

EL DORADO IRRIGATION DISTRICT

SUBJECT: Key Performance Indicators and Goals update.

PREVIOUS BOARD ACTIONS

The General Manager reviews the Key Performance Indicators and Goals report annually.

BOARD POLICIES (BP), ADMINISTRATIVE REGULATIONS (AR) AND BOARD AUTHORITY

BP 12020 Duties and Powers

BP 0030 Accountability

SUMMARY OF ISSUE

The Key Performance Indicators and Goals report was initially developed in 2010 to track many strategic initiatives. It was subsequently expanded to include performance indicators that are used to track improvement or benchmark with other similar utilities to measure the District's performance against industry standards.

BACKGROUND/DISCUSSION

In 2021, the District achieved excellent financial performance, customer satisfaction ratings, and made significant progress on its 2020–2025 goals. However, warning signs continue to appear in the trends and measurements of the District's performance in service reliability. One of the Board's priorities in 2021 was to replace aging assets in order to improve utility infrastructure reliability, specifically water service line replacement, while balancing pay-as-you-go projects with debt issuance to fund needed capital replacement projects and maintain sound financial planning for long-term infrastructure reinvestment needs.

100% Safety

The District continues to maintain high standards of employee safety training, practices and performance. Safety-related incidents remained low in 2021, with four lost-time injuries (LT), 11 injuries requiring medical attention (IRMAs), and 15 avoidable vehicle accidents. These statistics are comparable to previous years. One of the four LT's was COVID-19 related. Nonetheless, the low number of incidents reflects an ongoing excellent industrial safety record of staff. On August 4, 2022, the District will have achieved one year with zero lost time injuries.

It is also important to highlight the District's 2021 (July 2020–July 2021) annual workers' compensation insurance premium, which hit a record low of \$234,698. The insurance premium is down from \$1.9 million in 2003. The ongoing, year-over-year annual savings achieved by the District on insurance premiums is a direct result of employees working safely. The year 2021 marks the third year in a row the District has achieved a record low premium—no small accomplishment. It is anticipated that the District will once again receive the "President's Special Recognition Award" from the Association of California Water Agencies/Joint Powers Insurance Agency (ACWA/JPIA) as we continue to be among the best rated agencies within ACWA/JPIA's pool of insured members.

The Key Performance Indicators for public health and safety track the number of regulatory violations in the water, wastewater and hydroelectric systems. In 2021, the District did not have any regulatory violations, illustrating staff's commitment to providing high quality services and the District's Guiding Principle of 100% safety.

Respect for the Individual

The District prides itself on establishing and maintaining a positive and respectful work environment. Every few years, the District conducts employee surveys which seek to measure the work environment. The results of a 2019 survey indicated high satisfaction levels with internal human resources services. Based upon a 2017 employee engagement survey, 99% of employees know the District's mission statement and four guiding principles, 88% agreed that they received the safety and skill training they need to be successful in their job, and 73% are satisfied or very satisfied to be working at the District. The next employee engagement survey will be conducted in 2022.

Excellent Customer Service

The District regularly conducts customer satisfaction surveys every two years and the results continue to be positive. Overall in 2021, 91% of customers were satisfied or very satisfied with the District's service. They rate phone service at 97% satisfied or very satisfied and field service at 96% satisfied or very satisfied. We continue to expand services on the District's website and have expanded email notification and online bill pay opportunities. Currently, 60% of customers are using the District's online bill payment feature, and as of December 31, 2020, 91% of customers either receive information from the District via email, or have expressly opted not to do so. We have used this email database to tell the District's story on project status, budgeting and even legislative activity affecting their services. The database has also been vital for EID's communications effort during emergencies like the Caldor Fire.

Excellent customer service also requires a robust and varied communications and public outreach component. In order to better serve our customers and community, the District endeavors to create trustworthy, transparent communications about the projects and services our customers depend upon. The District pursues this goal by utilizing a range of growing platforms and communications methodologies to inform, educate and serve District ratepayers. By tracking Key Performance Indicators associated with website usage and social media engagement and reach, the District can continuously tailor its messaging to increase its impact on our customers and community. The District also expanded the use of Facebook and Nextdoor to communicate with our customers and continues to increase engagement on its YouTube channel.

