CMOM report completed in FY13. The FY14 Objectives will help to improve the monitoring, cleaning, and response procedures related to sewer overflows.

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

2012 Customer Opinion Survey

- 61% of customers are either very or somewhat satisfied with the condition of the sewer lines in the number of overflows that they may observe
- 52% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to respond to overflows or backups and the response time for restoring service

FY14 Related Objectives

- Improve the operation and maintenance of the sanitary sewer system by completing the Water Authority's Capacity Management Operation Maintenance (CMOM) report for managing sanitary sewer overflows by the end of the 2nd Quarter of FY14.
- Develop a Fats, Oils, and Grease (FOG) Policy to reduce impacts on the sewer system caused by FOG as required by the new National Pollutant Discharge Elimination System (NPDES) permit. The FOG policy may address such items as an inventory of food service establishments that are repeatedly sources of Sanitary Sewer Overflows (SSOs) and increased frequency of routine grease trap inspections. The proposed policy shall be submitted to U.S. EPA and the New Mexico Environment Department for approval by the end of the 1st Quarter of FY14.

2-2 Collection System Integrity

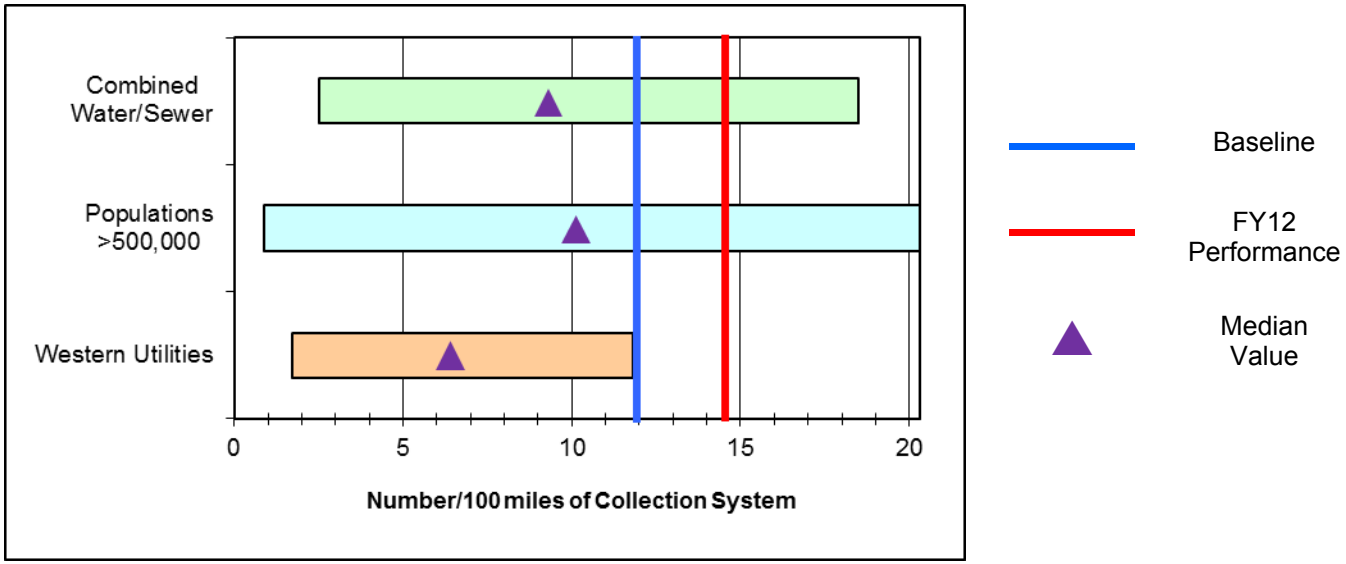
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure of the condition of a sewage collection system	Number of collection system failures each year per 100 miles of collection system piping	11.9	10.9	10.4	14.5	11.9	10.8	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
2.5	9.1	18.5	0.9	10.2	20.3	1.7	6.6	11.8

Performance Comparison Chart



Generally, lower values are desirable

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

Measurement Status
The Water Authority's performance in this measure has been within the median range for the past three fiscal years. For FY11, the Water Authority completed ten-year asset management plans for both its small and large diameter sewer lines. These plans will be utilized for the utility's capital planning in order to help minimize expensive catastrophic failures. For FY14, there is a policy objective to assess the condition of approximately five percent of the collection system.

2012 Customer Opinion Survey
- 92% of customers are either very or somewhat satisfied with the reliability of wastewater collection
- 68% of customers are either very or somewhat satisfied with the effectiveness of the Water Authority to control odors form sewer lines or treatment facilities

FY14 Related Objectives
- To continue minimizing odors, evaluate, design, and initiate the installation of a magnesium hydroxide station in the sanitary sewer system and establish criteria to evaluate performance impacts to the interceptor system including the Yucca/Central area and the water reclamation facility by the end of the 4th Quarter of FY14.
- Televise and assess the condition of approximately five percent of the small diameter sanitary sewer system by the end of the 4th Quarter of FY14.

2-3 Wastewater Treatment Effectiveness Rate

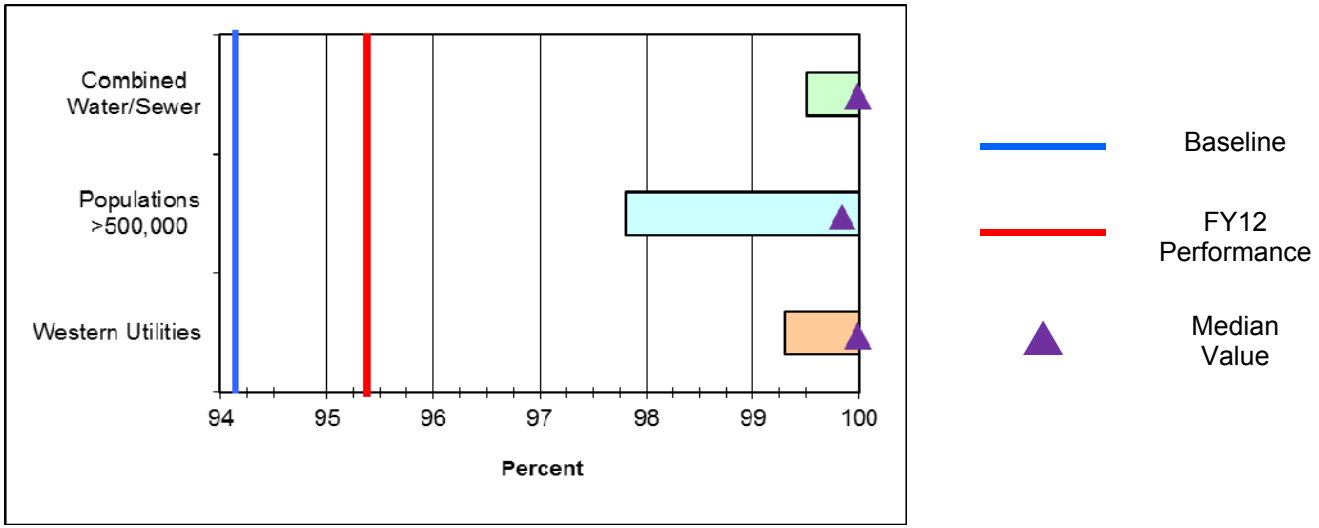
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Quality	Quantify the Water Authority's compliance with the effluent quality standards in effect at its wastewater treatment facilities	Percent of time each year that an individual wastewater treatment facility is in full compliance with applicable effluent quality requirements	94.3%	93.2%	94.5%	95.3%	97.3%	98.6%	Minimize environmental impacts to the river by returning high quality water to the river

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
100.0%	100.0%	99.5%	100.0%	99.2%	97.8%	100.0%	100.0%	99.3%

Performance Comparison Chart



Generally, higher values are desirable

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

Measurement Status
The Water Authority's performance in this measure has been outside of the median range for last three fiscal years. The Water Authority's goal in for FY14 is to have no more than five non-compliance days. The Water Authority experienced a setback the last three years with several violations caused by equipment upgrades. In FY11, the Water Authority completed conversion to ultraviolet disinfection to eliminate use of chlorine for safety, security and to protect river environment. The Water Authority will continue in meeting its performance targets during major rehabilitation activities at the wastewater treatment plant over the next five fiscal years.

Also, for FY12, the Water Authority developed several policy objectives to improve the processes and procedures for wastewater quality compliance reporting. The Water Authority created a new Compliance Division in FY10 to better improve and consolidate all its compliance functions. For FY14, the Compliance Division will continue to work on the reporting systems and updating the Sewer Use Wastewater Control Ordinance.

2012 Customer Opinion Survey
- 82% of customers feel that it is very or somewhat important that the Water Authority should return high quality treated water back to the river

FY14 Related Objectives
- Limit overall permit excursions to no more than 5 operating discharge permit violations through the end of the 4th Quarter of FY14.
- Modify the Sewer Use and Wastewater Control Ordinance to comply with 40 CFR 403 regulations as required by the new National Pollutant Discharge Elimination System (NPDES) permit. The modified ordinance, inclusive of all necessary proposed modifications, shall be submitted to U.S. EPA for approval by the end of the 1st Quarter of FY14.
- Monitor compliance with the Water Authority's Sewer Use and Wastewater Control Ordinance by continuing to inspect, monitor, and take enforcement action for permitted industrial users, septage waste haulers, food service establishments, and dental offices; report activities and respective compliance rates through weekly, monthly, and quarterly reporting, while referencing past performance through the end of the 4th Quarter of FY14.
- Revise the Technically Based Local Limits (TBLLs) as required by the new National Pollutant Discharge Elimination System (NPDES) permit for submittal to U.S. EPA for approval by the end of the 1st Quarter of FY14.

2-4 Operations and Maintenance Cost Ratio

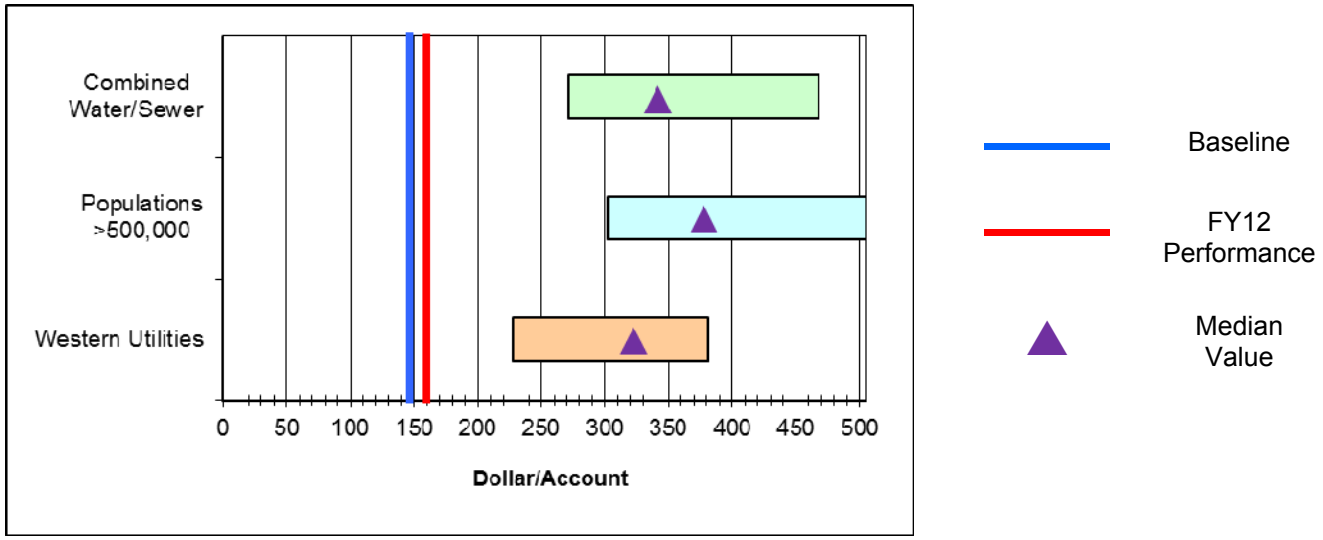
Performance Results for O&M Cost per Account

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$148	$140	$145	$160	$159	$148	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
$271	$344	$468	$302	$376	$505	$228	$335	$381

