2006 PIERCE COUNTY PUBLIC WORKS AND UTILITIES PERFORMANCE MEASURES REPORT

Our Accountability – Our Plan and Results

Fourth Quarter and Final Report

The Pierce County Public Works and Utilities (PWU) Department is committed to monitoring, tracking, and reporting on the delivery of our programs and projects. At the end of each quarter in 2006, we develop a report evaluating and reporting on our progress in 12 performance goals adopted by the Executive's Performance Measurement Committee.

The following pages show the 12 performance measures and performance goals of our six systems:

2006 BUDGET PERFORMANCE MEASURES

Airport –
- Operating Revenues vs. Operating Expenses

Ferry –
- Operating Revenues vs. Operating Expenses

County Roads –
- Lane Miles by Pavement Condition
- Miles of Congested Arterials
- Actual Projects Advertised vs. Planned
- Projects Completing Construction vs. Planned

Sewer Utility –
- Treatment Plant Expansion Planning Completed as Scheduled
- Cost per Million Gallons Collected and Treated
- Actual Projects Advertised vs. Planned
- Development Permits Reviewed On-Time

Solid Waste and Recycling –
- Recycling Pounds per Household

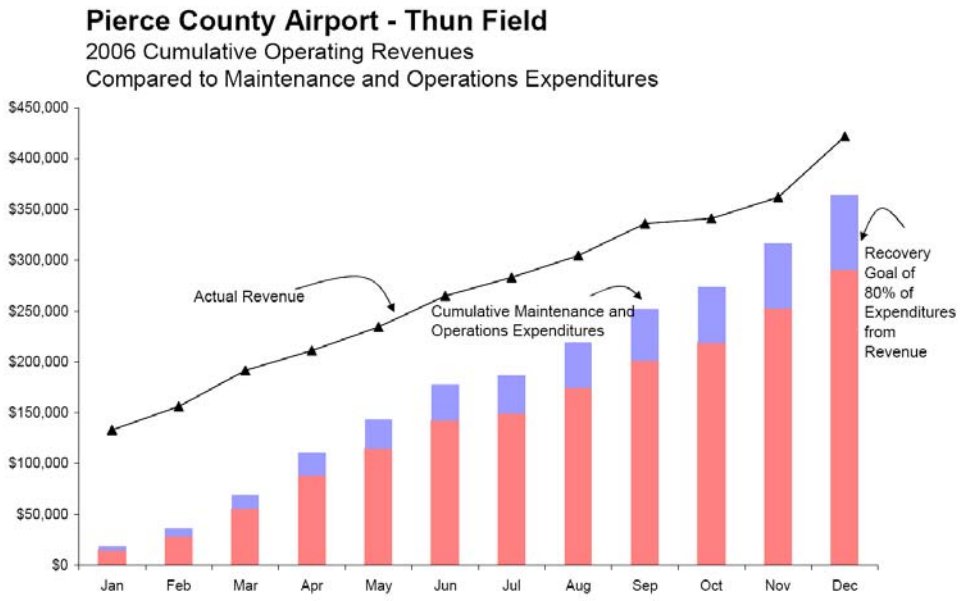
Water Programs -
- Actual Projects Advertised vs. Planned

Airport

Performance Measure – Operating Revenues vs. Operating Expenses

Airport revenue provides for the operations, maintenance, and capital improvements of the Pierce County Airport – Thun Field. The 3-year goal is for airport operations to be self-supporting through user fees and tenant charges.

The operating expenses associated with the airport include maintenance of airport systems and facilities, power and other utilities, and supplies and administration. The operating revenues come from leases and rental charges for land, hangers, tie-downs, and other facilities at the airport and a share of concessions.



Performance Goal: The Airport Operating Revenues will cover at least 80% of Operating Expenses (excluding depreciation).

Data Note: Operating expenses do not include expenses such as improvements or preservation costs for runway maintenance or other physical assets associated with the Airport.

The graph above shows that all four quarters of actual Airport operating revenue compared to cumulative operating and maintenance expenses data easily exceeds the 80% recovery goal. This information has prompted us to change our 2007 goal to state that “Operating revenues will cover all operating expenses (excluding depreciation).”