Service Reliability

To quantify the reliability of the District's water and wastewater services, the District tracks the number, duration, and rate of water outages and line breaks, and the rate of sanitary sewer overflows (SSOs), and compares each to industry benchmarks. Using the most recent 2021 American Water Works Association (AWWA) benchmark, it is apparent that the District is performing well below industry medians (mostly in the bottom quartile nationally, and even lower in the western region) in the number of short- and medium-duration outages, as well as the number of breaks per 100 miles of pipe. System losses also remain stubbornly high, however the new Main Ditch pipeline completed in 2022 eliminated a large contributor to overall water losses. Overall, water system reliability remains below industry standards. Continued, sustained investment in the Capital Improvement Plan (CIP) will help the District gradually close the gap.

In the wastewater system, the rate of SSOs remains within industry standards. This rating was achieved thanks to the extensive preventative maintenance on 700 miles of sewer lines utilizing hydro-cleaning, chemical root treatments, and camera inspections designed to proactively monitor for signs of pipeline failures. However, like the water system, the wastewater system is aging and continued capital investments are needed to replace these assets before they fail.

It is important to note industry standards and regulatory standards are not necessarily synonymous. Industry standards are considered either industry average or industry best practice targets, depending on the benchmark, while regulatory standards are legal requirements that must be met to avoid civil or administrative liability. The District could face significant monetary penalties and costly mandated facility upgrades if it is unable to consistently meet regulatory standards, even while meeting industry standards overall. Therefore, it remains staff's objective to prioritize aging infrastructure rehabilitations or replacements in advance of such situations to avoid unnecessary emergency expenditures by the District.

The service reliability metrics indicate that improvement is needed, particularly on the water side. To improve results, the District will have to invest significant capital funds into pipeline and asset replacements. The Board approved the 2022–2026 CIP which includes a five-year total of \$25.7 million for service line replacement and \$21.5 million for water line replacements, not including the important Main Ditch piping project that was just completed earlier this spring. To put these figures in perspective, the District has nearly 1,300 miles of drinking water pipelines with an average service life of 80 years and many of those lines are over a half century old. Therefore, the desired rate of replacement would be about 16 miles each year—approximately 10 times the rate programmed into the current CIP.

Recent efforts to replace sewer force mains have improved the overall picture for the wastewater side of the business, and similar levels of collection line replacement are needed to avoid increased SSOs and interruptions of wastewater service.

The District continues to make good progress in carrying out our CIP. Over the past several years, the District has met the overall goal for CIP expenditures, averaging 88% of planned expenditures to ensure the District continues to reinvest in replacement of aging assets, maintain reliability and address regulatory mandates and safety. Recent achievements have been made on several large projects, including completion of the Folsom Lake Intake, Outingdale Water Intake Replacement, and Upper Main Ditch piping project. The Caldor Fire required the emergency replacement of four flume sections. The District has also completed most of the capital intensive requirements of our Federal Energy Regulatory Commission (FERC) license conditions with the recent completion of the Caples and Silver Lake campgrounds, Caples Spillway channel improvements and Pacific Crest Trail Bridge. Finally, and equally important to reliability, is the automation and replacement of various electronic infrastructure that control our water and wastewater treatment plants and sewer lift stations to maximize the efficiency of District operations and decrease the potential for service interruptions.

The District was successful in securing State and Federal grant funding for some of these projects, including \$10.75 million to replace the Sly Park Intertie, \$7.1 million for the Folsom Lake Intake, \$1.8 million for backup generators at water pump stations and sewer lift stations, \$1 million for the Upper Main Ditch pipeline, \$1 million for the Easy Street water line replacement, and \$160,000 for the Outingdale pump station. Staff is currently seeking additional grant funding for flume replacement and hazard fuel reduction projects to protect our water conveyance system from the effects of wildfire.

Given the ongoing need to replace aging infrastructure, staff continues to respond to Pacific Gas and Electric (PG&E) Public Safety Power Shutdown (PSPS) events, which have the potential to disrupt service to large portions of District customers during high fire threat periods. In addition to PSPS, PG&E has implemented a new Enhanced Powerline Safety Settings (EPSS) program during 2022 following a pilot trial in 2021. The EPSS program, which disables circuit reclosers intended to minimize service outages, and requires PG&E staff to fully inspect the affected portion of the circuit prior to re-energizing. This, in turn, can result in extended outages of some EID service connections, particularly when multiple circuits are affected concurrently and PG&E inspection resources are limited. The greatest challenge with this new program is the fact that, based upon the nature of the program, there is no advanced notice of outages so the District is unable to deploy staffing and/or resources prior to the outage to mitigate the impact. Thus, while the EPSS program has the beneficial impact of reducing wildfire risk and potentially reducing the scale and frequency of PSPS events, it presents a new challenge for the District.