Performance Chart for O&M Cost per Account



Generally, lower values are desirable

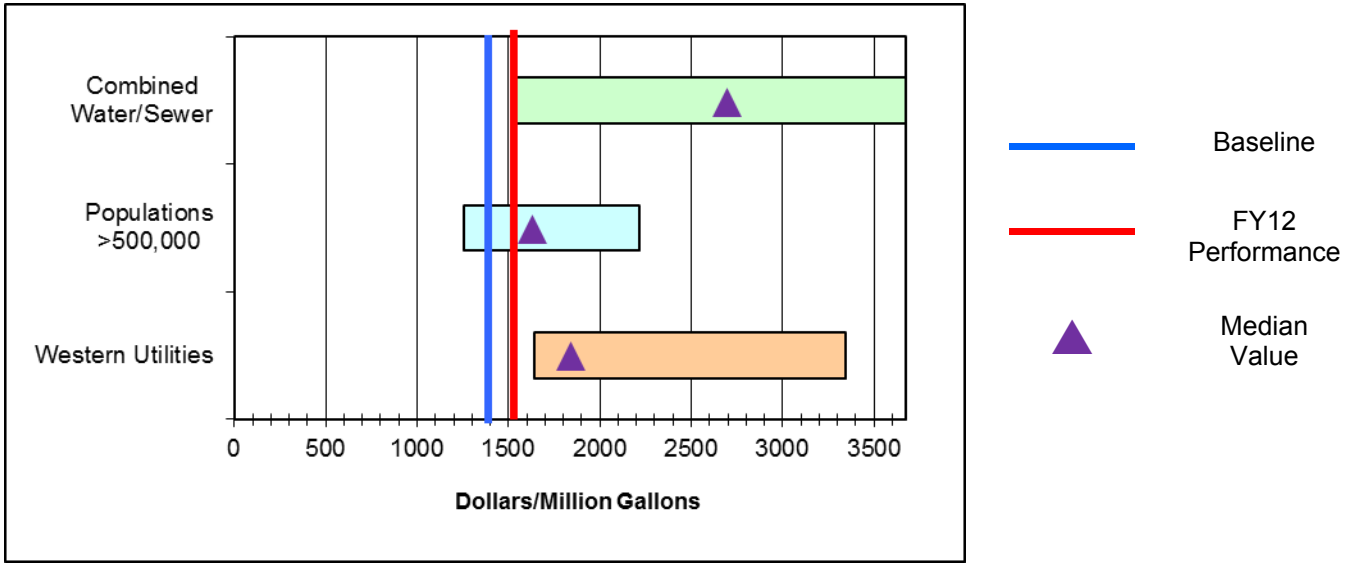
Performance Results for O&M Cost per MG Collected

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$1,430	$1,336	$1,397	$1,558	$1,558	$1,448	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
$1,535	$2,784	$3,673	$1,255	$1,668	$2,214	$1,641	$2,526	$3,344

Performance Comparison for O&M Cost per MG Collected



Generally, lower values are desirable

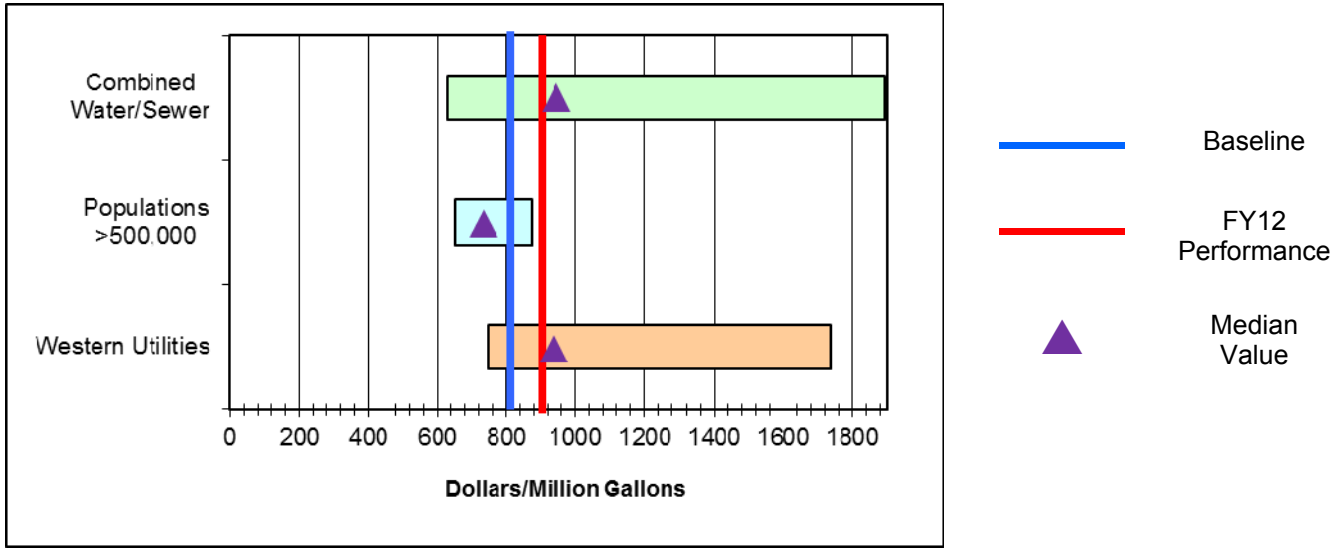
Performance Results for O&M Cost of Treatment per MG

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$803	$713	$802	$895	$882	$777	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
$629	$945	$1,892	$651	$739	$873	$748	$934	$1,737

Performance Comparison for O&M Cost of Treatment per MG



Generally, lower values are desirable

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

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

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

FY14 Related Objectives
- Improve the operation and maintenance of the sanitary sewer system by completing the Water Authority's Capacity Management Operation Maintenance (CMOM) report for managing sanitary sewer overflows by the end of the 2nd Quarter of FY14.
- To continue minimizing odors, evaluate, design, and initiate the installation of a magnesium hydroxide station in the sanitary sewer system and establish criteria to evaluate performance impacts to the interceptor system including the Yucca/Central area and the water reclamation facility by the end of the 4th Quarter of FY14.
- To protect personnel from the possibility of being injured by an arc flash, conduct an Arc Flash Hazard Evaluation and any necessary testing for the Collection facilities by the end of the 4th Quarter of FY14.

2-5 Planned Maintenance Ratio

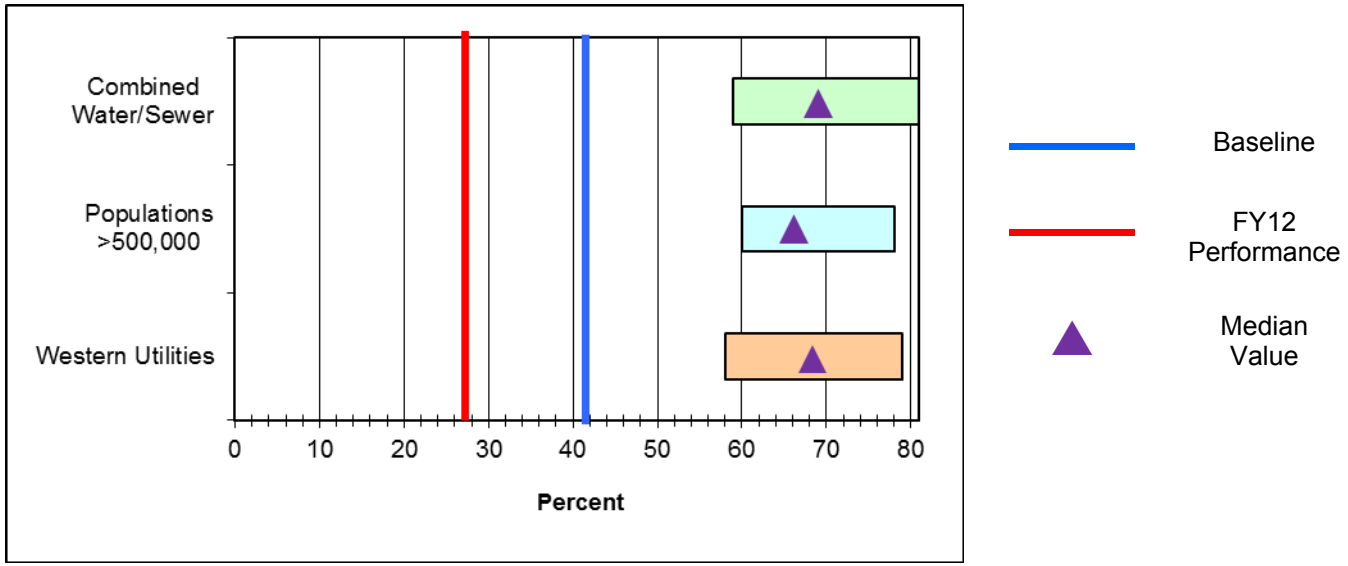
Performance Results (Hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Hours of planned maintenance compared to hours of corrective maintenance	41%	45%	50%	27%	28%	30%	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
81%	69%	59%	78%	66%	60%	79%	67%	58%

Performance Comparison Chart (Hours)



Generally, higher values are desirable

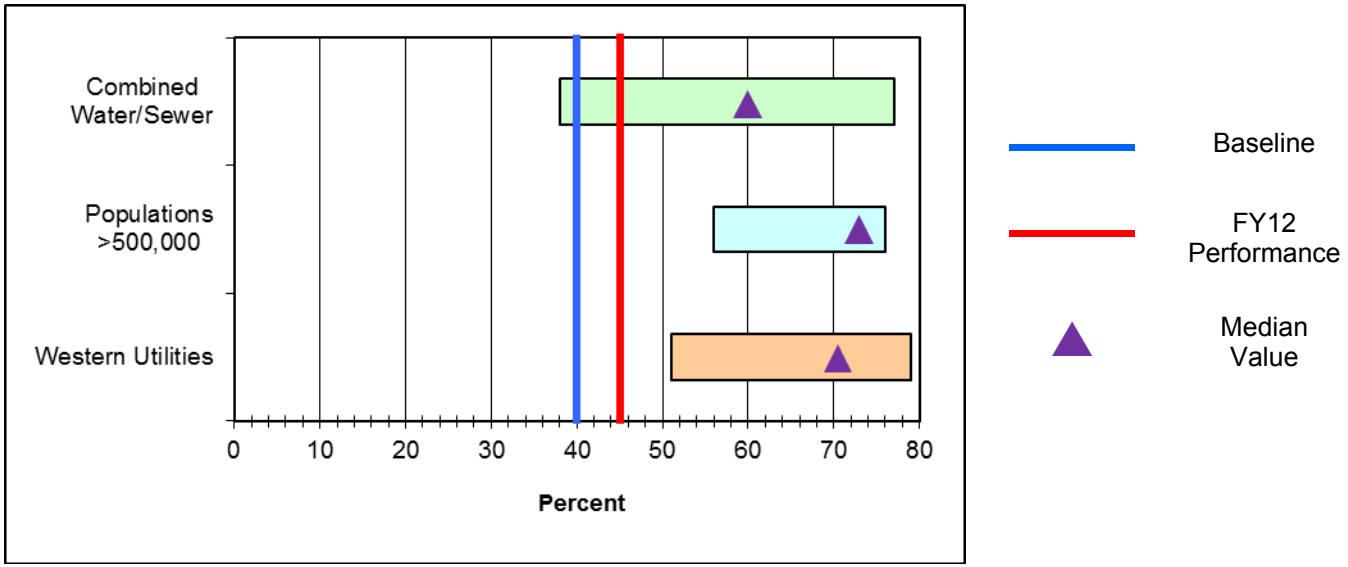
Performance Results (Cost)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Comparison of how effectively the Water Authority is in investing in planned maintenance	Cost of planned maintenance compared to cost of corrective maintenance	39%	37%	37%	45%	47%	48%	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
77%	60%	38%	76%	74%	56%	79%	71%	51%

Performance Comparison Chart (Cost)



Generally, higher values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years. For the past three fiscal years, there have been objectives to increase planned maintenance work orders at the wastewater treatment plant. These objectives will also help the Water Authority meets its performance targets mentioned in Performance Measure 2-3, Wastewater Treatment Effectiveness Rate. For FY14, there is a policy objective with planned maintenance targets for the wastewater treatment plant.

Planned maintenance is a key component to the Water Authority's asset management program. In FY10, the Water Authority upgraded its work order system to integrate with the Water Authority's asset management program in order to collect and track its asset information. The purpose for this upgrade was to obtain better information to make better decisions on the Water Authority's assets.

FY14 Related Objectives

- Complete Waste Water Plant Preventive Maintenance to Corrective Maintenance ratio to at least 30% of all completed maintenance labor hours by the end of the 4th Quarter of FY14.

