

STRATEGIC PLANNING / BUDGET WORKSHOP

FY 2022/23 AND FY 2023/24



March Cash & Investment Report

April 12, 2022



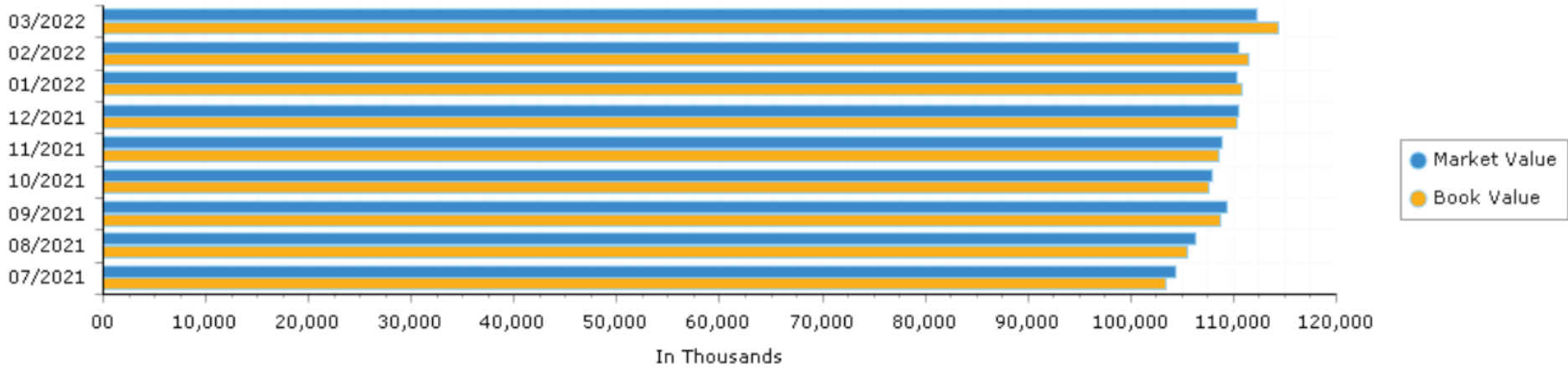
Portfolio Holdings as of 3/31/2022



- 7.47%-CD - Negotiable
- 0.22%-CD - Non-Negotiable
- 9.9%-LGIP CAMP | 25 ...
- 33.38%-LGIP LAIF | \$...
- 1.88%-Money Market M...
- 11.25%-Municipal Bon...
- 2.12%-Municipal Bond...
- 33.78%-US Agency | 1...



Market Value / Book Value Comparison



Available for Capital

- Potable Water
 - \$20.6 million
- Recycled Water
 - \$14.8 million
- Sanitation
 - \$5.7 million



Recommendation

- Direct staff to assign available funds for the Pure Water Project Las Virgenes-Triunfo as part of the proposed Fiscal Years 2022-24 Two-Year Budget.

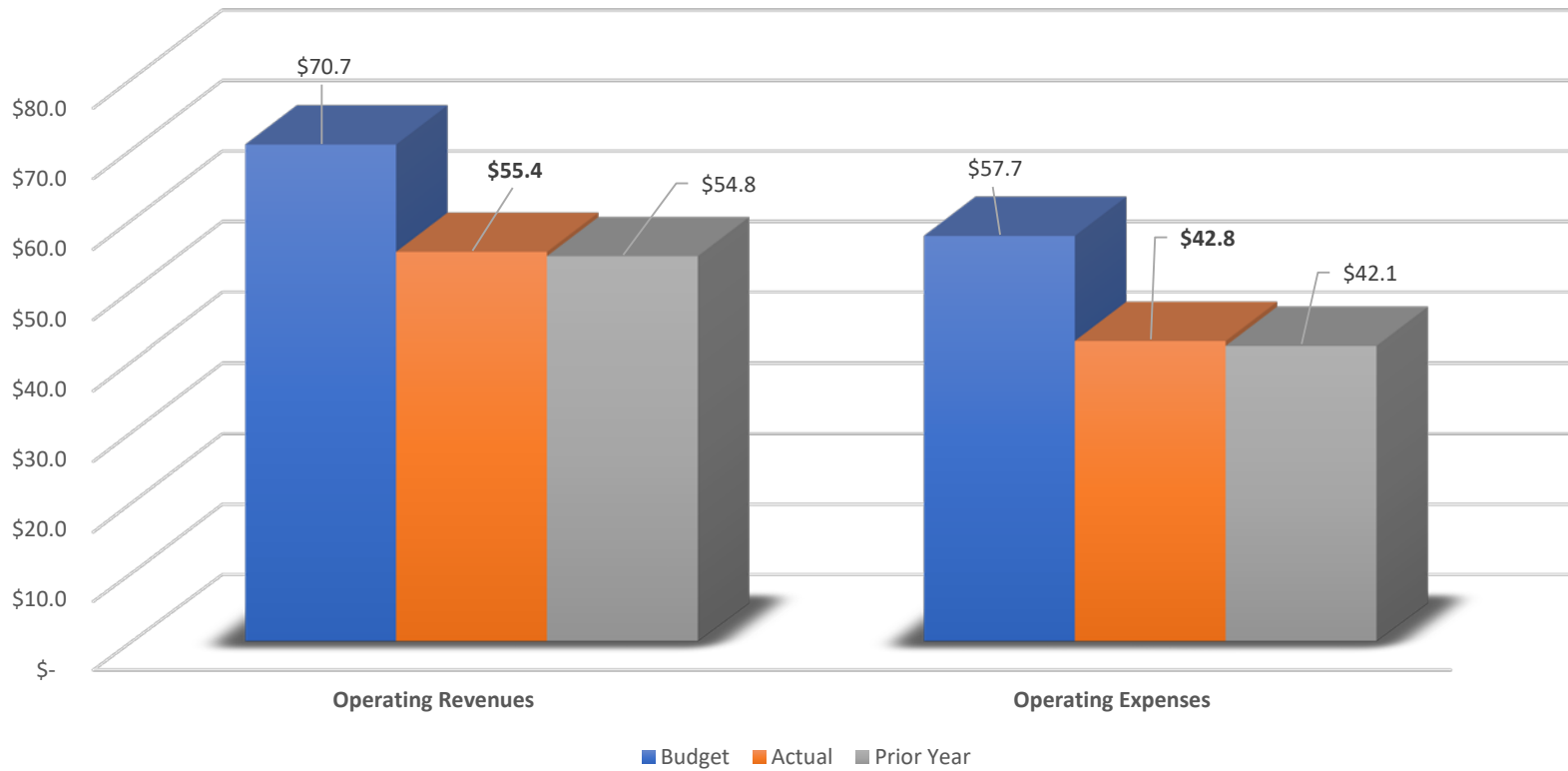


Fiscal Year 2021/22 Third Quarter Financial Review

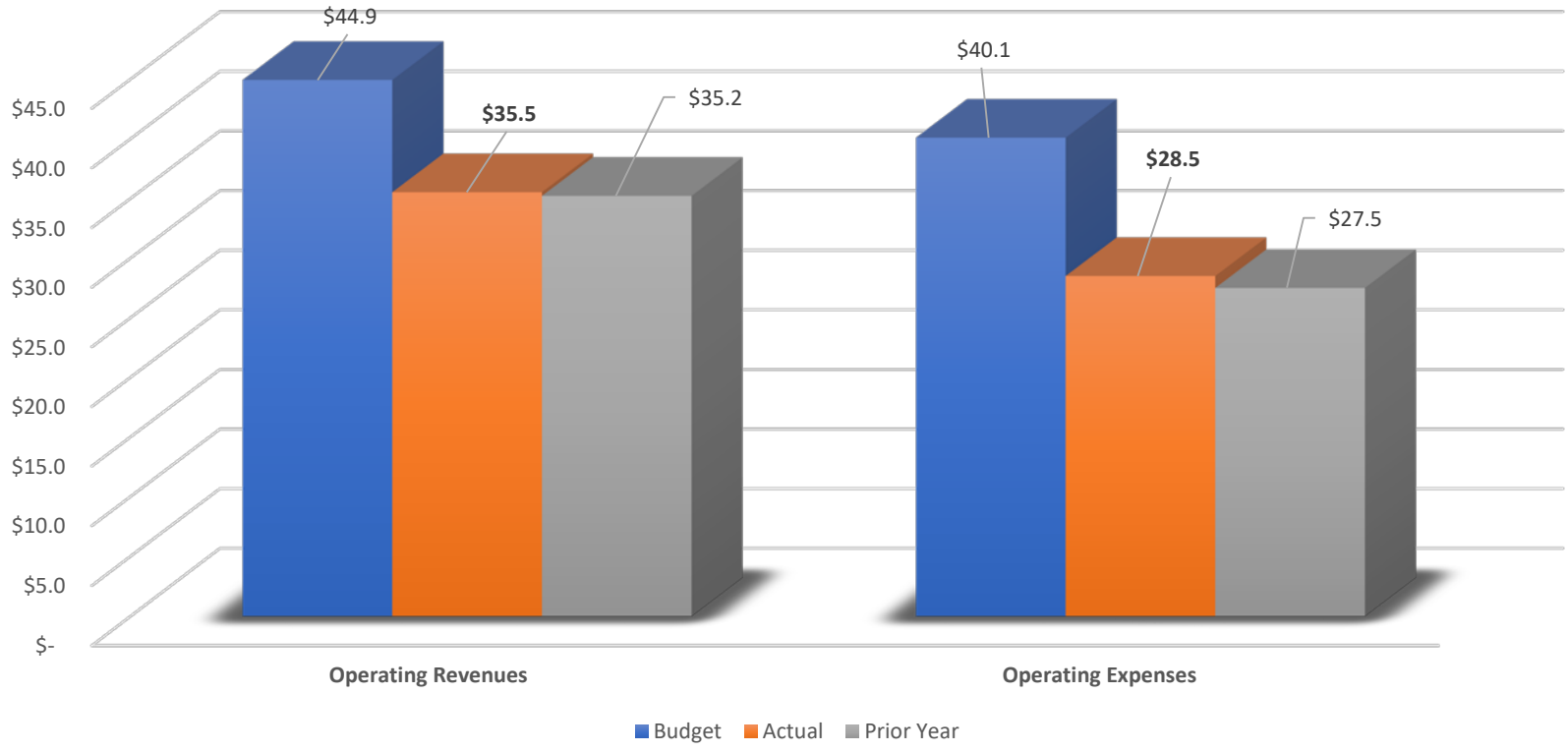
April 12, 2022



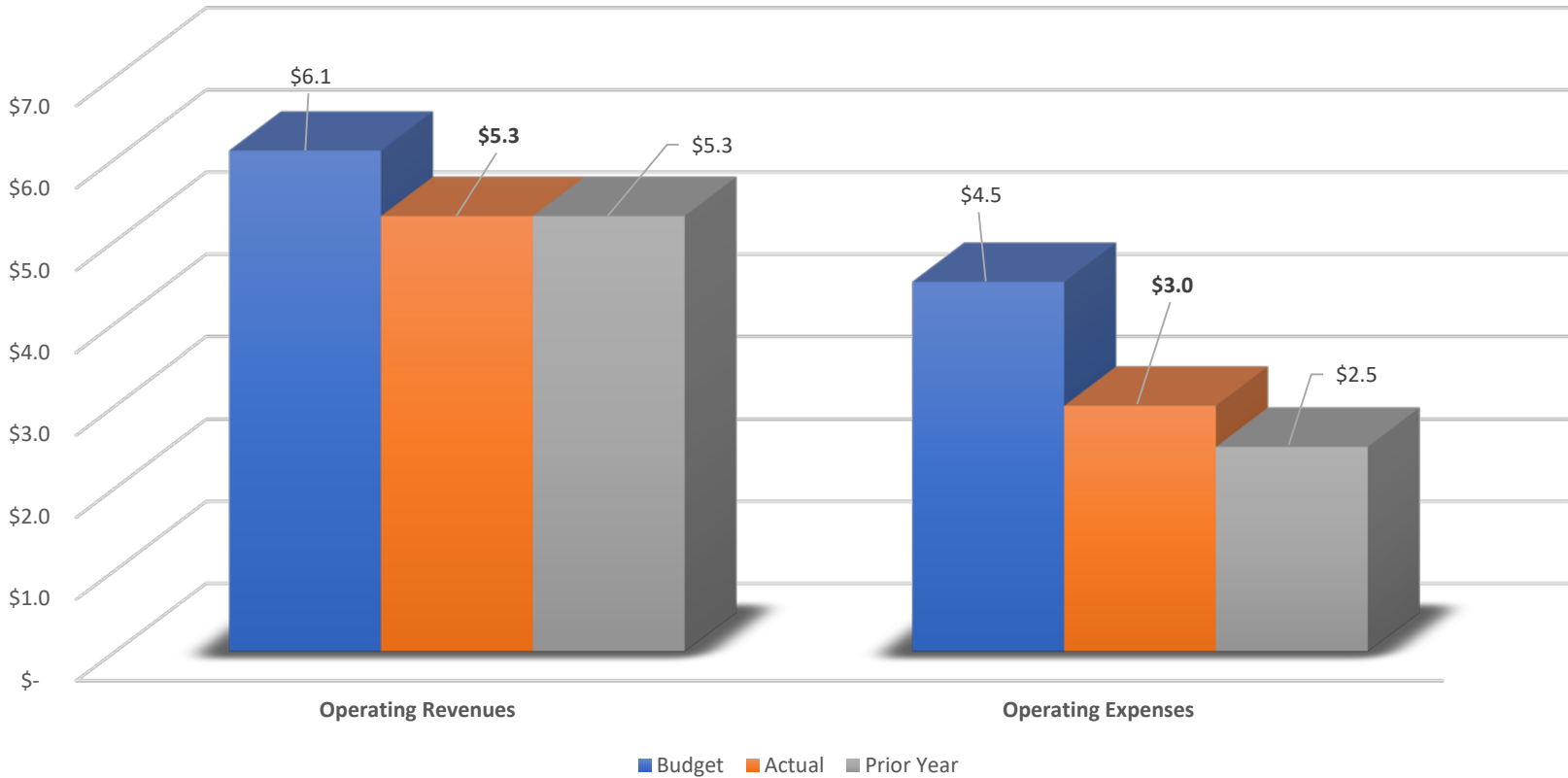
**Districtwide - All Enterprises
Fiscal Year 2021-22
75% through the Fiscal Year
(dollars in millions)**