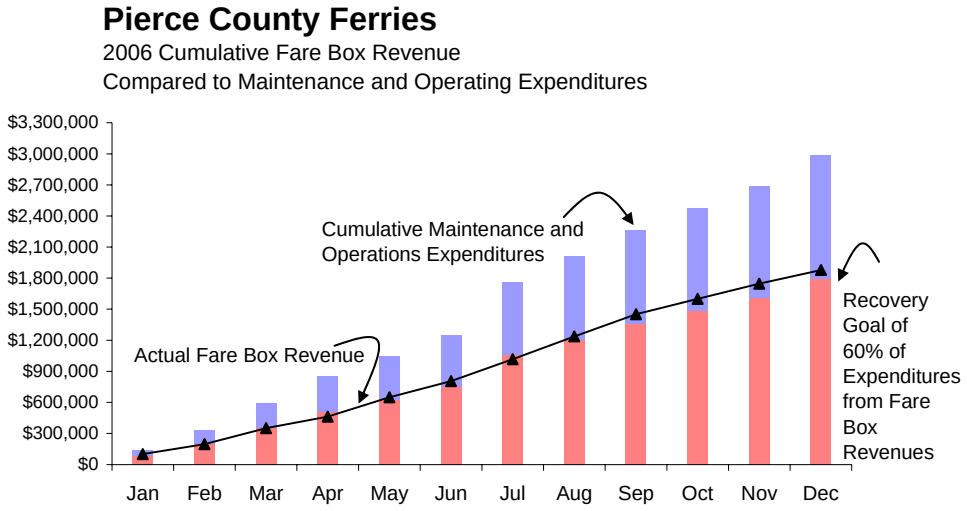
Recent efforts to bring leases up to market rates is the primary reason for the increase in operating revenues.

Ferry

Performance Measure - Operating Revenues vs. Operating Expenses

Pierce County Ferries provide a critical transportation service for Ketron and Anderson Islands linking them to the mainland at the Town of Steilacoom. The goal is to have fares recover 60% of the cost of maintaining and operating the ferry service for 2006 and 2007.

The maintenance and operations cost associated with the ferry service includes vessel and terminal cleaning, and maintenance and the operation of the vessels accomplished by a private contractor. These maintenance and operations costs also include dry docking vessels for repairs, insurance, supplies, fuel, administration, and the depreciation of ferry assets.



Performance Goal: Operating revenue will cover at least 60% of the operating expenses (including depreciation).

Four quarters of cumulative data shown in the graph above indicate that fare box revenues have been at or just above the 60% goal. This positive return of revenue vs. operating expense is practically due to a decision to delay half of the 2006 dry-docking activities on the Christine Anderson until 2007 to help alleviate higher fuel prices.

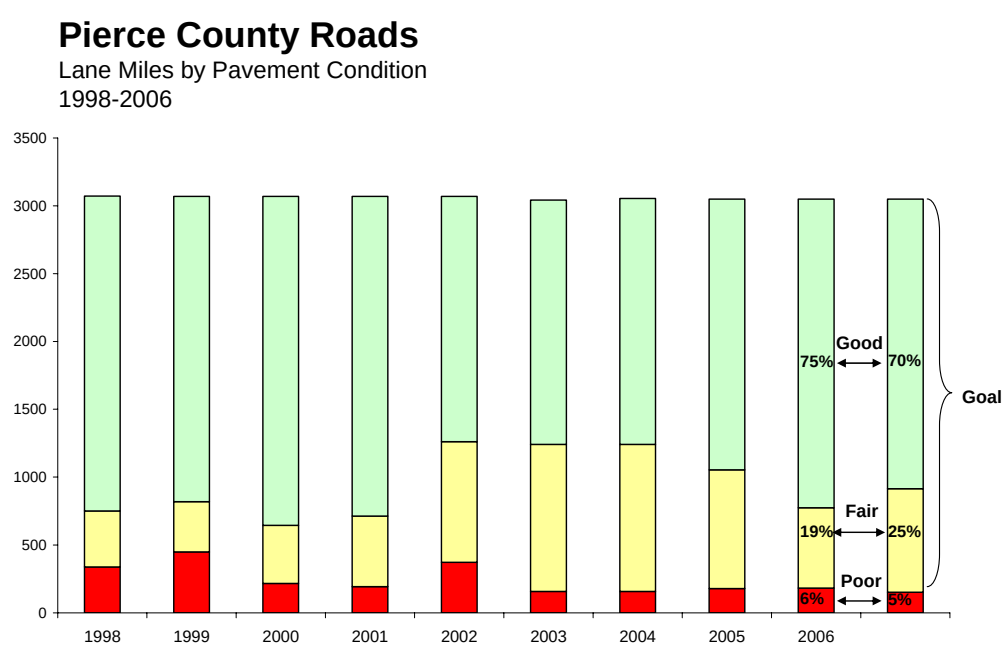
After reviewing the full year of data for 2006, we feel that the performance goal of 60% is set at the appropriate level. We will continue to use this goal for our 2007 work plan.

County Roads

Performance Measure - Lane Miles by Pavement Condition

Adequate pavements on County Roads are essential to the safety and comfort of the traveling public as well as the economic well being of Pierce County.

The condition of pavements on County roads is measured every other year, assessing the depth of ruts and the severity and amount of pavement distress. Pavements are then rated as Good, Fair, or Poor. Our agency goal to maintain adequate pavements at the lowest life-cycle cost, which is achieved when 70% of the road miles are Good, 25% are Fair, and 5% are Poor.