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Goal 3
Customer Services

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY12 – FY 14 Objectives	Measure Reference	FY12 Status	FY13 Status	FY14 Estimate
Maintain call wait time for all call centers to less than 1 minute, 90 percent of the time (FY10-FY14)	**3-1**	▲	■	■
Initiate public involvement meetings to obtain input from customers on the Water Authority's activities through the end (FY14)	**3-1**	NA	NA	▲
Implement new payment methods for customer billing and web self-service in conjunction with Western Union payment centers and the AMI program to provide more payment options to customers and improved cash flow (FY13-FY14)	**3-1**	NA	▲	▲
Implement Automated Meter Infrastructure project to modernize the aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service (FY11-FY14)	**3-1/3-3**	■	▲	▲
Increase paperless billing enrollments and implement added functionality for all web self-service users (FY10-FY14)	**3-3**	■	■	■
Evaluate water and sewer rate structures to ensure equity within the structures (FY11-FY14)	**3-5**	▲	▲	▲

Performance Key

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

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Performance Measure Division Responsibility

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

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3-1 Customer Service Complaints and Technical Quality Complaints

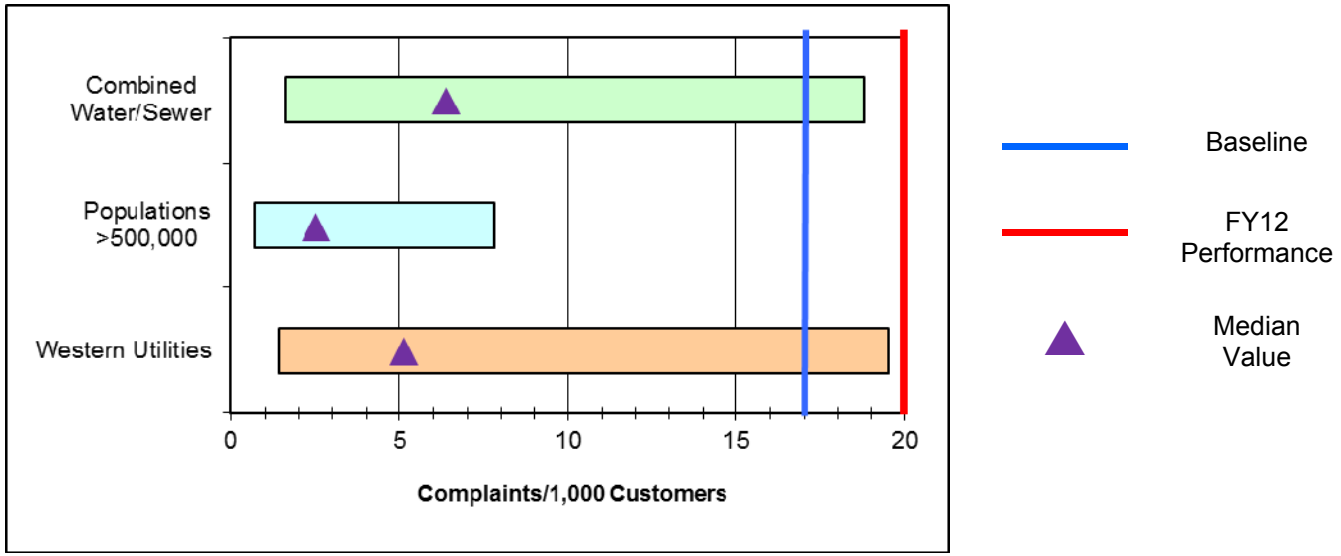
Performance Results (Service Associated Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of customer service complaints per 1,000 customer accounts	17.0	14.0	16.5	20.5	19.5	18.3	Improve customer satisfaction with service and product

Industry Benchmark (Service Associated Complaints)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.6	6.1	18.8	0.7	2.7	7.8	1.4	5.1	19.5

Performance Comparison Chart (Service Associated Complaints)



Generally, lower values are desirable

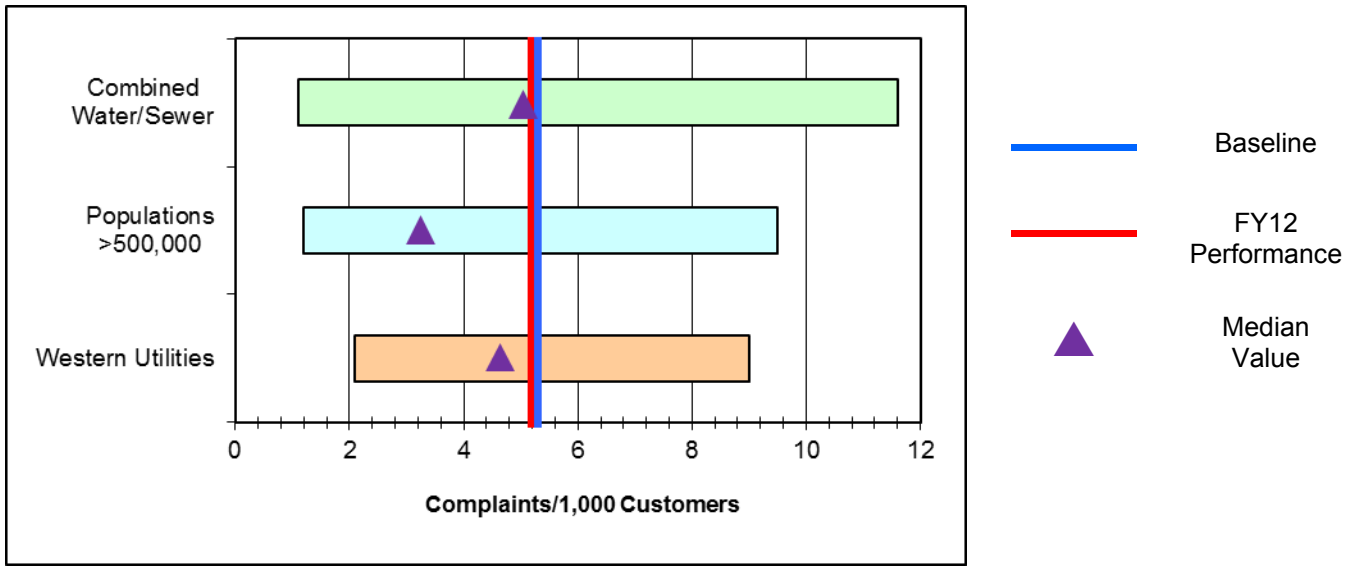
Performance Results (Technical Quality Complaints)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure the complaint rates experienced by the Water Authority, with individual quantification of those related to customer service and those related to core utility services	Number of technical quality complaints per 1,000 customer accounts	5.6	5.5	5.8	5.6	4.5	4.4	Improve customer satisfaction with service and product

Industry Benchmark (Technical Quality Complaints)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
1.1	5.3	11.6	1.2	3.6	9.5	2.1	4.6	9.0

Performance Comparison Chart (Technical Quality Complaints)



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been within or below the median range for the past three fiscal years for customer service complaints and within the median range for technical quality complaints. The Water Authority adopted a policy objective in FY09 is to reduce call wait time to less than 1 minute, 90 percent of the time by use of staffing and technology which will make this closer to the water industry standard. The Water Authority has maintained the call-wait-time metric for two of the last three years and will strive to maintain this target in FY14. In addition, the Water Authority has upgraded its call center phone systems to effectively track customer service performance; the new phone system also allows customers to pay their bills by phone and provide 24/7 service to billing, emergencies, and reporting water waste. Moreover, the Water Authority has developed and executed a customer-focused marketing and communications strategy with an emphasis on conservation, pollution prevention, and web self-service in FY11.

In FY12, the Water Authority conducted a customer opinion survey in order to assess the Water Authority's performance from the customer's viewpoint from previous surveys. This was the fourth customer opinion survey conducted since the first survey in 2006 which allowed the Water Authority view trends of customer's opinions. The results of the 2012 survey have been incorporated into the Performance Plan as many questions or statements are connected to the benchmarks in the Performance Plan. In FY14, the utility will conduct its fifth customer opinion survey. In addition, the utility will conduct four public involvement meetings to obtain input from customers on the Water Authority's activities.

2012 Customer Opinion Survey

- 56% of customers gave either excellent or good rating on the overall quality of service provided by a customer service representative
- 81% of customers are either very or somewhat satisfied with the courtesy of the customer service representative
- 66% of customers are either very or somewhat satisfied with the knowledge and ability to answer your questions or resolve your issues
- 68% of customers are either very or somewhat satisfied with the length of wait to speak with a customer service representative

FY14 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 FY14.
- Implement Phase 3 of the Automated Meter Infrastructure (AMI) project to modernize the Water Authority's aging meter infrastructure with smart meters to increase revenue, support conservation efforts, and provide better customer service by the end of the 4th Quarter of FY14.

- Implement new payment methods for customer billing and web self-service in conjunction with Western Union payment centers and the AMI program to provide more payment options to customers and improved cash flow by the end of the 1st Quarter of FY14. Increase paperless billing to 10,000 enrollments and web self-service to 40,000 registrations by the end of the 4th Quarter of FY14.
- Develop a customer-focused marketing and communications strategy for the low-income credit program in conjunction with a new RFP for administering the program by the end of the 1st Quarter FY14.
- Conduct a customer opinion survey in order to assess the Water Authority's performance from the customer's viewpoint from previous surveys by the end of the 4th Quarter of FY14.
- Initiate public involvement meetings to obtain input from customers on the Water Authority's activities through the end of the 4th Quarter of FY14.

3-2 Customer Service Cost per Account

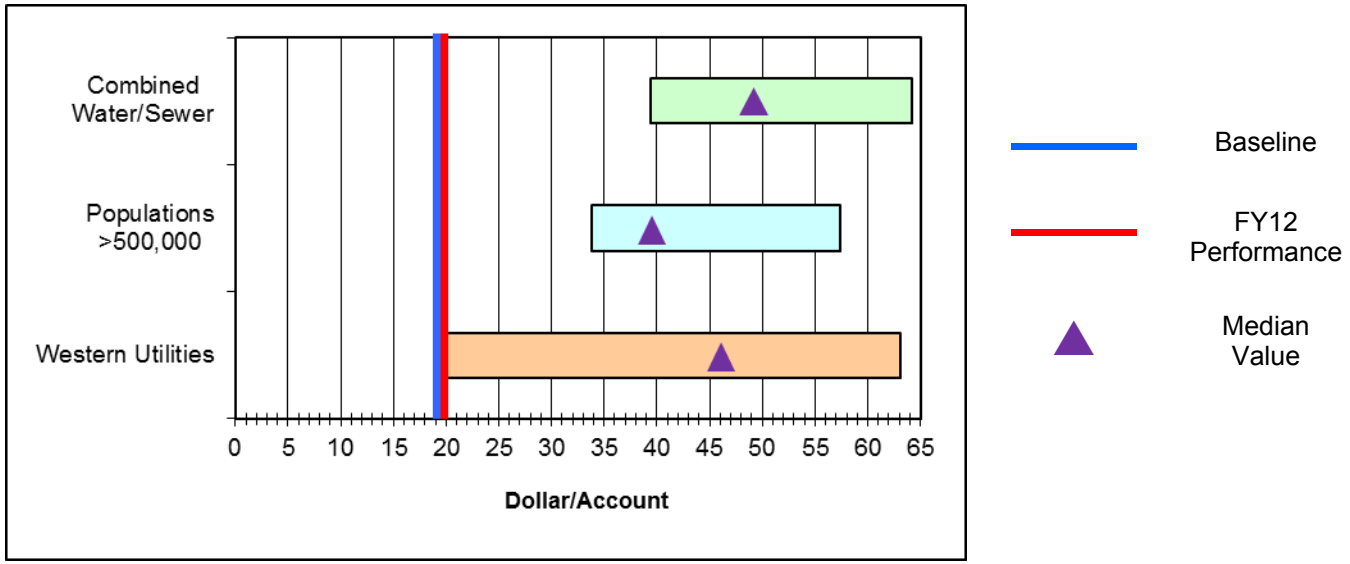
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Measure the amount of resources the Water Authority applies to its customer service program	Total customer service cost and the number of active accounts	$19.62	$18.98	$20.07	$19.79	$20.54	$21.42	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
$39.43	$48.34	$64.16	$33.82	$39.48	$57.42	$19.81	$45.94	$63.08

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been above the median range for the past three fiscal years. The Water Authority Board approved a 5% rate increase in FY12 and FY14; another 5% rate increase will be implemented in FY16. However, the Water Authority anticipates that it will continue to be within the median range over the next four years.

