

# STRATEGIC PLANNING / BUDGET WORKSHOP

FISCAL YEARS 2022/23 AND 2023/24

March 28, 2023



# STRATEGIC PLANNING / BUDGET WORKSHOP

- Introductions
- Financial Update
- Policy Updates
  - Investment
  - Debt
  - Financial
- Budget Update
  - FY2022/23 Projections
  - FY2023/24 Approved Budget Plan
  - New Budget Items
- Performance Measures
- Succession Planning – Recruitment, Retention, Knowledge Transfer
- Customer Survey Experience
- Landscape Transformation
- MWD State Project Dependent Areas Solution

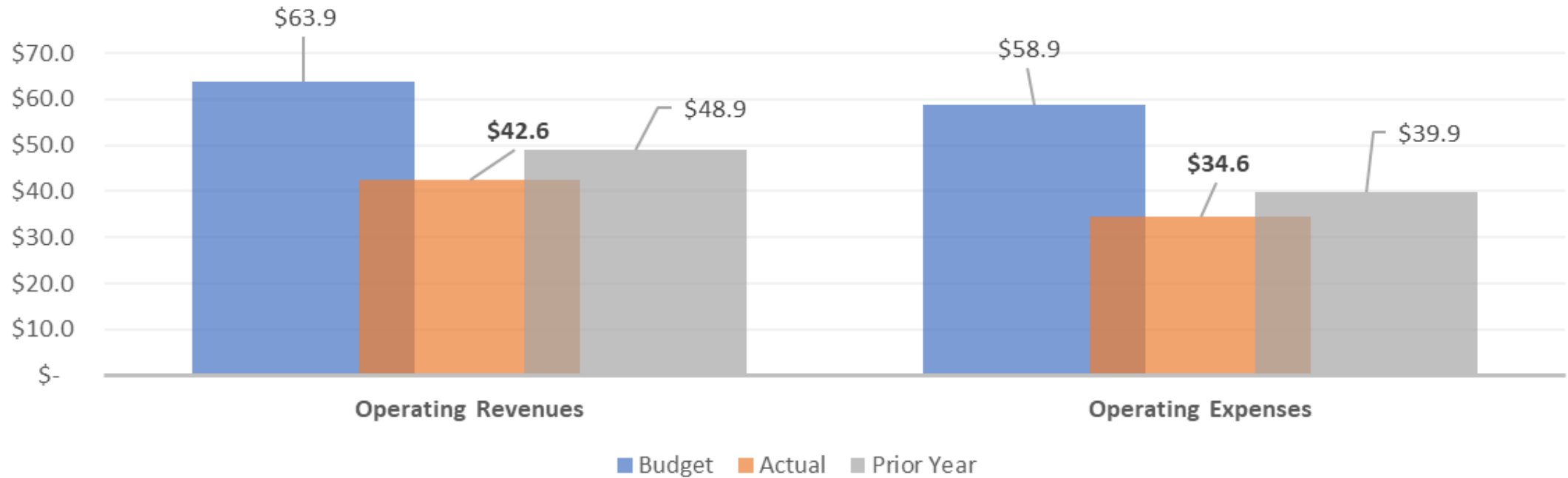


# Fiscal Year 2022/23 Strategic Planning Workshop Financial Update

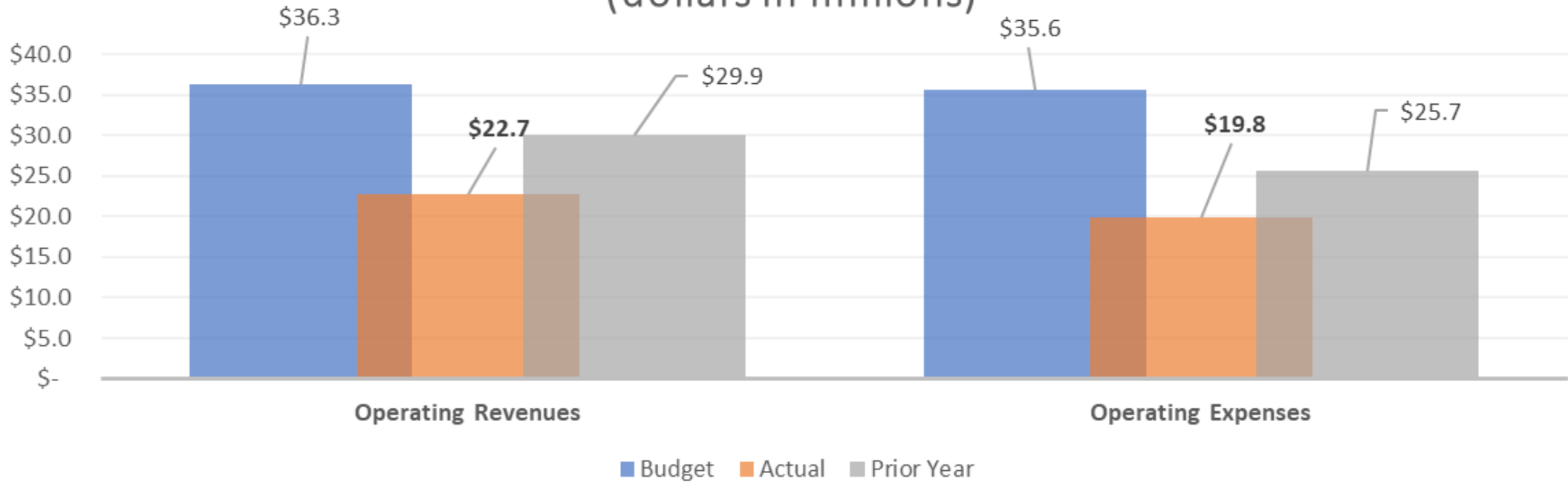
March 28, 2023



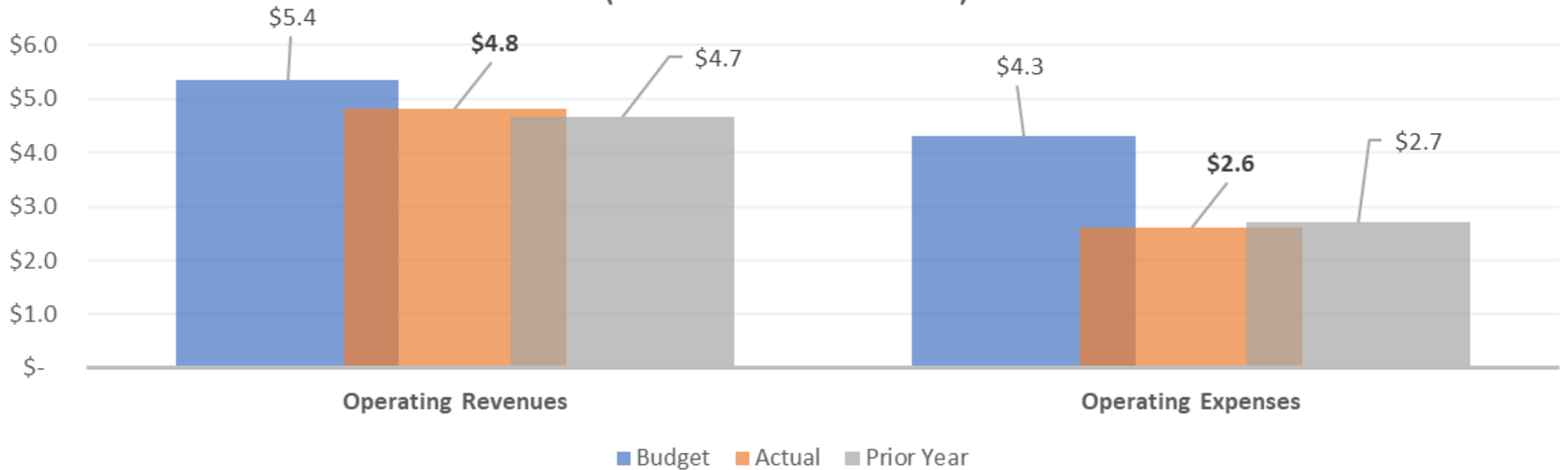
Districtwide - All Enterprises  
Fiscal Year 2022-23  
67% through the Fiscal Year  
(dollars in millions)