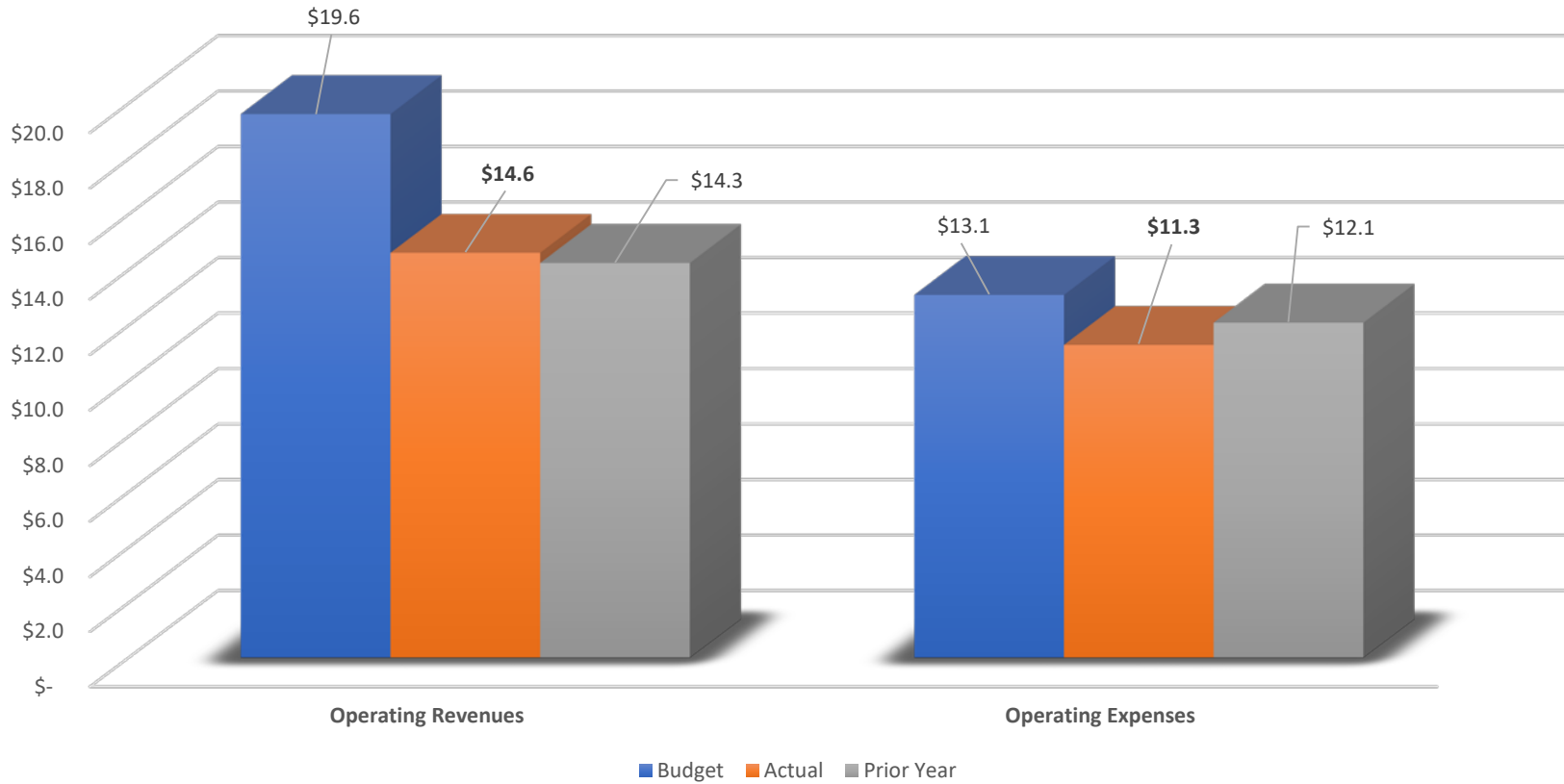
**Potable Water Enterprise
Fiscal Year 2021-22
75% through the Fiscal Year
(dollars in millions)**



**Recycled Water Enterprise
Fiscal Year 2021-22
75% through the Fiscal Year
(dollars in millions)**



Sanitation Enterprise Fiscal Year 2021-22 75% through the Fiscal Year (dollars in millions)



Update on CalPERS



CalPERS

- Projected Funded Status – 78.73% (June 30, 2021 valuation) approx. \$24.4m unfunded liab
- FY22/23 Employer Contribution Rate - 28.07%
- Estimated Rates will stay between 28-30% until Fiscal Year 2032 when they drop down to 13-10% until 2038, and then 7% indefinitely.
- Estimated > 90% funded by Fiscal Year 2029

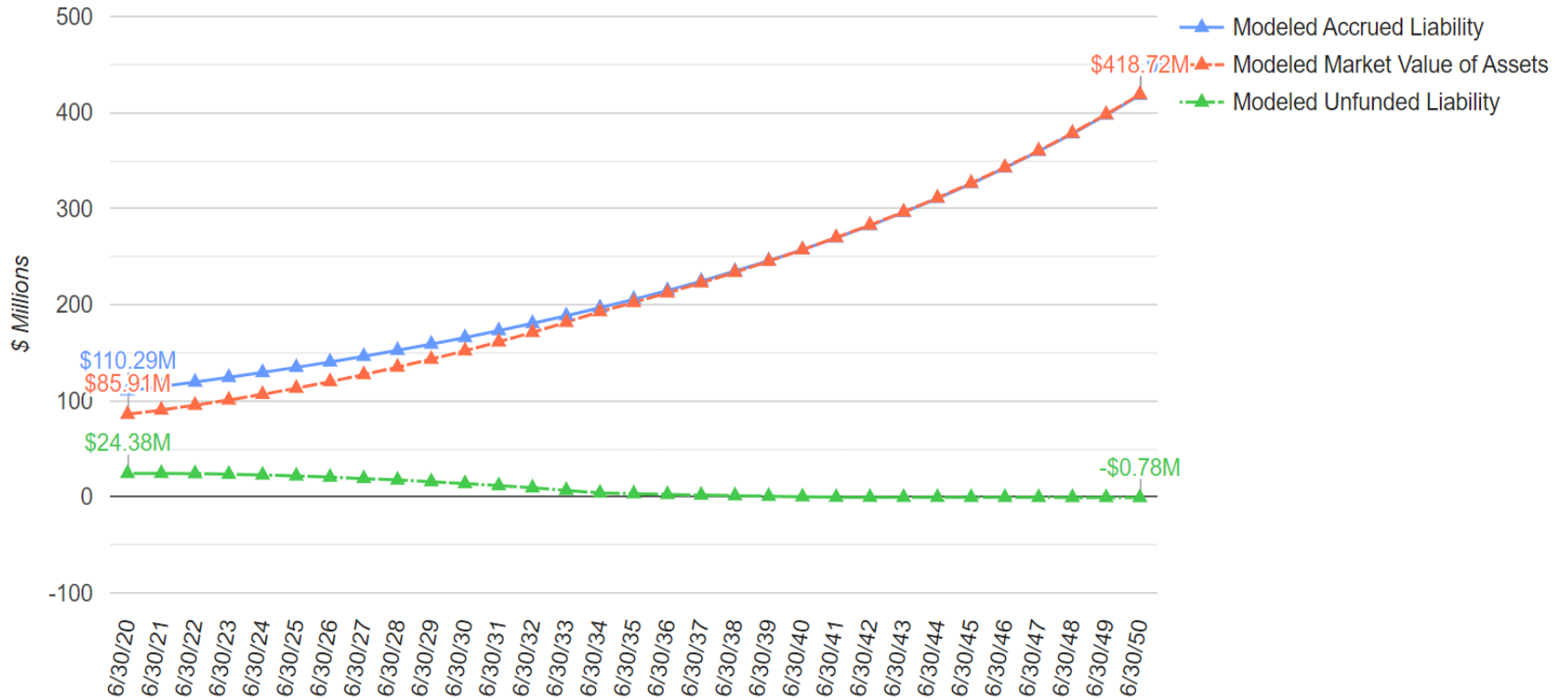


CalPERS

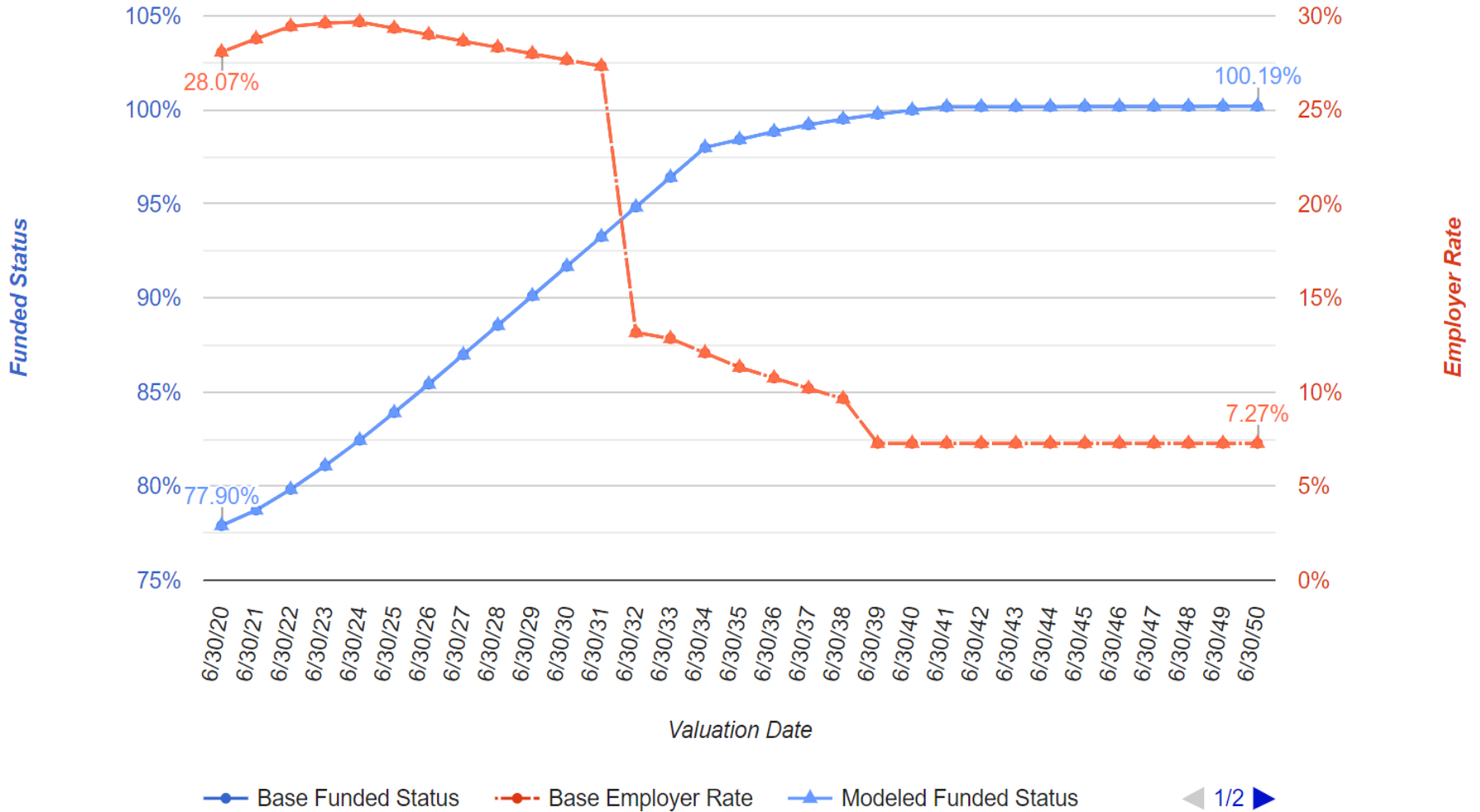
- Total Pension Liability \$110.29 M
- Market Value of Assets (\$85.91) M
- Unfunded Liability \$24.38 M



Projected Funded Position - 30 Years



Funded Status and Employer Rates



Update on OPEB



OPEB- Current Status

- Current Total Liability is **\$24,584,584**
 - As of FY 22 Funded in CERBT Trust \$13,332,956 or **54.23%** Funded vs 42.8% funded prior year
 - Unfunded Liability is Total Liability minus CERBT= **\$11,251,628**
 - Measurement Date is June 30, 2021. Reporting Date is June 30, 2022.



