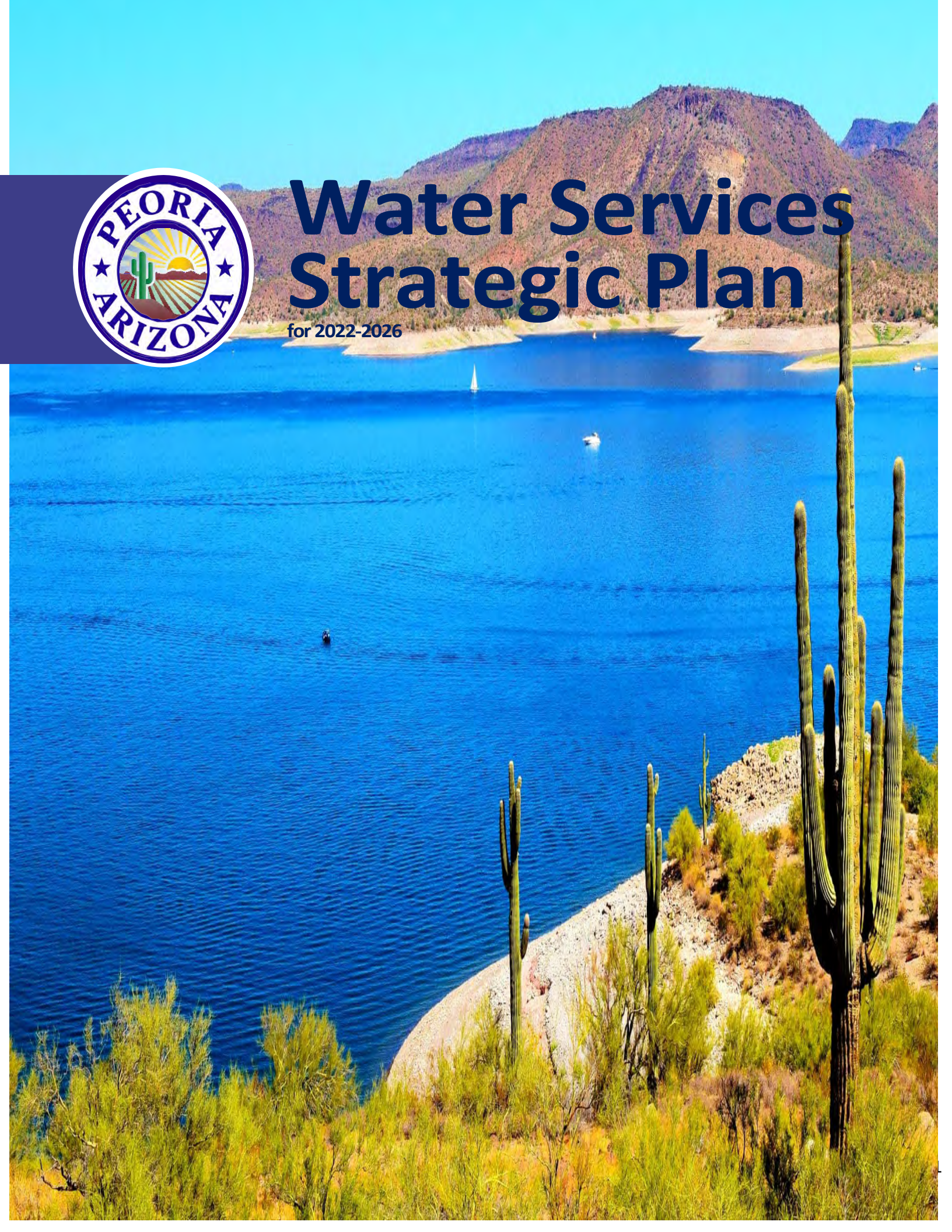




Water Services Strategic Plan

for 2022-2026



Introduction



The City of Peoria Water Services Department provides water and wastewater services to the eight largest city in Arizona. Peoria has over 51,000 water customers and over 53,000 sewer customers. The Department's primary responsibilities include oversight, operation and maintenance of:

- Approximately 1,200 miles of water mains and 800 miles of sewer mains
- Three wastewater treatment plants and three water treatment plants
- Water resources management
- Water, wastewater, and reclaimed water systems planning.
- Project engineering and construction management (Capital Improvement Project delivery), in partnership with the Peoria Development and Engineering Department.
- Environmental resources to ensure public health

Please note that the Peoria Sustainability group is also housed within Water Services, however, strategic planning for this group is covered in other planning documents.

