



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%