Performance Goal: Maintain 95% of the county road pavement in Good or Fair condition. (i.e. Lowest Life-Cycle Cost).

Experts base the "lowest life-cycle" goals for the Pierce County Pavement Maintenance Program on industry standards. The goals are used to plan our preventative/preservation maintenance program. The result is lower maintenance costs over the life of the pavement.

If you look at the graph above you'll see that data for 2003 through 2006 shows that the percentage of Poor pavement is at or just above the goal of 5% and does not appear to be rising. The amount of pavement that is in Fair condition is currently less than our goal of 25%.

Although there is an increase in pavement condition in Good condition in 2006, the plan is to continue to reach our goal of 95% of pavements in Good and Fair conditions by completing paving projects that were delayed in 2005 and 2006 and to also continue with scheduled paving projects in 2007.

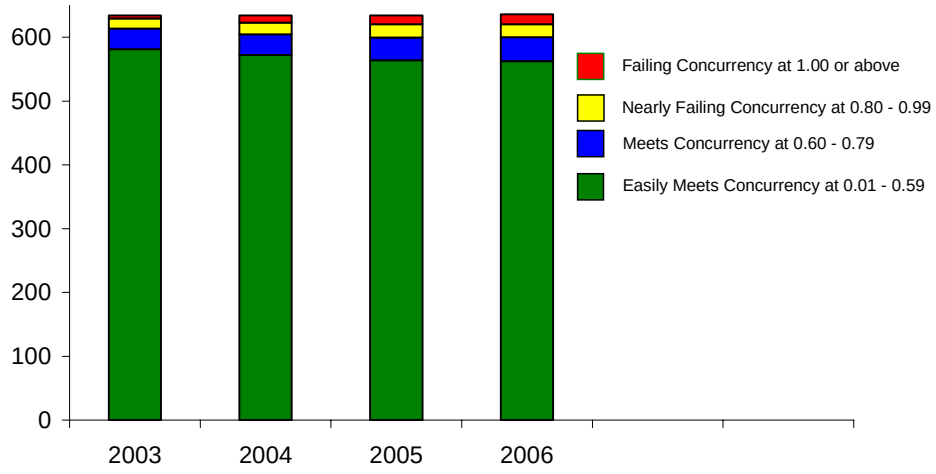
County Roads

Performance Measure - Miles of Congested Arterials

Addressing congested County Arterials is critical to the economic well being of Pierce County and the quality of life provided for citizens who live and travel throughout the County. The Growth Management Act and County Laws require that overly congested arterials be “corrected” within six years of the arterial “failing” the acceptable level of congestion on the arterial. In Pierce County, an arterial is defined as a major county roadway that connects to a freeway or another arterial and “corrected” is defined as a situation where a project to correct the overly-congested situation is under construction contract.

A County arterial is determined to be overly-congested when the average daily traffic flow is greater than the amount of traffic the arterial is able to serve (the average daily volume or “v”, is greater than the “service level threshold, or “s"). This v/s ratio is also known as the concurrency threshold. The goal is that all segments of overly-congested arterials are “corrected” within six years of failing concurrency.

Congested Arterials
Number of Pierce County Arterials Miles
Failing Concurrency 2003-2006



Performance Goal: A project will be included in the Transportation Improvement Program (TIP) to mitigate arterial segments failing concurrency.

The current method of measuring congestion began in 2003. The data above shows a trend of more miles of arterial becoming congested each year although that rate of growth is slowing.

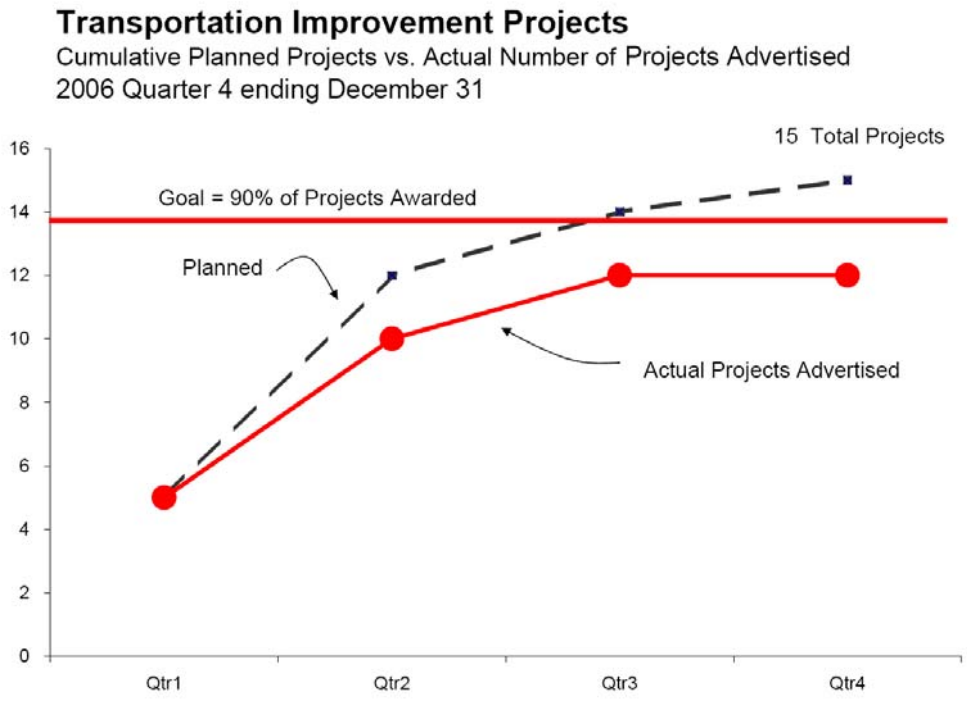
In 2006, 2.5% of County arterial road miles failed concurrency and over 3% were close to failing. This data indicates that this is slightly up from 2005 with an additional 1.7 miles of county road failing concurrency. The 2007-2012 Transportation Improvement Program includes 19 arterial road construction projects to address roads currently failing concurrency.