3-3 Billing Accuracy

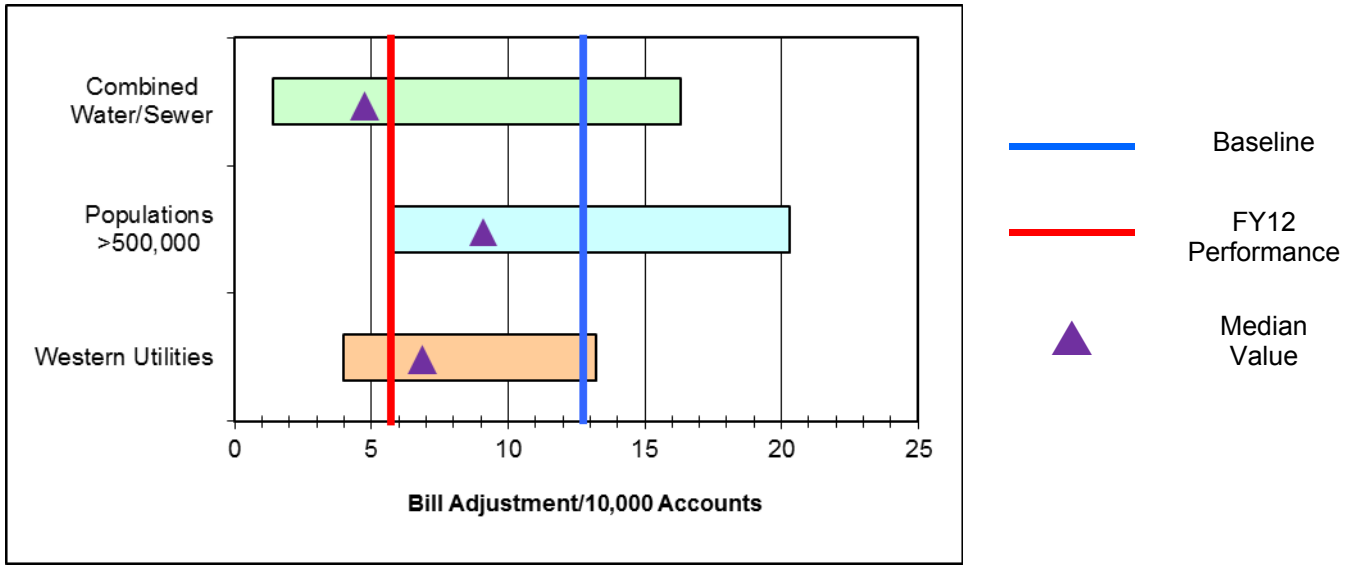
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure the effectiveness of the Water Authority's billing practices	Number of error-driven billing adjustments per 10,000 bills generated during the year	12.8	20.5	12.0	5.9	4.7	4.0	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
1.4	4.8	16.3	5.8	8.8	20.3	4.0	6.8	13.2

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years. In FY08, there was an increase in error-driven billing adjustments due to misreads caused by below average temperatures; the misreads resulted in rebilling the accounts. In FY09, the conversion to a new billing system caused an increase in error-driven billing adjustments. In FY10, there were conversion issues related to incorporating the 17,000 New Mexico Utilities customers into the billing system and reclassifying specific customers. In FY12, issues with billing accuracy continued as a result from more meter change-outs which increased in billing adjustments. As the utility's meters infrastructure ages, this could continue to be an ongoing issue for the utility.

2012 Customer Opinion Survey

- 88% of customers are either very or somewhat satisfied with the accuracy of their bill
- 87% of customers are either very or somewhat satisfied with the bill format and water usage graph
- 82% of customers are either very or somewhat satisfied with the billing payment options

3-4 Disruptions of Water Service

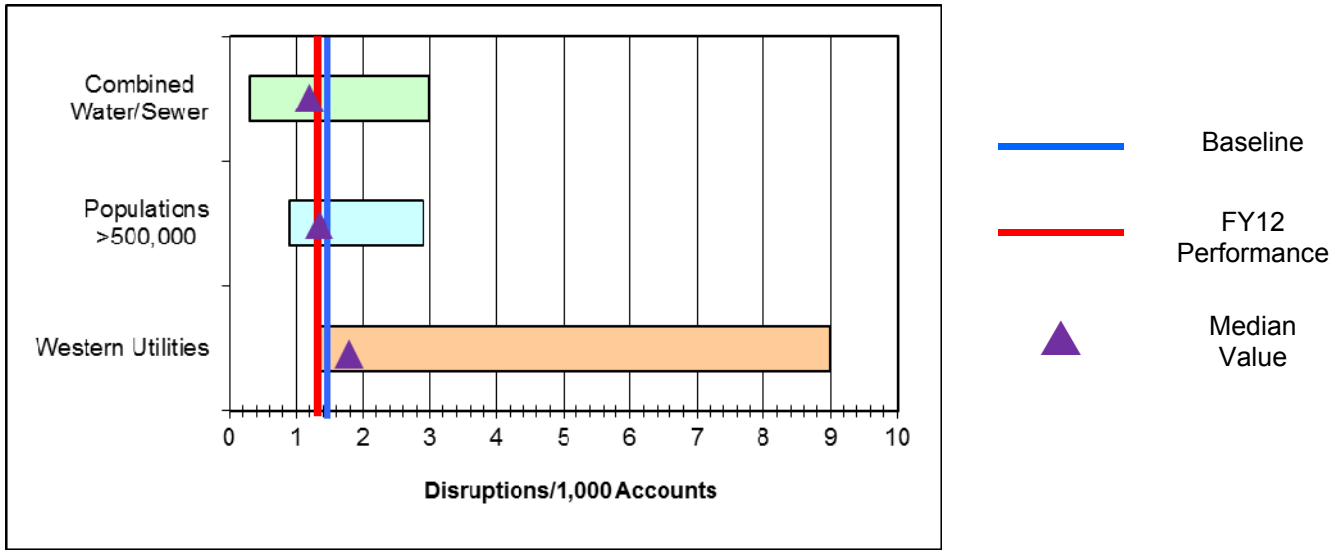
Performance Results Planned (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the numbers of water outages experienced by Water Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	1.4	1.3	1.4	1.4	1.5	1.5	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark Planned (less than 4 hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.3	1.3	3.0	0.9	1.4	2.9	1.3	1.8	9.0

Performance Comparison Chart Planned (less than 4 hours)



Generally, lower values are desirable

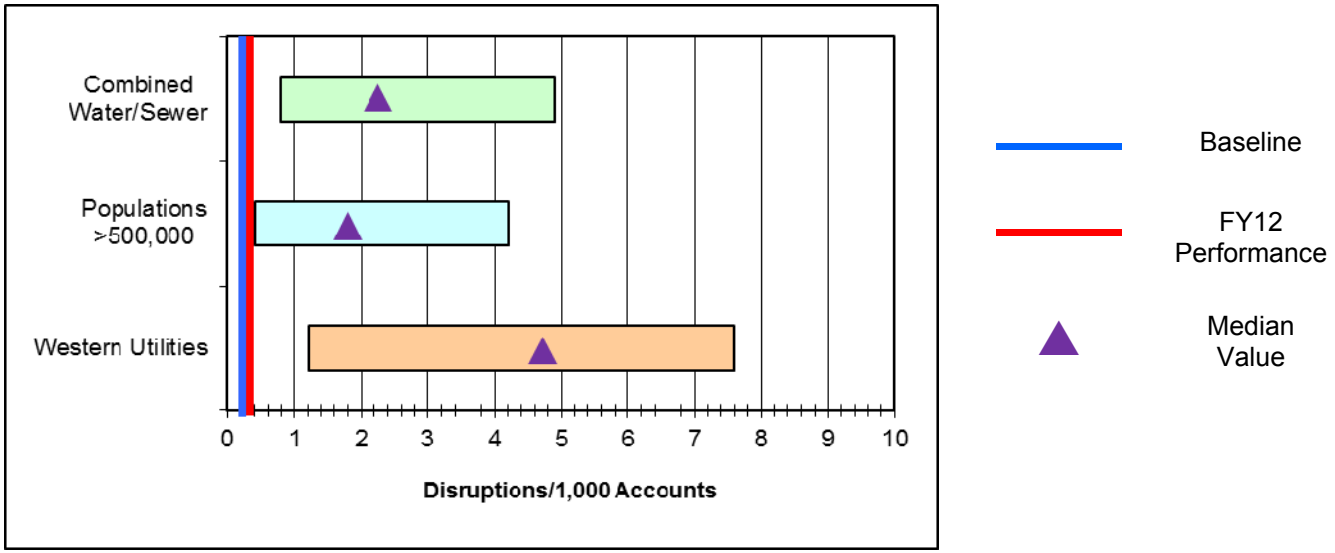
Performance Results Unplanned Disruptions (less than 4 hours)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current /Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the numbers of water outages experienced by Water Authority customers	Number of customers experiencing disruption of service per 1,000 customer accounts per year	0.3	0.3	0.3	0.3	0.3	0.3	Reduce water supply interruptions and provide reliable water service to meet customer expectations of full water service all of the time

Industry Benchmark (less than 4 hours)

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.8	2.3	4.9	0.4	1.8	4.2	1.2	4.7	7.6

Performance Comparison Chart Unplanned (less than 4 hours)



Generally, lower values are desirable

Results Narrative

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

Measurement Status

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

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

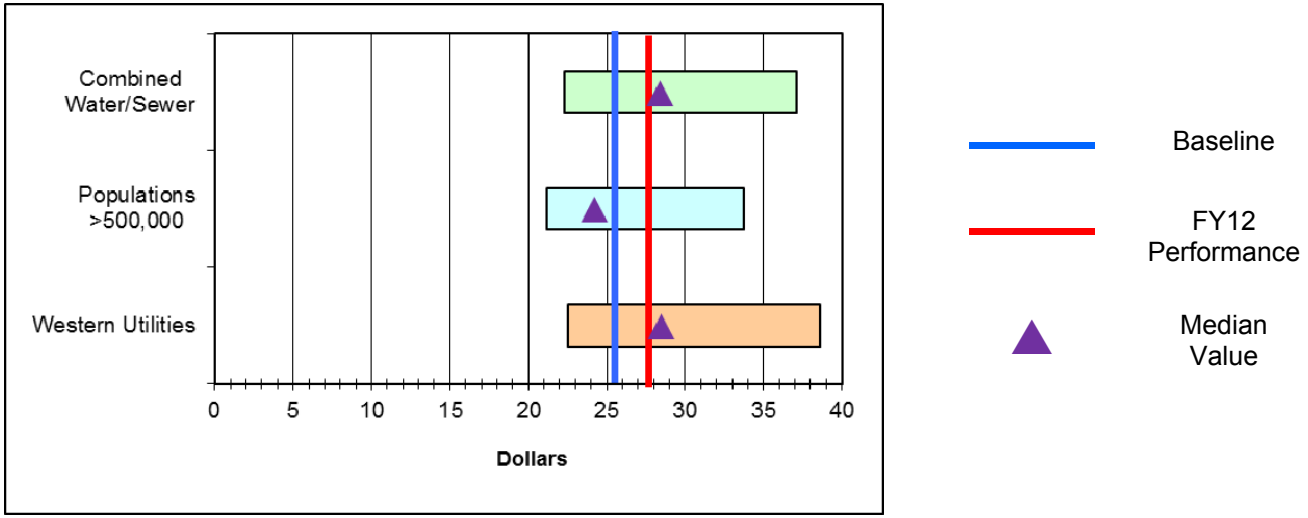
Performance Results (Monthly Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$25.32	$24.40	$24.40	$27.16	$31.87	$31.87	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
$22.31	$28.05	$37.10	$21.19	$24.51	$33.72	$22.50	$27.96	$38.62

Performance Comparison Chart (Monthly Residential Water Service)



Generally, lower values are desirable

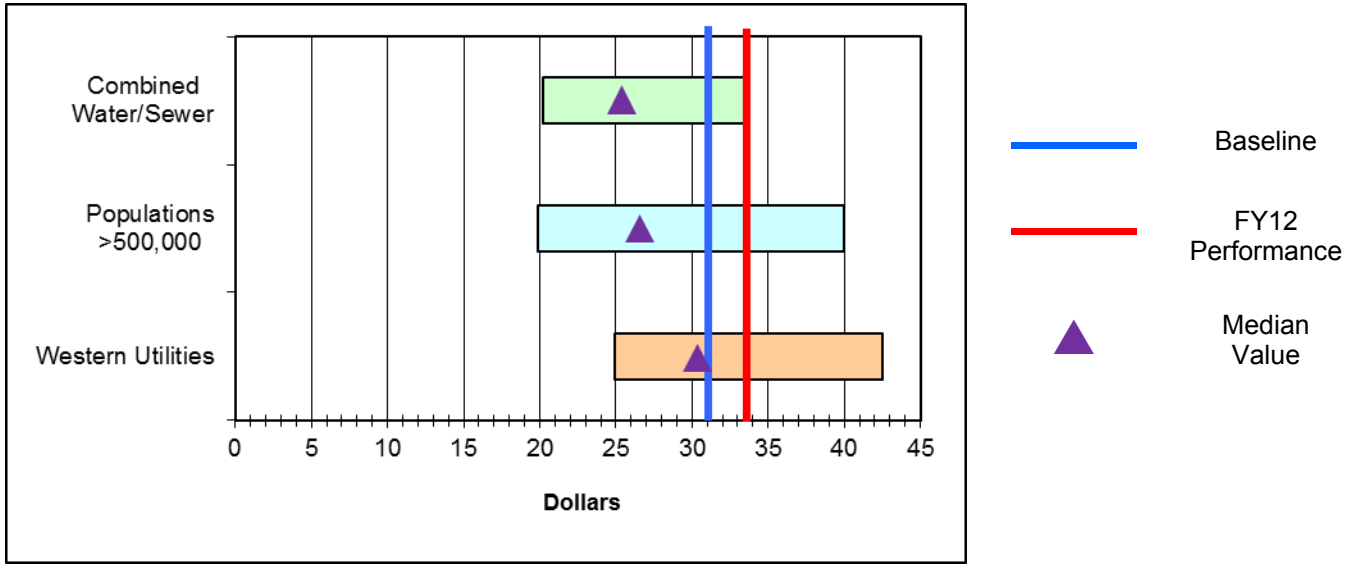
Performance Results (Average Residential Water Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$31.17	$30.04	$30.04	$33.42	$36.05	$36.05	Provide affordable water and legally justifiable rates to our customers