OPEB- Unfunded Liability

Schedule of Changes in Net OPEB Liability (June 30, 2020 to June 30, 2021)

Total OPEB Liability	
Service Cost	539,986
Interest	1,430,224
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs	0
Benefit payments ¹	(1,345,809)
Net change in total OPEB liability	624,401
Total OPEB liability – June 30, 2020 (a)	\$23,960,183
Total OPEB liability – June 30, 2021 (b)	\$24,584,584
Plan fiduciary net position	
Contributions – employer ¹	2,960,833
Other income – adjustment	0
Net investment income	1,467,876
Benefit payments ¹	(1,345,809)
Administrative expense	(3,821)
Other disbursements – reimbursement to employer	0
Net change in plan fiduciary net position	3,079,079
Plan fiduciary net position – June 30, 2020 (c)	\$10,253,877
Plan fiduciary net position – June 30, 2021 (d)	\$13,332,956
Net OPEB liability – June 30, 2020 (c) – (a)	\$13,706,306
Net OPEB liability – June 30, 2021 (d) – (b)	\$11,251,628



CERBT Account Summary

As of December 31, 2021	Strategy 3
Initial contribution (06/15/2009)	\$328,180
Additional contributions	\$9,395,253
Disbursements	\$0
CERBT expenses	(\$53,552)
Investment earnings	\$4,928,173
Total assets	\$14,598,055
Annualized net rate of return (06/15/2009-12/31/2021 = 12.54 years)	8.71%

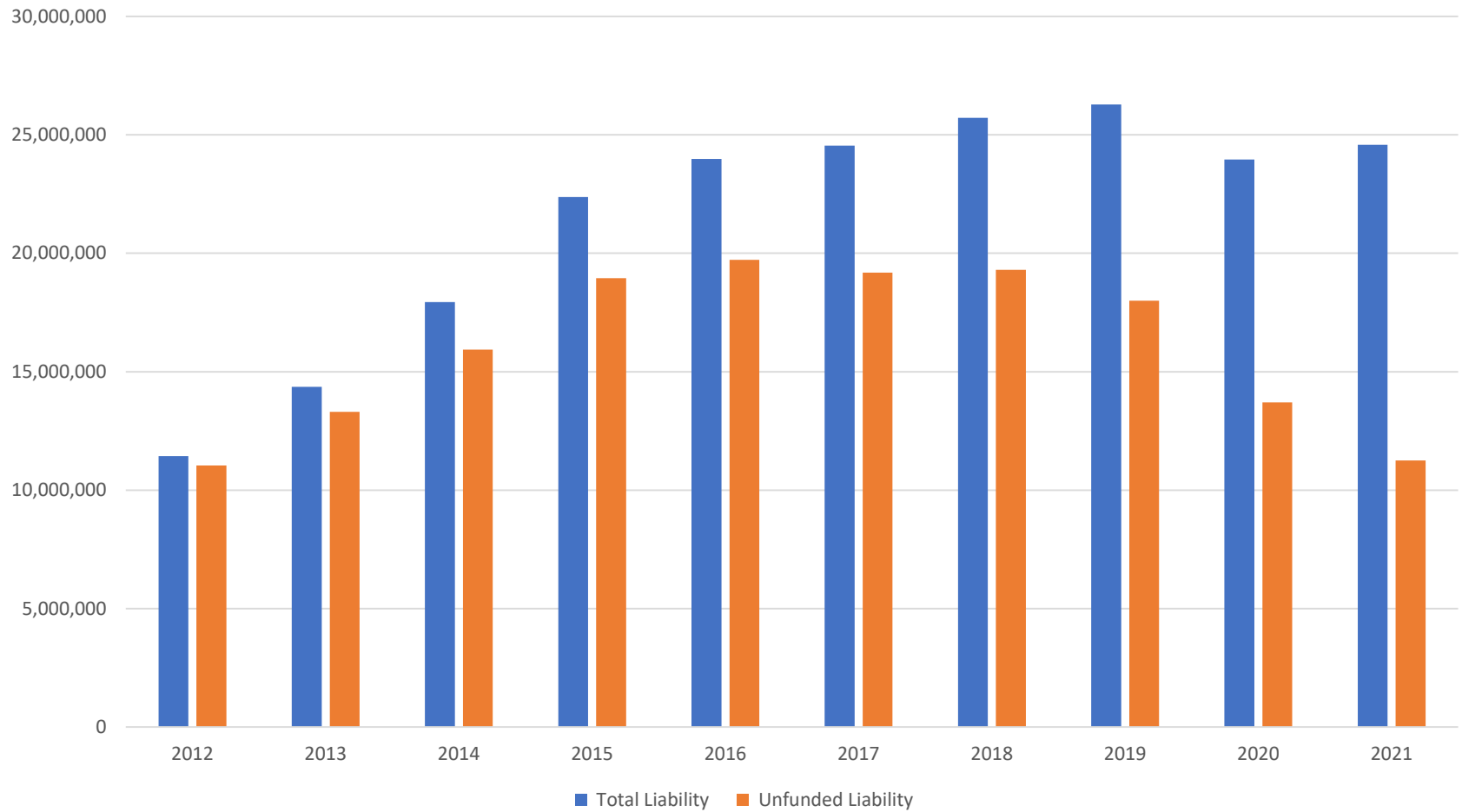


Historical Funding Status

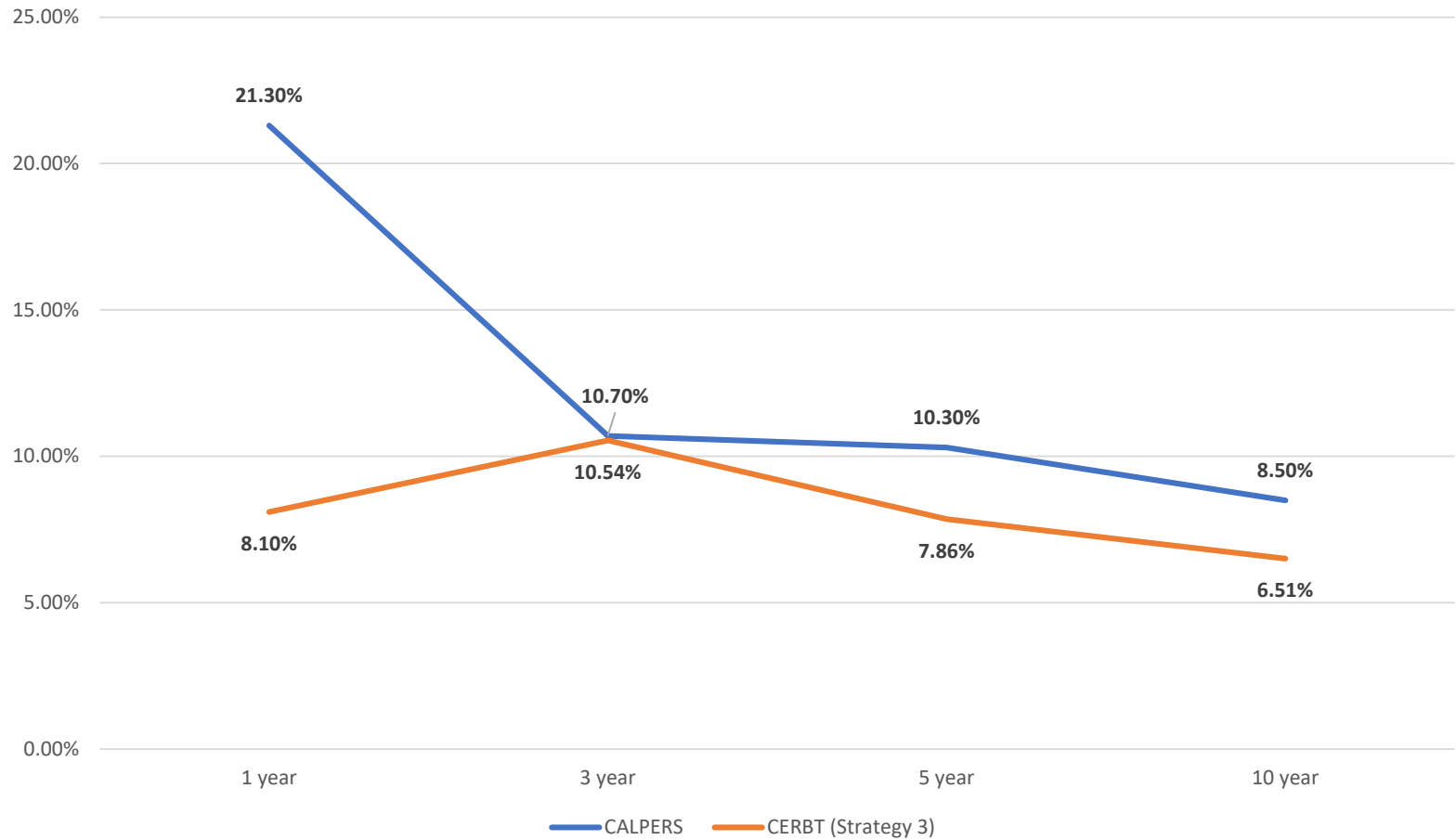
	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>Percent Funded</u>
2012	11,438,687	11,038,989	3.49%
2013	14,364,922	13,305,441	7.38%
2014	17,945,074	15,927,925	11.24%
2015	22,376,865	18,944,796	15.34%
2016	23,976,840	19,722,139	17.75%
2017	24,540,649	19,183,096	21.83%
2018	25,713,197	19,301,046	24.94%
2019	26,284,898	18,003,904	31.50%
2020	23,960,183	13,706,306	42.80%
2021	24,584,584	11,251,628	54.23%



Historical Funding Status



CALPERS vs CERBT Historical Annualized Investment Returns



Recommendation

- Receive and File the 3rd quarter financial review
- Continue contributing additional funding to CERBT in the form of quarterly payments of Actuarially Determined Contributions (ADC) in addition to monthly Paygo retiree health contributions.
 - FY2022/23 proposed annual estimate **\$2,385,455**
 - \$1,285,084 (ADC)
 - + \$1,100,371 (Paygo)
 - \$2,385,455



Budget



Important Board Budget Dates

- **April 12, 2022 – LV Budget Workshop (board)**
- May 17, 2022 – Draft Budget
- June 21, 2022 – Adopt Budget
- October – Year-End budget review/ CIP Carryforwards

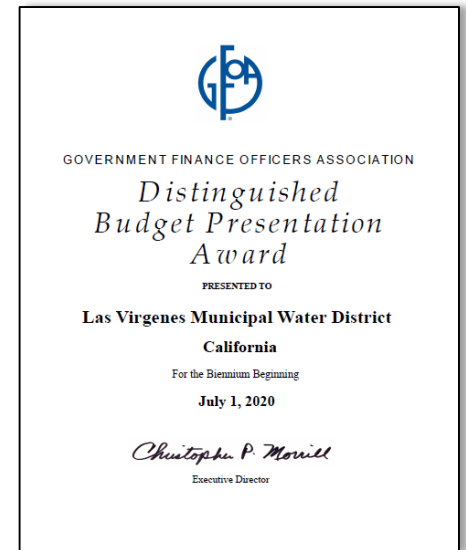


What Has Changed?

Budget Document

- ✓ TOC links
- ✓ Proposed and Adopted budget
- ✓ Organization Chart
- ✓ Financial Policies
- ✓ Level of Budget Control
- ✓ Debt
- ✓ Other Forms of Communication

- ✓ Strategic Goals
 - Strategic Planning
- ✓ Performance Goals
- ✓ Capital Program
 - Operating Impact
 - Prioritizing



Strategic Goals and Strategies

- How are goals derived?
- Include action plans on how the goals will be achieved.
- Major goals may be summarized – linked to additional information elsewhere



LVMWD Strategic Plan

- Set a clear path forward for LVMWD, building on its mission and vision.
- Identify and address the opportunities, challenges and needed investments likely to arise during the next 20 years.
- Provide a high-level framework for making decisions on the allocation of resources.
- Increase confidence among customers that LVMWD is prepared for the future.
- Establish service commitments for LVMWD's customers. Implement a standards-based approach to meet service commitments.
- Establish values for conducting LVMWD's business and interacting with others.
- Identify strategic objectives for action.
- Describe a process for reviewing and updating the plan.



Elements of The Strategic Plan



Strategic Foundation

Mission

Dedicated to providing high-quality water service in a cost-effective and environmentally sensitive manner.

Vision

Valuing every drop > Bringing water full cycle.

Behavioral Values

- ❖ Integrity
- ❖ Respect
- ❖ Commitment
- ❖ Responsibility
- ❖ Collaboration
- ❖ Leadership



Business Values

High Level of
Customer
Satisfaction

Transparency and
Community
Engagement

Highly Effective
Workforce

Safe, High Quality
Water

Protection of
Public Health and
the Environment

Maximum Reuse
and Resource
Recovery

Sound Financial
Management

Reliable Water
Supplies and
Service

Sound Planning
and Appropriate
Investment

Innovative and
Efficient
Operations



Key Standards

High Level of Customer Satisfaction

- Accurate water use data and billing
- Easy to pay bill, view water usage, solve problems
- Employ technology to improve services
- Solicit feedback and meet customer expectations

Transparency and Community Engagement

- Understandable operations, decisions, financials
- Cooperative relationships with customers, community
- Promote water education programs
- Engage in local, governmental, industry affairs

Highly Effective Workforce

- Hire, promote, and retain qualified employees
- Provide competitive compensation and benefits
- Develop employee skills, competencies, leadership
- Focus on knowledge transfer and succession planning

Safe, High-Quality Water

- Meet or exceed drinking water standards
- Anticipate future regulations, standards
- Meet customer needs for quality, consistency
- Timely communication of water quality information

Protection of Public Health and Environment

- Meet or exceed environmental regulations
- Safe and reliable wastewater services
- Effective watershed leader and environmental steward
- Support economical greenhouse gas reductions

Maximum Reuse and Resource Recovery

- Maximize beneficial use of recycled water
- Maximize compost use and cogeneration capacity
- Advocate for Science-Based regulations

Sound Financial Management

- Fiscally conservative, high-liquidity investments
- High credit ratings
- Prudent Capital and Operating reserves
- Timely and Accurate financial reporting

Reliable Water Supplies and Service

- Meet current and future demands
- Promote, encourage, and support efficient water use
- Low risk of a sustained water shortage
- Diverse portfolio, resilient to climate change
- Comprehensive maintenance and replacement programs

Sound Planning and Appropriate Investment

- Rates cover full cost of service
- Long-term, appropriate CIP funding
- Make compelling cases for investment, rates
- Well-prepared for emergencies.

Innovative and Efficient Operations

- Invest in efficiency improvements
- Reduce costs while preserving key service standards
- Use proven technologies to increase efficiency
- Systematic approach to enhance efficiency



Strategic Objectives

1. Develop a strategy to maintain a highly effective workforce.
2. Improve LVMWD's Water Supply Reliability.
3. Support customers to meet water use efficiency standards.
4. Eliminate discharges to Malibu Creek by maximizing beneficial reuse.
5. Achieve a high credit rating for LVMWD's three enterprises.
6. Reduce LVMWD's carbon footprint.
7. Provide new/improved customer tools to enhance service delivery.
8. Develop a process to act on efficiency improvement suggestions.
9. Enhance LVMWD's asset management programs.