County Roads

Performance Measure – Planned vs. Actual Projects Advertised

The improvement of County Roads is accomplished by construction contracts employing private sector contractors. To ensure that this work occurs in a timely manner and uses tax payer's money wisely, engineers carefully develop these construction contracts before advertising the project for contractors to bid on them.

One measure of contract delivery is the contract advertisement date milestone. We plan these advertisement dates throughout the year, then track quarterly progress toward meeting the plan. The graph below displays the number of cumulative planned and advertised transportation projects by quarter for 2006.



Performance Goal: Design and advertise at least 90% of the projects planned to be advertised in the annual element of the Transportation Improvement Program (TIP).

As reported in our 2006 Fourth Quarter and End of Year Milestone Report, we achieved 80% of our total planned projects to ad missing our goal by two projects. A variety of issues contributed to the delay in these projects but the prevailing reasons behind the delays are mostly attributed to coordination with outside agencies.

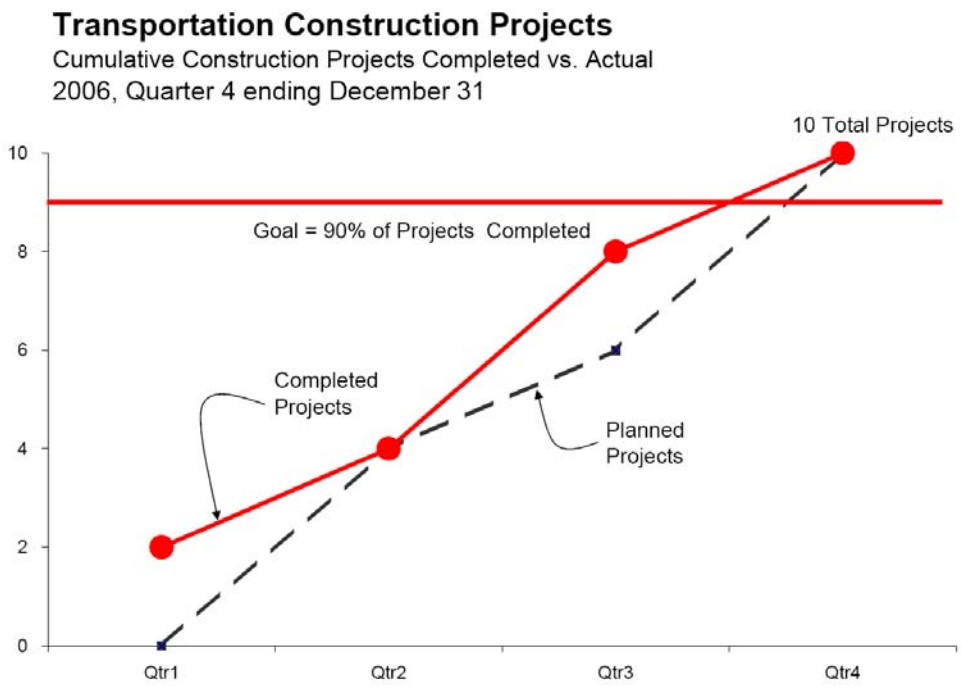
In 2007, we will concentrate on improving our working relationships involving coordinating projects with other agencies and developers and we will continue to look for new tools to help us improve project delivery progress and achieve goals.

County Roads

Performance Measure - Projects Completing Construction vs. Planned

The improvement of County Roads is accomplished by construction contracts employing private sector contractors. These contractors are given specific amounts of time to accomplish the work when they are awarded the contract. To ensure that this work occurs in a timely manner and uses tax payer's money wisely, engineers oversee these construction contracts.

The completion of these contracts is measured by when the project is substantially completed and open to traffic. We compare this date with the quarter in which the project was planned to be completed.