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
$20.17	$25.86	$33.59	$19.91	$26.40	$39.99	$24.95	$30.91	$42.51

Performance Comparison Chart (Average Residential Water Service)



Generally, lower values are desirable

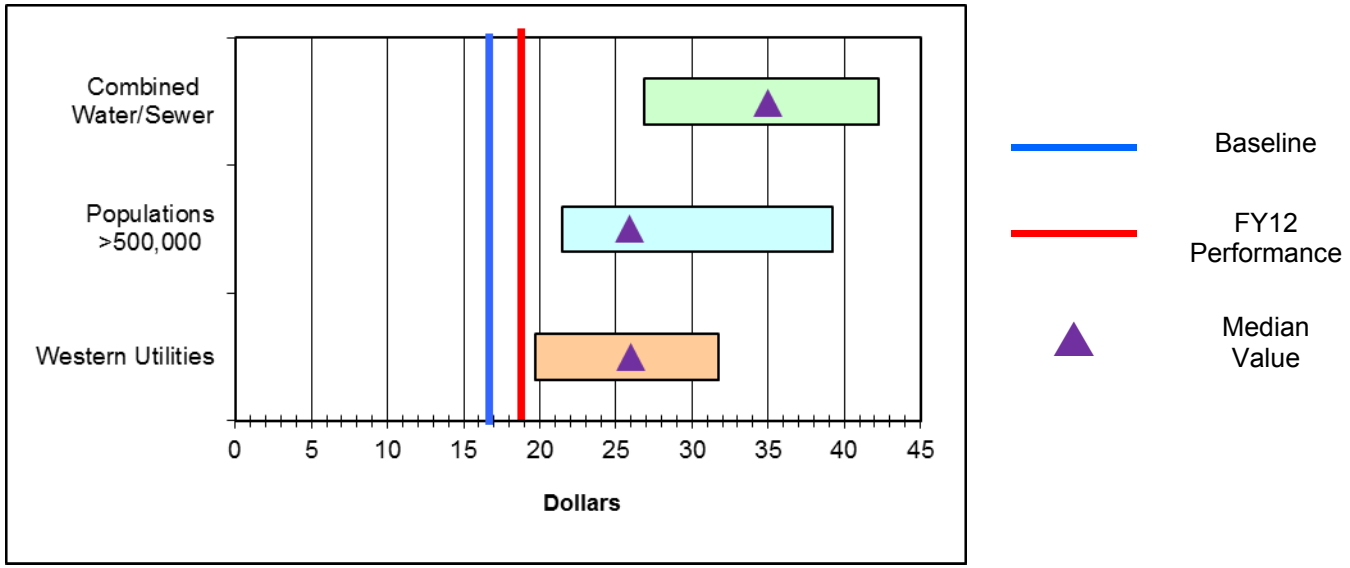
Performance Results (Monthly Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Compare the residential cost of water and sewer service based on both a defined quantity of water use and the average residential bill amounts for those services	Bill amount for monthly residential water/sewer service and average residential water/sewer bill for one month of service	$16.77	$15.30	$15.30	$19.70	$23.07	$23.07	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
$26.90	$35.32	$42.22	$21.44	$26.63	$39.25	$19.70	$26.93	$31.75

Performance Comparison Chart (Monthly Residential Sewer Service)



Generally, lower values are desirable

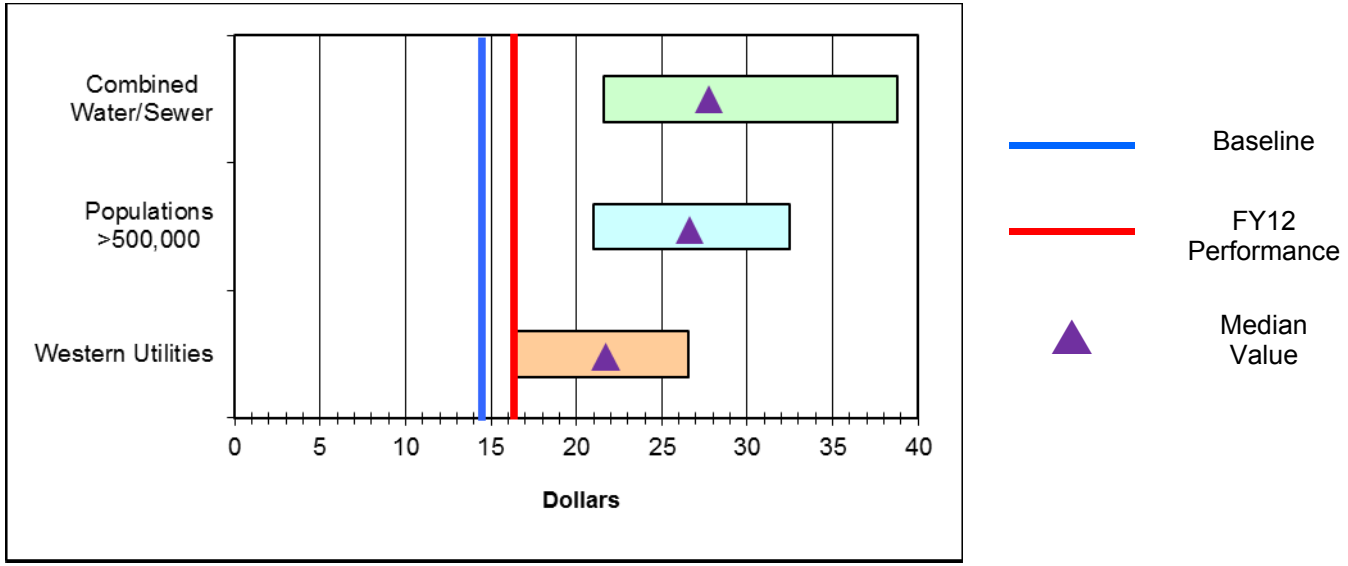
Performance Results (Average Residential Sewer Service)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
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	$14.61	$13.74	$13.74	$16.35	$18.56	$18.56	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
$21.59	$28.54	$38.81	$20.98	$27.62	$32.45	$16.35	$21.54	$26.55

Performance Comparison Chart (Average Residential Sewer Service)



Generally, lower values are desirable

Results Narrative

This measure shows individual costs for water and wastewater:

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

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

Measurement Status

The Water Authority's performance in this measure has been within the median range for the past three fiscal years for monthly and average residential water service, and above the median range for the past three fiscal years for monthly and average residential sewer service. The Water Authority completed a comprehensive water and wastewater rate study in FY05 which had not been conducted since the early 1990s. The Water Authority adopted a policy objective for FY08 to update that rate study in order to include wholesale water rates. Another reason to update the rate study is to include a cost of services model for master planned communities so that these new large developments pay 100% of the cost for building master planned facilities. In FY11, the water and sewer rate structures were evaluated to ensure equity within the structures. The 2010 rate structure evaluation included incorporating former New Mexico Utilities into the Water Authority rate structure. The FY12 rate ordinance also added a 200% tier to the extra use surcharge to promote conservation and increased the Low Use Water Discount from 20% to 30%. A 5% rate increase was implemented in FY12 and FY14; another 5% rate increase is planned for FY16. The FY14 rate ordinance update also increased the Low Use Water Discount from 30% to 50%. Even with the adopted and planned rate increases, the Water Authority anticipates that it will still be above the median range over the next five years. Another rate study will be conducted in FY15 in preparation of the FY16 rate increase.

2012 Customer Opinion Survey

- 84% of customers either strongly or somewhat agree that water and sewer services are a good value for the amount of money paid

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Goal 4
Business Planning & Management

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲ Excellent ■ Good ■ Fair ▼ Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY12 – FY 14 Objectives	Measure Reference	FY12 Status	FY13 Status	FY14 Estimate
Based on GFOA best practices, develop and implement Ten-Year Financial Plan, for increasing the financial capacity of the capital program, and for making progress in reaching the reserve fund goal of one-twelfth of operating expenses (FY12-FY14)	**4-1/4-2**	■	■	■
Continue implementation of the Comprehensive Asset Management Program to manage existing assets more effectively and plan for future needs (FY10-FY14)	**4-3**	▲	▲	▲
Expend $31 million in water and wastewater capital rehabilitation and replacement programs (FY10-FY14)	**4-3**	■	▲	▲
Complete 10-Year Asset Management Plans for drinking water facilities (FY13-FY14)	**4-3**	NA	■	■
Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements (FY10-FY14)	**4-3**	■	■	■

Performance Key

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

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Performance Measure Division Responsibility

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

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4-1 Debt Ratio

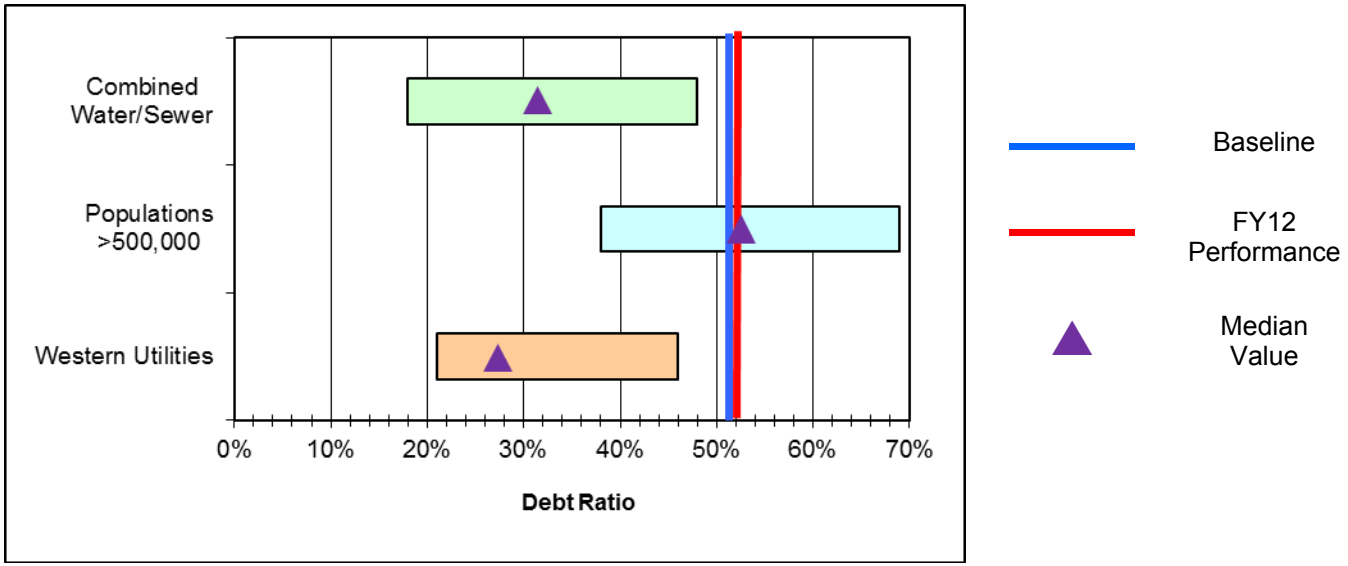
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the Water Authority's level of indebtedness	Total liabilities and total assets	51%	51%	51%	52%	52%	52%	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
18%	32%	48%	38%	52%	69%	21%	27%	46%

Performance Comparison Chart



Generally, lower values are desirable

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

Measurement Status
The Water Authority's performance in this measure has been below the median range for the past three fiscal years.

The Water Authority has borrowed a significant amount of funds to pay for a new surface drinking water treatment plant as part of the $500 million San Juan Chama Drinking Water Project. The Water Authority has approximately $690 million in outstanding debt which is primarily attributed to carrying out the Water Resources Management Strategy projects, including the San Juan Chama Drinking Water Project. In addition, the Water Authority has secured its water supply for the long term compared to most utilities which must invest a significant amount of capital in securing a water supply. The Water Authority has never managed for a high rating from the three rating agencies. Although the ratings are above peer average, the amount of debt and cash on hand tend to be below peer. However, the cost of the new facilities, rehabilitation of existing facilities and asset management plan implementation will continue to require significant capital financing. The only way to improve this category would be to not invest in the required capital improvements and/or have significant rate increases to improve cash on hand. The long term outlook for the Water Authority is above peer given the capital investments which will be made and the rapid retirement of debt. The Water Authority has a bond rating of Aa2 by Moody's and AA by Fitch and AA by Standard and Poor's – all ratings which are above our peers.

FY14 Related Objectives
- Implement Phase 2 of the Enterprise Resource Planning (ERP) project to integrate and optimize major business management functions by the end of the 2nd Quarter of FY14; perform monthly hard closes in ERP and provide monthly financials by the end of the 1st Quarter of FY14; create a plan and schedule for ERP Phase 3 implementation by the end of the 1st Quarter FY14.