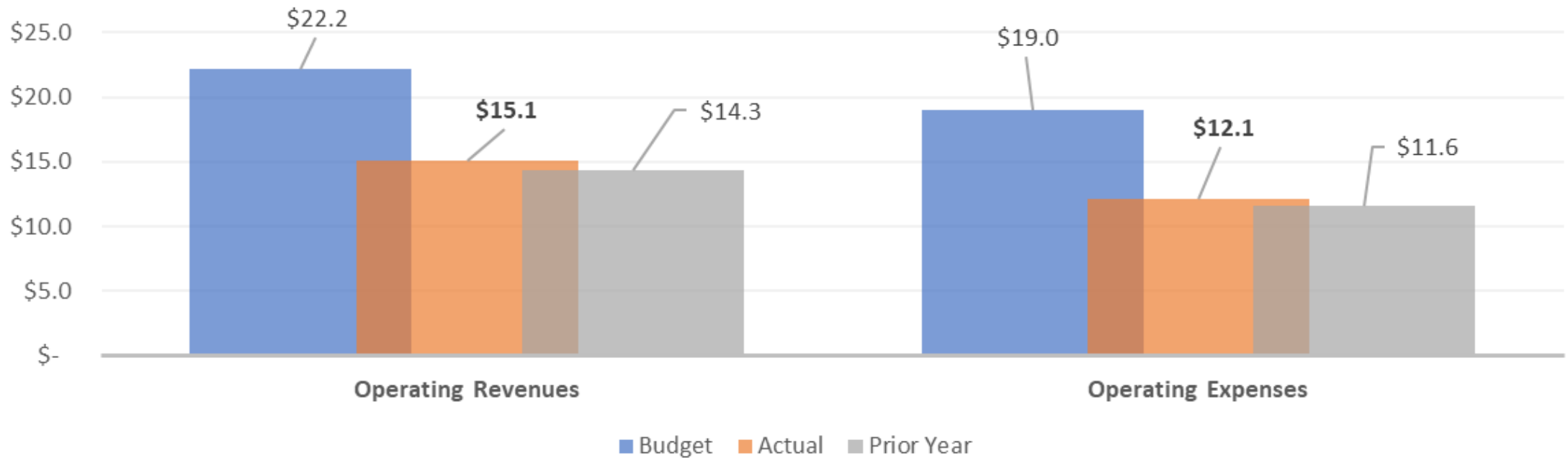
Potable Water Enterprise  
Fiscal Year 2022-23  
67% through the Fiscal Year  
(dollars in millions)



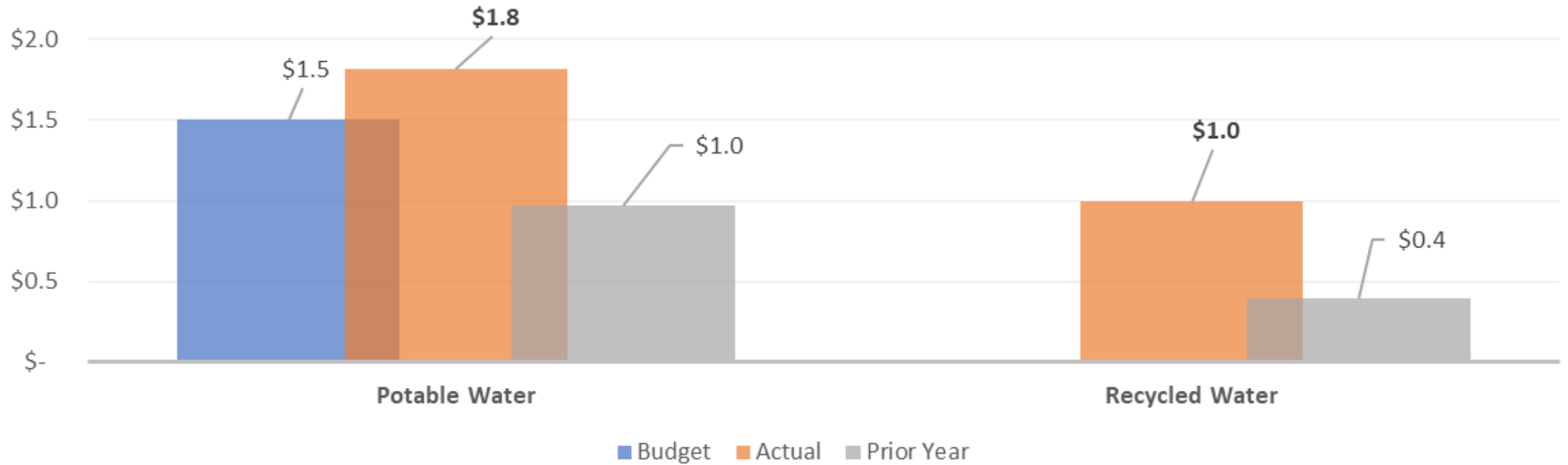
Recycled Water Enterprise  
Fiscal Year 2022-23  
67% through the Fiscal Year  
(dollars in millions)