This Strategic Plan integrates the contents of other Peoria planning and policy documents in a manner that supports the ongoing success of the vibrant community and associated excellent quality of life. These documents include the voter-approved General Plan, the Peoria Livability Initiatives, the Principles of Sound Water Management, the Principles of Sound Fiscal Management, and the Integrated Water Utilities Master Plan (IWUMP). This combined guidance conveys the development of Water Services' primary objectives, which leads into the actions Water Services is taking to achieve the objectives, and how our success is being measured through a set of performance metrics. Water Services will periodically update this document to ensure consistency with changing conditions, related evolving priorities, and policy decisions.

The Strategic Plan is organized as follows:

1. Community Profile
2. Community Values
3. Vision and Mission
4. City Council Livability Initiatives
5. Water Services Overview
6. Goals, Strategies and Actions
 - a. Maintain and Enhance Product Quality
 - b. Customer Satisfaction
 - c. Employee and Leadership Development
 - d. Operational Optimization
 - e. Financial Viability
 - f. Infrastructure Stability and Performance
 - g. Operational Resiliency
 - h. Community Sustainability
 - i. Water Resource Adequacy and Sustainability
 - j. Stakeholder Understanding and Support
7. Performance Scorecard





1. Community Profile

The City of Peoria (City) is located about 30 minutes northwest of downtown Phoenix. Peoria was established in 1886 as a humble agricultural community. Since incorporating on June 7, 1954, Peoria has blossomed as a rapidly growing, modern city that offers a high quality of living in the natural beauty of the Sonoran Desert.

Peoria operates under the Council-Manager form of government. The Mayor is elected at-large to serve a four-year term, limited to serving two consecutive terms. The City Council consists of six part-time nonpartisan members, elected by district to staggered four-year terms and may serve an unlimited number of terms.

Peoria's City Manager oversees the daily operation of the City and reports directly to the City Council. As the City's Chief Executive Officer, the City Manager executes the policies and programs established by the City Council, and provides administrative leadership and management of municipal operations. The City Manager leads the organization through three Deputy City Managers.

Peoria is recognized as a leader among the many growing cities in the Phoenix metropolitan area, with an excellent City Council, and a talented and cohesive management team. The City has a positive and supportive culture based on teamwork and a commitment to excellence in public service. Peoria is on strong financial footing and maintains excellent bond ratings. Our current bond rating is AA.

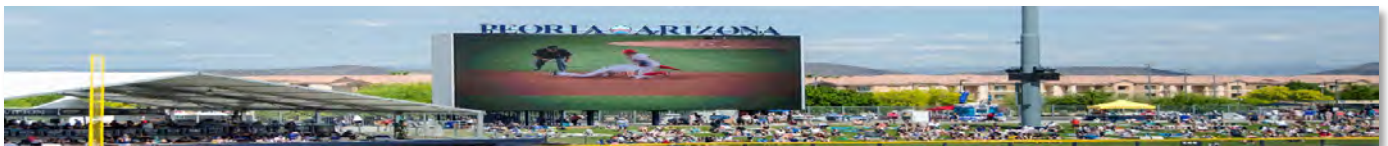
Quality of Life

Peoria is home to Lake Pleasant Regional Park - a true oasis in the desert. The 23,000-acre park has two marinas and is a popular spot for boating, fishing, water skiing, kayaking, camping, and even scuba diving!

Our residents enjoy access to 570 acres of parks, including 36 neighborhood parks, and 3 large community parks. Peoria offers more than 60 miles of hiking, biking, and horseback riding trails to explore.

When it comes to entertainment, Peoria is hard to beat! We offer Spring Training baseball, two community theatres, an art museum, and a year-round calendar of festivals and special events. Our P83 Entertainment District offers a wide variety of local restaurants, shopping, and entertainment options for the whole family.