To help guard against the impacts of the PSPS and EPSS programs, the Board has invested in significant additional backup generator capability. Today, staff can deploy and maintain a fleet of up to 196 generators including nine large portable and 79 stationary generators providing emergency power to critical District water, wastewater and hydro facilities. Additionally, the District can deploy 110 small portable generators to power monitoring equipment during each PSPS or EPSS event or other power outages such as rolling blackouts or winter storms. The additional generators that will eventually be installed through the previously mentioned \$1.8 million FEMA grant will further support ongoing operations during these challenging conditions.

Fiscal Responsibility—Operating and Personnel Expenses

In 2010, the District's total operating expenses, net of depreciation and Other Post-Employment Benefits (OPEB) non-cash accrual, were approximately \$38.6 million. Of that total, \$24.29 million (63%) were attributable to personnel expenses. The total operating expenses for 2021 are \$52.2 million, an increase of 35.2% over that 11-year period, and the total personnel expenses are \$26.4 million, net of capitalized labor, an 11-year increase of 8.6% or 0.8% annually.

The compound average growth rate in operating expenses increased 3.1% during this period. The increase was related to the increased employer California Public Employees' Retirement System (CalPERS) costs required by the State to close the gap, over time, of the unfunded pension liability and increases in cost of materials as the economy has surged.

The compound average growth rate in personnel expenses increased 0.8% per year during this period and has been achieved in the face of sharp, ongoing increases in employee pension and medical insurance rates.

- Beginning in 2008 and continuing through 2021, the District has reduced and maintained staffing levels from 310 to 226.5. Annual salaries in 2008 and 2021 totaled \$21,772,200 and \$21,352,513, respectively.

The controlled growth of the District's operating expenses and personnel expenses demonstrate its ongoing success in meeting the guiding principle of fiscal responsibility.

Fiscal Responsibility—Rate Comparability

Comparing the District average water bill to neighboring utilities, the District's average water bill was \$128.21 compared to area average \$151.73. Additionally, the average wastewater bill for EID was \$133.98, down from \$140.77 in 2020 and well below similar agencies.

Fiscal Responsibility—Indebtedness

The face value of the District’s debt peaked at \$392.2 million in 2009. That amount decreased every year through the end of 2019 when the face value of debt was \$280 million—a reduction of \$112.2 million (21%) over the ten-year period. In 2020, the District refinanced much of its outstanding debt and issued new debt with a face value of \$61.1 million. Because of a bond premium of \$14.2 million, the net proceeds of the 2020 debt issuance were \$75.3 million. The new debt was issued to continue the District’s capital replacement program and fund large capital improvement projects such as the Folsom Lake intake, flume replacement and Upper Main Ditch piping. The face value of outstanding debt on December 31, 2021 was \$339.1 million. The District’s refinanced debt in 2020 provided a net present value savings of \$16.9 million. The District’s Total Debt to Total Net Capital Assets is 42%, which Standard & Poor’s rates as “strong” for US water and sewer utility enterprises.

Moody’s and Standard & Poor’s credit ratings of the District are AA- and Aa3 credit rating tier, respectively, and were reaffirmed as part of the major refinance transactions in 2021. The high credit ratings lowered the District’s true interest costs by increasing the premiums at which the bonds sold. This saved additional money by allowing the District to forego municipal bond insurance to enhance the bonds’ ratings and reduce the premiums.

Business Practices

Over the last several years, the District has pursued two significant water supply accomplishments. First, the District executed a long-term Warren Act Contract in 2016 to authorize the withdrawal of the District’s Permit 21112 water supplies provided by the operation of Project 184 downstream at Folsom Reservoir. Beginning in 2019, staff began working on a project to add multiple upstream points of diversion for this water right that will maximize the benefit of this water supply by allowing the District to use it throughout the entirety of the District’s service area.