Performance Goals

- Information, measures, goals, priorities, and activities are relevant to the priorities and wellbeing of the district and community.
- Information related to performance, decisions, regulations, and process is transparent – easy to access, use and understand.



Performance Measures

- Decisions and processes are driven by timely, accurate, and meaningful data.
- Practices are sustainable over time and across organizational changes.
- Performance management helps to transform the organization, its management, and the policymaking process.

*Strategic Alignment
Department Goals*

Department Goal Description	Strategic Plan Alignment
List 3-5 Goals	Indicate which area the goal best aligns:
Goal 1:	
Goal 2:	
Goal 3:	
Goal 4:	
Goal 5:	

*Strategic Alignment
Department Activities & Performance Measures*

Goal #	Activities to Accomplish the Goal

Performance Measure	FY21 Actual	FY2022 Projected	FY2023 Proposed	FY2024 Proposed



Questions?



Budget Overview

FY 2022/23 AND FY 2023/24



Budget Drivers & Assumptions

1. MWD Rates

- Pass-through

2. Drought Conditions / Revenues

- Thirty-Five Percent (35%) reduction in Potable Water Use FY2022/23
- Twenty Percent (20%) reduction in Potable Water Use FY2023/24

3. Extraordinary expenses

- Increased Costs to install/uninstall flow restriction devices
- Increased Outside Services Costs to patrol for wasteful water use

4. Staffing

- Additional Positions
 - Human Resources
 - Water Treatment
 - Compost Worker / Water Reclamation Plant Operator



MWD Pass-through (Calendar Year)

	CY 2022	CY 2023	CY 2024
Three Year Average AF Sold Pass-through	18,280 \$0.09	17,903 \$0.29	17,903 \$0.55
Reduced Usage AF Sold Pass-through	18,280 \$0.09	11,637 \$0.47	14,322 \$0.65
Difference		\$0.18	\$0.11
Cost*		\$920,165	\$656,780
		Total Potential Use	\$1,576,965

*Proposed use of Rate Stabilization Fund

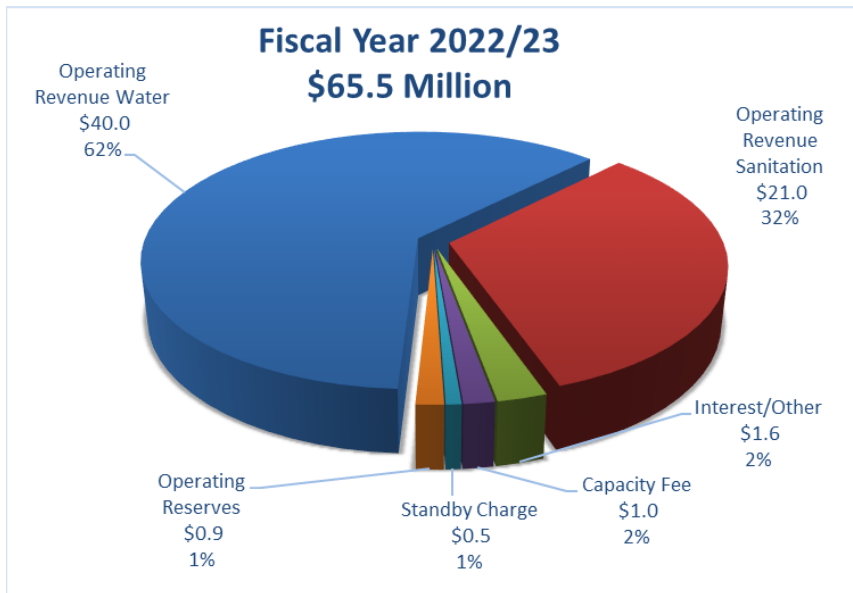


Source/Use of Funds

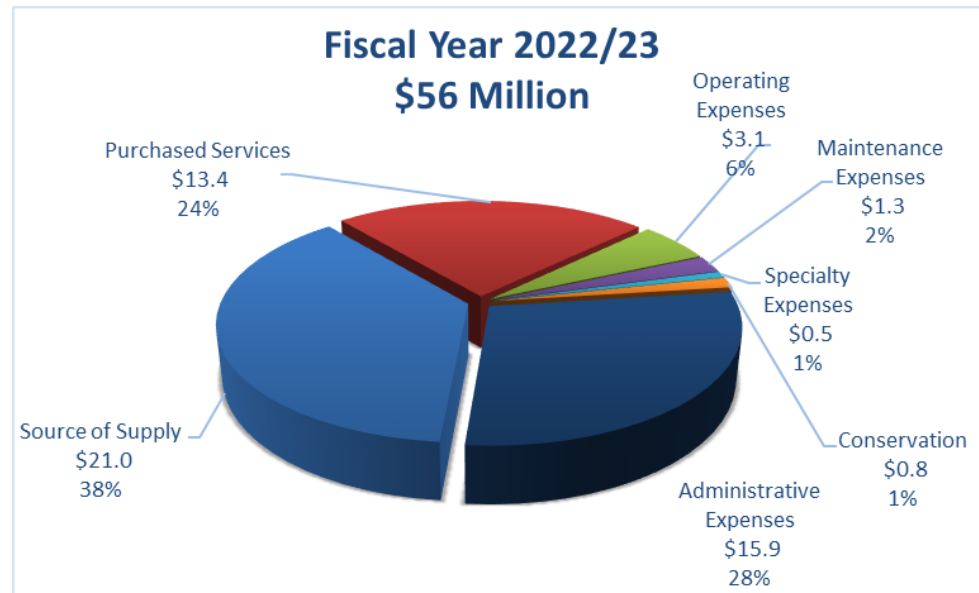
FY 2022/23

(\$ in millions)

Source of Funds



Use of Funds

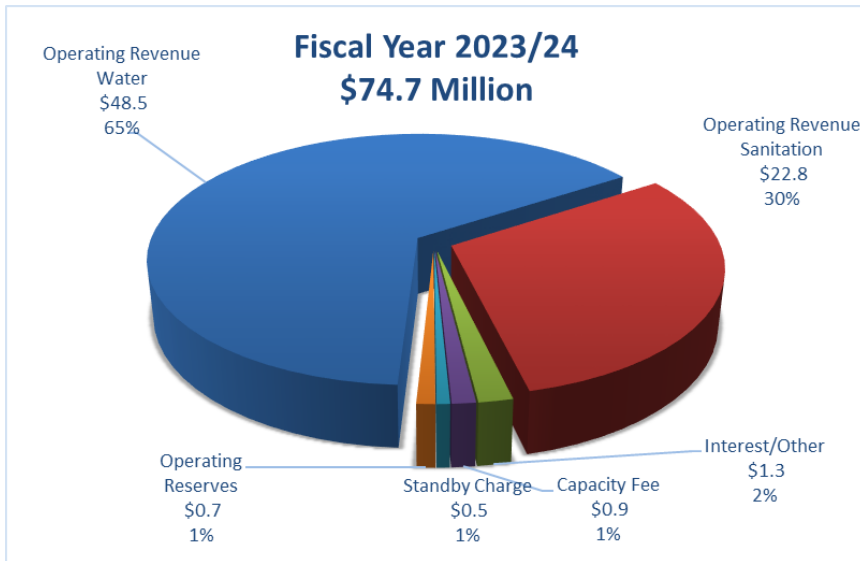


Source/Use of Funds

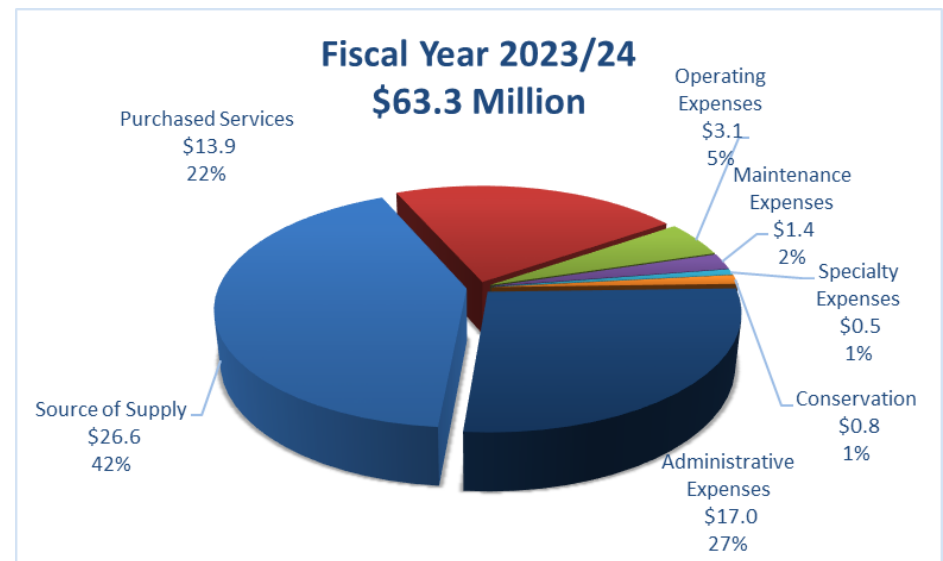
FY2023/24

(\$ in millions)

Source of Funds

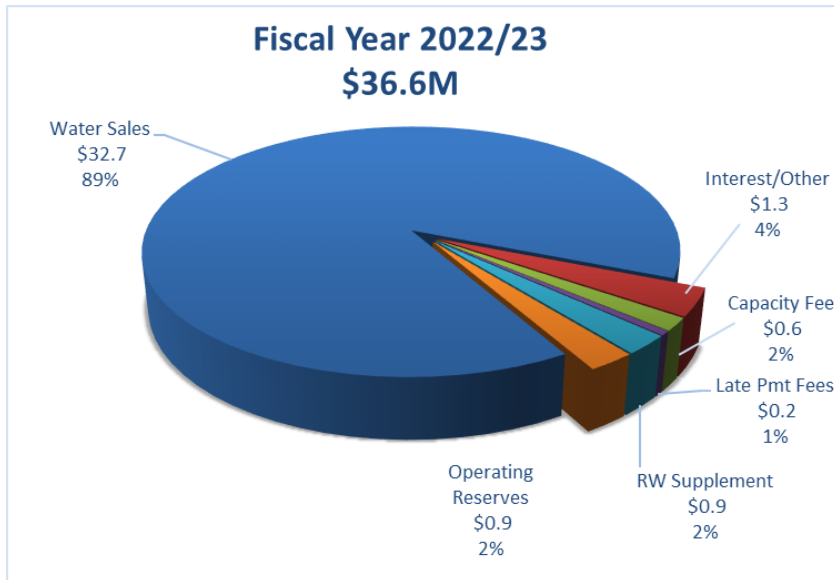


Use of Funds

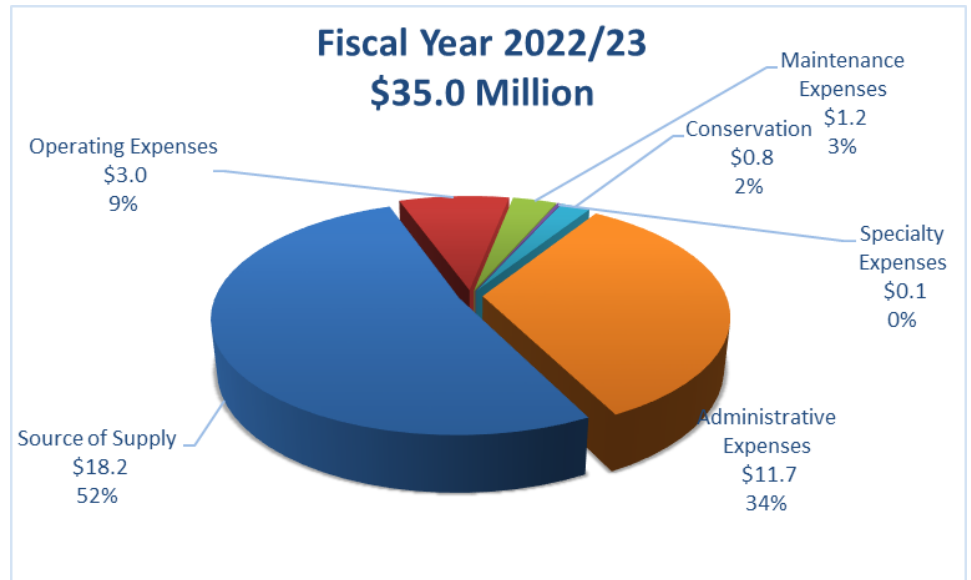


Potable Water FY 2022/23 (\$ in millions)