The City of Peoria takes pride in providing excellent municipal services to residents. Five of the City's essential service departments (Police, Fire, Public Works, Water Services, and Parks & Recreation) are nationally accredited by independent agencies. In order to be accredited, these departments must meet specific criteria, which are evaluated on a regular basis. It is uncommon for cities with one million or more residents to have four departments accredited, and is truly exceptional among cities that are Peoria's size. This commitment to excellence is part of what sets Peoria apart from other cities and makes it a great place to live, work and play.





City Facts as of October 1, 2021:



1886
Founded



191,000
Population



12,060
Companies



39.8
Median Age



\$75,323
Median
Household
Income



32.8%
Bachelor's or
Higher



2.8
People per
Household



\$1,255
Median Gross
Rent



179
Sq. Miles in
City Limits





2. Community Values



The City of Peoria team members share a commitment to provide quality service for our community. We serve with integrity, embrace diversity, and are responsible stewards of taxpayer dollars and the natural environment.

We are an Inclusive City

The City of Peoria follows an unwavering adherence to the principles of respecting diversity, and ensuring inclusive practices. Through the leadership of our interdepartmental Diversity Team, we work to assure that the Peoria community, as well as all City of Peoria governmental departments, is welcoming, and respectful to everyone.

As public servants, we all have a clear obligation to always act in a professional and ethical manner.

Ethics begins with integrity. Integrity means different things to different people, but in essence it means being honest, doing what you say you will do, and doing what is right even when no one else is watching. Personal integrity is a prerequisite to ethical behavior, and it is the foundation for Peoria's six core values:

P Professional Continually reviewing my own behavior and questioning whether what I do is consistent with the City's and my profession's values. Maintaining the highest levels of confidentiality and honoring legal restrictions on political activity.

E Ethical Being honest and objective in performing my duties and deciding all matters on the merits, free from improper influences. Being guided by principle and conscience and the desire to do the "right thing".

O Open Communicating truthfully and completely with others, supporting diversity and treating others with respect. Participating positively in the community.

R Responsive Responding to all internal and external customers in a prompt, efficient, friendly and patient manner.

I Innovative Seeking out opportunities to contribute to the daily and future work of the City in ways that are new and creative.

A Accountable Observing both the letter and the spirit of laws and rules. Engaging only in appropriate personal and professional conduct in all matters.



3. Vision and Mission

City of Peoria's Vision Statement: City of Peoria team members provide unmatched quality of life and excellent customer service for our community.

City of Peoria's Mission Statement: The City of Peoria provides excellent municipal services by anticipating community needs, creating partnerships, promoting sustainability and embracing diversity.

Water Services Vision Statement: To offer water services in a safe, reliable and responsible manner to enhance the quality of life in Peoria.

Water Services Mission Statement: To maintain our residents' quality of life, to be recognized as leaders in service delivery, and to be responsible stewards for the City's resources and assets.





4. City Council Livability Initiatives

Setting long-term priorities for the City is one of the most important responsibilities for Peoria's elected officials. The City Council's policy goals are policy statements that set the direction for the organization and act as a touchstone for making financial and operational decisions to achieve community expectations.

The following livability initiatives are the City's priority:



Superior Public Safety

Superior public safety is an indispensable component of Peoria's overall quality of life. This budget underscores the city's ongoing commitment to this critical local responsibility. We continue to invest in new technologies to enable the Police Department to achieve its mission to preserve life and property.



Healthy Neighborhoods

To protect and enhance the health, safety, and general welfare of Peoria's citizens, workers, and visitors by integrating health-promoting design and development practices at the building or project scale. Elevating the vitality of the people by promoting health and wellness in the built environment enhances both property and community values.



Arts, Culture, & Recreational Enrichment

This chapter is intended to enhance the availability and accessibility of the arts for all residents, preserve important historic and cultural elements that make Peoria unique, activate the human spirit through social and physical connections, and provide educational opportunities for lifelong learning.



Economic Prosperity

To increase the wealth and quality of living for all with policies that supports a diverse, innovative, competitive, entrepreneurial, and sustainable economy. Peoria recognizes that the economic health of the City influences the physical development and the overall health of the community, along with determines its capacity to fund essential services.