Second, on January 11, 2021, the District Board of Directors authorized the conversion of the District’s existing Long-Term Central Valley Project Water Service Contract, No. 14-06-200-1357A-LTR1-P, pursuant to the Water Infrastructure Improvements for the Nation Act. This contract will remain in place for perpetuity, making permanent an important water supply for the District’s western service area.

The District continues to make steady progress toward another identified goal in succession planning, however much work remains. The recent and pending loss of experienced staff and institutional knowledge is a significant risk to District operations with up to half of the District’s current staff eligible to retire over the next five years. The risk is spread across all levels and departments of the organization. Departments are working collaboratively to develop and share promising talent through training and internal promotional opportunities, capture and preserve valuable institutional knowledge in systems and software databases, enhance functional and best practices training, improve decision support data and resources, automate and optimize workflows when the opportunities arise and other steps while the District continues to accept retirements and fill vacancies.

Ongoing progress and improvements are being made in the District’s Information Technology (IT) investments. Significant upgrades to the Geographic Information System (GIS) now enable staff in the field to access and make redline updates to system maps and asset data on mobile devices without the need for wireless network access. Major upgrades are in progress to enhance the reliability, security, functionality, and performance of the District’s Supervisory Control and Data Acquisition (SCADA) system which controls and monitors water and wastewater treatment

and delivery processes. Efforts to upgrade the aging and mission-critical Hansen software application supporting customer service, utility billing, new development, permitting and asset management and maintenance functions are well underway. The integration will further transform and optimize District operations in many ways, including significantly enhancing mobile capabilities for field staff, automating tasks, speeding service delivery, capturing institutional knowledge, plus improving asset, maintenance, and performance management programs and more. In order to ensure project success while also sustaining District operations, the District dedicated a core team of experienced system integrators and critical cross-functional staff to the project, and temporarily backfilled portions of the core team members' duties with temporary job assignments and limited term employees.

2022–2026 Goals

Staff will continue to pursue additional points of diversion for Permit 21112 water supplies to efficiently utilize existing water rights, and will continue efforts to obtain additional drought-year water supplies to improve our resiliency.

The District must be engaged in the new and upcoming conservation regulations and how the potential for mandated conservation will impact future rates. Additionally, staff will strive to reduce water losses to meet new water efficiency standards.

The District will continue to focus on increasing non-rate revenues, including surplus property sales and water transfer opportunities such as the planned transfer of up to 2,550 Acre Feet (AF) of water during 2022 not needed by District customers.

The District will need to continue to optimize the capital replacement of the District's aging infrastructure and manage replacement funding through pay-as-you-go projects and long-term low-interest debt financing. In the next five to 10 years, there will be a continued need to finance additional major infrastructure projects. The 2022–2026 CIP includes infrastructure spending of \$238 million. This includes continued flume replacement and the Sly Park Intertie replacement to strengthen water system reliability, water line and sewer line replacement, and other projects to replace or upgrade storage tanks, pressure reducing stations and pump stations. Also looming within the 10-year horizon is the replacement of Silver Lake dam to address dam safety mandates. These endeavors are key to the long-term reliability and rate stability for District ratepayers.

Also, the District plans to update the new developer hookup fees (Facility Capacity Charges) in 2023 following completion of an update to the District's water master plan that identifies future infrastructure needs to serve new connections.

Staff will continue to negotiate a voluntary settlement to the State Water Resources Control Board (SWRCB) Phase 2 Bay-Delta Water Quality Control Plan Update. The SWRCB has proposed to implement an "unimpaired flow" requirement in all Bay-Delta tributaries, including the American River from which the District obtains much of its water supplies. Such a requirement would restrict the District's ability to divert water for its customers as it has historically done. District staff are working with regional partners, such as Placer County Water Agency and the many water agencies in the greater Sacramento region to negotiate a voluntary settlement agreement that will avoid the imposition of "unimpaired flow" restrictions in place of voluntary measures that will meet the objectives of the Bay-Delta Water Quality Control Plan Update.

The Key Performance Indicators and Goals report advances the District’s mission and values, as well as our Guiding Principles. It is the foundation for high-priority, districtwide goals and performance assessment, and is used to assign departmental responsibilities and tasks to meet designated targets and timelines. As a living, working document, it also forms the basis of performance evaluations for all District employees, including the General Manager and General Counsel. Accomplishing these goals will help ensure continued success for the District and its ratepayers.