# Sanitation Enterprise Fiscal Year 2022-23 67% through the Fiscal Year (dollars in millions)



Penalty Revenue  
Fiscal Year 2022-23  
67% through the Fiscal Year  
(dollars in millions)





# Annual Review of Investment, Financial, and Debt Policies



# Investment Policy

- On June 13, 2017, the Board adopted its Investment Policy. Section 18 of the policy requires an annual review with any recommended changes to be presented to the Board.
- The policy is focused on the principles of safety, liquidity and yield and meets the standards established by the State Treasurer's Office and the California Government Code.
- The District has historically favored a more restrictive policy than provided for by State law and its buy-and-hold strategy has provided greater stability through fluctuating market conditions.
- A comprehensive review of the policy will be incorporated into the upcoming 2-year budget process.
- At this time, staff proposes no revision to the Investment Policy.



# Financial Policies

- The Board has approved 11 Financial Policies that establish guidance related to the financial management of the District.
- The policies define how the District manages its restricted cash and budget, establishes reserves, and prefers to pay for capital projects and use funds in excess of reserve balances.
- The Financial Policies are designed to be long-lasting and provide clarity to staff, the public, and municipal market investors.
- A comprehensive review of the Financial policies will be incorporated into the upcoming 2-year budget process.
- At this time, staff proposes no revision to the Financial Policies.



# Debt Management Policy

- On April 7, 2020 the Board adopted a Debt Management Policy that outlines when debt financing would be considered, the types of debt to be evaluated, and related debt management responsibilities. The District has a long-standing preference for pay-as-you-go funding of capital improvement projects.
- However, it is necessary at times to debt finance large capital improvement projects that have an extended useful life to ensure that adequate revenues are maintained for operations, maintenance and emergencies.
- The Debt Management Policy outlines when debt financing is to be considered, the types of debt to be evaluated, and related debt management responsibilities.
- A comprehensive review of the Debt Management Policy will be incorporated into the upcoming 2-year budget process.
- At this time, staff proposes no revision to the Debt Management Policy.



# Recommendation

Staff proposes the Board make no changes to the current Investment, Financial, and Debt Policies.