4-2 Return on Assets

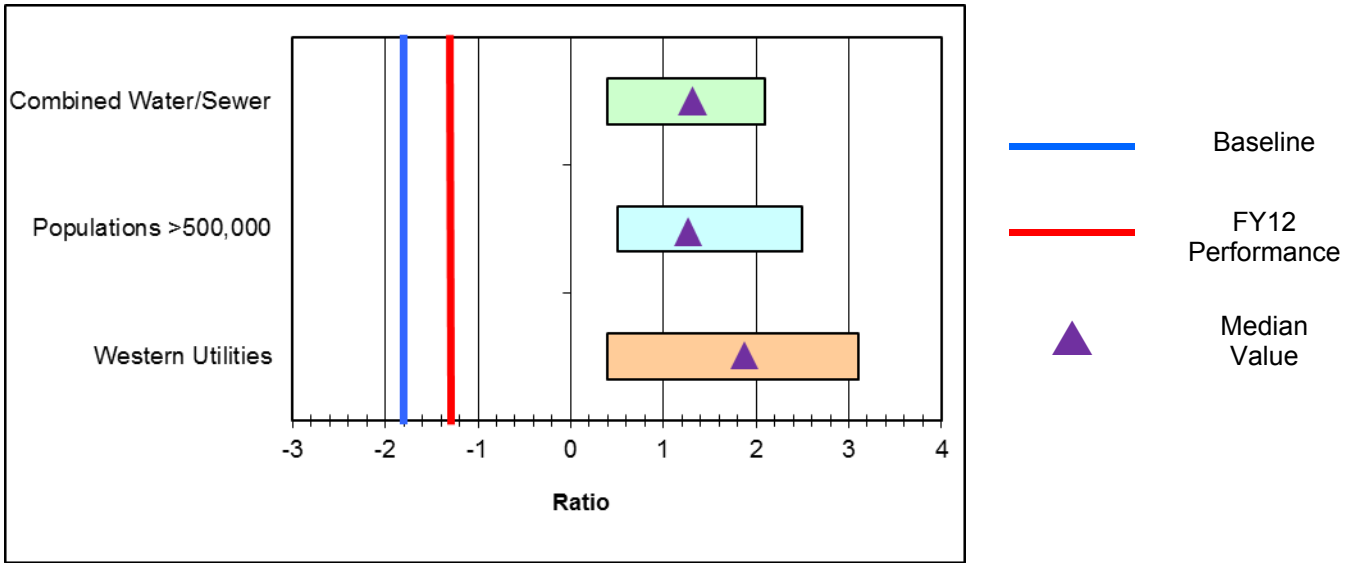
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure the financial effectiveness of the Water Authority	Net income and total assets	-1.7%	-1.4%	-2.4%	-1.3%	-1.0%	-1.0%	Improve the financial health of the Water Authority

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
2.1%	1.5%	0.4%	2.5%	1.4%	0.5%	3.1%	1.9%	0.4%

Performance Comparison Chart



Generally, higher values are desirable

Results Narrative

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

Measurement Status

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

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

4-3 System Renewal / Replacement Rate

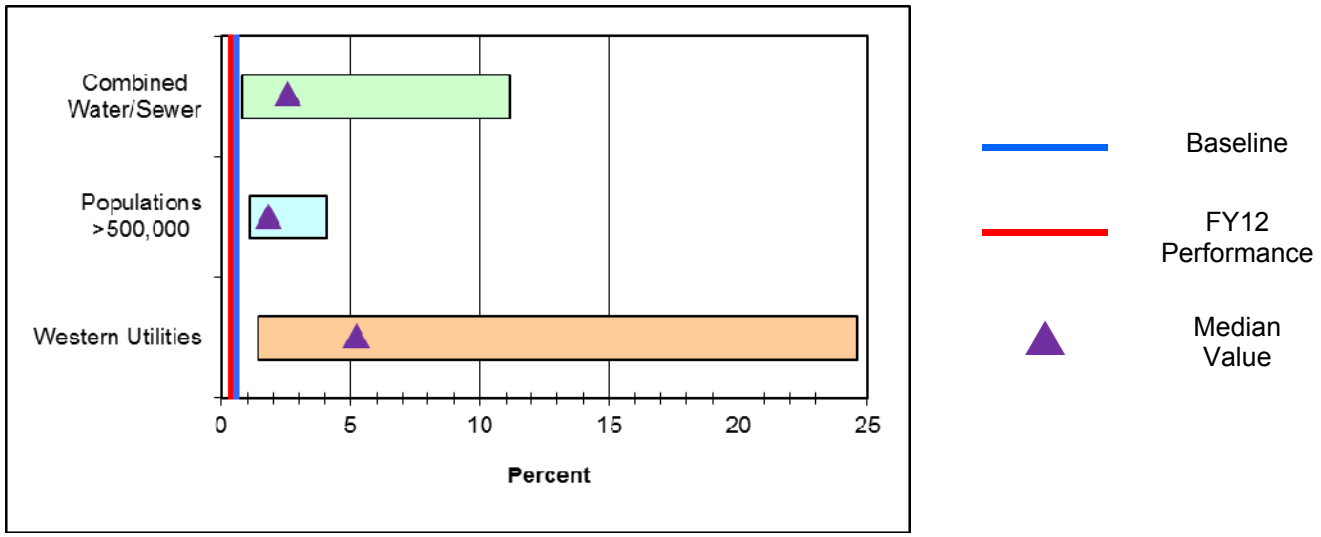
Performance Results (Water Pipeline & Distribution)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	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
11.2%	2.6%	0.8%	4.1%	1.7%	1.1%	24.6%	5.2%	1.4%

Performance Comparison Chart (Water Pipeline & Distribution)



Generally, higher values are desirable

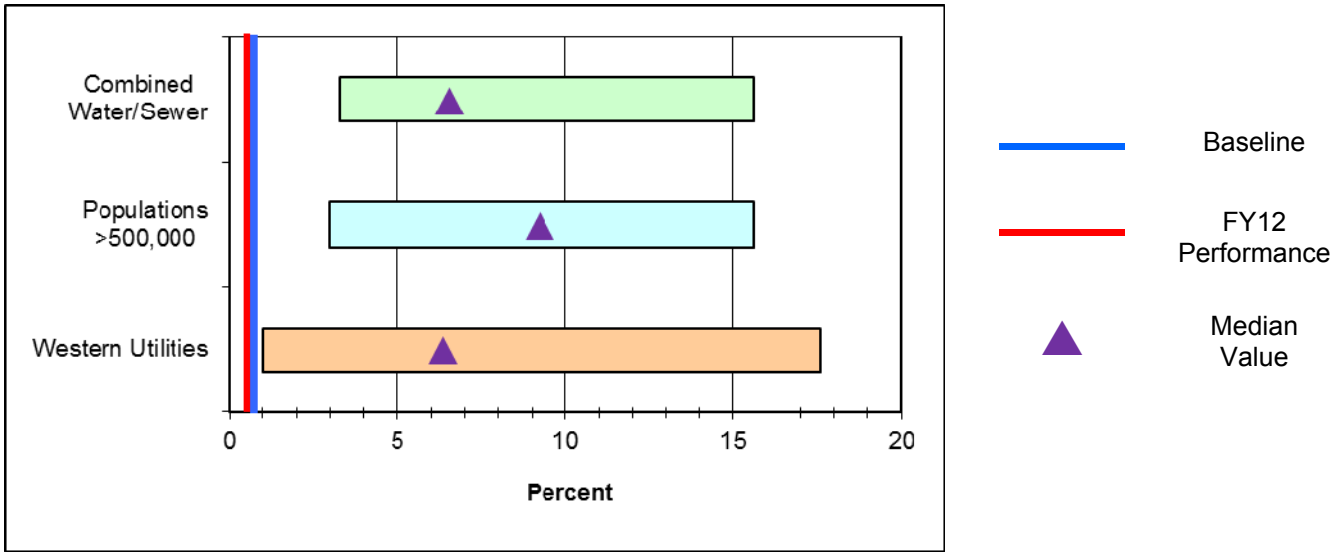
Performance Results (Water Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.6%	0.8%	0.6%	0.5%	0.5%	0.5%	Reduce corrective maintenance by investing in infrastructure improvements to the system

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
15.6%	6.7%	3.3%	15.6%	9.2%	3.0%	17.6%	6.3%	1.0%

Performance Comparison Chart (Water Facility & Pumping)



Generally, higher values are desirable

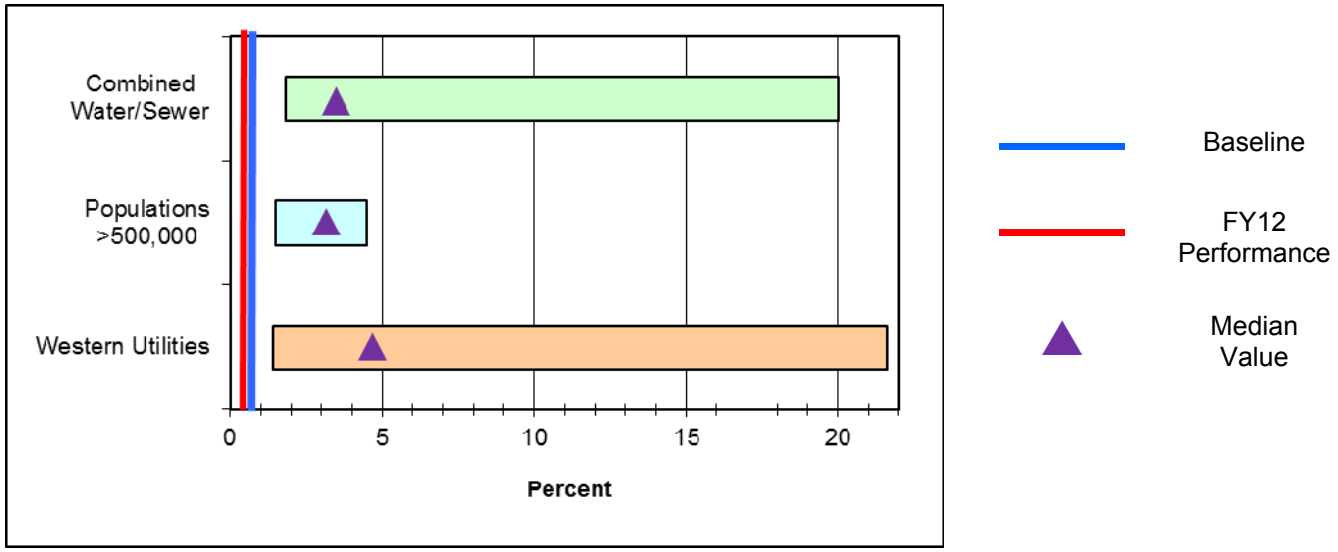
Performance Results (Wastewater Pipeline & Collection)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	0.5%	0.6%	0.6%	0.4%	0.4%	0.4%	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
20.0%	3.7%	1.8%	4.5%	3.3%	1.5%	21.6%	4.8%	1.4%

Performance Comparison Chart (Wastewater Pipeline & Collection)



Generally, higher values are desirable

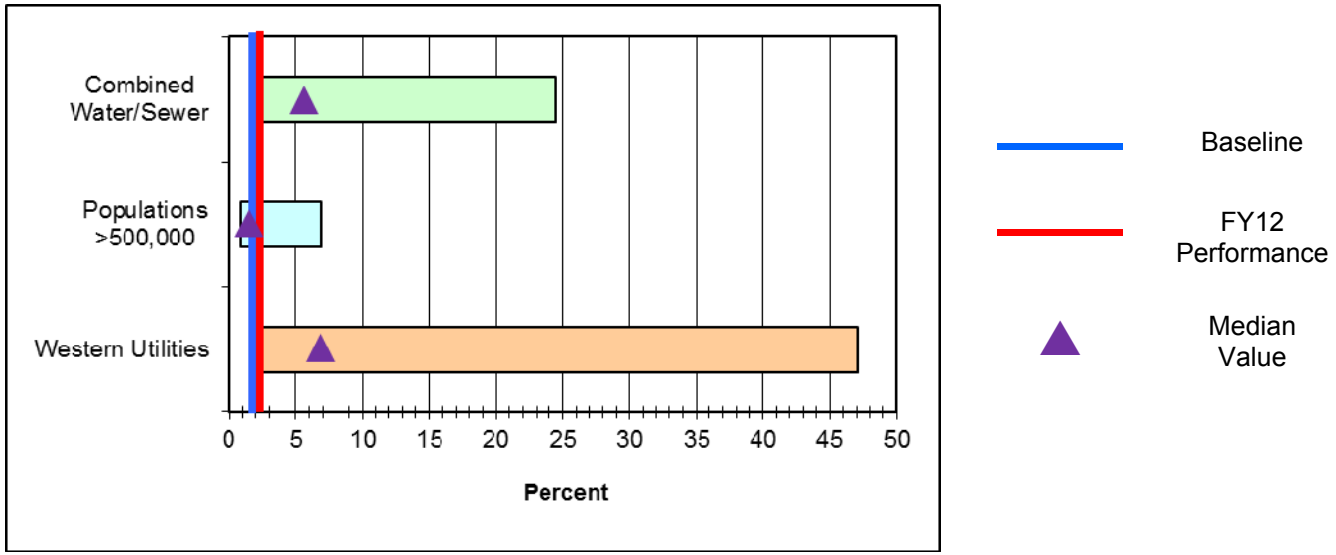
Performance Results (Wastewater Facility & Pumping)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Quantify the rate at which the Water Authority is meeting its individual need for infrastructure renewal or replacement	Total actual expenditures reserved for renewal and replacement and total present worth for renewal and replacement needs for each asset group	1.8%	1.4%	2.0%	2.1%	1.8%	1.9%	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
24.5%	5.8%	1.5%	6.9%	1.6%	0.9%	47.1%	6.9%	1.5%

Performance Comparison Chart (Wastewater Facility & Pumping)



Generally, higher values are desirable

Results Narrative

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

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

Measurement Status

The Water Authority's performance in this measure has been below the median range for the past three fiscal years for water distribution system and treatment and wastewater collection system and treatment. In FY07, the Water Authority increased its capital program spending from $30 million per year to $43 million per year, including significant increases in planned rehabilitation spending from $22 million to $31 million. Over the last five years, the Water Authority has averaged $37 million on rehabilitation spending.