Performance Goal: Complete construction on at least 90% of the projects planned to be completed.

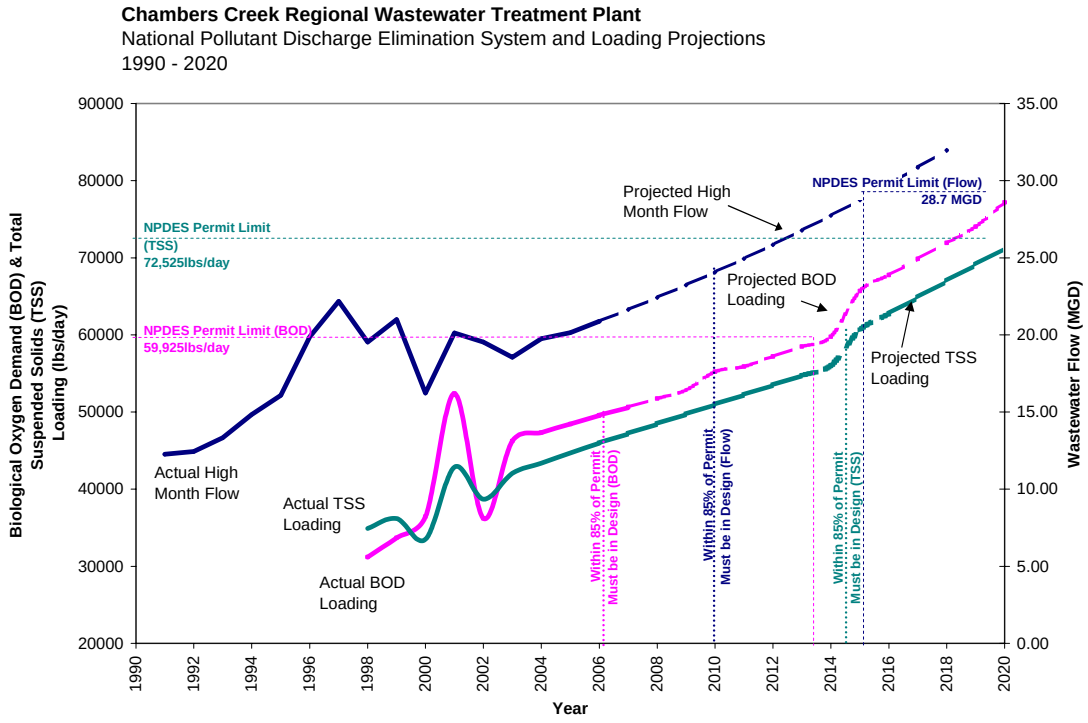
The graph above displays the number of cumulative planned projects and current projects completed by quarter for 2006. By the beginning of the third quarter, eight cumulative projects had been completed and by the end of quarter three, we met our goal of nine projects completed. We completed all 10 projects in 2006.

Sewer Utility

Performance Measure - Treatment Plant Expansion Planning Completed as Scheduled

The expansion of urban development in Pierce County is limited, in part, to the ability to expand the Chambers Creek Regional Wastewater Treatment Plant to serve new development. The treatment plant capacity is controlled by the National Pollutant Discharge Elimination System (NPDES) limits on wastewater flow, total suspended solids (TSS), and biological oxygen demand (BOD) discharge from the plant.

Annually, these NPDES parameters are reported to state regulators. Projections on these parameters determine when a plant expansion will need to be planned, permitted, designed, and constructed. When 85% of a NPDES limit is reached, a plant expansion needs to commence design.



Performance Goal: Projected NPDES parameters require that the planning and environmental review phases of the plant expansion project be started by the end of 2006.

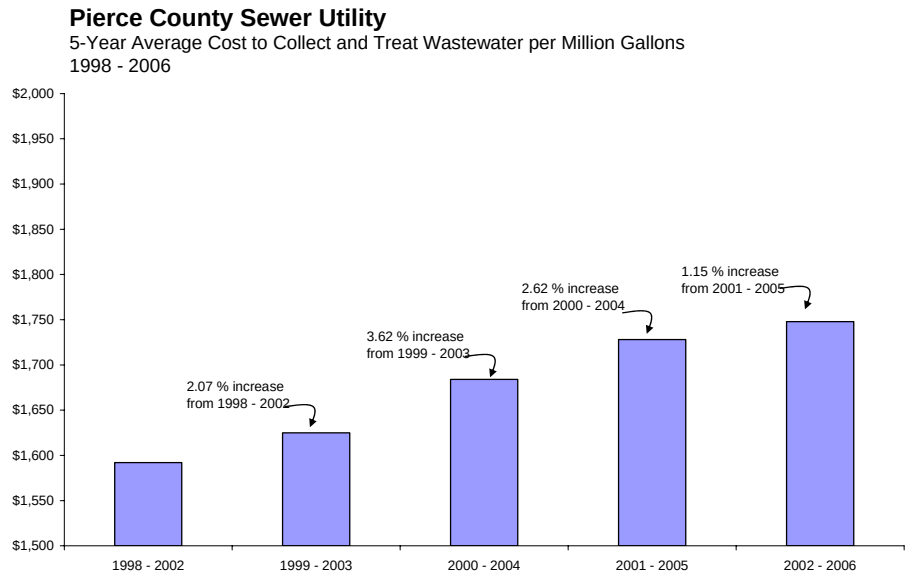
As indicated in the graph above, the plan to meet the NPDES parameters is to begin planning a plant expansion by the end of 2006. This planning work is still underway and includes ultimate permitting and a pilot project of reclaimed water as a way to reduce wastewater discharged directly into the Puget Sound. Preliminary design and environmental permitting will occur in 2007-2009 and final design will begin in 2010.

