



**STAFF REPORT**

**TO:** Chairman and Board Members  
**FROM:** Mark Foree, General Manager  
**DATE:** October 3, 2016  
**SUBJECT:** Discussion and action, and possible direction to staff on the proposed TMWA Goals and Objectives for Fiscal Year 2017

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**RECOMMENDATION**

Staff recommends that the Board adopt the Goals and Objectives for Fiscal Year 2017 as recommended and presented in this report. Where appropriate, TMWA uses the American Water Works Association (AWWA) Benchmarking Survey Results for some of the goals to measure against.

**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: Safety**

- Updated Goal 1 as the Industry Standard Bureau of Labor Statistics has updated their benchmark for average incident rate.
- Updated Goal 2 as the Network of Employers for Traffic Safety Fleet Safety Benchmark Report has an updated benchmark.

**Organization: Financial**

- Updated Goal 5 to preserve or improve TMWA’s excellent credit ratings by two major credit rating bureaus: S&P and Moody’s.
- Added Goal 8 to maintain a low debt ratio based on the 2013 AWWA Benchmark Survey Standards.

- Added Goal 9 to maintain a minimum of 517 days of cash reserve (top quartile) based on the 2013 AWWA Benchmark Survey Standards.
- Added Goal 10 to maintain a debt service coverage ratio of 1.5 based on TMWA financial policy and the 2013 AWWA Benchmark Survey Standards.

**Departmental: Treatment**

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

<b>PRODUCTION</b>	<b>2016 GOALS</b>	<b>PROPOSED 2017 GOALS</b>
<b>24,000 MG</b>	\$455/MG	\$462/MG
<b>25,000 MG</b>	\$436/MG	\$444/MG
<b>26,000 MG</b>	\$420/MG	\$427MG

**Departmental: Customer Service**

- Updated Goal 7 to perform 175 backflow retrofits as compared to a goal of 125 in FY16.
- Added Goal 8 to maintain a high level (top quartile) of billing accuracy based on the 2013 AWWA Benchmark Survey Results.

**Departmental: Natural Resources**

- Added Goal 1 to maximize the benefit of the implementation of the Truckee River Operating Agreement (TROA). Hydrologic conditions must be analyzed by TMWA under TROA for opportunities to maximize our storage capabilities and improve cooperation among the TROA parties.
- Added Goal 2 to increase community awareness and understanding of TROA through multiple presentations and workshops in order to provide a better understanding of our customers of how TMWA manages its water resources.
- Added Goal 3 to optimize aquifer storage and recovery (ASR) and passive recharge capabilities and operations. Due to implementation of TROA and the merger with Washoe County, TMWA needs to analyze whether any changes should be made to ASR and passive recharge strategies.

- Added Goal 4 to continue permitting process for the Mt. Rose Water Treatment Plant in order to ensure sustainability of the groundwater resource.
- Added Goal 5 to review, monitor and advise the Board regarding 2017 bills that may affect TMWA during the 2017 Nevada Legislative Session.

**Departmental: Engineering & New Business**

- Updated Goal 2 to reflect priority capital projects for FY17

**Departmental: Business Information Services**

The merging of the IT and GIS and Records departments into the Business Information Services occurred at the beginning of 2016 in order to streamline processes and be more efficient. The following goals reflect the department's priorities for FY17.

- Updated Goal 1 (moved from Natural Resources) and reduced the number of days for completion of mapping of New Business 'as built' drawings from 15 to 10 days.
- Added Goal 2 to close helpdesk tickets within 48 hours or less
- Added Goal 3 to develop a capital project workflow in PLL by end of FY17
- Added Goal 4 to develop a TMWA Business continuity/disaster recovery plan by end of FY17.



