



STAFF REPORT

TO: Chairman and Board Members
FROM: Mark Foree, General Manager
DATE: October 6, 2015
SUBJECT: **Presentation of proposed TMWA Goals and Objectives for Fiscal Year 2016, discussion and possible direction to staff**

RECOMMENDATION

Staff recommends that the Board adopt the Goals and Objectives for Fiscal Year 2016 as recommended and presented in this report.

DISCUSSION OF PROPOSED GOALS

Attached is the at-a-glance summary for TMWA's proposed organization 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.

Organization: Efficiency

- Updated Goals 1 and 2 to reflect 2013 AWWA Benchmark Survey Standards.

Organization: Safety

- Updated Goal 1 as Industry Standard Bureau of Labor Statistics updated their benchmarks for average incident rate and these revised numbers have been incorporated in to the goals for FY16.
- Updated Goal 2 to compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report and these numbers have been updated for FY16.

Organization: Financial

- Updated Goal 5 to eliminate “pre- and post- merger” in preserving or improving TMWA’s excellent credit ratings.
- Updated Goal 7 to include “consolidated water utility” in order to investigate debt restructuring opportunities post-merger.

Departmental: Treatment

- Cost production table is proposed to change based on increased well-pumping costs due to drought.

| PRODUCTION | 2015 GOALS | PROPOSED 2016 GOALS |
|-------------------|-------------------|----------------------------|
| 24,000 MG | \$418/MG | \$455/MG |
| 25,000 MG | \$368/MG | \$436/MG |
| 26,000 MG | N/A | \$420MG |

Departmental: Distribution

- Updated Goal 1 to reflect 2013 AWWA Benchmarking Survey Standards for calculating unplanned outage hours per 1,000 customers.
- Added Goal 2 to track system reliability for planned outage hours per 1,000 customers.
- Updated Goal 3 to 95 percent (the original target) due to low river flows which makes it difficult to operate the hydro plants and reduces hydro generation.

Departmental: Customer Service

- Goal 1: Increased average call handle time from 4 minutes, 15 seconds or less to 4 minutes, 30 seconds or less to reflect increased number of customers and drought inquiries.
- Added Goal 8 to “Develop and implement Conservation Communication Plan for the 2016 irrigation season”.

Departmental: Natural Resources

- Updated Goal 1 to reflect TROA appeals in process to complete Orr Ditch hearings to amend the Orr Ditch Decree, defend appeals of Nevada State Engineer (NSE) Order 6035 and California State Water Resource Control Board Order 1651.
- Added Goal 2 to assist Reno/Sparks/Washoe to complete the acquisition of 6,700 acre feet.
- Added Goal 3 to “file petitions to dismiss U.S. v TCID and Pyramid Lake Paiute Tribe v California”.
- Updated Goal 5 to “Complete 2016-2035 Water Resource Plan”.
- Added Goal 7 to “Mapping of ‘as-built’ drawings within 15 days of submittal of ‘redline’ drawing”.



**TRUCKEE MEADOWS WATER
AUTHORITY**

**PROPOSED
GOALS & OBJECTIVES**

AT-A-GLANCE

FY 2016



| ORGANIZATION | | AWWA BENCHMARK/ INDUSTRY STANDARD | MEASURE | TARGET |
|-----------------------|---|---|---|--|
| Customer Satisfaction | Goal 1: Residential Customers Totally or Mostly Satisfied. | 71%-81% = Good 82%-86% = Excellent 86% + = Outstanding | % of residential customer's satisfaction | At least 86% residential customer satisfaction |
| | Goal 2: Commercial Customers Totally or Mostly Satisfied. | 77%-87% = Good 88%-90% = Excellent 90% + = Outstanding | % of commercial customer satisfaction | At least 90% commercial customer satisfaction |
| | Goal 3: Meet the Vertex contract requirement of 80% of calls answered within 35 seconds. | | % of calls answered within 35 seconds | 80% |
| Efficiency | Goal 1: Track customer accounts per employee and compare to national benchmark. | <ul style="list-style-type: none"> • Top Quartile = 583 • Median = 428 • Bottom = 331 | | |
| | Goal 2: Track average MGD delivered per employee and compare to national benchmark. | <ul style="list-style-type: none"> • Top Quartile = 0.33 • Median = 0.25 • Bottom = 0.16 | | |
| Safety | Goal 1: TMWA will maintain a Safety Incident Rate (all medical accidents per 200,000 manhours worked). Industry Standard Bureau of Labor Statistics = 2.6 Average Incident Rate for Water Utility Systems. | 4 + = Needs Improvement 2-4 = Good < 2 = Excellent. | Average number of incidents | 2.6 or less incidents |
| | Goal 2: Track Collisions Per Million Miles (CPMM) and compare against Network of Employers for Traffic Safety Fleet Safety Benchmark Report (Reporting for North America Only, All Vehicles). | Composite rating is 5.61 per 1,000,000 miles driven. | # of collision per 1,000,000 miles driven | 5 collisions |
| Financial | Goal 1: Meet all bond covenants. | | # of bond covenants met | 100% |
| | Goal 2: Meet or underspend Capital Commitments as approved by the Board. | | \$ spent | Met or underspent |
| | Goal 3: Meet or underspend O&M Budget Commitments | | \$ spent | Met or underspent |
| | Goal 4: Update Five Year Funding Plan. | | Update completed | 100% |
| | Goal 5: Preserve or improve TMWA's excellent credit ratings by the three major credit rating bureaus (AA- stable). | | Maintain or improve credit ratings | AA- stable or better |
| | Goal 6: Complete merger for accounting/finance and financial reporting purposes. | | Projection completed | 100% |
| | Goal 7: Create consolidated utility five year financial projection, for credit rating, and for future debt issuance/restructuring purposes. | | | Debt restructured, if savings realized |