Sewer Utility

Performance Measure - Cost per Million Gallons Collected and Treated

Keeping the cost of treating wastewater to a minimum, while meeting environmental requirements and providing a high quality service to residents, is important to the quality of life and economic well being of Pierce County.

The measure below is the calculated average cost to treat one million gallons of wastewater, averaged over a five year period. This cost includes all maintenance and operational costs to collect the wastewater from homes and businesses, convey it to the plant, and treat the wastewater before discharging it into the Puget Sound. The goal is that the five-year average cost increases be at or below 3%.



Performance Goal: The five year (2002 – 2006) average cost per million gallons treated will increase by 3% or less over the previous (2001 - 2005) five year average.

The data above shows that the increase in the cost to collect and treat wastewater was close to inflation in the 2000-2004 periods with more than 3% due primarily to an increase in maintenance and operations costs.

In the 2002-2006 periods, the cost for maintenance and operations continued to rise but the average cost per million gallons treated increased only 1.15%. This was mainly due to the heavy rains in 2006 which resulted in large qualities of wastewater. This large quality of treated wastewater helped to keep our average cost per million gallons treated under our goal of 3% or less.

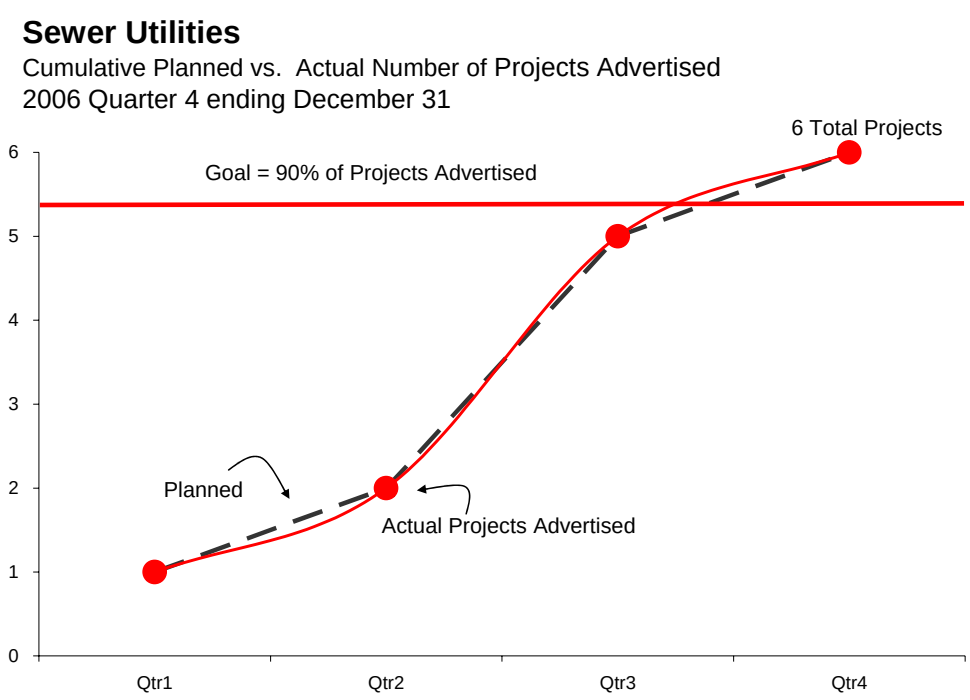
The plan is to monitor expenditures closely and develop a sophisticated asset management system to ensure the most cost effective delivery of services.

Sewer Utility

Performance Measure - Actual Projects Advertised vs. Planned

The improvement of the County Sewer system and replacement of portions of the system is accomplished by construction contracts employing private sector contractors. To ensure that this work occurs in a timely manner and uses tax payer's money wisely, engineers carefully develop these construction contracts before advertising the project for contractors to bid on them.

One measure of contract delivery is the contract advertisement date milestone. We plan these advertisement dates throughout the year, then track progress in meeting the plan.