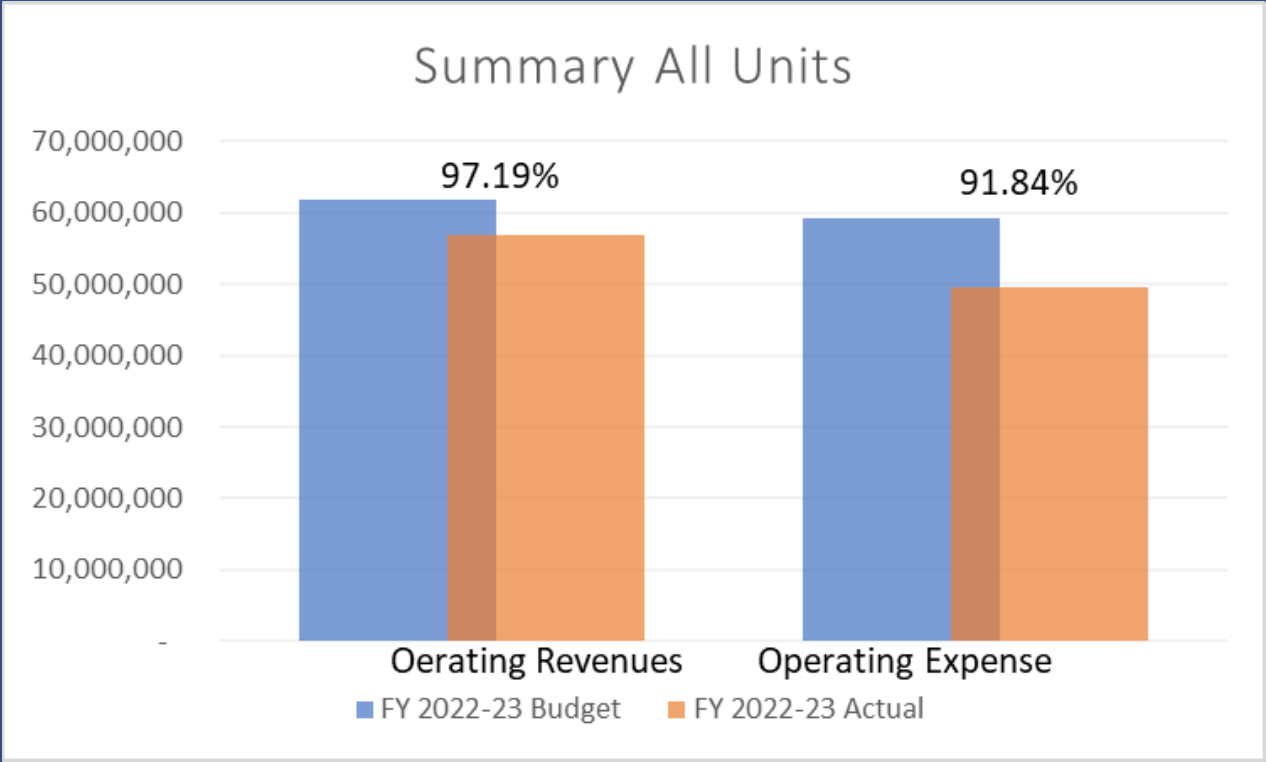


# Budget Overview

FISCAL YEARS 2022/23 AND 2023/24



# Budget-to-Actuals FY 2022-23



# CIP

| Fund                       | FY 2022-23 |            |              |            | FY2023-24 |
|----------------------------|------------|------------|--------------|------------|-----------|
|                            | Budget     | YTD Actual | Contract Bal | Available  | Budget    |
| Potable Water Construction | 1,718,378  | 60,341     | 422,083      | 1,235,953  | 246,420   |
| Potable Water Replacement  | 20,547,581 | 4,112,494  | 4,516,629    | 11,918,459 | 8,643,707 |
| Recycled Water Replacement | 1,438,657  | 6,303      | -            | 1,298,085  | 577,200   |
| Sanitation Replacement     | 12,750,574 | 1,896,153  | 2,778,250    | 8,076,171  | 9,931,006 |





# Budget Drivers & Assumptions

## 1. MWD Rates

- Pass-through
  - Use of Rate Stabilization Funds

## 2. Drought Conditions / Revenues

- Twenty Percent (20%) reduction in Potable Water Use
- Extraordinary expenses**
- Use of Penalty Revenues for Drought-related costs

## 3. Staffing

- Additional Positions
  - Water Treatment



# MWD Pass-through (Calendar Year)

|                      | CY 2023   | CY 2024     |
|----------------------|-----------|-------------|
| Three Year Average   | 17,903    | 17,903      |
| AF Sold Pass-through | \$0.29    | \$0.55      |
| Reduced Usage        |           |             |
| AF Sold              | 11,637    | 14,322      |
| Pass-through         | \$0.47    | \$0.65      |
| Difference           | \$0.18    | \$0.11      |
| Cost*                | \$946,021 | \$583,801   |
|                      |           | \$1,529,822 |

\*Proposed use of Rate Stabilization Fund



# Authorized Positions

| Department                     | FY 2022/23<br>Authorized | FY 2023/24<br>Authorized | FY 2023/24<br>Proposed |
|--------------------------------|--------------------------|--------------------------|------------------------|
| General Manager                | 2.0                      | 2.0                      | 2.0                    |
| Engineering & External Affairs | 36.0                     | 36.0                     | 37.0                   |
| Facilities & Operations        | 64.0                     | 65.0                     | 65.0                   |
| Finance & Administration       | 22.0                     | 22.0                     | 22.0                   |
| Total                          | 124.0                    | 125.0                    | 126.0                  |