Source of Funds

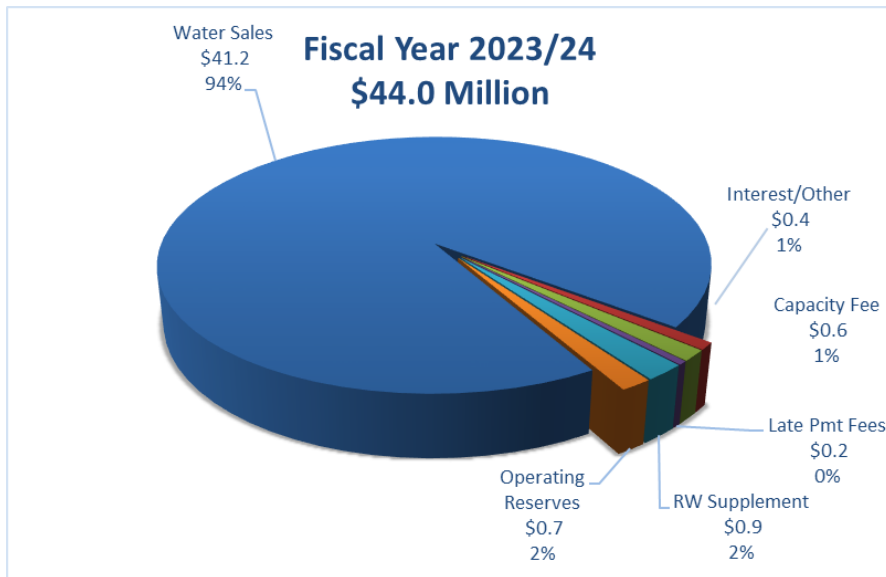


Use of Funds

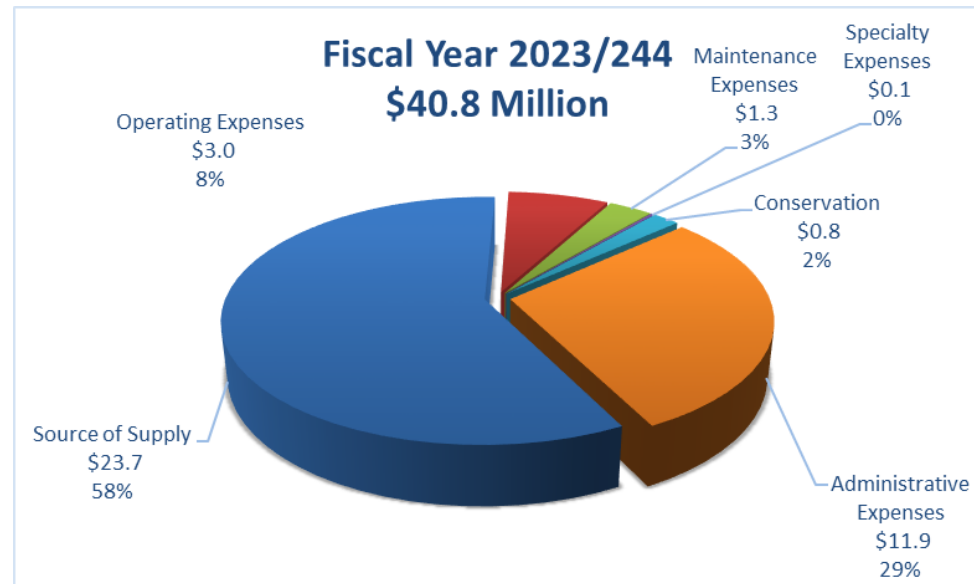


Potable Water FY 2023/24 (\$ in millions)

Source of Funds

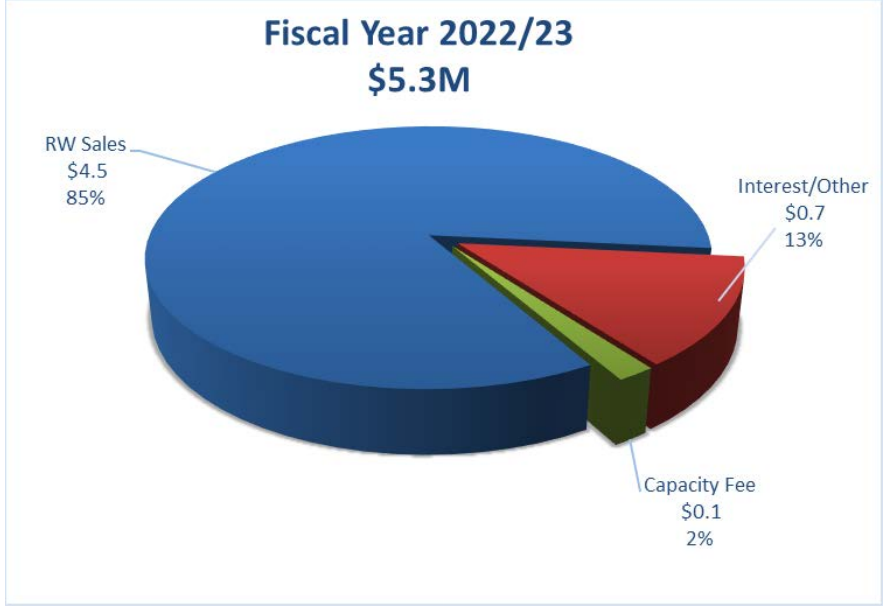


Use of Funds

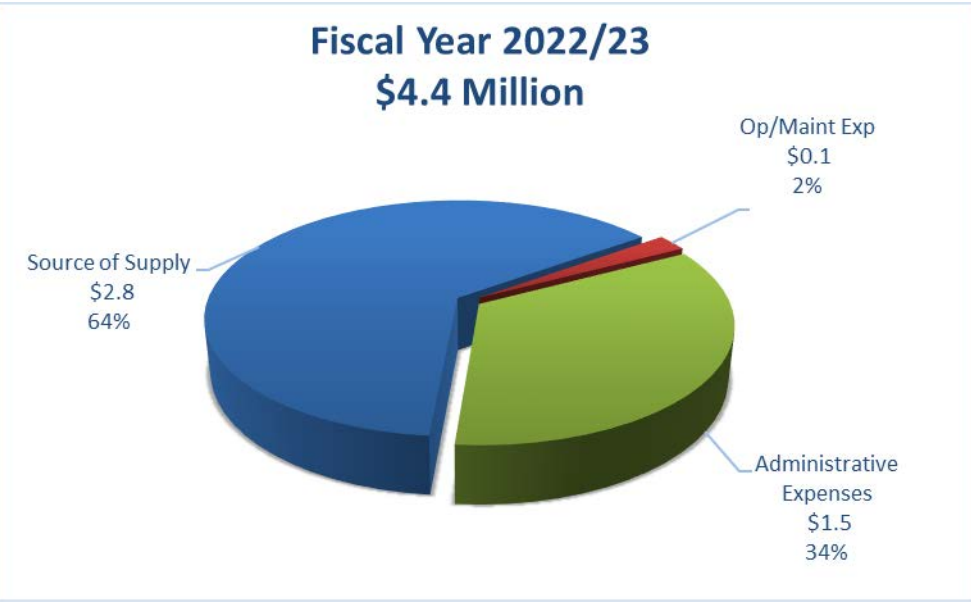


Recycled Water FY 2022/23 (\$ in millions)

Source of Funds



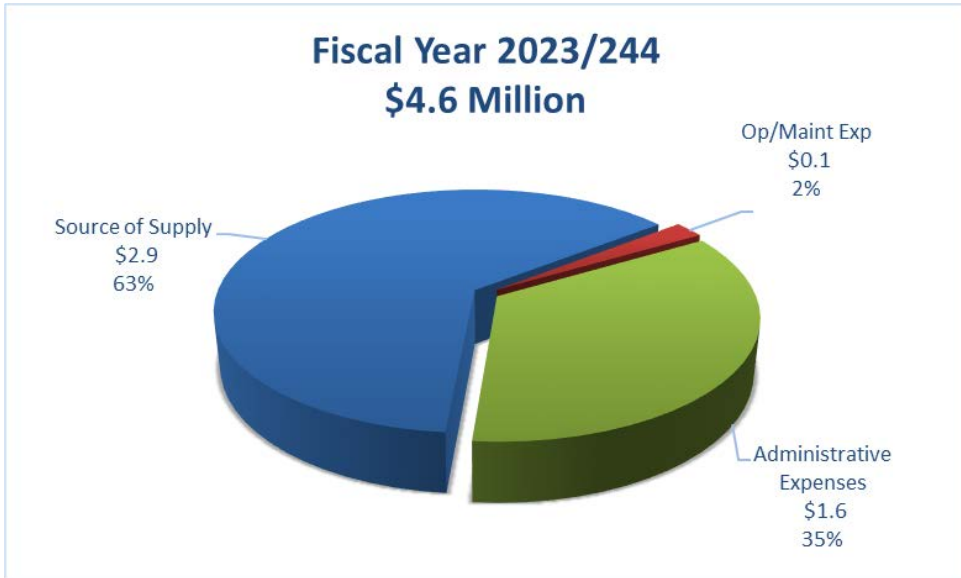
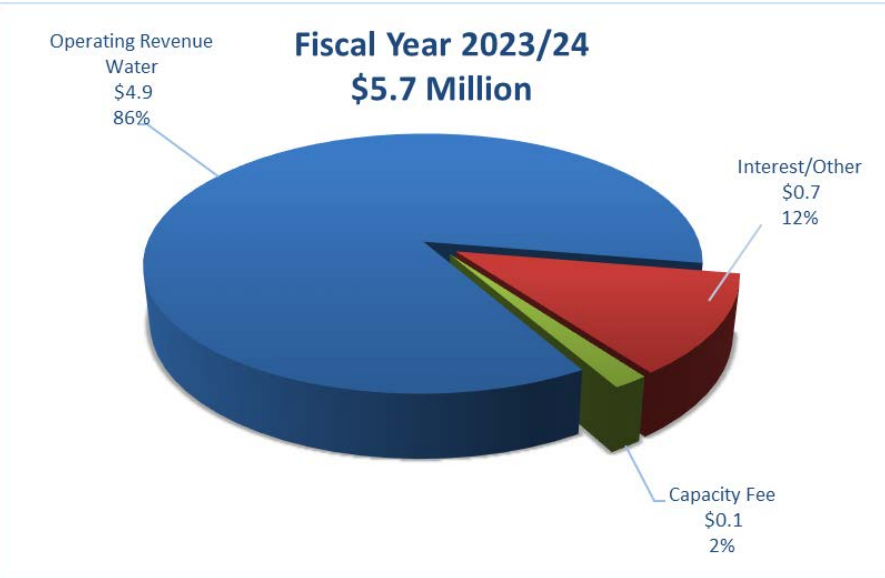
Use of Funds



Recycled Water FY 2023/24 (\$ in millions)

Source of Funds

Use of Funds

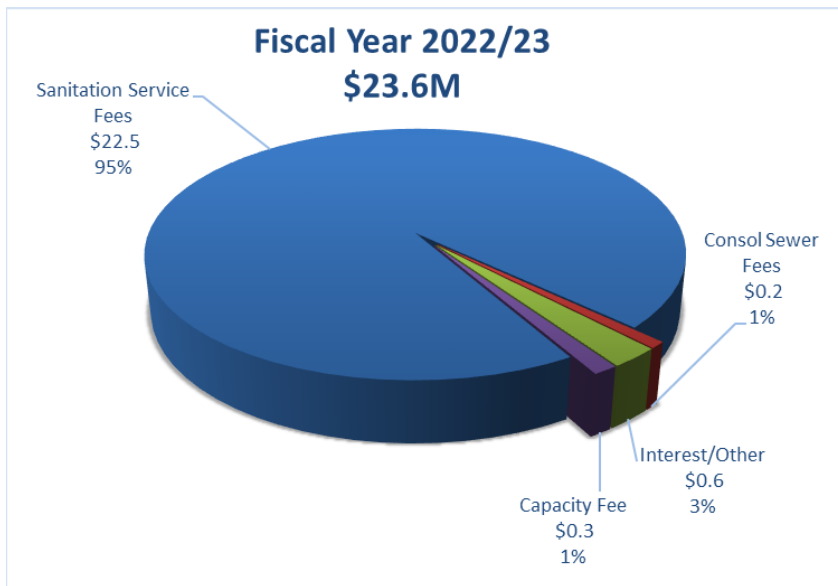


Sanitation

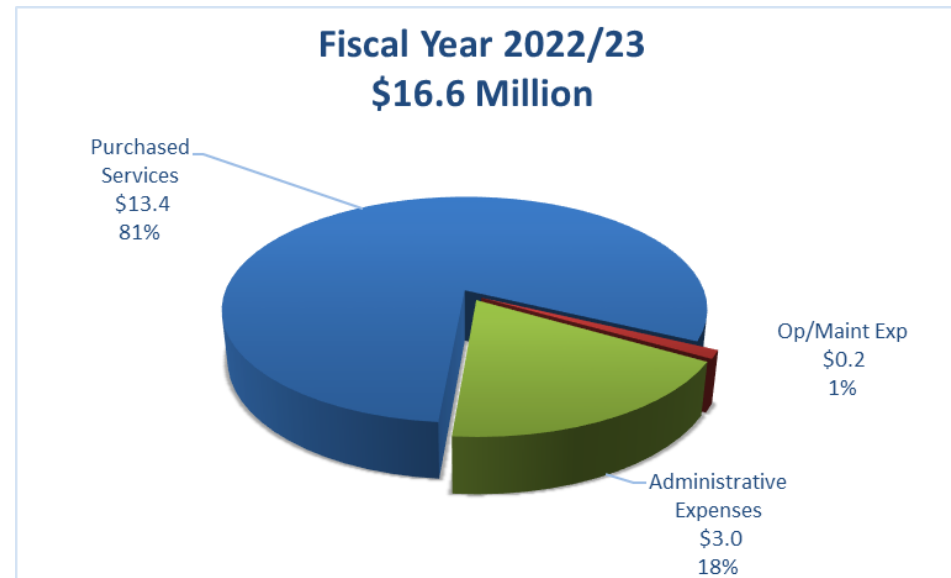
FY 2022/23

(\$ in millions)