Superior Public Services

To provide superior levels of public facilities and services in a responsible, reliable, safe, and compassionate manner. In order to sustain existing households and businesses and to accommodate future population and employment growth, public facilities and services will need to be strategically located, and regularly improved, expanded, and maintained.



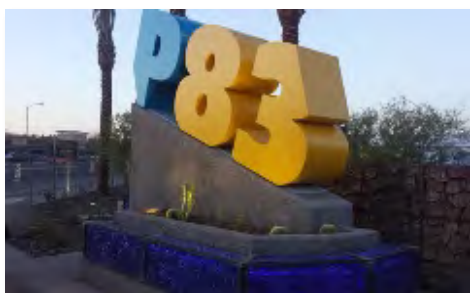
Smart Growth

To guide future growth and development into a sustainable citywide development pattern, while maintaining or enhancing quality of life in our communities. Growth should be at a desired scale and character that is consistent with the social, economic and aesthetic values of the City.



Integrated Transportation

To holistically create a seamless network of mobility choices, through acknowledgement and dedication to continuing to foster and grow the on-street roadways, off-street shared use paths, transit options, and plan for advancing technologies. Transportation should be considered for all modes of travel and universally accessibility.





5. Water Services Overview

Peoria Water Services (Water Services) is one of five agencies in the state accredited by the American Public Works Association.



Water Services currently operates and maintains three water treatment plants that can treat and deliver up to approximately 40 million gallons per day (MGD) of drinking water to our customers. These three water treatment plants are:

- Greenway Water Treatment Plant - SRP
- Pyramid Peak Water Treatment Plant (joint ownership with the City of Glendale) - CAP
- Quintero Water Treatment Plant - CAP

Water Services currently operates and maintains three wastewater reclamation facilities, with the total capacity to treat 16.25 MGD of wastewater. These facilities are:

- Butler Water Reclamation Facility
- Beardsley Water Reclamation Facility
- Jomax Water Reclamation Facility

Water Services also operates and maintains a large stable of groundwater wells that provide redundancy to our surface water supplies, as well a multitude of water facilities designed to distribute our treated water. These facilities include booster pump stations, storage reservoirs, nearly 1,200 miles of pipeline and pressure reducing valve stations.

On the wastewater side, Water Services operates and maintains several wastewater lift stations and a collection system that brings the wastewater to our treatment facilities.

Water Resources in a dry, arid environment is a limited resource. Water resources in Arizona are managed by the Arizona Department of Water Resources (ADWR), which divides the state into five Active Management Areas (AMAs). Peoria is within the Phoenix AMA, and as such, must comply with the Assured Water Supply Program to evaluate the availability of a 100-year water supply. The ADWR has approved the City's Designation of Assured Water Supply.

The City of Peoria maintains a diversified water portfolio, comprised of surface water from the Central Arizona Project (CAP), Salt River Project (SRP), recovered ground water from approximately 30 wells, as well as reclaimed water from three wastewater treatment plants. The Principles of Sound Water Management is the City's guiding policy document for managing these water resources, meeting state standards, and effectively supplying water to residents and businesses.





Principles of Sound Water Management is a policy document adopted by City Council, and contains guiding principles for long-term water resource management. This document should be referenced directly for detailed information. The primary policy areas included are as follows:

- Regulatory Compliance
- Water Quality
- Water Conservation
- Water Acquisition
- Water Reclamation
- Land Use Water Management
- Infrastructure
- Funding
- Central Arizona Project
- Salt River Project
- Central Arizona Groundwater Replenishment District
- Private Water Companies
- Redundancy
- Drought Planning
- Regional influence of Water Policy



Peoria's Integrated Water Utility Master Plan (IWUMP) is the City's guide for future utility infrastructure investments for projected buildout through the year 2040. This plan includes capital projects for potable water, wastewater, and reclaimed water infrastructure. Please reference this plan directly for detailed information.