In FY08, the Water Authority formally established its asset management program and established a Steering Committee to implement the program. The Committee's role is to communicate and drive the development and implementation of the asset management program. The program is an extensive, well thought out 'Business Model' that helps the Water Authority make better acquisition, operations and maintenance, renewal, and replacement decisions. In FY11, the Water Authority completed an Asset Management Plan (AMP) as a part of its asset management program. The AMP provides a 30-year projection that allows the Water Authority to budget for renewals and replacements into the future. In addition, the Water Authority will begin upgrading its work order system in a manner that supports asset management business objectives. Moreover, the Water Authority has incorporated asset management principles and management of risk into ten-year Capital Improvement Plan.

2012 Customer Opinion Survey

- 86% of customers feel that it is very or somewhat important to invest in the repair and replacement of old water and sewer lines

FY14 Related Objectives

- Expend $31 million in water and wastewater capital rehabilitation and replacement programs to replace aging, high risk assets that are past their useful life by the end of the 4th Quarter of FY14.
- Complete asset management plans for the reservoirs, wells, and pump stations to determine the condition of the Water Authority's groundwater facilities by the end of the 4th quarter of FY14.
- Implement the Reclamation Rehabilitation Asset Management Plan by planning, designing and constructing reclamation facility improvements through the end of the 4th Quarter of FY14.

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Goal 5
Organizational Development

Guiding Goal Statement

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

Goal Performance Scorecard

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

Performance Key

▲	■	■	▼
Excellent	Good	Fair	Poor

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Linkage of Objectives to Performance Measures / Performance Status

FY12 – FY 14 Objectives	Measure Reference	FY12 Status	FY13 Status	FY14 Estimate
Reduce the number of employee injury lost days by 10% to improve productivity and reliability of services (FY10-FY14)	**5-1**	■	▲	▲
Implement ACT-developed WorkKeys skill level assessment program to objectively evaluate skill levels of potential water and wastewater system entry-level applicants in order to improve the successful completion rate of State certifications required for promotions (FY13-14)	**5-2**	NA	■	■
Conduct an evaluation of plant facility operations and maintenance staff, standard operating procedures and training curriculums (FY14)	**5-2**	NA	■	■
Develop and implement employee performance evaluations to include performance on goals, objectives and benchmarks (FY10-FY14)	**5-4**	■	■	■
Maintain vacancy rate between 6%-10% (FY10-FY14)	**5-4**	▲	▲	▲

Performance Key

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

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Performance Measure Division Responsibility

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

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5-1 Employee Health and Safety Severity Rate

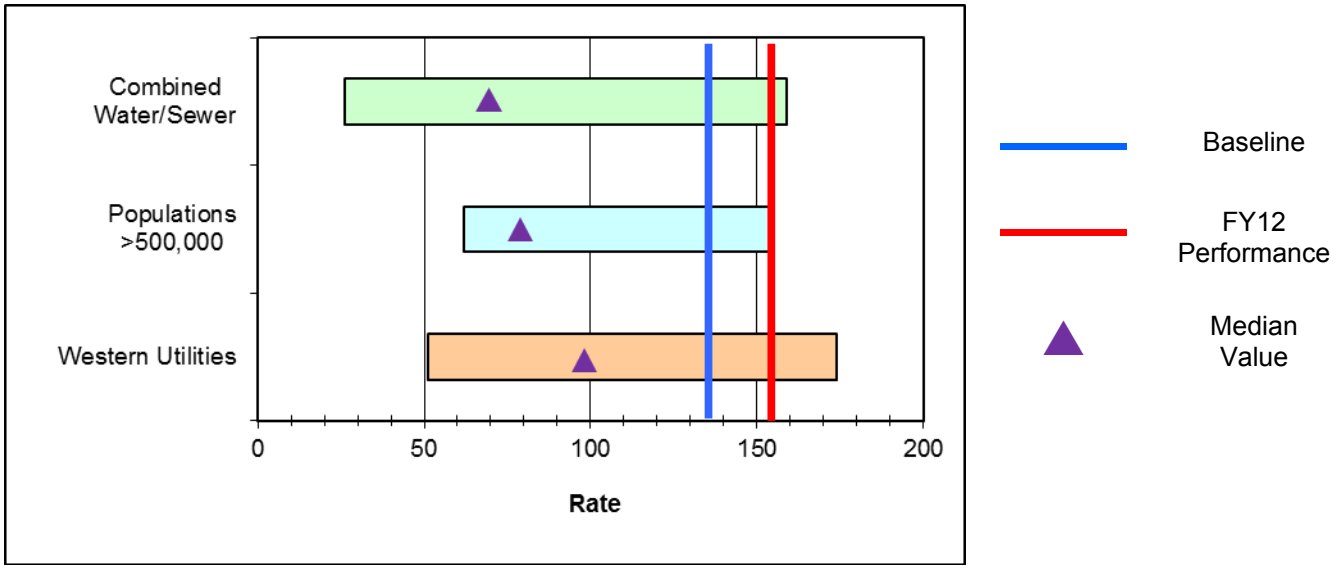
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				2010	2011	2012	2013	2014	
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	181	136	252	154	2	2	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
26	70	159	62	78	154	51	97	174

Performance Comparison Chart



Generally, lower values are desirable

Results Narrative

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

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

Measurement Status

The Water Authority's performance in this measure was below the median range since the Water Authority began measuring its performance in 2005. Since 2005, the Water Authority's performance in this measure has improved every year with a dramatic drop in 2009 – a 76% decrease from 2008. From past policy objectives, the Water Authority has developed safe work incentives and routine employee safety training. In addition, the Water Authority improved its Light Duty Program in order to get workers back to the job safely. This new process has provided a clearer understanding on what needs to take place when an injury occurs including the documentation, payroll coding and expectation and assignment of the employee. In 2009, the Water Authority awarded its employees with a $500 incentive payment, taxes paid, and in 2010, employees received $300 for meeting injury reduction goals. However, the Water Authority did not meet its FY11 goal due to several long-term injuries, but the utility did meet its FY12 and FY13 goals and awarded its employees with a $300 incentive payment. A policy objective for FY14 is to reduce injury hours to 3,000 hours or less to improve productivity and reliability of services provided by employees; the goal is connected with a $300 per employee safety incentive program.

FY14 Related Objectives

- Reduce injury hours to 3,000 hours or less to improve productivity and reliability of services provided by employees by the end of the 4th Quarter of FY14.
- Complete the evaluation of plant facility operations and maintenance staff and begin developing new operator and supervisor training curriculums and revising standard operating procedures for the Water and Wastewater Treatment Plants by the end of the 4th Quarter of FY14.

5-2 Training Hours per Employee

Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Effectiveness	Measure the quantity of formal training Water Authority employees actually completing	Number of formal training hours per employee per year	20	22	24	14	20	20	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
27	19	11	25	15	9	26	21	14

Performance Comparison Chart

Generally, higher values are desirable

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

Measurement Status
The Water Authority's performance in this measure has been within the median range for the past three fiscal years. The Water Authority adopted a policy objective in FY09 to increase certification training hours and by creating an organizational succession plan by implementing hiring, training and certification programs for mechanics, electricians and electronics technicians. The Water Authority has improved it performance in this measure in FY10 and FY11 from implementation of several training programs. The Water Authority will continue to improve its performance in FY14 on continuing to implement its training programs and developing new programs.

FY14 Related Objectives
- Implement an employee performance evaluation system that aligns to performance strategies through the 4th Quarter of FY14.
- Complete the first phase of the Operational Improvement Strategy by developing operation and maintenance plans and key performance indicators that align with the revised standard operating procedures and training curriculums in order improve work load management and system performance efficiencies by the end of the 3rd Quarter of FY14. Incorporate performance standards and metrics into monthly reporting by the end of the 4th Quarter of FY14.

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

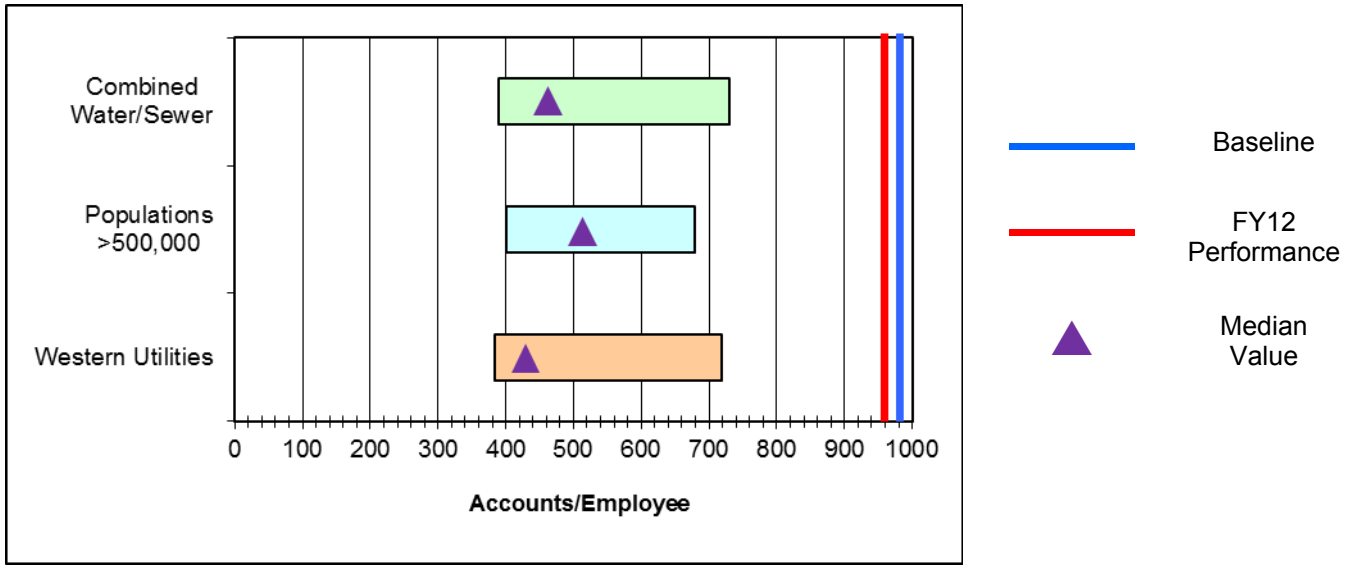
Performance Results (Customer Water Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	980	1,023	959	959	983	960	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
730	479	389	679	528	401	718	431	384

Performance Comparison Chart (Customer Water Accounts per Employee)