Source of Funds

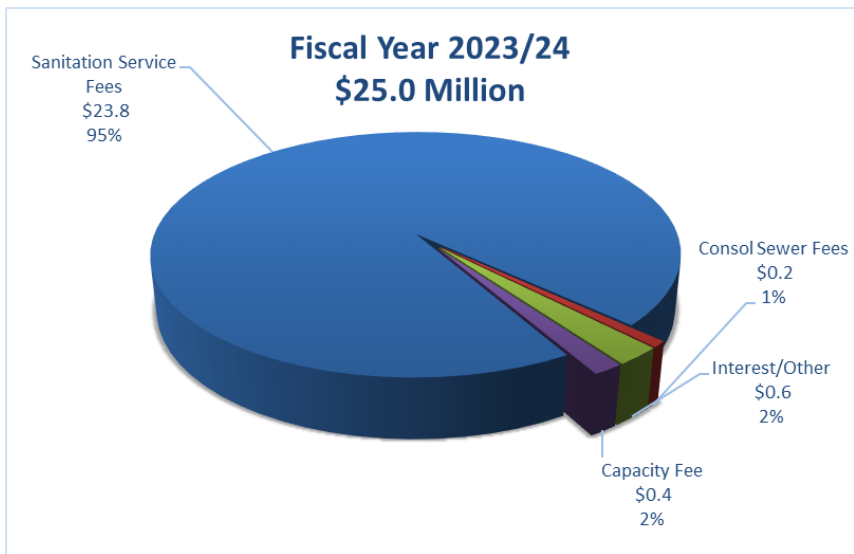


Use of Funds

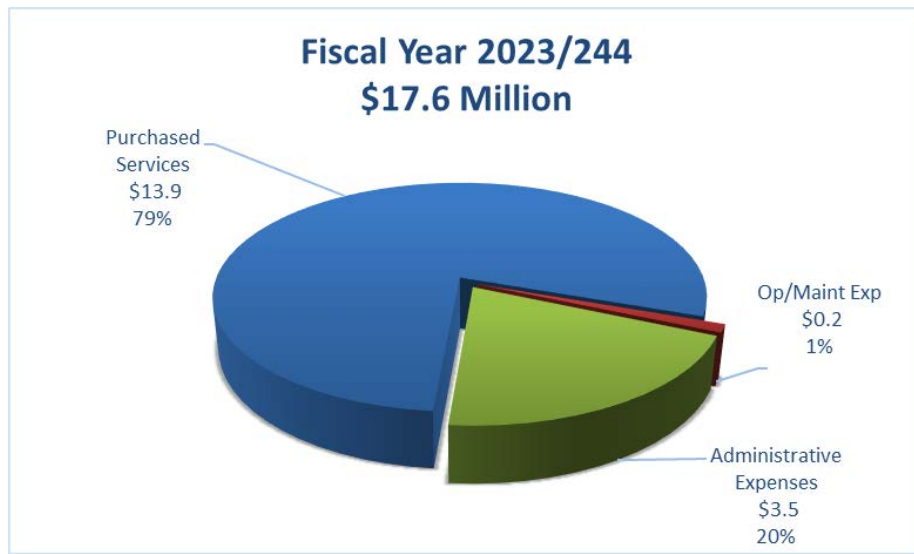


Sanitation FY 2023/24 (\$ in millions)

Source of Funds



Use of Funds



Department Goals Performance Measures

Presented by Department Directors



Strategic Alignment

Department Activities & Performance Measures

Engineering & External Affairs

Department Goal Description	Strategic Plan Alignment
Diversify the District's water supply portfolio via completion of the Pure Water Project; repair, replace or improve the water, wastewater and recycle water infrastructure to maintain reliable, high quality, and efficient service 24 hours a day and 365 days a year.	Strategic Objective 2: Improve LVMWD's Water Supply Reliability
Conservation - Achieve State mandated water use standards at the District level by the year 2027 (AB 1668/SB606) and minimize the amount of non-efficient use of water by customers.	Strategic Objective 3: Support Customers to Meet Water Use Efficiency Standards
Conservation - Maintain water efficient and aesthetic landscaping that maximizes ecosystem benefits at all District facilities.	Strategic Objective 4: Eliminate discharges to Malibu Creek by Maximizing Beneficial Reuse
Conservation - Complete the development and participate in the implementation of a Climate Action Plan and other energy conservation initiatives in collaboration with the Facilities and Operations Department	Strategic Objective 6: Reduce LVMWD's Carbon Footprint
Provide excellent service by keeping customers and stakeholders well informed, providing new and improved tools, providing timely and accurate billings, and being responsive to their needs.	Strategic Objective 7 : Provide New/Improved Customer Tools to Enhance Service Delivery

Performance Measures

Engineering & External Affairs

Goal 1: Diversify the District's water supply portfolio via completion of the Pure Water Project; repair, replace or improve the water, wastewater and recycle water infrastructure to maintain reliable, high quality, and efficient service 24 hours a day and 365 days a year.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Complete and adopt the EIR for Pure Water Project and initiate design/build services by July 1, 2023. Progress design to at least 50% completion level by July 1, 2024.	n/a	50%	100%	100%
Complete sewer pipe assessment study and replacement plan.	n/a	0%	50%	50%
Complete water pipe assessment study and replacement plan.	n/a	0%	50%	100%
Execute and substantially complete or progress with multi-year projects and programs at least 70% of the planned, budgeted and active projects being managed by the Engineering division as scheduled in the IIP/CIP on an annual basis.	n/a	n/a	100%	100%



Performance Measures

Engineering & External Affairs

Goal 2: Conservation - Achieve State mandated water use standards at the District level by the year 2027 (AB 1668/SB606) and minimize the amount of non-efficient use of water by customers.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Meet or exceed all state mandated water use standards by July 1, 2027 via reduce the amount of non-efficient use by 10% annually compared to 2020 volumetric consumption (% reductions annually).	n/a	10%	20%	30%
Reduce wasteful water use by at least 80% by 2027 as compared to 2020 (% reductions annually)	n/a	15%	30%	45%
Achieve 80% efficient water use as an annual average by 2027 as compared to 2020 (% efficient water use).	50%	55%	60%	65%



Performance Measures

Engineering & External Affairs

Goal 3: Conservation - Maintain water efficient and aesthetic landscaping that maximizes ecosystem benefits at all District facilities.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Maintain highly efficient water use landscaping and irrigation practices at District facilities.	100%	100%	100%	100%
Reduce the size of turf and other inefficient landscaping at District facilities (% reduction)	n/a	0%	0%	50%
Implement landscape changes at Tapia to reduce turf, maximize native plantings, provide seating area for student visits, and restore entrance to office facility.	n/a	0%	50%	100%
Develop and implement plan for erosion control on slopes around Headquarters facilities. Complete by installations by July 1, 2024.	n/a	10%	50%	100%
Develop plan and complete rehabilitation of planters and subsurface waterproofing in front patio area at entrance to headquarters.	n/a	0%	20%	100%
Develop long-term land use plan for District Sprayfields	n/a	0%	20%	50%

Performance Measures

Engineering & External Affairs

Goal 4: Conservation - Complete the development and participate in the implementation of a Climate Action Plan and other energy conservation initiatives in collaboration with the Facilities and Operations Department	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Complete hiring process for contractor and complete Climate Action Plan	n/a	10%	100%	Completed



Performance Measures

Engineering & External Affairs

Goal 5: Provide excellent service by keeping customers and stakeholders well informed, providing new and improved tools, providing timely and accurate billings, and being responsive to their needs.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Maximize customer registration with WaterSmart portal (% registration level).	n/a	10%	30%	50%
Maximize customer registration with AutoPay and e-Bills (% registration level).	n/a	45%	50%	55%
Maintain a past due balance below \$250,000 via shut-offs and/or the utilization of flow restriction devices (100% at or below \$ target level).	n/a	100%	100%	100%
Inspect 100% of meter vaults annually, inspect/repair 33% (1/3) of service pressure regulator annually, inspect/repair 20% of meter boxes annually (% achievement all categories).	n/a	n/a	100%	100%
Create and conduct a customer satisfaction survey bi-annually; receive 75% overall satisfaction rating (100% complete every other year).	n/a	100%	0%	100%



Performance Measures

Engineering & External Affairs

Goal 5 (continued) Provide excellent service by keeping customers and stakeholders well informed, providing new and improved tools, providing timely and accurate billings, and being responsive to their needs.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Inspect and test 100% of backflow prevention devices annually.	n/a	100%	100%	100%
Conduct 300 irrigated area budget reviews annually	n/a	100%	100%	100%
Install flow restriction devices and assess penalties to facilitate water conservation targets (quantity based on amount needed to achieve conservation targets).	n/a	100%	100%	100%
Perform public outreach to customers and stakeholders on drought messaging and other important initiatives and receive an 75% rating from customers on being well informed based on the customer satisfaction survey.	n/a	100%	0%	100%
Provide tours of the Pure Water Project Las Virgenes - Triunfo Demonstration Facility and other District/JPA facilities (at least 12 annually) to the public, schools, elected officials, industry personnel, and community leaders.	n/a	n/a	100%	100%

Strategic Alignment

Department Activities & Performance Measures

Facilities and Operations

Department Goal Description	Key Standard
Operate District facilities to provide reliable services and achieve regulatory compliance.	Protection of Public Health and Environment
Facility Maintenance and Upkeep: Maintain District assets with an emphasis on maximizing facilities equipment lifecycle cost, reliability, and cost saving measures.	Sound Planning and Appropriate Investment
Energy Efficiency: Explore opportunities for enhancing energy efficiency across all District enterprises to achieve cost savings (avoided costs) and to reduce carbon footprint.	Innovations and Efficient Operations
Permits: Obtain favorable National Pollution Discharge Elimination System (NPDES) permit that satisfies environmental and regulatory requirements while protecting ratepayers from excessive compliance costs.	Innovative and Efficient Operations Protection of Health and Environment
Succession Planning: Maintain appropriate staffing levels across all operating divisions within the Facilities and Operations department.	Highly Effective Workforce



Performance Measures Facilities and Operations

Goal 1: Operations: Operate District facilities to provide reliable services and achieve regulatory compliance.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Minimize exceedances to the various permits conditions for Tapia and Rancho include NPDES (N and P), and Sanitary Sewer Overflow. (measure compliance)	n/a	Yes	Yes	Yes
Assess equipment for replacement and repair based on maintenance cost records or useful life cycles. (measure number of asset evaluated)	n/a	5	5	5
Submit quarterly and annual reports.	5	5	5	5



Performance Measures Facilities and Operations

Goal 2: Facility Maintenance and Upkeep: Maintain District assets with an emphasis on maximizing facilities equipment lifecycle cost, reliability, and cost saving measures.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Perform timely equipment preventive maintenance and use Upkeep maintenance management system to track work order and record keeping.	n/a			
Clean and videotape a minimum of 20% of sanitary sewer. Identify any areas needing repair and budget accordingly.	11 miles	11 miles	11 miles	11 miles
Continue operations and maintenance of the demonstration facility to ensure readiness for public tours.	n/a	n/a	72 tours	72 tours



Performance Measures Facilities and Operations

Goal 3: Energy Efficiency: Explore opportunities for enhancing energy efficiency across all District enterprises to achieve cost savings (avoided costs) and to reduce carbon footprint.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Implementation of energy efficiency projects such as Recycled Water pump station battery Storage project, and solar project /battery Storage project at Rancho. Perform additional study to identify future energy efficiency projects based on latest CPUC rules.	1	0	1	1
Implement smart devices and/or artificial intelligence to monitor system processes for high performance. Continue artificial intelligence grant work to reduce chemical and energy costs. (measure grant applications)	n/a	0	1	1



Performance Measures Facilities and Operations

Goal 4: Permits: Obtain favorable National Pollution Discharge Elimination System (NPDES) permit that satisfies environmental and regulatory requirements while protecting ratepayers from excessive compliance costs.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Request and obtain regulatory approved and favorable NPDES permit conditions that would reduce operating cost while achieve the protection of the environment	Yes	Yes	Yes	Yes



Performance Measures Facilities and Operations

Goal 5: Succession Planning: Maintain appropriate staffing levels across all operating divisions within the Facilities and Operations department.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Implement cross training between Tapia and Rancho along with adding of two one thousand hour Operate -in-training positions (positions cross-trained)	n/a	2	6	6
Provide staff training on the technology used to provide Pure Water. This will allow staff to better educate the public. (number of training events)	n/a	2	2	2
Continue demonstration facility cross training with all District staff to ensure improved skills and knowledge of leading technologies.	2	2	4	4



Strategic Alignment

Department Activities & Performance Measures

Finance and Administration

Department Goal Description	Strategic Plan Alignment
Effectively administer the stewardship of public resources through responsible fiscal management and planning by achieving optimal rate of return on investments.	Objective 5 Achieve a high credit rating for LVMWD's three enterprises
Complete risk assessment of Agency-wide internal processes to insure proper internal controls are in place to protect public assets.	Objective 5 Achieve a high credit rating for LVMWD's three enterprises
Develop and enhance recruitment, selection, and retention strategies to attract, recruit, and retain a highly effective and diverse workforce.	Objective 1 Develop a strategy to maintain a highly effective workforce
Increase competency among supervisory staff and expand development opportunities for growth to non-supervisory staff.	Objective 1 Develop a strategy to maintain a highly effective workforce
Increase the effectiveness of performance evaluation process	Objective 1 Develop a strategy to maintain a highly effective workforce



Strategic Alignment

Department Activities & Performance Measures

Finance and Administration

Department Goal Description	Strategic Plan Alignment
Prepare the highest quality of budget and financial reporting documents that provide accountability and transparency and go beyond the minimum requirements of best practices and generally accepted accounting principles.	Objective 5 Achieve a high credit rating for LVMWD's three enterprises
Provide information necessary for Board to make strategic decisions related to the financial position of the Agency.	Objective 5 Achieve a high credit rating for LVMWD's three enterprises
Review and update policies and procedures to strengthen internal controls and foster an environment of continuous improvement.	Objective 1 Develop a strategy to maintain a highly effective workforce
Increase awareness and reliability on District security systems. Facilitate implementation of robust cybersecurity and access control systems.	Objective 9 Enhance LVMWD asset management
Increase accessibility, reliability, and redundancy by using cloud-based services and mobile applications. Pursue a cloud first strategy for infrastructure to achieve greater agility, lower cost, and higher resiliency.	Objective 9 Enhance LVMWD asset management
Provide staff with tools, information, and data needed to facilitate service delivery through Information Technology Service Management system (ITSM) to facilitate communication and improve response times to resolving technology problems.	Objective 1 Develop a strategy to maintain a highly effective workforce

Performance Measures

Finance and Administration

Goal: Effectively administer the stewardship of public resources through responsible fiscal management and planning by achieving optimal rate of return on investments.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Rate of return on portfolio (measures performance to benchmarks)	100%	100%	100%	100%
Present an annual review of the Investment Policy	Yes	Yes	Yes	Yes

Goal: Complete risk assessment of Agency-wide internal processes to insure proper internal controls are in place to protect public assets.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Complete Internal Audit of Processes (measures number of processes audited)	n/a	n/a	5	5



Performance Measures

Finance and Administration

Goal: Develop and enhance recruitment, selection, and retention strategies to attract, recruit, and retain a highly effective and diverse workforce.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Develop quality and diversity of applicant pools (measures number of failed recruitments)	n/a	n/a	Zero	Zero
Workplace climate surveys Administer two new hire surveys within first six months of employment and annual survey of all others	n/a	n/a	Yes	Yes
Minimize percentage of non-retirement voluntary turnover	n/a	n/a	<5%	<5%