Regulatory Environment

Local: City of Peoria Charter

County: Maricopa County, Arizona Ordinances

State: Arizona States Constitution, Statutes, and Administrative Code

Federal: United States Constitution and Code





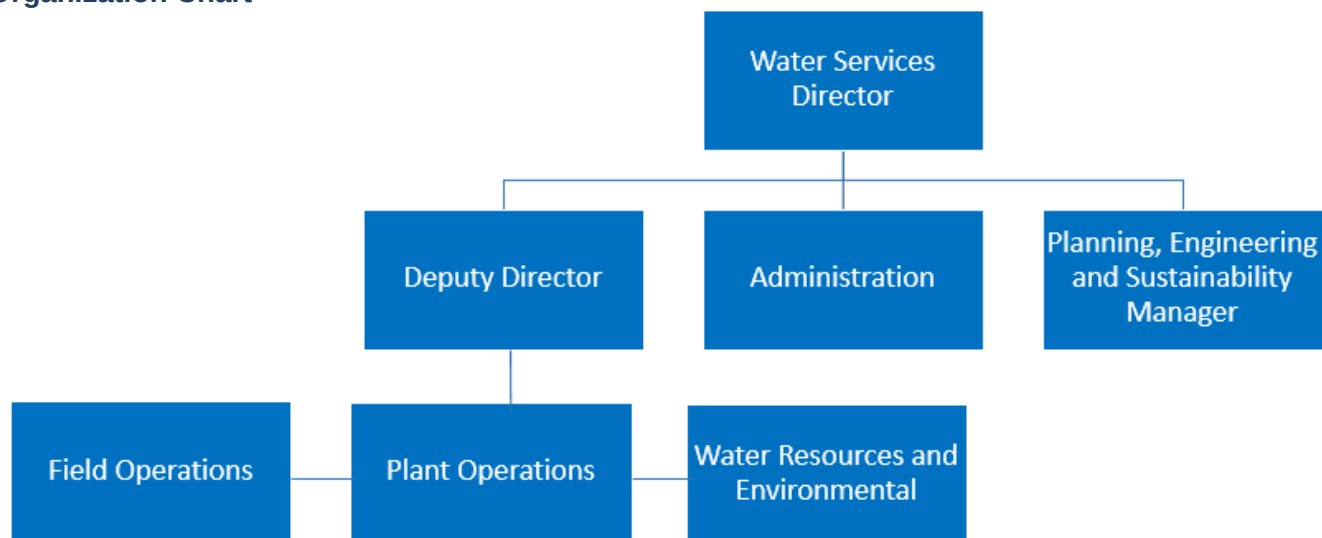
Department Organization

The Water Services Department provides overall direction, management, support and administrative services to ensure quality and consistent customer service for each of the department's programs. Water Services is organized into 11 primary budget divisions:



- Administration
- Plant Operations Division - Water Treatment Plants
- Plant Operations Division - Water Reclamation Facilities
- Field Operations Division - Water Production Services
- Field Operations Division - Water Distribution Services
- Field Operations Division - Wastewater Collection/Reclaimed Services
- Field Operations Division - Arizona 811 Blue Staking
- Planning, Engineering, and Sustainability
- Environmental Division – Administration
- Environmental Division – Drinking Water Environmental
- Environmental Division – Wastewater Environmental

Organization Chart





6. Goals, Strategies and Actions

Maintain and Enhance Product Quality

Strategy: Protect public health by treating and producing high quality water, wastewater, and reclaimed water that meets or exceeds full compliance with regulatory and reliability requirements consistent with customer, public health, and economic needs.

Actions:

- Operate the system to ensure water and reclaimed water quality are in full compliance with local, state, and federal regulations.
- Continually monitor regulated system parameters to ensure water quality regulation and permit limits are adhered to at all times.
- Enhance water quality where needed to allow and ensure greater use of renewable water resources and system redundancy.
- Increase leveraging of data and technology to ensure continued compliance with regulatory requirements.
- Maintain system that alerts Operations whenever a regulatory requirement reaches 80% of the permit level.
- Continue regular meetings between the various divisions to ensure proper communication on water quality issues.
- Maintain relationships with regulatory agencies and appropriate staff to stay informed on changing regulations and influence water quality activities.

Performance Metrics:

- Compliance with 100% of regulatory deadlines
- Compliance with 100% of all regulatory water quality standards

Customer Satisfaction

Strategy: Provide reliable, responsive, and affordable services in a manner that provides superior customer satisfaction.