**TRUCKEE MEADOWS WATER  
AUTHORITY**

**PROPOSED  
GOALS & OBJECTIVES**

**AT-A-GLANCE**

**FY 2017**

ORGANIZATION		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
Customer Satisfaction	<b>Goal 1:</b> 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
	<b>Goal 2:</b> Commercial Customers Totally or Mostly Satisfied.	77%-87% = Good 88%-90% = Excellent 90% + = Outstanding	% of commercial customer satisfaction	At least 90% commercial customer satisfaction
	<b>Goal 3:</b> Meet the Vertex contract requirement of 80% of calls answered within 35 seconds.		% of calls answered within 35 seconds	80%
Efficiency	<b>Goal 1:</b> Track customer accounts per employee and compare to national benchmark.	Top Quartile = 583 Median = 428 Bottom = 331	# of accounts per employee	Top quartile
	<b>Goal 2:</b> Track average MGD delivered per employee and compare to national benchmark.	Top Quartile = 0.33 Median = 0.25 Bottom = 0.16	Average MGD delivered per employee	Top quartile
Safety	<b>Goal 1:</b> TMWA will maintain a Safety Incident Rate graded on the following scale: Needs Improvement: Incident rate over <b>5.5</b> Good: Incident rate of <b>3 – 5.5</b> Excellent: Incident rate of less than <b>3</b>	<b>Industry Standard Bureau of Labor Statistics 2014:</b> 5.4 Average Incident Rate for Water Supply & Irrigation Systems – Local Government	Incident rate	5.4 or less
	<b>Goal 2:</b> 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).	<b>2015 CPMM for North America Only, All Vehicles:</b> Composite rating is 5.57 per 1,000,000 miles driven	# of collision per 1,000,000 miles driven	Less than 5.57



ORGANIZATION		AWWA BENCHMARK/ INDUSTRY STANDARD	MEASURE	TARGET
Financial	<b>Goal 1:</b> Meet all bond covenants.		# of bond covenants met	100%
	<b>Goal 2:</b> Meet or underspend Capital Commitments as approved by the Board.		\$ spent	Met or underspent
	<b>Goal 3:</b> Meet or underspend O&M Budget Commitments.		\$ spent	Met or underspent
	<b>Goal 4:</b> Update Five Year Funding Plan.		Update completed	100%
	<b>Goal 5:</b> Preserve or improve TMWA's excellent credit ratings by the two major credit rating bureaus S&P (AA stable) and Moody's (Aa2 stable).		Maintain or improve credit ratings	AA /Aa2 - stable or better
	<b>Goal 6:</b> Create 5-year financial projection, for credit rating, and for future debt issuance/restructuring purposes.		Projection completed	100%
	<b>Goal 7:</b> Investigate debt restructuring opportunities from a consolidated water utility perspective that can bring significant measurable savings from a long term perspective.			Debt restructured, if savings realized
	<b>Goal 8:</b> Maintain a low debt ratio.	Top Quartile = 17% Median = 32% Bottom Quartile = 59%		Median
	<b>Goal 9:</b> Sustain a minimum of 517 days of cash reserve.	Top Quartile = 517 Median = 258 Bottom Quartile = 139		Top quartile
	<b>Goal 10:</b> Maintain a debt-service coverage ratio of 1.5.	Top Quartile = 2.62 Median = 1.45 Bottom Quartile = 0.47		1.5
Treatment	<b>Goal 1:</b> Meet the treatment costs set according to anticipated production.		Achieve \$/MG in the respective production category	24,000 = \$462/MG 25,000 = \$444/MG 26,000 = \$427/MG
	<b>Goal 2:</b> Meet the benchmark of 0 MCL violations.		# of MCL violations	0
	<b>Goal 3:</b> 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.	At less than: 0.30 NTU = EPA Standard 0.20 NTU = Good; 0.15 NTU = Excellent; 0.10 NTU = Outstanding	NTU	≤ 0.10 NTU