Goal: Increase competency among supervisory staff and expand development opportunities for growth to non-supervisory staff.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Provide supervisor professional development Administer two new supervisor training for completion within first six months of assuming position; annually for current supervisors	n/a	n/a	Yes	Yes
Provide cross-training, interim appointments, career paths, and internal promotion opportunities	n/a	n/a	Yes	Yes

Performance Measures

Finance and Administration

Goal: Increase the effectiveness of performance evaluation process	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Provide performance management training to new Supervisors within 6 months of promotion; all Supervisors annually.	n/a	n/a	Yes	Yes
Workplace climate surveys Administer two new hire surveys within first six months of employment and annual survey of all others	n/a	n/a	Yes	Yes
Minimize percentage of non-retirement voluntary turnover	n/a	n/a	<5%	<5%

Goal: Increase competency among supervisory staff and expand development opportunities for growth to non-supervisory staff.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Provide supervisor professional development Administer two new supervisor training for completion within first six months of assuming position; annually for current supervisors	n/a	n/a	Yes	Yes
Provide cross-training, interim appointments, career paths, and internal promotion opportunities	n/a	n/a	Yes	Yes

Performance Measures

Finance and Administration

Goal: Increase the effectiveness of performance evaluation process	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Reduce number of delinquent performance appraisals (measures % appraisals overdue by over two weeks)	n/a	n/a	<5%	<5%

Goal: Prepare the highest quality of budget and financial reporting documents that provide accountability and transparency and go beyond the minimum requirements of best practices and generally accepted accounting principles.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Receive GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
Receive GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes



Performance Measures

Finance and Administration

Goal: Provide information necessary for Board to make strategic decisions related to the financial position of the Agency.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Timely closing of month/fiscal year accounting records by the 10th of the month. (goal measurement 11 of 12 months)	n/a	8	11	11

Goal: Review and update policies and procedures to strengthen internal controls and foster an environment of continuous improvement.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Updated internal Policies & Procedures	n/a	2	4	5
Cross train key tasks and functions within the Finance Division	n/a	4	5	5
Automate processes using ERP system	n/a	n/a	2	2



Performance Measures

Finance and Administration

Goal: Increase awareness and reliability on District security systems. Facilitate implementation of robust cybersecurity and access control systems.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Number of cybersecurity and access control systems and initiatives implemented.	n/a			
Number of clicks on phishing/smshing tests per campaign		7	<7	>6

Goal: Increase accessibility, reliability, and redundancy by using cloud-based services and mobile applications. Pursue a cloud first strategy for infrastructure to achieve greater agility, lower cost, and higher resiliency.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Percentage of Systems hosted within cloud-based platforms	n/a	57%	60%	60%



Performance Measures

Finance and Administration

Goal Provide staff with tools, information, and data needed to facilitate service delivery through Information Technology Service Management system (ITSM) to facilitate communication and improve response times to resolving technology problems.	FY 21 Actual	FY22 Projected	FY23 Proposed	FY24 Proposed
Number of requests submitted via the ITSM portal	n/a	490	550	550



Human Resources Division Staffing Proposal

Presented to the Board of Directors
LVMWD Strategic Planning Workshop
April 12, 2022



Human Resources Staffing History

- Prior to the departure of the incumbent who occupied the Human Resources Coordinator position in September 2017, the HR Division consisted of a Human Resources Coordinator and a Human Resources Manager.
- In October 2017, the Board approved to reclassify the existing vacant Human Resources Coordinator position (salary grade M50) to a Human Resources Analyst I/II position (currently salary grade M63/M77).
- The justification was to rebalance the steadily increasing workload in the Human Resources Division between the HR Manager and the HR Analyst.
- Since March 2018, the HR Division has consisted of an HR Analyst I/II and an HR Manager.



Where We Are Now

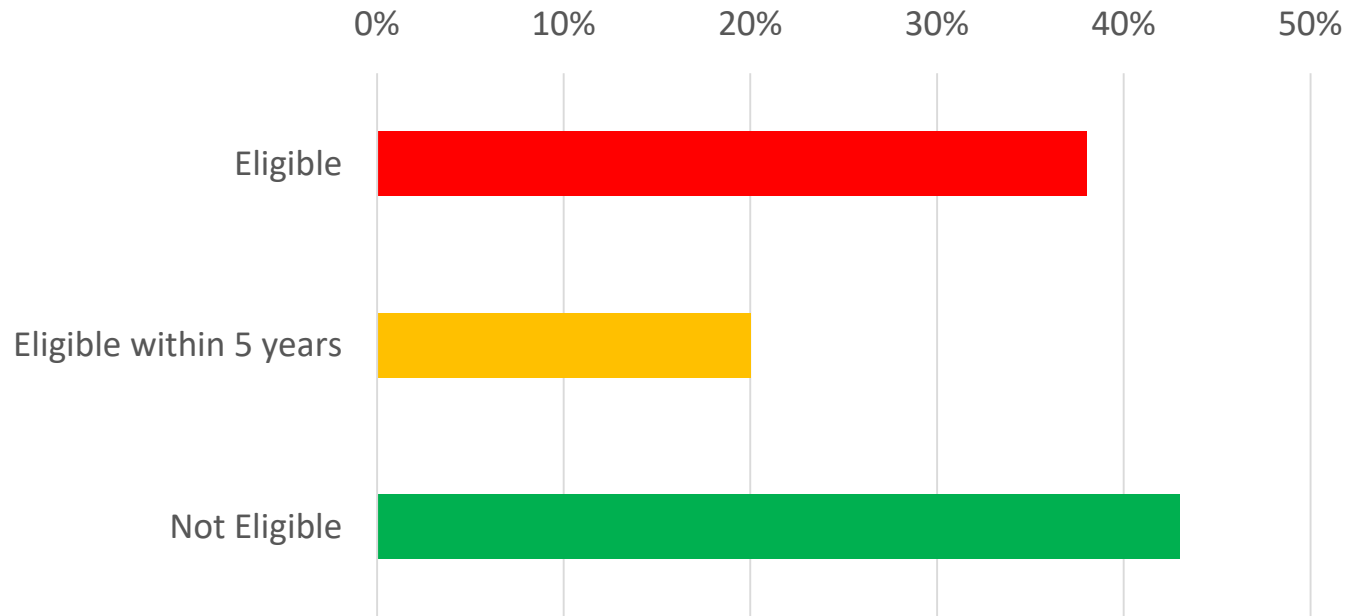
- The workload of the HR Division continues to increase.
- The District has experienced an increased number of employee separations, resulting in increased volume of recruitments. External factors, including the job market, have made recruiting more difficult.