Actions:

- Immediately respond to customers and act safely to resolve problems.
- Support the enhancement of city-wide customer relationship management programs and systems.
- Leverage data gathering and technology to track customer requests, response times, and service interruptions.
- Provide field employee customer service training at hire and refresher training to existing employees every two years.
- Continue development of system to map customer complaints and include them into the process for determining future capital improvement projects.
- Ensure at least yearly that the information provided to the city customer service agents is up to date and appropriate.



Customer Satisfaction Continued

Performance Metrics:

- Water leak surface repair within two weeks of leakage event
- Respond to all customer contacts within established timeframes



Employee and Leadership Development

Strategy: Recruit, develop, and retain a workforce that is competent, motivated, adaptive, and safety focused.

Actions:

- Maintain the culture of safety in all areas.
- Acknowledge and celebrate diversity and participate in city-wide related activities.
- Maintain and enhance the culture of continual learning and investment in employee's futures.
- Maintain and celebrate the culture of obtaining operator certifications in wastewater treatment, water treatment, water collection, and water distribution.
- Actively manage employee performance through performance reviews that contribute to establishment of clear communication of performance standards and expectations.
- Maintain and broaden the use of yearly performance standards that provide a link to department and city goals and expectations.
- Encourage and allow for participation in opportunities to recruit future workers at job fairs, colleges, high schools, and technical schools.
- Provide opportunities to cross-train employees for system resiliency and exposure to alternate job opportunities.
- Provide notifications to all employees of department vacancies to ensure opportunities for career growth within Peoria are known to all staff.
- Continue to engage employees in a manner that allows constructive feedback and suggestions for improvements. This includes, but is not limited to, continuation of the Effective Utilities Management (EUM) program.

Performance Metrics:

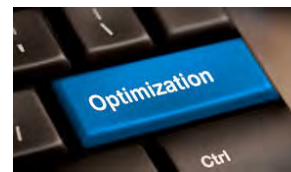
- 100% of staff complete required training
- OSHA recordable incident rate of less than 8





Operational Optimization

Strategy: Ensure ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all areas of operations.



Actions:

- Maintain status as an American Public Works Association accredited public works agency.
- Update the water loss audit model annually in conformance with American Water Works Association M36 Water Loss Audit manual.
- Minimize operational water loss while continuing to meet water quality standards.
- Continue to explore ways to enhance the use of renewable surface water including making improvements to water quality, efficient water transportation and storage, and tracking of system parameters.
- Enhance and leverage the use of data collection, storage, and analysis for use in all levels of day-to-day operations.
- Continue to standardize, simplify, and consolidate technology systems across all work areas.
- Develop and establish a water meter calibration schedule for all Water Services operational meters.
- Create a plan for the installation of Automated Metering Infrastructure (“Smart Water Meters”) throughout the water service area.
- Optimize the use of electrical energy in all systems to lower electricity consumption and lower operational costs.
- Monitor Power requirements, track over time, and evaluate future improvements that will decrease power consumption and related costs.

Performance Metrics:

- Achieve and maintain non-revenue water (“water loss”) at or below 7% annually
- Year-over-year improvement in energy usage rate (kWh /MGD) for treated water and wastewater
- kWh/MG Water Delivered
- kWh/MG Wastewater Treated





Financial Viability

Strategy: Maintain an effective balance between operations and maintenance expenditures and operating revenues, predictable cost recovery rates, sufficient financial reserves, superior bond ratings, and funding for future investment needs while taking into account affordability and the needs of disadvantaged households.

Actions:

- Develop and manage operational and capital improvement budgets in alignment with city and department goals and objectives.
- Coordinate and work with the Finance Department to maintain a minimum bond rating of AA or better.
- Maintain water and sewer rates that recover the cost of services provided while also allowing for system improvements needed to provide ongoing and future system resiliency, reliability, and capacity.
- Continue to provide training on budget, procurement, and inventory topics to ensure utilization of best management practices.
- Provide continuous monitoring and tracking of Division budgets on a monthly basis to ensure department conformance with the City Council approved budget.
- Provide continuous monitoring of Capital Improvement budgets, scopes, and schedules to ensure conformance with the City Council approved budget.
- Monitor, evaluate, and implement internal controls as necessary to reduce the potential for fraud.
- Proactively communicate with stakeholders when conditions arise that could potentially impact rates in a significant manner.
- Continue to provide the highest level of water services in a cost effective manner utilizing cost-effective technology in water treatment and facility operations.