BOARD OPTIONS

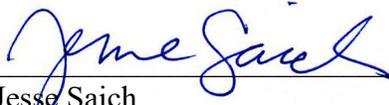
None – Information only.

RECOMMENDATION

None – Information only

ATTACHMENTS

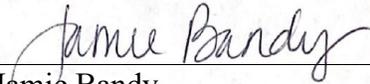
Attachment A: Key Performance Indicators and Goals summary



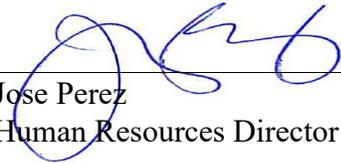
Jesse Saich
Communications and Media Relations Manager



Brian Mueller
Engineering Director



Jamie Bandy
Finance Director



Jose Perez
Human Resources Director



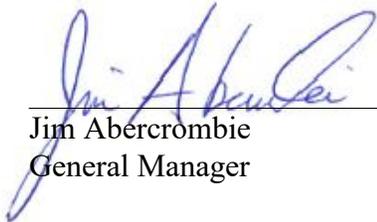
Tim Ranstrom
Information Technology Director



Dan Corcoran
Operations Director



Brian Poulsen
General Counsel



Jim Abercrombie
General Manager

El Dorado Irrigation District



Key Performance Indicators and Goals

Mission Statement

We are a public agency dedicated to providing high quality water, wastewater treatment, recycled water, hydropower and recreation services in an environmentally and fiscally responsible manner.

Guiding Principles

100% Safety

Respect for the Individual

Excellent Customer Service

Fiscal Responsibility

100% Safety

Employee					
Key Performance Indicators	Target	Results 2018	Results 2019	Results 2020	Results 2021
Lost-time injuries (LT)	0	3	3	6 ¹	4 ²
Injuries Requiring Medical Attention (IRMA) ³	0	3	8	4	11
Avoidable Accidents (AA)	0	14	11	15	15
Safety training	100%	99.9%	99.5%	99.9%	99.4%
Other required training	100%	100%	99.9%	100%	100%

¹Four of six recordable cases were COVID-19 related

²One of four recordable cases were COVID-19 related

³Includes OSHA non-recordable incidences

100% Safety

Fiscal Responsibility

Key Performance Indicators	Target	Results 2019 ³	Results 2020 ³	Results 2021 ³
Control Annual Workers' Compensation Premiums ¹	<1.0% Experience Modification Rating ²	0.59%	0.59%	0.59%

¹The District maintains workers' compensation insurance coverage, as required by the State, from the Association of California Water Agencies/ Joint Powers Insurance Authority (AWCA/ JPIA)

²The Experience Modification Rating (EMR) is a metric that insurers use to calculate workers' compensation premiums; it takes into account the number of claims (work related injuries/illnesses) a company has had in the past and the corresponding costs. An EMR of 1.0% is the benchmark average, therefore if the EMR is lower than average (e.g., less than 1.0%) then the workers' compensation insurance premium will be lower than average. An EMR greater than 1.0% will result in higher than average premium.

³For the last three years, the District has maintained a record low EMR of 0.59%. The 2021 annual workers' compensation premium for the District was \$234,698; by comparison, the highest workers' compensation insurance premium paid by the District was in 2003 (\$1,937,393) resulting from an EMR of 1.74%.

100% Safety

Public - Meet all Health and Safety Standards

Regulatory Violations

Key Performance Indicators	Target	Results 2018	Results 2019	Results 2020	Results 2021
Water	0	0	0	0	0
Wastewater	0	1	7 ¹	1 ²	0
Hydro	0	0	0	1 ³	0

¹Biological regrowth in Deer Creek Wastewater Treatment Plant (WWTP) ultraviolet disinfection channel (all violations were associated with a single event)

²Pipeline leak resulted in chemical release increasing the pH at the El Dorado Hills WWTP

³Under release from Echo Lake

Respect for the Individual

Employee			
Key Performance Indicators	Target	Results 2017	Results 2020
District employee engagement survey	Bi-annual	Completed 2017; 73% very satisfied or satisfied; Next survey planned 1 st Qtr. 2020	Delayed; Next survey planned for 3 rd Qtr. 2022
Labor Management Committee (LMC)	Monthly meetings; Evaluate success in employee survey	Completed 2017; 73% agree or strongly agree	Delayed; Next survey planned for 3 rd Qtr. 2022

