

# Staff Report

## Regular Board Meeting

**TO:** Governing Board Members

**FROM:** Chief Financial Officer

**SUBJECT:** Industry Benchmark Updates

## RECOMMENDATION

This agenda item is for informational purposes only, no action required.

## BACKGROUND / ANALYSIS

East Valley Water District is committed to delivering world-class service to its community, customers, and stakeholders. As part of its continuous improvement efforts, the District has established Industry Benchmarks that offer valuable insights into its performance relative to others in the industry.

By leveraging these benchmarks, the District can enhance its operations, foster trust and transparency with stakeholders, and ensure that it continues to invest resources in building a safe and reliable public utility. The set of Industry Benchmarks have been developed to provide both the Governing Board and stakeholders a resource to assess various District functions including:

### Finance:

- Operating Fund Target Level – Fund intended to cover unanticipated operating expenses and support routine cash flow, with a funding target of at least 90 days of the District's budgeted total operating expenses. The Operating Fund reserves reduced to 120 days due to reserves funds being rebalanced after the Board adopted reserve policy in February 2024.
- Capital Replacement Reserves – Amount allocated to replace capital assets at the end of their useful lives, with a target minimum of twice the five-year average of the District's annual Capital Improvement Plan budget. The Capital Replacement Reserve is below the new target which was implemented in February 2024 due to a decrease of \$4.28M in unrestricted net position.

### Operations:

- Miles of Sewer Cleaned – The percentage of the District's wastewater collection system cleaned annually. The U.S. Environmental Protection Agency (EPA) Operation and Maintenance Fact Sheet recommends the minimal annual average cleaning of 30% of the total sewer collection system. The District's Operations Department has a goal of at least 60% or more, this year Operations staff cleaned 84%.

- Main Line Leaks – Quantifies the condition of a water distribution system, expressed as the annual number of leaks per 100 miles of distribution piping. This is higher than the industry standard. A large part of the leaks is due to aging pipe material. District is increasing the main replacement capital improvement program.
- Staffing Efficiencies – Provides a measure of employee efficiency as expressed by the total number of active accounts serviced by employees (as FTEs) per year. District neighboring agencies average 212 accounts per employee where the District handled 298 accounts per EVWD employee for FY 2023-24.

Administration:

- Water Affordability – Provides a measure of the affordability of water services as a percentage of local median household income (MHI) as reported by the District. The U.S. EPA recommends that an agency's average cost of water not exceed 2.5% of MHI. The District continues to maintain an average of 1.13% over the past five years.

Customer Engagement:

- Average Customer Service Wait Time – Average time a caller must wait on hold before they can speak to an agent or CSR during the reporting period. For FY 2023-24 the average wait time dropped to 20 seconds from 37 seconds the prior year.

Industry Benchmarks are incorporated in the annual budget document along with periodic presentations to the Governing Board.

**AGENCY GOALS AND OBJECTIVES**

- IV - Promote Planning, Maintenance and Preservation of District Resources
  - D. Enable Fact-Based Decision Making

**REVIEW BY OTHERS**

This agenda item has been reviewed by Finance Department.

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**FISCAL IMPACT**

There is no fiscal impact associated with this agenda item.

Recommended by:

Respectfully submitted:



Michael Moore  
General Manager/CEO



Brian Tompkins  
Chief Financial Officer

**ATTACHMENTS**

Presentation-Industry Benchmark Updates