Performance Metrics:

- Maintain minimum Bond Rating of AA or better.





Infrastructure Stability and Performance

Strategy: Ensure infrastructure investments are made consistent with community needs, anticipated growth, system reliability goals, and relevant community priorities while enhancing the condition of all assets over the long-term at the lowest possible life-cycle cost and acceptable risk consistent with customer, community, and regulator-supported service levels.

Actions:

- Maintain updated infrastructure master plans in a manner that conservatively plans for future growth and improvements, reflects the priorities of the community, maintains financial viability, and stays current with regulatory changes.
- Plan for and implement capacity enhancements and other improvements to accommodate planned growth and changes to the community.
- Improve and enhance the use of asset management programs, processes, techniques, and standard industry best practices to achieve maximum value of assets.
- Conduct periodic asset condition assessments to evaluate repair and replacement needs.
- Prepare monthly reports to demonstrate accountability for maintenance activities.
- Utilize cost-benefit and life-cycle analysis to evaluate projects, select alternatives, and determine timing.
- Clean every sewer line at least every 5 years.
- Perform maintenance on each fire hydrant every year.
- Perform maintenance and exercise water valves every 3 years
- Perform maintenance on air valves once every 3 years.
- Perform maintenance on water main pressure reducing valves every year.
- Perform 50 interceptor inspections (FOG program) every year.

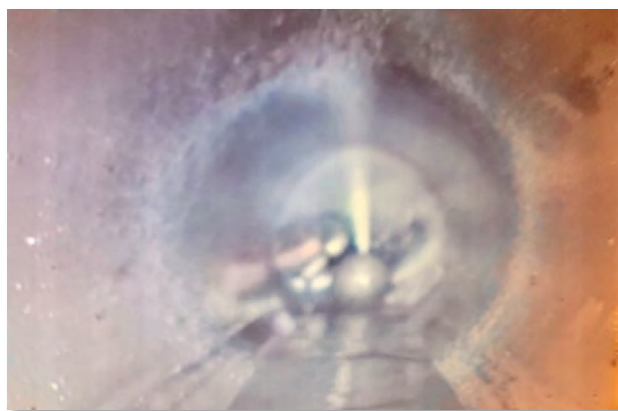
Performance Metrics:

- Clean 20% of sewer lines every year.
- Perform maintenance and exercise 20% of water valves every year.
- Perform maintenance on 33% of air valves every year.
- Perform maintenance on water main pressure reducing valves every year.
- Perform maintenance on every fire hydrant every year.
- Perform 300 interceptor inspections (FOG program) every year.
- No more than 20 leaks/breaks per 100 miles of water main every year.
- No more than 1.0 sanitary sewer overflows per 100 miles of sewer lines.

Sewer main before hydro cleaning:



Sewer Main after hydro cleaning:





Operational Resiliency

Strategy: Effectively manage a full range of business risks including interdependencies with other services and utilities and legal, regulatory requirement, financial threat, public and employee safety, physical and cyber security, knowledge loss, talent acquisition and retention, and natural disaster-related concerns consistent with industry trends and system reliability goals.

Actions:

- Expand and enhance redundant water supply systems for use during interruptions to SRP and/or Central Arizona Project water deliveries and specifically during dead pool status on the Colorado River.
- Maintain up-to-date Emergency Response, Risk and Resiliency, and Capacity, Management, Operations and Maintenance (CMOM) programs and plans. Work collaboratively with Homeland Security, the FBI, and local law enforcement units that are dedicated to protection of critical assets.
- Enhance our ability to attract and retain workers in critical positions that are traditionally difficult to fill.
- Maintain on-call and emergency response programs to ensure rapid response to unforeseen circumstances.
- Maintain network and cyber security according to industry best management practices.
- Ensure redundant power supplies at all critical infrastructure sites.
- Secure critical facilities with a combination of physical and electronic/technological deterrence and hardening.
- Maintain adequate redundancy in systems to meet peak water supply and system pressure requirements and wastewater collection and treatment needs.
- Actively participate in processes that affect legislative, regulatory, and policy decision that affect the Department. This includes continued participation in the Arizona Municipal Water Users Association (AMWUA), stakeholder groups, and city council study sessions.
- Continue to ensure Executive Team review of critical documents and agreements such as contracts, inter-local agreements, regulator issues, and significant human resource cases.