Excellent Customer Service

Customer Satisfaction Survey¹

Key Performance Indicators	Target	Results 2017	Results 2019	Results 2021
Overall	Greater than 90%	89%	90%	91%
Phone	Greater than 90%	95%	96%	97%
Field	Greater than 90%	96%	96%	96%
Reasonableness of water rates	Greater than 80%	61%	61%	61%
Reasonableness of wastewater rates	Greater than 60%	45%	51%	51%

¹Survey performed bi-annually - Next survey is scheduled to begin March 2023

Excellent Customer Service

Customer Engagement

Key Performance Indicators	Target	Results 2019	Results 2020	Results 2021
Online bill pay customers	Trend	59%	62%	68%
Customers with email addresses	Trend	87%	90%	91%

Excellent Customer Service

Customer Engagement

Key Performance Indicators	Target	Results 2019	Results 2020	Results 2021
District website visitors	Trend	373,449	520,966	432,049
District website eNews subscribers	Trend	1,392	2,504	2,738
District website email notifications	Trend	101,810	143,446	162,087
Facebook Post: Engagement ¹	>2%	---	---	4%
Facebook: Reach ²	Trend	---	---	147,672
Facebook: Impressions ³	Trend	---	---	160,922
Nextdoor: Impressions ⁴	Trend	---	---	205,723

¹Percentage derived from the number of people a post reaches who then like, comment, share or click (engagement) on the post, divided by the total reach of the post

²Number of people who saw any content from a Facebook page or about the page

³Number of times any content from the page or about the page entered a person's screen

⁴Number of residents who viewed a post, the number of opens of email notifications that are sent, and number of clicks on a post

Excellent Customer Service

Service Reliability			
Key Performance Indicators	Target¹	Results 2020	Results 2021
Number of unplanned water outages per 1,000 accounts			
Less than 4 hours	0.27 top 0.69 median 1.48 bottom	7.38 outages (288 outages)	8.43 outages (329 outages)
4 to 12 hours	0.05 top 0.30 median 0.96 bottom	3.28 outages (128 outages)	1.77 outages (69 outages)
Greater than 12 hours	0.00 top 0.01 median 0.11 bottom	0.08 outages (3 outages)	0.08 outages (3 outages)

¹American Water Works Association (AWWA) Benchmarking Performance Indicators for Water and Wastewater: 2021 Edition (nationwide statistics)

Excellent Customer Service

Service Reliability			
Key Performance Indicators	Target ¹	Results 2020	Results 2021
Number of water system leaks/breaks per 100 miles	6.7 top 14.0 median 28.9 bottom	42.71 outages (598 leaks/breaks)	45.35 outages (635 leaks/breaks)
Sanitary Sewer Overflows (SSO) per 100 miles of pipe	0.8 top 1.9 median 3.4 bottom	1.87 ² (13 SSOs)	2.16 ³ (14 SSOs)

¹American Water Works Association (AWWA) Benchmarking Performance Indicators for Water and Wastewater: 2021 Edition (nationwide statistics)

²Increase attributed to toilet paper shortage during COVID-19 pandemic

³Increase attributed to root intrusion associated with drought

Excellent Customer Service

Service Reliability			
Key Performance Indicators	Target	Results 2020	Results 2021
Number of fire hydrants serviced ¹	6,565	1,642	809
	20%	25%	12.9%
Number of service lines replaced			
Unplanned (leaks/failures)	165	350	458
	33%	69%	72.9%
Planned	335	155	170
	67%	31%	27.1%

¹American Water Works Association (AWWA) annually; District target: serviced once every five years

Excellent Customer Service

Meter Function			
Key Performance Indicators	Target ¹	Results 2020	Results 2021
Small Meters	99.7% top 99.0% median 97.5% bottom	99.996% (1,154 of 292,236)	99.995% (1,182 of 294,582)
Large Meters	99.9% top 99.1% median 98.0% bottom	99.998% (13 of 9,090)	99.997% (19 of 9,072)

¹American Water Works Association (AWWA) Benchmarking Performance Indicators for Water and Wastewater: 2021 Edition (nationwide statistics)

Formula: Total number of confirmed “stuck” meters divided by (total number of meters multiplied by number of billing cycles per year)

Small Meters = 1 inch or smaller (including commercial, agriculture, residential, multifamily, recreational turf)

