Annual Performance Measures & Audits

December 10, 2020

Business Management Process

<table>
<thead>
<tr>
<th>Vision</th>
<th>Strategic Plan</th>
<th>Be a Top Performing Water Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>How We Achieve the Vision</td>
<td>Goals</td>
<td>Goal: Practice Perpetual Infrastructure R&amp;R</td>
</tr>
<tr>
<td>How We Measure</td>
<td>Key Performance Indicators</td>
<td>Objective: Perform Routine Capital Replacement</td>
</tr>
<tr>
<td>How We Affirm</td>
<td>Performance Audits</td>
<td>Measure: Number of Mainline Valves Replaced</td>
</tr>
</tbody>
</table>
Performance Measures & Audit Change Process

- Awareness
- Desire
- Knowledge & Ability
- Reinforcement

FY2019 Mock Audit

- Help Staff & Auditors Understand the Process
- Prepare for FY2020 Performance Audit
- Harry Lorick, P.E., PTOE, PWLF
Background
- Importance for establishing and confirming
- Mesa Water has established a simple, consistent, and fair performance audit process for each department.

Performance Audit Process
- Each department is given a checklist of data/information tocompile for the audit:

<table>
<thead>
<tr>
<th>No</th>
<th>Performance indicator</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market-level KPIs</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Operational metrics</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Financial metrics</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Customer satisfaction</td>
<td></td>
</tr>
</tbody>
</table>

1. Data Compilation
2. Performance Audit
3. Feedback
Performance Audit Process

1. Data Compilation
2. Performance Audit
3. Feedback

Performance Indicators Table

<table>
<thead>
<tr>
<th>No</th>
<th>Performance Indicator</th>
<th>Definition</th>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Work Plan</td>
<td>Percentage of performance exceeded on the work plan. A 10% correction factor on planned time is applied for all planned time above the line.</td>
<td>Minimum: 85% or 85%</td>
</tr>
<tr>
<td>2</td>
<td>Work Progressing/Record</td>
<td>Percentage of key results meeting key results targets</td>
<td>Minimum: 85%</td>
</tr>
</tbody>
</table>

Overall Performance Scale

- Customer Services
- Financial Services
- Water Operations
- Engineering
- Public Affairs
- Administrative Systems
- Human Resources

December 10, 2020

Performance Audit Process

1. Data Compilation
2. Performance Audit
3. Feedback

- Review of rating methodology
- Evaluate efficiency and effectiveness
- Improvements suggested
- Incentivize employees
- Account for work and time
- Responsibility created for ratepayers

December 10, 2020
Dry-Run

- LA Consulting March 2020
- Success in completion and reviewed with each department
- Improvements identified in process
- Adjustments are in process

Benefits

- Demonstrates fulfillment of our responsibilities to our ratepayers
- Rate Payers: Efficiently Run Business
- Accountability of Resources
- Provides opportunity for improvement
Questions