Key District Demographics

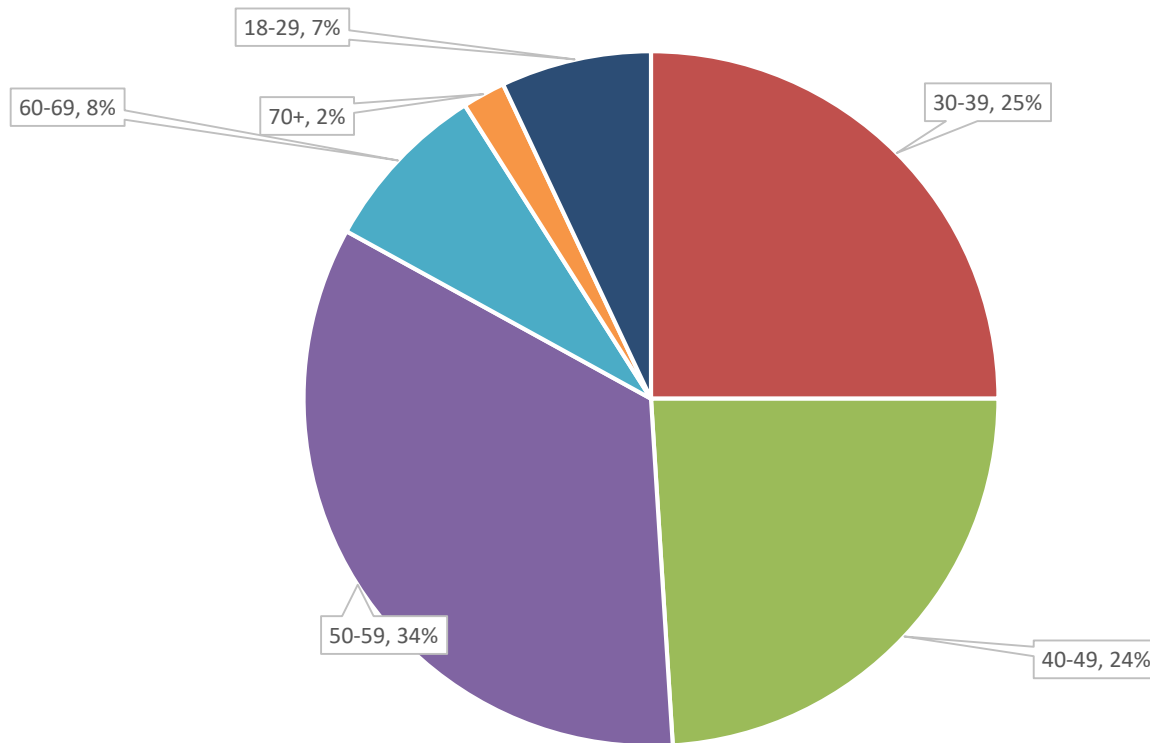
Retirement Eligibility as of 2-1-22

Based on 5 years of service and age 55



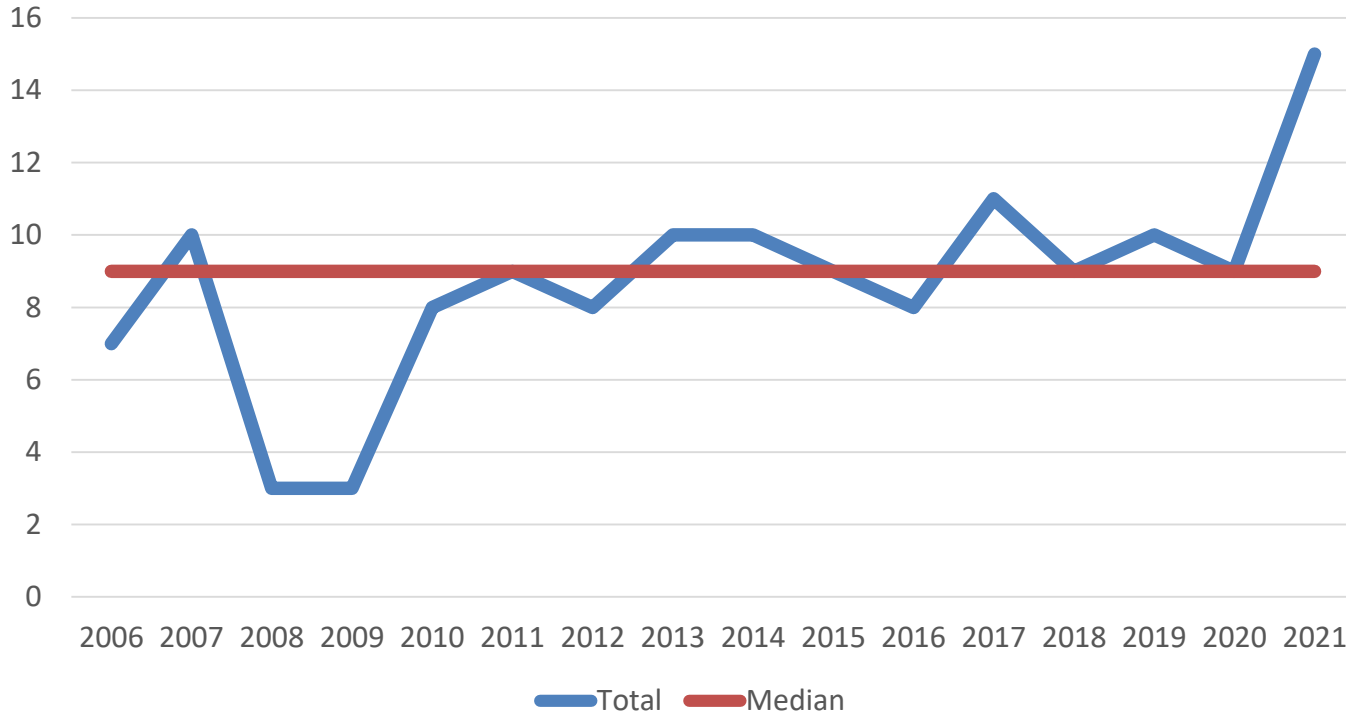
Key District Demographics

Age Distribution of LVMWD as of 2-1-22



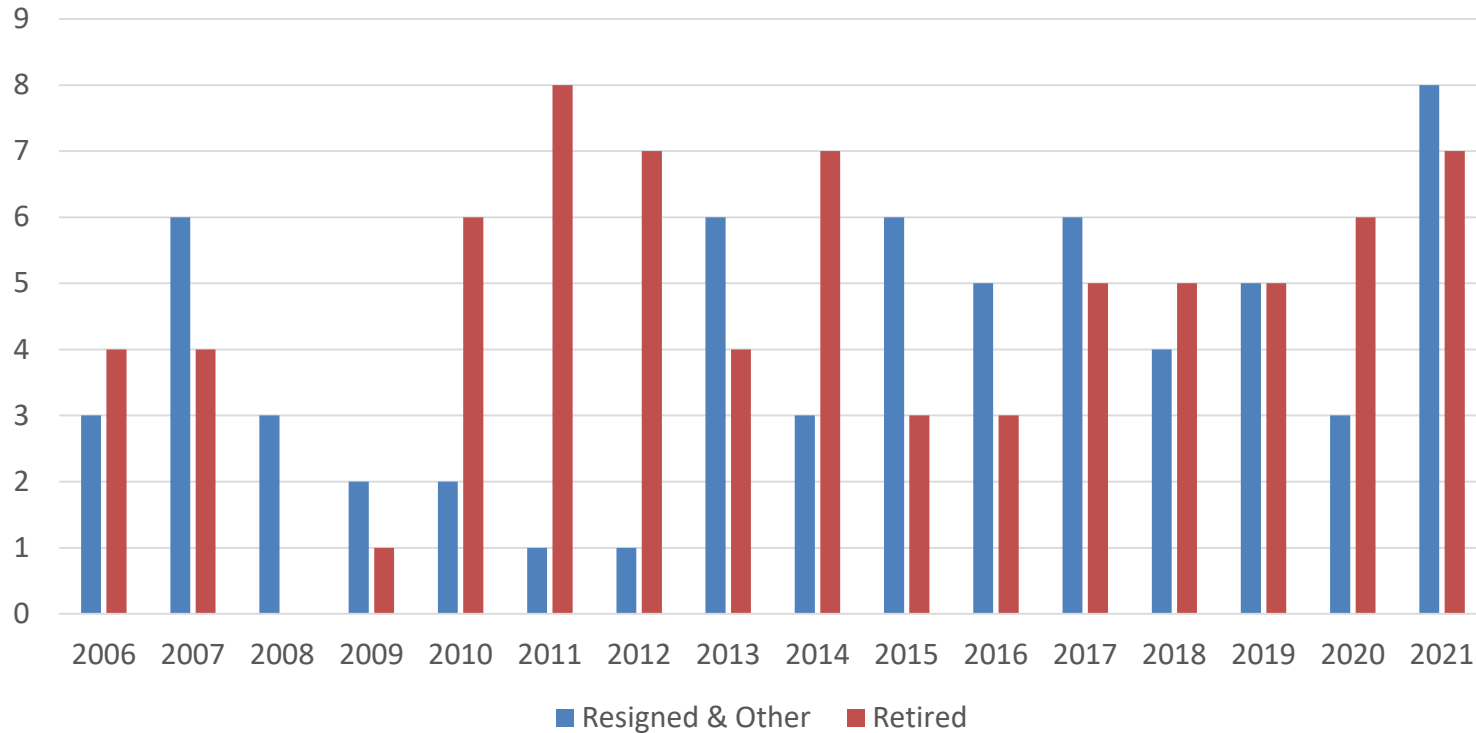
Key District Demographics

Total Attrition



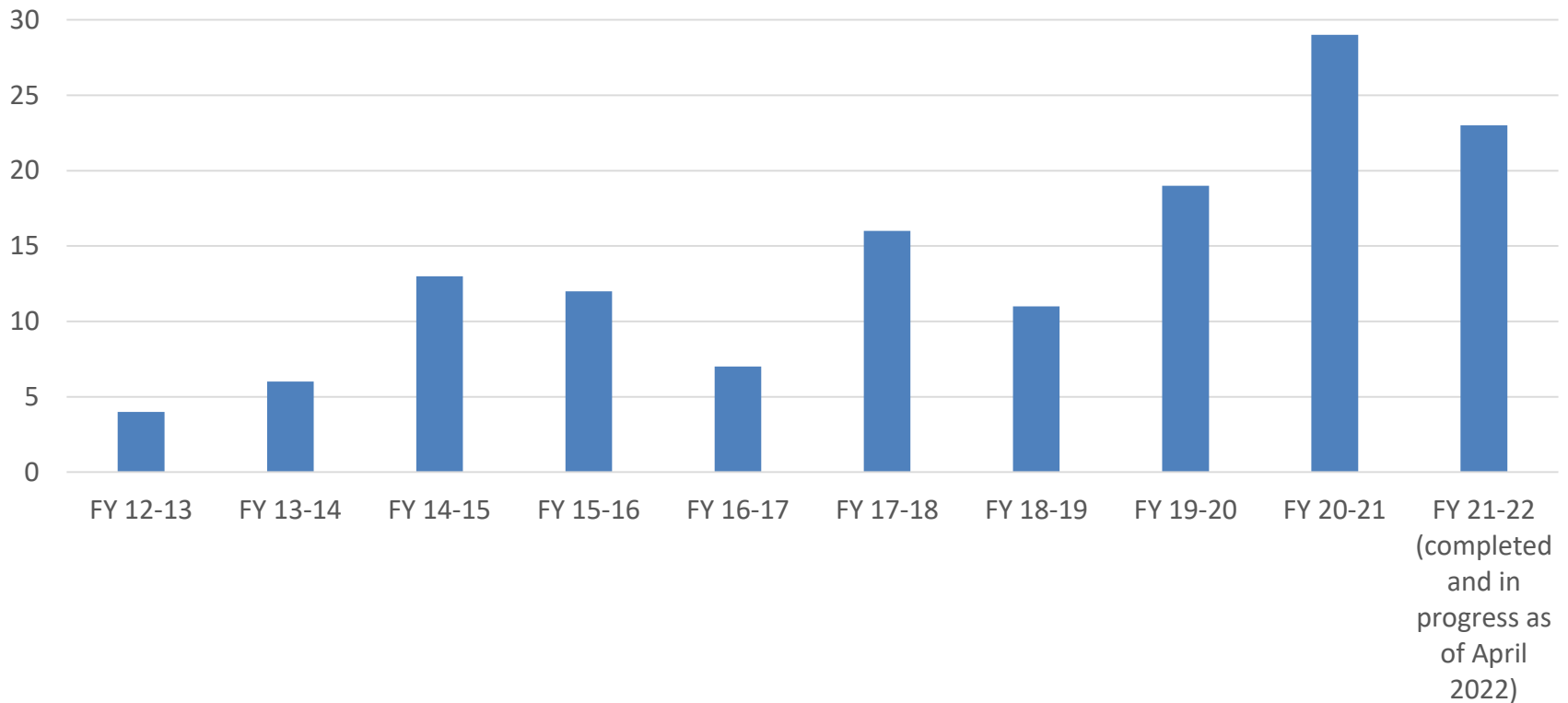
Key District Demographics

Attrition Detail



Recruitment Trend

Completed Recruitments by Fiscal Year



■ # of Recruitments



Where We Want To Be

- Proactive in addressing the continuously changing workforce of the District, workforce scarcity, and increasing workload of the HR Division
- Increased emphasis on Organizational Development in areas such as:
 - Employee training and development
 - Succession planning
 - Diversity and inclusion
 - Employee satisfaction and retention strategy



What We Need

Additional support to the day-to-day operations of the Division to position the Division to meet current and anticipated workload and to allow the HR Manager and HR Analyst to place more focus on strategic organizational development initiatives.



Proposal

- Re-establish a Human Resources Coordinator (M50) position with revised job description to accurately reflect duties
- Proposed staffing for HR Division:
 - Human Resources Manager
 - Human Resources Analyst I/II
 - Human Resources Coordinator (new position)



Human Resources Coordinator

Basic Function:

Under the general supervision of the Human Resources Manager, the Human Resources Coordinator performs a variety of technical and administrative duties in support of the District's comprehensive human resources management program.



Compensation and Fiscal Impact

- Proposed Salary: Range M50 on the Supervisor, Professional, & Confidential (SPC) Salary Schedule, approximately \$35.69-\$46.39/hour
- Annual Fiscal Impact: approximately \$174,687 (salary + benefits; budgeted at top of the range)



Questions?



Water Reclamation Division Staffing Proposal

Presented to the Board of Directors
LVMWD Strategic Planning Workshop
April 12, 2022



Water Reclamation Plant Operator Series Classification Proposal

The SEIU group requested the restructuring of the series to align the certification requirements with the classification titles. Human Resources worked with SEIU and the Facilities & Operations Department on the proposed (no cost) revisions to the structure of the series.



Water Reclamation Plant Operator Series Classification Proposal

1. Retitle Water Reclamation Plant Operator II to Water Reclamation Plant Operator III;
2. Establish a new Water Reclamation Plant Operator II at salary range 42;
3. Reallocate Water Reclamation Plant Operator I from salary range 42 to salary range 32;
4. Incorporate Water Reclamation Plant Operator-in-Training into the Water Reclamation Plant Operator I/II/III flexibly staffed series (currently it is stand-alone);
5. Reallocate Water Reclamation Plant Operator-in-Training from salary range 36 to salary range 22.



Water Reclamation Plant Operator Series Classification Proposal

Current Classification Title	Current Certification Level Required	Current Salary Range	Proposed Classification Title	Proposed Certification Level Required	Proposed Salary Range
Water Reclamation Plant OIT	OIT	36	Water Reclamation Plant OIT	OIT	22
Water Reclamation Plant Operator I	Grade I	42	Water Reclamation Plant Operator I	Grade I	32
N/A	N/A	N/A	Water Reclamation Plant Operator II	Grade II	42
Water Reclamation Plant Operator II	Grade III	62	Water Reclamation Plant Operator III	Grade III	62



Reclassify the Compost Worker/Operator position assigned to the Rancho Composting Facility to the Water Reclamation Plant Operator series

1. The Compost Worker/Operator position was established in 2019 and replaced a Water Reclamation Plant Operator position.
2. Under State regulations, employees are not permitted to independently work with digesters or centrifuges if they are not certified operators, which limits the Compost Worker/Operator position.
3. Reclassification of the Compost Worker/Operator position allows the water reclamation division to cross train the operators between the Rancho and Tapia facilities, as it had done in the past, which supports succession planning efforts.



Reclassify the Compost Worker/Operator position assigned to the Rancho Composting Facility to the Water Reclamation Plant Operator series

1. A Water Reclamation Plant Operator OIT/I/II/III position can be filled at the OIT level with an internal transfer from the current Compost Worker incumbent at the same salary range of 22.
2. There is no immediate fiscal impact associated with this item. However, as the incumbent flexes through the series there will be a fiscal impact. Once the incumbent reaches the Water Reclamation Plant Operator III level, the estimated annual fiscal impact in salary is approximately \$33,891, which reflects the difference between the top step of range 62 and the top step of range 22.



Water Treatment Division New Staffing Proposal

Presented By

Darrell Johnson

Water Systems Manager



Current Staffing Levels

One Treatment Supervisor

One Senior Treatment Operator

One Water Treatment Operator I/II/III



Current Operations

- Three staff members perform annual operations of the Westlake Treatment Facility
- Staff performs operations and maintenance of the demonstration facility
- Staff conducts reservoir management
- Staff performs operations and maintenance of the Westlake pump station



Challenges in Treatment

- Two staff members are 55 and older one with 33 years of service and the second with 28 years of service.
- Operator certification to operate both the Westlake facility and the future Advanced Water Treatment facility takes a substantial amount of time to become a Certified Operator.
- Westlake operations is seasonal creating additional time to become certified.



Operator Certification Requirements

Drinking Water Requirements

Advanced Water Certification

T2	High School Diploma / GED Equivalency <u>AND</u> <u>One</u> 3-unit (or 36-hour) course of specialized training covering the fundamentals of drinking water treatment.	Successful completion of the Grade T2 examination within the three years prior to submitting certification application.
T3	High School Diploma / GED Equivalency <u>AND</u> <u>Two</u> 3-unit (or 36-hour) courses of specialized training that include at least one course in drinking water treatment and a second course in either drinking water treatment, distribution, or wastewater treatment.	Successful completion of the Grade T3 examination within the three years prior to submitting certification application <u>AND</u> At least <u>one year</u> of operator experience working as a certified T2 operator at a T2 facility or higher. This may be substituted with (3) below. <u>AND</u> At least <u>one additional year</u> of operator experience working as a certified treatment operator. This may be substituted with (1), (2), or (4) below.
T4	Current T3 certification <u>AND</u> <u>Three</u> 3-unit (or 36-hour) courses of specialized training that include at least two courses in the fundamentals of drinking water treatment and a third course in either drinking water treatment, distribution, or wastewater treatment.	Successful completion of the Grade T4 examination within the three years prior to submitting the application for certification <u>AND</u> At least <u>one year</u> of operator experience working as shift or chief operator, while a certified T3 operator at a T3 facility or higher. This may be substituted with (3) below. <u>AND</u> At least <u>three additional years</u> of operator experience working as a certified treatment operator. This may be substituted with (1) or (4) below.

Grade 3	<ul style="list-style-type: none"> Possess a current state issued Drinking Water Treatment Operator Certification <u>or</u> Wastewater Treatment Plant Operator Certification, Grade III or higher 	<ul style="list-style-type: none"> Successful completion of AWTO Grade 3 Exam (AWT3™)
Grade 4	<ul style="list-style-type: none"> Possess a current AWT3 certification 2 years of experience with one or more AWT processes (see Table 1). Retroactive experience prior to AWT3 certification may be included 	<ul style="list-style-type: none"> Successful completion of AWTO Grade 4 Exam (AWT4™)
Grade 5	<ul style="list-style-type: none"> Possess a current AWT4 certification 3 years of experience to include 2 years of experience in at least one AWT process and 1 additional year with at least 2 AWT processes in a single treatment train (see Table 1). Retroactive experience prior to AWT4 certification may be included. 	<ul style="list-style-type: none"> Successful completion of AWTO Grade 5 Exam (AWT5™)



Proposed New Staffing Level

One Treatment Supervisor
One Senior Treatment Operator
Three Water Treatment Operator I/II/III

Total increase of two additional treatment operators with one position filled in 22/23 and the second in 23/24 budget years. Elimination of one vacant distribution operator.



Staffing Objectives

- Train staff to ensure knowledge transfer for future retirements
- Train staff for readiness operations of future Advanced Water facility
- Allow operators time to obtain required certifications through plant operations
- Continue valuable cross training functions for future treatment staffing



Compensation and Fiscal Impacts

- The proposed new staffing positions would be filled as Water Treatment Plant Operator I/II/III
- Projected Salary Ranges: 32/42/64
- Total fiscal impact is approximately at \$210,000.00



Conclusion

With the District rapidly moving towards the Advanced Water Facility and the future retirements of the Treatment Supervisor and the Senior Treatment Plant Operator. The Facilities and Operations Division is striving to obtain, train, and certify new treatment operators to ensure a seamless transition as we move forward with District operations.

Thank you



Recommendations

- Provide feedback on preliminary budget drivers.
- Support use of Rate Stabilization Funds for MWD Pass-through.