Generally, higher values are desirable

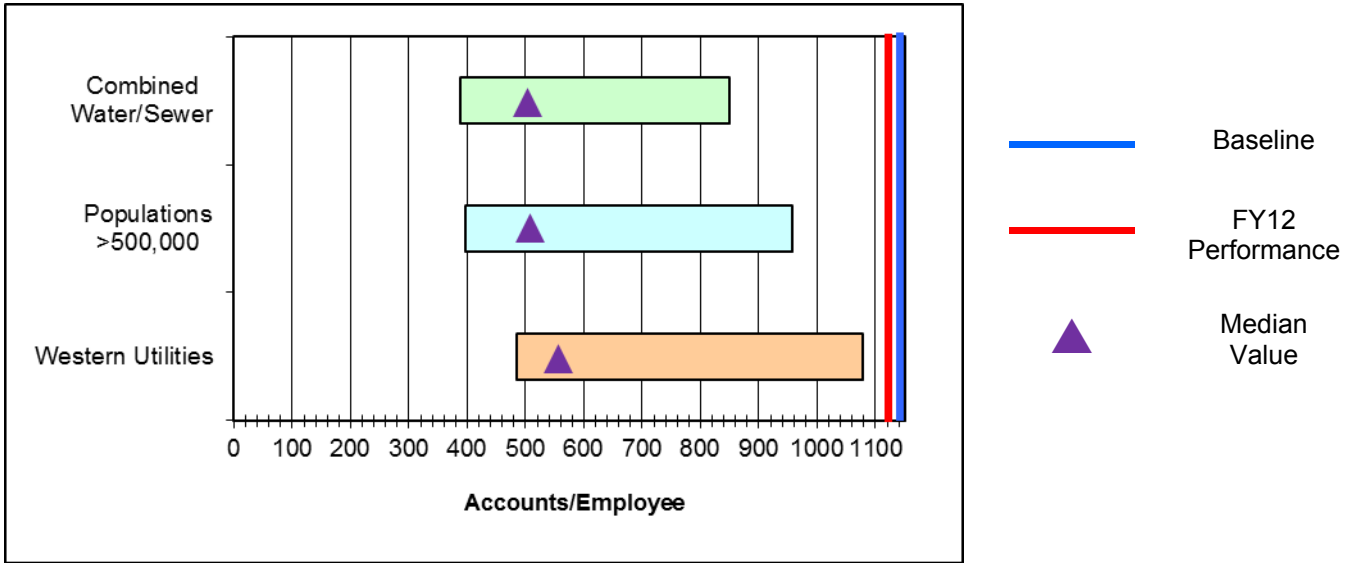
Performance Results (Customer Wastewater Accounts per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	1,124	1,138	1,116	1,118	1,113	1,189	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
849	504	388	957	510	397	1,078	567	484

Performance Comparison Chart (Customer Wastewater Accounts per Employee)



Generally, higher values are desirable

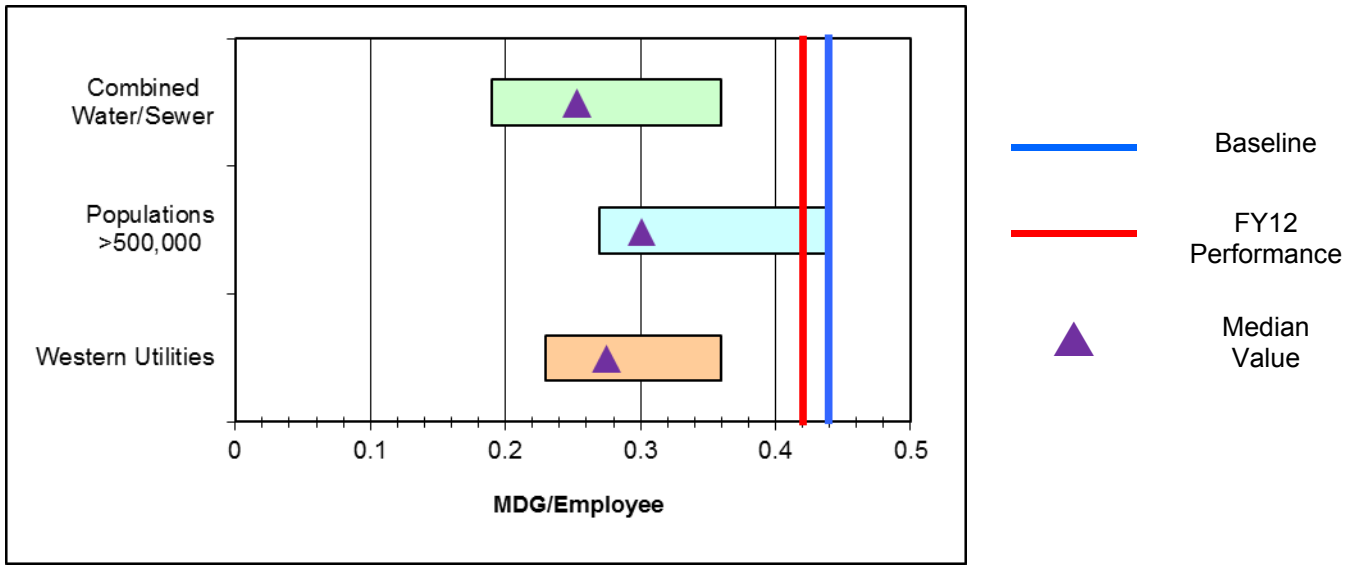
Performance Results (MGD Water Delivered per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.44	0.44	0.45	0.42	0.44	0.42	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
0.36	0.25	0.19	0.44	0.30	0.27	0.36	0.27	0.23

Performance Comparison Chart (MGD Water Delivered per Employee)



Generally, higher values are desirable

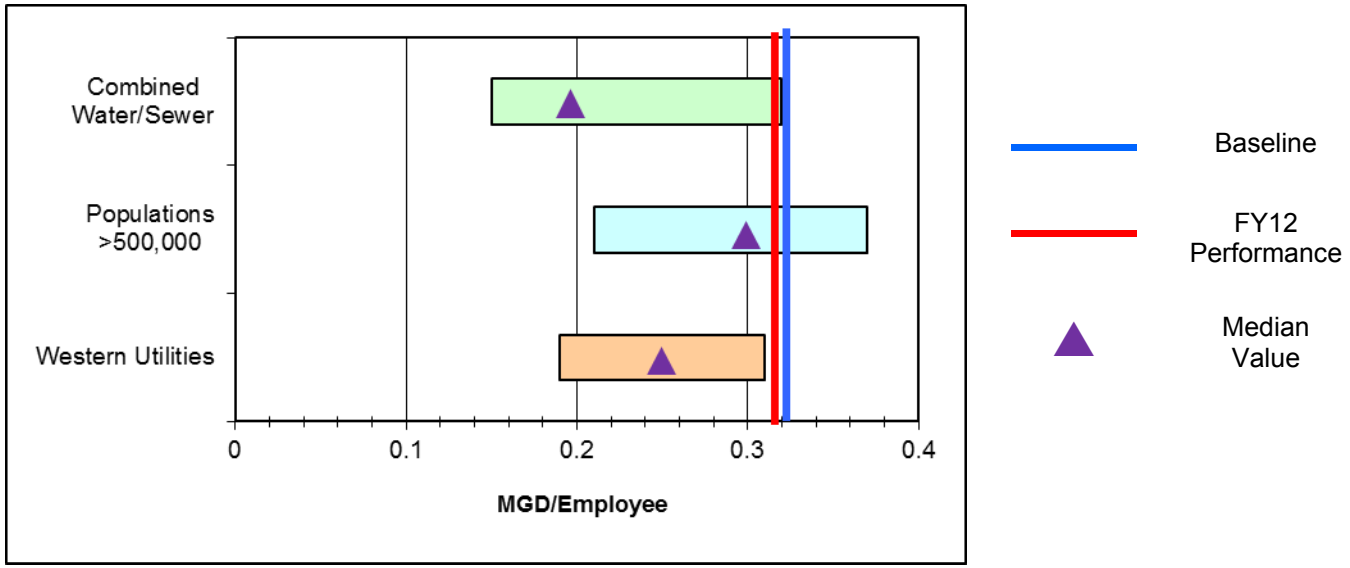
Performance Results (MGD Wastewater Processed per Employee)

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Efficiency	Measure employee efficiency	Number of active accounts per employee and average million gallons of water delivered and processed per day per employee	0.32	0.33	0.32	0.32	0.32	0.34	Provide efficient service to our customers to meet their expectations

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
0.32	0.20	0.15	0.37	0.31	0.21	0.31	0.25	0.19

Performance Comparison Chart (MGD Wastewater Processed per Employee)



Generally, higher values are desirable

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

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

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5-4 Organizational Best Practices Index

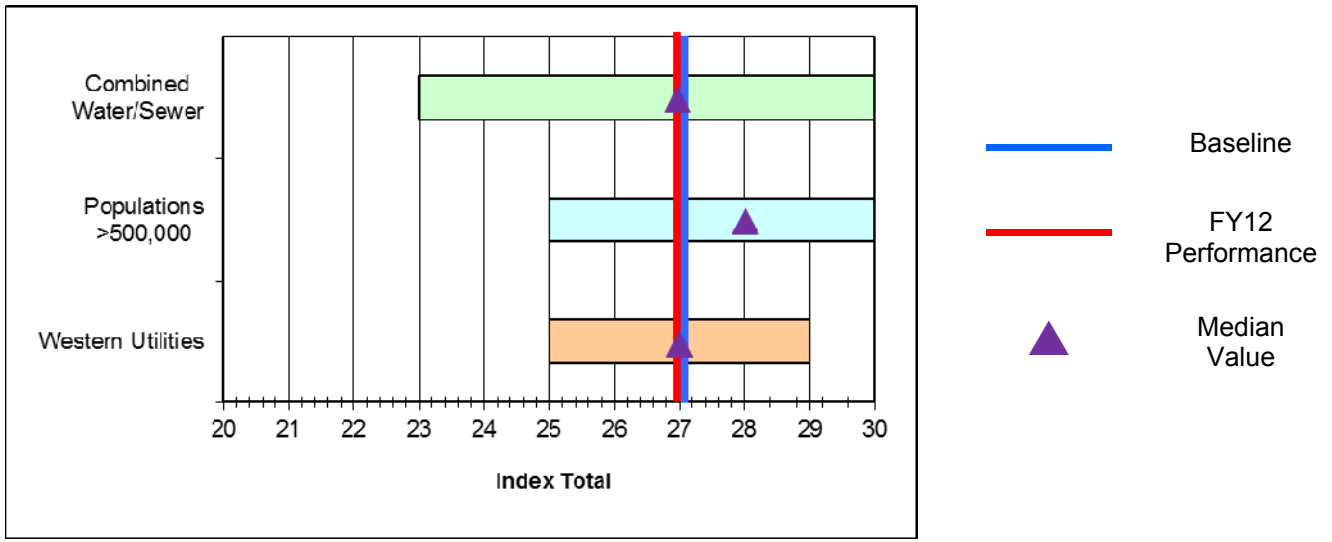
Performance Results

Measure Type	Purpose	Inputs	Outputs						Outcome
			Baseline	Prior Year Actuals			Current/Est	Projected	
				FY10	FY11	FY12	FY13	FY14	
Quality	To summarize the Water Authority's implementation of management programs important to water and wastewater utilities	Self-scoring system to identify the degree to which the Water Authority is implementing the seven organizational best practices	27	26	27	27	27	28	Implement best management practices to sustain a competitive work force

Industry Benchmark

Combined Water/Wastewater Utilities			Utilities with populations greater than 500,000			Utilities located in the Western United States		
Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile	Top Quartile	Median	Bottom Quartile
30	27	23	30	28	25	29	27	25

Performance Comparison Range Chart



Generally, higher values are desirable

Results Narrative

This measure summarizes the status of implementation of good management practices at a utility. It is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. Correlations with other measures might show that performance in other areas is related to investments in improved management practices. The Water Authority used a self-scoring system to identify the degree to which each of seven important practices being implemented. The scoring system is based on the results from the QualServe Self Assessments that the Water Authority completed in 2004 and 2011. Scores for the seven areas are aggregated to provide an index score. The practices included in the index are as follows:

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

Measurement Status

The Water Authority's performance in this measure is within the median range for past three fiscal years. After implementing the areas of improvement suggested in the 2004 QualServe Peer Review, the Water Authority anticipates continued progress on this measure. This measure is particularly useful for identifying potential benchmarking partners, especially organizations that may have advanced knowledge and experience with applying these tools. The Water Authority is working on its Effective Utility Management (EUM) program which incorporates the benchmarking performance indicators from the AWWA QualServe program. The utility will utilize the EUM program to make performance improvements in its operations and service delivery by examining its performance on a quarterly basis.

FY14 Related Objectives

- Maintain an average utility-wide vacancy rate of no greater than 6% through the end of FY14.
- Complete application to NACWA's Excellence in Management Program by the end of the 3rd Quarter of FY14.
- Continue implementation of mobile solutions to operations staff including Mobile Workforce Management software as part of AMI and GIS integration for optimization of the work order process through the end of the 4th Quarter of FY14
- Complete the first phase of the Operational Improvement Strategy by developing operation and maintenance plans and key performance indicators that align with the revised standard operating procedures and training curriculums in order improve work load management and system performance efficiencies by the end of the 3rd Quarter of FY14. Incorporate performance standards and metrics into monthly reporting by the end of the 4th Quarter of FY14.
- To prepare for the American Association for Laboratory Accreditation (A2LA) assessment in July 2015, conduct an internal audit of the Water Quality Laboratory to identify deficiencies, with results reported by the end of the 1st Quarter of FY14. Address and resolve deficiencies by the end of the 3rd Quarter of FY14.