Performance Goal: Design and advertise at least 90% of the number of projects planned to be awarded in the 2006 Capital Facilities Plan (CFP).

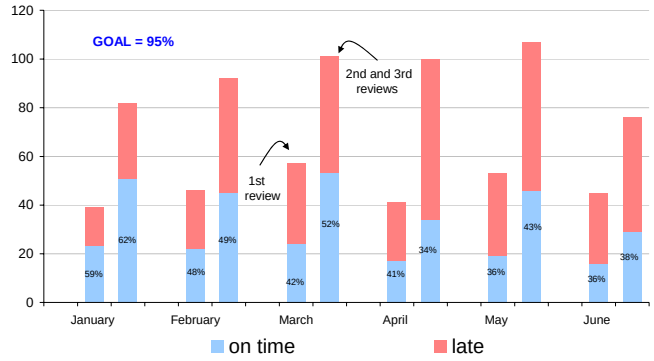
The graph above displays the number of cumulative planned sewer utility projects and actual projects advertised by quarter for 2006. In quarter four, all projects have been advertised as planned.

Sewer Utility

Performance Measure - Development Permits Reviewed On-Time

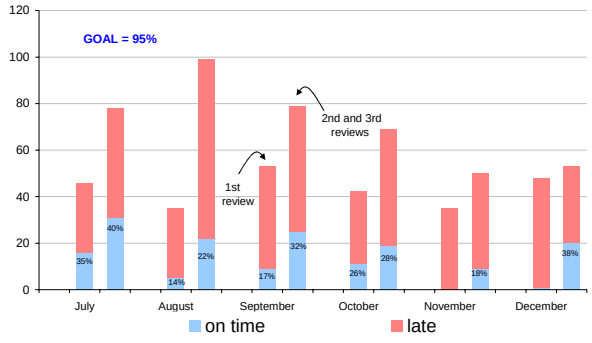
As urban development occurs in Pierce County new homes and businesses connect to the County sewer system. While new development pays the cost of connecting to the system, Sewer Utility engineers review the plans and actual construction of these facilities. (These facilities will eventually become the responsibility of the Sewer Utility to maintain and operate.) Having these reviews accomplished in a timely manner is important to contractors and businesses to facilitate economic development in the County.

Pierce County Sewers
Number of Development Proposal Reviews Accomplished On-time vs. Late
2006, Quarter 1 and Quarter 2 ending June 30



Note: On-time is 15 days for 1st review and 10 days for 2nd and 3rd reviews.

Pierce County Sewers
Number of Development Proposal Reviews Accomplished On-time vs. Late
2006, Quarter 3 and Quarter 4 ending December 31



Note: On-time is 15 days for 1st review and 10 days for 2nd and 3rd reviews.

Performance Goal: At least 95% of the 1st reviews will be completed within 15 calendar days after application submittal and at least 95% of the subsequent reviews will be accomplished within 10 days.

This measure indicates the timeliness of these reviews. The first time a plan is submitted, the Utility Division has 15 days to review the application. As the plans are corrected to meet Utility standards the plan is reviewed a 2nd and maybe a 3rd time in which the Division has a goal of responding within 10 days. The bar graphs to the left are for those reviews completed within the specified month. The percent of reviews accomplished within the goal of 10 or 15 day time frame is noted above the blue bar.

The data to the left indicates that while the utility had eliminated the backlog of late plan reviews at the end of 2005, a record batch of plans were submitted for review in the first six months of 2006. Consequently, the utility did not keep up with the backlog due to losing staff and not being able to hire new engineers to conduct the reviews.

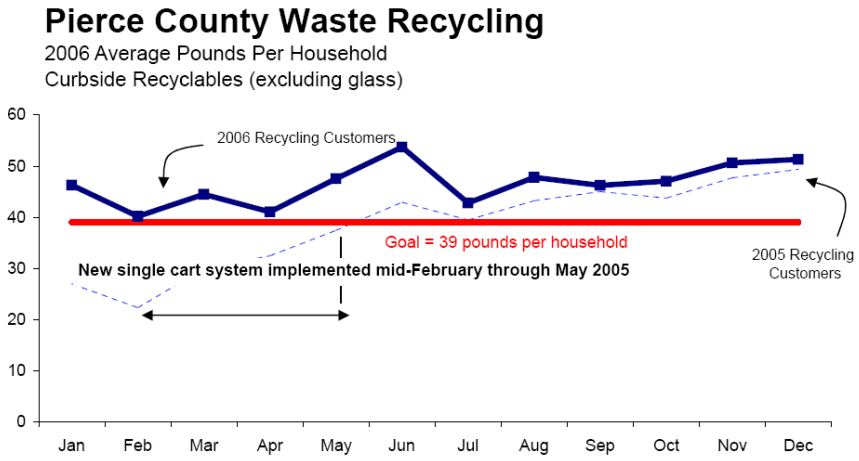
Because of the variable nature of review workload, the plan for 2007 is to fill plan review positions and improve performance through streamlined processes and applying all resources available to eliminate the backlog. In 2007, we will be monitoring the current measure and applying the existing goal.