DEPARTMENT		AWWA BENCHMARK/ INDUSTRY STANDARDS	MEASURE	TARGET
Distribution	<b>Goal 1:</b> Track system reliability by calculating unplanned disruptions per 1,000 customers and compare to national benchmarks.		# of unplanned disruptions/ 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		
	<b>Goal 2:</b> Track system reliability by calculating planned disruptions per 1,000 customers and compare to national benchmarks.		# of unplanned disruptions/ 1,000 customers	Median or better
	< 4 hours	Top = 0.00 Median = 0.53 Bottom = 1.83		
	4 – 12 hours	Top = 0.00 Median = 0.10 Bottom = 0.64		
	<b>Goal 3:</b> Maintain 95% Hydroelectric plant generation availability based on available River flows.		% hydro generation availability	95%
Customer Service	<b>Goal 1:</b> 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
	<b>Goal 2:</b> Achieve a monthly average of 4 non-weather estimates on all meter reads.		Monthly average of non-weather estimates	4/month or less
	<b>Goal 3:</b> 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
	<b>Goal 4:</b> The write off to revenue will be 0.25% or less at fiscal year-end.		% of write off to revenue	0.25% or less
	<b>Goal 5:</b> 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
	<b>Goal 6:</b> 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%
	<b>Goal 7:</b> Perform 175 backflow retrofits.		# of backflow retrofits	175 or more
	<b>Goal 8:</b> Maintain a high level of billing accuracy	Top Quartile = 4.3 Median = 8.1 Bottom Quartile = 28.5		Top quartile

DEPARTMENT		AWWA BENCHMARK/ INDUSTRY STANDARDS	MEASURE	TARGET
Natural Resources	<b>Goal 1:</b> Maximize benefit of TROA implementation.		Maximize upstream storage under TROA within hydrological and operational constraints.	100%
	<b>Goal 2:</b> Increase community awareness and understanding of TROA and its benefit to our area's municipal water supply.		Continue giving presentations to customer/industry groups regarding the benefits of TROA to the area's municipal water supply.	At least 10 presentations, 3 workshops
	<b>Goal 3:</b> Optimize aquifer storage and recovery (ASR) and passive recharge capabilities and operations.		Analyze effectiveness of ASR and passive recharge on a well-by-well basis within each basin. Complete semi-annual report describing ASR and passive recharge goals and results	100%
	<b>Goal 4:</b> Continue permitting process for Mt. Rose Water Treatment Plant with goal to be fully-operational by the winter of 2018.		Seek approval from State Engineer of necessary water right permits and from Army Corps of Engineers for stream diversion construction.	100%
	<b>Goal 5:</b> Review, monitor, and advise the Board regarding 2017 bills that may affect TMWA and carryout Board-approved lobbying efforts.		Present summary of bills to, and carryout lobbying efforts as directed by the Board.	100%
	<b>Goal 6:</b> Continue active role in maintaining sufficient water rights inventory, analyze purchase opportunities.		Maintain sufficient water rights inventory	Monthly Board report
	<b>Goal 7:</b> Turn around new business application water rights work within 10 days.		# of days turnaround new business application	10 days or less

DEPARTMENT		AWWA BENCHMARK/ INDUSTRY STANDARDS	MEASURE	TARGET
<b>Engineering &amp; New Business</b>	<b>Goal 1:</b> Continue cooperative coordination with Agencies and complete projects on schedule. Survey agency satisfaction with utility coordination effort.	1 = Unacceptable 2 = Needs Improvement 3 = Good 4 = Commendable 5 = Outstanding	Average response rate	4 or higher
	<b>Goal 2:</b> Deliver required in-service dates for major capital projects on/under budget.		\$11,800,000	Met or underspent
	<b>Goal 3:</b> Continue to measure and report new business turnaround times.	75% ≤ 30 days 100% ≤ 60 days	% turnaround in ≤ 30 or ≤ 60 days	75% 100%
<b>Business Information Services</b>	<b>Goal 1:</b> Complete the mapping of New Business 'as-built' drawings within 10 days or less.		# of days mapping of 'as-built' drawings of 'redline' drawing submittal.	10 days or less
	<b>Goal 2:</b> Close helpdesk tickets within 48 hours or less.		Average # of hours between the creation and closing of Helpdesk tickets.	≤ 48 hours
	<b>Goal 3:</b> Project goal: Development of a Capital Project workflow in PLL by June 30, 2017.		Implementation of the workflow necessary to track various departments' tasks as required for Capital Projects.	100%
	<b>Goal 4:</b> Project goal: Development of TMWA Business Continuity/Disaster Recovery Plan by June 30, 2017.		Development of process and implementation of infrastructure or tools necessary to provide business continuity.	100%