| DEPARTMENT | | AWWA BENCHMARK/ INDUSTRY STANDARDS | MEASURE | TARGET |
|---|--|--|---|---|
| Treatment | Goal 1: Meet the treatment costs set according to anticipated production. | | Achieve \$/MG in the respective production category | 24,000 = \$455/MG 25,000 = \$436/MG 26,000 = \$420/MG |
| | Goal 2: Meet the benchmark of 0 MCL violations. | | # of MCL violations | 0 |
| | Goal 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. | <ul style="list-style-type: none"> • 0.30 NTU = EPA Standard • 0.20 NTU = Good; • 0.15 NTU = Excellent; • 0.10 NTU = Outstanding | NTU | ≤ 0.10 NTU |
| Distribution | Goal 1: Track system reliability by calculating unplanned outage hours per 1000 customers and compare to national benchmarks. | | # of unplanned outages/1,000 customers | Median or better |
| | < 4 hours | Top = 0.31 Median = 1.30 Bottom = 2.73 | | |
| | 4 – 12 hours | Top = 0.00 Median = 0.24 Bottom = 0.56 | | |
| | Goal 2: Track system reliability by calculating planned outage hours per 1,000 customers and compare to national benchmarks. | | # of unplanned outages/1,000 customers | Median or better |
| | < 4 hours | Top = 0.00 Median = 0.53 Bottom = 7.21 | | |
| | 4 – 12 hours | Top = 0.00 Median = 0.10 Bottom = 0.64 | | |
| Goal 3: Maintain 95% Hydroelectric plant generation availability based on available River flows. | | % hydro generation availability | 95% | |
| Customer Service | Goal 1: Customer Call Center will average a call handle time of 4 minutes, 30 seconds or less. | | Average handle time per call | 4 min, 30 seconds or less |
| | Goal 2: Achieve a monthly average of 4 non-weather estimates on all meter reads. | | Monthly average of non-weather estimates | 4/month or less |
| | Goal 3: The fiscal year average for disconnect for non-payment service orders to active accounts will be 0.30% or less. | | % average of disconnects for non-payment | 0.30% or less |
| | Goal 4: The write off to revenue will be 0.25% or less at fiscal year-end. | | % of write off to revenue | 0.25% or less |

| DEPARTMENT | | AWWA BENCHMARK/ INDUSTRY STANDARDS | MEASURE | TARGET |
|---|---|---|---|-----------------------------|
| Customer Service (Continued) | Goal 5: Hold a minimum of 18 public workshops and/or tours with a primary focus on responsible water use and education. | | # of public workshops and/or tours | 18 or more |
| | Goal 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. | | % of backflow testing compliance achieved | 100% |
| | Goal 7: Complete 125 backflow retrofits. | | # of backflow retrofits | 125 or more |
| | Goal 8: Develop and implement Conservation Communication Plan for the 2016 irrigation season. | | Plan completed and presented at the March 2016 Board meeting. | Plan approved |
| Natural Resources | Goal 1: Complete Orr Ditch hearings on motion to amend the Orr Ditch Decree; defend appeals of Nevada State Engineer (NSE) Order 6035 and California State Water Resource Control Board Order 1651. | | All TROA appeals finalized/completed | 100% |
| | Goal 2: Assist RSW with completion of 6700 af acquisitions; assist RSW using ILA monies from WRWC to file transfer applications on 6700 af acquisitions. | | Completion of 6700 af acquisitions and assist RSW with transfers | 100% |
| | Goal 3: File petitions to dismiss U.S. v TCID and Pyramid Lake Paiute Tribe v California | | Court cases dismissed | 100% |
| | Goal 4: Continue active role in maintaining sufficient water rights inventory, analyze purchase opportunities. | | Maintain sufficient water rights inventory | Report to the Board monthly |
| | Goal 5: Complete 2016-2035 Water Resource Plan | | Water Resource Plan completed | 100% |
| | Goal 6: Turn around new business application water rights work within 10 days. | | # of days turnaround new business application | 10 days or less |
| | Goal 7: Mapping of 'as-built' drawings within 15 days of submittal of 'redline' drawing. | | # of days mapping of 'as-built' drawings of 'redline' drawing submittal | 15 days or less |
| Engineering & New Business | Goal 1: Continue cooperative coordination with Agencies and complete projects on schedule. | 1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding | Average response rate | 4 or higher |
| | Goal 2: Deliver required in-service dates for major capital projects on/under budget. | | \$28,600,000 | Met or underspent |
| | Goal 3: Continue to measure and report new business turnaround times. | 75% ≤ 30 days 100% ≤ 60 days | % turnaround in ≤ 30 or ≤ 60 days | 75% 100% |