Performance Metric:

- Staffing levels at a minimum of 95% of budgeted positions
- Staffing levels at industry standard per miles of pipe installed, number of residential and commercial service connections, quantity of water treated, and population served.
- Staffing levels at industry standard per number of service connections
- Average time to address unplanned water service disruptions is less than four hours.





Community Sustainability

Strategy: Manage operations, infrastructure, and investments in a manner that does not infringe on the ability of future generations to provide services that the community enjoys in the present day.

Actions:

- Continue educational outreach for water conservation and sustainability. This includes interacting with schools, homeowner associations, and other civic groups.
- Maintain public facing facilities in a manner that communicates community pride, enhances neighborhood aesthetics, and is place appropriate.
- Look for and implement opportunities to include art and multiple community uses at Department facilities.
- Support and participate in local and regional efforts to protect watersheds for the Salt River Project and the Central Arizona Project.
- Manage operations and infrastructure in a manner that enhances the natural environment.
- Expand water efficiency and conservation programs for City operations and for the residential, commercial and industrial sectors.
- Collaborate on multi-jurisdictional and regional water planning and conservation efforts.
- Continue to improve the sustainability and water conservation team and associated water conservation incentives so that it can reach out to more homeowners, businesses and associations.

Performance Metrics:

- Increase conservation programs to reduce total gallons per capita per day (GPCD) by 5% by 2030.
- Increase public participation numbers year-over-year for educational outreach.





Resource Adequacy and Sustainability

Strategy: Engage in long-term integrated water resource management and ensure that current and future customer and community water related needs are met.

Actions:

- Continue to develop the reclaimed water system in a manner that obtains the highest and best use of reclaimed water through a mix of direct use (landscape and irrigation), storage for the future, and preparation for eventual direct potable reuse.
- Beneficially reuse 100% of reclaimed water within Peoria's water service area.
- Continue to seek out additional sustainable water supplies necessary to accommodate full build-out of the community in accordance with the General Plan.
- Enhance the ability to have access to Peoria's stored water and reduce the reliance on "recharge and pumping".
- Pursue partnerships and agreements that enhance the availability of water resource assets.
- Expand the use of alternative sources of water for potable and non-potable uses, including rainwater, gray water, reclaimed water, effluent, and stormwater.
- Create a plan for the installation of Advanced Meter Technology ("Smart Water Meters") throughout the water service area.
- Incorporate water use and water demand planning into development and planning standards and procedures.
- Enhance Peoria's existing tiered water rate structure to incentivize greater water conservation and better reflect the costs of serving high water users while maintaining affordable access to water essential uses.
- Reduce well pumping to 15% or less of Peoria's annual water supply by 2030.

Performance Metrics:

- % achievement of long term storage credit (LTSC) goal (6 years of production demand - forward looking)
- Beneficially reuse 100% of reclaimed water within Peoria's water service area
- Show yearly progress towards reducing well pumping to 15% or less of Peoria's annual water supply by 2030.





Stakeholder Understanding and Support

Strategy: Maintain and enhance understanding and support from stakeholders including customers, City leadership, City departments, oversight bodies, community interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs, and risk management decisions.



Actions:

- Educate, inform, and communicate in a transparent manner to build support for Department initiatives, programs, and goals.
- Continue to develop and strengthen relationships with City Council and other City departments.
- Continue to develop and strengthen relationships with regulatory agencies, community groups, regional stakeholders, and industry partners.
- Coordinate relevant issue messaging with other agencies and community groups.
- Maintain an up-to-date website that provides information on activities, opportunities, and primary Department metrics.
- Operate within budgets and demonstrate fiscal responsibility



Performance Metrics:

- Maintain (FY Water Operational Expenses (\$) / FY Water Operations Budget (\$)) < 1
- Maintain (FY Wastewater Operational Expenses (\$) / FY Wastewater Operations Budget (\$)) < 1
- Complete capital projects as scheduled and within budget