Large Meters = 1.5 inches or larger (including commercial, agriculture, wholesale, residential, multifamily, recreational turf)

Stuck = Meters that under register water usage

Fiscal Responsibility

Budget Compliance

Key Performance Indicators	Target	Audited 2020	Audited 2021	Unaudited 2022
Operating expenses	Less than 100% at year-end	1 st Qtr. = 20.8%	1 st Qtr. = 20.5%	1 st Qtr. = 19.6%
		2 nd Qtr. = 45.1%	2 nd Qtr. = 45.8%	
		3 rd Qtr. = 67.7%	3 rd Qtr. = 66.5%	
		4 th Qtr. = 95.8%	4 th Qtr. = 91.9%	

Note: Each quarter is shown year-to-date

Fiscal Responsibility

Budget Compliance

Key Performance Indicators	Target	Results 2020	Results 2021	Results 2022
Capital expenses	Between 70-90% at year-end	1 st Qtr. = 7.8%	1 st Qtr. = 21.8%	1 st Qtr. = 29.7% ¹
		2 nd Qtr. = 14.2%	2 nd Qtr. = 42.4%	
		3 rd Qtr. = 28.2%	3 rd Qtr. = 54.4%	
		4 th Qtr. = 80.0%	4 th Qtr. = 88.5%	

Note: Each quarter is shown year-to-date ¹Includes Caldor Fire flume replacement costs

Fiscal Responsibility

Debt Service Coverage

Key Performance Indicators	Target	Audited 2019	Audited 2020	Audited 2021
Annual Ratio without FCCs ¹	≥1.25	1.54	1.78	1.83
Annual Ratio with FCCs ²	2.93% top 2.44% median 1.90% bottom	2.12	2.23	2.68

Facility Capacity Charge (FCC)

¹Board Policy 3010

²Moody's Investor Service, May 26, 2022 (publication rating similar utilities)

Fiscal Responsibility

Debt Management

Outstanding Debt (in millions)

2010	2017	2018	2019	2020 ¹	2021
\$387.9	\$323.8	\$310.0	\$280.0	\$353.4	\$339.1

¹Issued \$61.1 million new debt

Fiscal Responsibility

Delinquencies

Key Performance Indicators	Target	Results 2019	Results 2020	Results 2021
Delinquency Rate ¹	1.9% top 8.5% median 15.8% bottom	1.30%	2.00%	1.80%
Write off	<1%	0.06%	0.03%	0.04%

¹American Water Works Association (AWWA) Benchmarking Performance Indicators for Water and Wastewater: 2021 Edition (nationwide statistics)

Business Practices

Trends Over Time

Key Performance Indicators	Target	Results 2019	Results 2020	Results 2021
Operating expenses per service	Trend	\$341.18	\$337.10	\$333.57
Services per employee	Trend	324	329	323
Overtime hours ¹	Trend	6.79%	6.05%	7.49%
Outside legal expenses - operating	<1%	0.12% \$63,040	0.12% \$68,079	0.05% \$31,409
Outside legal expenses - capital	<1%	-1.05% (\$542,920) ²	0.37% \$206,775	0.07% \$43,271

¹Based on non-exempt employees

²Includes \$285,235 distribution of funds related to the dissolution and winding up of the El Dorado Water and Power Authority agreement and \$384,000 settlement proceeds related to the Camp 2 Bridge litigation

Business Practices

Customer Services Per Employee¹

Agency	Service	Services	Employees	Services / Employee
Tuolumne Utilities District (TUD)	Water/Wastewater	26,135	74	353
El Dorado Irrigation District (EID)	Water/Wastewater Recycled	73,268	228	321
Calaveras County Water District	Water/Wastewater	17,928	66	272
San Juan Water District	Water	10,675	48	222
Amador Water Agency	Water/Wastewater	8,643	45	192
Placer County Water Agency (PCWA)	Water	42,873	232	185
Nevada Irrigation District (NID)	Water	24,882	203	123

¹As of June 2022

Business Practices

Trends Over Time

Key Performance Indicators	Target	Results 2020	Results 2021	Results 2022
<u>Water rates</u> (bi-monthly)	At or below median of similar agencies (\$151.73*)	\$113.65 ¹	\$122.10 ¹	\$128.21 ¹
<u>Wastewater rates</u> (bi-monthly)	At or below median of tertiary agencies (\$170.03*)	\$140.77 ²	\$133.98 ²	\$133.98 ²

