



**TO:** Chairman and Board Members  
**FROM:** Mark Foree, General Manager  
**DATE:** October 8, 2013  
**SUBJECT:** **Presentation of proposed TMWA Goals and Objectives for Fiscal Year 2014, discussion and possible direction to staff**

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### **RECOMMENDATION**

Staff recommends that the Board adopt the Goals and Objectives for Fiscal Year 2014 as recommended and presented in this report.

### **DISCUSSION OF PROPOSED GOALS**

Attached is the at-a-glance summary for TMWA's proposed corporate and departmental goals for this fiscal year. Following is a discussion of some of staff's proposed changes to this year's goals as compared to last year's goals.

#### **Departmental: Efficiency**

- AWWA has updated their benchmarks and these revised numbers have been incorporated in to the goals for FY14.

#### **Corporate: Financial**

- Add the goal of "Renew or replace liquidity facilities that support the commercial paper program. Look into alternative variable rate programs."
- Add the goal of "Create combined utility five year financial projection to support merger decision, for credit rating, and for future debt issuance purposes."
- Add the goal of "Investigate debt restructuring opportunities from a TMWA and merged utility perspective that can bring significant measurable savings from a long term perspective."

**Departmental: Customer Service**

- Lower the Call Center “average call handle” goal from 4 minutes, 30 seconds to 4 minutes, 15 seconds.
- Raise the “backflow retrofit” goal from 65 to 100.

**Departmental: Distribution**

- Raise the hydro availability goal from 95% to 97%.

**Departmental: Natural Resources**

- Add the goal to “Acquire water rights for TROA water quality component for the benefit of Reno, Sparks and Washoe County.”
- Add the new goal to “Deploy New Business work order tracking system integrating with existing GIS, CMMS and Records systems.”

**TMWA Goals and Objectives - FY2014**  
**At a Glance**

Fiscal Year Results

Met Goal

AWWA Benchmark / Industry Standard / Comments

**Corporate:**

<u>Customer Satisfaction</u>	1	Residential Customers Totally or Mostly Satisfied: 71%-81% is good; 82%-86% is Excellent; over 86% Outstanding.			Same
	2	Commercial Customers Totally or Mostly Satisfied: 77%-87% is Good; 88%-90% is Excellent; over 90% Outstanding.			Same
	3	Meet the Vertex contract requirement of 80% of calls answered within 35 seconds			Same
<u>Efficiency</u>	1	Track customer accounts per employee and compare to national benchmark			Updated with the latest AWWA Benchmark Top Quartile = 718; Median = 508; Bottom = 382
	2	Track average MGD delivered per employee and compare to national benchmark			Updated with the latest AWWA Benchmark Top Quartile = 0.31; Median = 0.27; Bottom = 0.16
	3	Analyze costs, benefits and funding opportunities for energy efficiency projects and/or alternate / alternative energy sources			Modified slightly
<u>Safety</u>	1	TMWA will maintain a Safety Incident Rate (all medical accidents per 200,000 manhours worked) graded on the following scale: Over 5 is Needs Improvement; 4-5 is Good; Less than 4 is Excellent.		Same	Industry Standard Bureau of Labor Statistics = 4.6 Average Incident Rate for Water Utility Systems
	2	Track preventable vehicle accident rate and compare to industry standard.		Same	Industry Standard Average rating is 0.5 per 100,000 miles driven
<u>Financial</u>	1	Comply with all debt covenants.			Same
	2	Underspend operating and capital budgets.			Same
	3	Update Five Year Funding Plan.			Same
	4	Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus (AA- stable) pre- and post-merger.			Modified slightly
	5	Renew or replace liquidity facilities that support the commercial paper program. Look into alternative variable rate programs.			New
	6	Create combined utility five year financial projection to support merger decision, for credit rating, and for future debt issuance purposes.			New
	7	Investigate debt restructuring opportunities from a TMWA and merged utility perspective that can bring significant measurable savings from a long term perspective.			New

**Departmental:**

<u>Treatment</u>	1	Meet the treatment costs set according to anticipated production.			Same
	2	Meet the benchmark of 0 MCL violations.			Same
	3	Maintain effluent turbidity 95% of the time at less than: 0.20 NTU is Good; 0.15 NTU is Excellent; 0.10 NTU is Outstanding.			Same

**TMWA Goals and Objectives - FY2014**  
**At a Glance**

		<u>Fiscal Year Results</u>	<u>Met Goal</u>	<u>AWWA Benchmark / Industry Standard / Comments</u>
<u>Distribution</u>	1	Track system reliability by calculating unplanned outage hours per 1000 customers and compare to national benchmarks		Updated with the latest AWWA Benchmark Top Quartile = 0.80; Median = 2.56; Bottom = 7.21 Top Quartile = 0.40; Median = 1.35; Bottom = 3.41
	2	Maintain 97% Hydroelectric plant generation availability based on available River flows.		Changed from 95% to 97%.
<u>Customer Service</u>	1	Customer Call Center will average a call handle time of 4 minutes, 15 seconds or less.		Changed from 4 minutes, 30 seconds to 4 minutes, 15 seconds.
	2	Achieve a monthly average of 12 non-weather estimates on all meter reads.		Same
	3	The fiscal year average for disconnect for nonpayment service orders to active accounts will be 0.4% or less.		Same
	4	The write off to revenue will be 0.30% or less at fiscal year end.		Same
	5	Hold a minimum of 12 public workshops and/or tours with a primary focus on responsible water use and education.		Same
	6	Achieve 100% backflow testing compliance for all new construction and TMWA-owned devices, as well as 100% continued notification for backflow testing compliance for all existing customers.		Same
	7	Perform 100 backflow retrofits.		Changed from 65 to 100 retrofits.
<u>Natural Resources</u>	1	TROA: Complete Orr Ditch hearings on motion to amend the Orr Ditch Decree and appeal of Nevada State Engineer Order 6035.		Same
	2	TROA: Respond to California Water Resource Board draft order changing CA reservoir permits/licenses.		Same
	3	TROA: Acquire water rights for TROA water quality component for the benefit of Reno, Sparks and Washoe County.		new
	4	Continue active role in maintaining adequate water rights inventory, analyze purchase opportunities.		Same
	5	Turn around new business application water rights work within 10 days.		Same
	6	Deploy New Business work order tracking system integrating with existing GIS, CMMS and Records systems.		new
<u>Engineering &amp; New Business</u>	1	Continue cooperative coordination with Agencies and complete projects on schedule.		Same
	2	Deliver required in-service dates for major capital projects on/under budget.		Same
	3	Continue to measure and report new business turnaround times.		Same