Solid Waste and Recycling

Performance Measure - Recycling Pounds per Household

Recycling garbage that would otherwise end up in a landfill ultimately saves citizens money and minimizes impacts on the environment. A new single cart recycling system was implemented in 2005 with the goal of increasing recycling by 25% over 2004.

Recycling pounds per household is the measurement used to determine the effectiveness of recycling programs and is measured by private garbage haulers and reported to the County.



Performance Goal: The 2006 waste recycling pounds per household will be increased by 25% over 2004 to 39 lbs per household.

Four quarters of the recycling program data above indicates that the average pounds per month per recycling household was 46.6 pounds. This exceeds the 2006 goal of 39 pounds per household.

However, this yearly average doesn't tell the whole story. Single-family residents continued to increase the amount of recyclables they set-out each month; particularly during the last six months when they recycled two more pounds per month over their average during the first six months.

The plan for 2007 is to increase the goal by 15% from 39 to 45 pounds per household and continue outreach and education efforts to expand and sustain recycling and evaluate the possibilities of collecting additional materials.

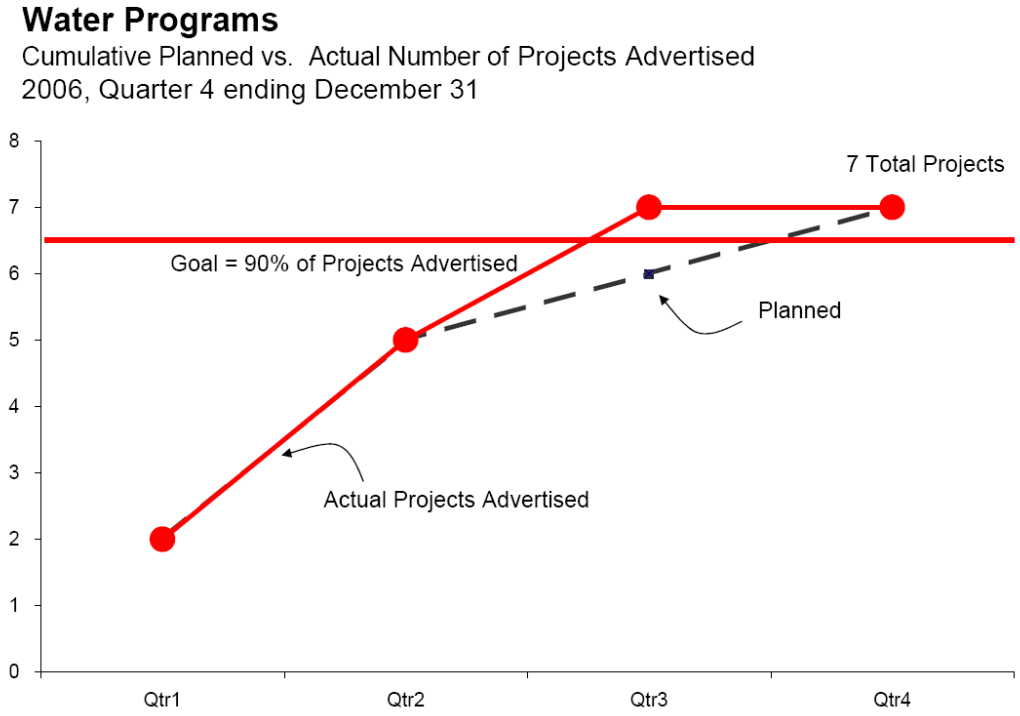
For more information about the "First Year Success" go to our web-site at http://www.piercecountywa.org/pc/abtus/ourorg/pwu/curbside/oneyreport.htm

Water Programs

Performance Measure - Actual Projects Advertised vs. Planned

Controlling flooding across Pierce County has large economic impacts, as does meeting water quality standards and protecting endangered and threatened species. Minimizing flooding, while improving water quality, is accomplished by the construction of ponds, pipes, pump stations, and improving natural drainage systems. Such improvements are accomplished by construction contracts employing private sector contractors. To ensure that this work occurs in a timely manner and uses tax payer's money wisely, engineers carefully develop these construction contracts before advertising the project for contractors to bid on them.

One measure of contract delivery is the contract award date milestone. We plan these award dates throughout the year, then track progress in meeting the plan.



Performance Goal: Design and advertise at least 90% of the projects planned to be advertised in the 2006 Capital Facilities Plan (CFP).

The graph above displays the number of cumulative planned and actual water program projects advertised by quarter for 2006. The Water Programs Division has exceeded its goal of 90% of planned projects to advertisement by advertising all seven projects by quarter three and into quarter four.