*June 2022 other agency comparisons; ¹assuming 30 ccf water usage; ²assuming 16 ccf winter water usage
Hundred Cubic Feet (ccf)

Business Practices

Water and Sewer Utility Credit Ratio Ranges

Key Performance Indicators	Target	Actual 2019	Actual 2020	Actual 2021
Debt to capitalization ratio	35 - 50% Strong ¹	43%	43%	42%

¹Standard & Poor's Global Credit Portal RatingsDirect®, January 19, 2016

Historical costs of depreciable assets is \$1.13 billion

Summary of Goals

Summary

2022 - 2026 Goals			
Goal	Target	Revised Target	Results
Pursue drought year water supply (SMUD) transfer agreement	2021 - 2022	2023	Pending negotiations with EDWA
Add points of diversion to Permit 21112	2021 - 2022	2023	Completed project description in 2019; Hired EIR and modeling consultants in 2020; Conducting stakeholder outreach and analyzing environmental impacts 2020 to current
Reduce unaccounted for water loss by 20% by 2025	2025	---	Main Ditch Project will significantly reduce water losses

Summary

2022 - 2026 Goals

Goal	Target	Results
Expand non-rate revenue through marketing water transfers	Annual	Completed 8,000 AF transfer in 2020; Annual evaluation; Planned 2022
Evaluate hydro power sales contract	2018 - 2021	New contract executed May 2021
Continue with succession planning and transition	Annual	Annual evaluation
Replace Hansen 7	2019 - 2022	Contract awarded March 2021; Underway with expected go-live for CMMS in February 2023; CIS in April 2023; CDR April 2024

Acre Feet (AF)

Customer Information System (CIS)

Computerized Maintenance Management System (CMMS)

Community Development Resources (CDR)

Summary

2022 - 2026 Goals		
Goal	Target	Results
Complete improvements of Forebay Dam, Folsom Lake Intake, Main Ditch, Silver Lake Dam, Flume 46 and Sly Park Intertie	Included in 2022-2026 CIP	Forebay Dam: Completed Folsom Lake Intake: Completed Main Ditch piping: Completed Silver Lake Dam: Preliminary design underway, Start construction by 2027 Flume 46: Feasibility 2022 Sly Park Intertie: Construction 2024-2025
Complete Bass Lake relocation and transition	2018	Under construction 2022
Update COS study and implement findings	2024	

Capital Improvement Plan (CIP)

Cost of Services (COS)

Summary

2022 - 2026 Goals

Goal	Target	Results
Reduce unfunded OPEB obligation by allocating non-rate revenue	Reduce UAL by 5% per year pending Board action	\$6 million prepayment into OPEB CERBT in 2012; Current value \$12.7 million
Develop and implement disposition strategy for surplus properties	2022	Completed phase 1 in 2018; Resuming phase 2 (Texas Hill) per Board direction
Successfully negotiate SWRCB Phase 2 Water Quality Control Plan Update Voluntary Settlement Agreement	---	In negotiations

Other Post-Employment Benefits (OPEB)
California Employers' Retiree Benefit Trust (CERBT)

Unfunded Actuarial Liability (UAL)
State Water Resources Control Board (SWRCB)

Summary

2022 - 2026 Goals

Goal	Target	Results
Revise EID division boundaries based upon 2020 U.S. Census data	2021 - 2022	Completed in 2022
Rebuild Flumes 4, 5, 6 and 30	March 2022	Completed May 2022
Powerhouse interconnection agreement with PG&E	November 2023	Scheduled to engage PG&E fall 2022
Successfully negotiate multi-year MOUs for both labor units	4 th Qtr. 2021	Achieved ratification of new multi-year (3 years) MOUs for both labor units

Memorandum of Understanding (MOU)

Summary

2022 - 2026 Goals		
Goal	Target	Results
Update Master Plan, FCC study and implement findings	2021	Master Plan underway in 2022; FCC update 2023
Continue to explore opportunities to refinance or pay down debt to lower overall costs	Ongoing	In 2022, issued Refunding Revenue Bonds to pay off \$70.8 million unfunded pension liability in 2022: Cash flow savings of \$16.2 million; Net present value savings of \$10.5 million
Bond issuance for major projects	2024	

Facility Capacity Charge (FCC)