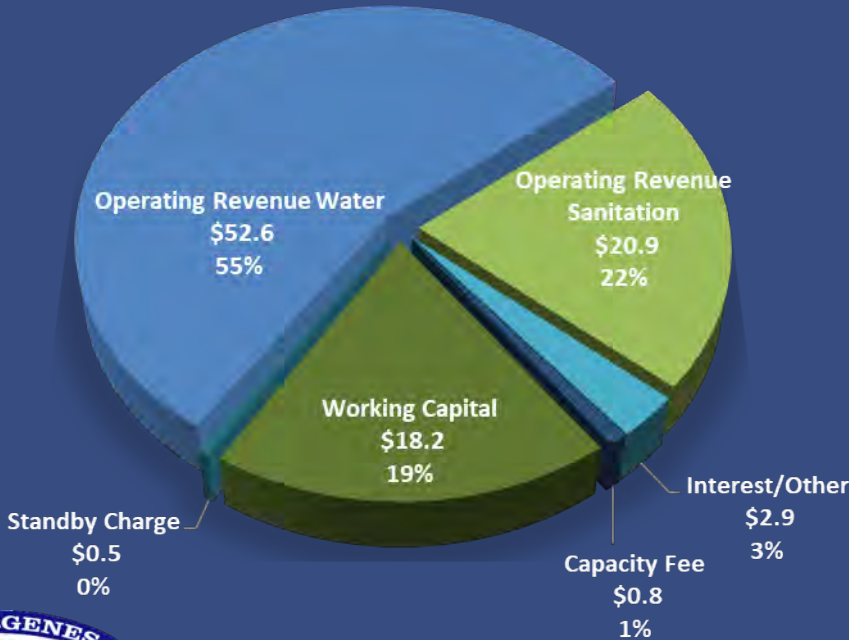


# Source/Use of Funds

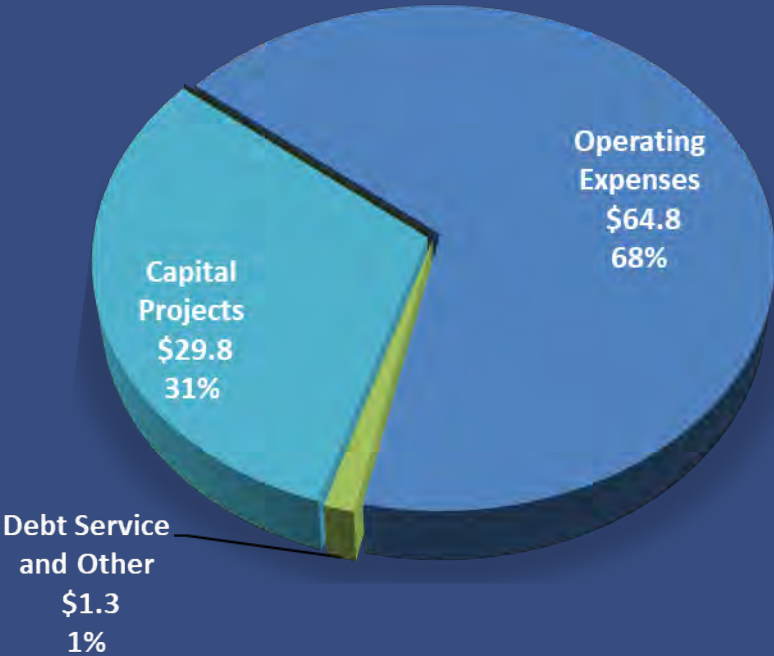
## FY2023/24

(\$ in millions)

Source of Funds  
\$95.9 Million



Uses of Funds  
\$95.9 Million



# New Budget Items

- CIP10771 – Building #1 Improvements
- Landscape Transformation
- Insurance Premiums
- Staffing
  - Customer Service Operations Supervisor  
(reclass from Field CSR I/II)
  - Management Analyst I/II  
(reclass from CS to Resource Conservation)
  - Legislative Program Manager



# Recommendation

- Provide feedback on Fiscal Year 2023-24 approved budget plan.



# Performance Measures



# Succession Plan

A Journey of Individual Growth and  
Organizational Success





# District Succession Plan

- Succession planning is the process by which the District plans for the vacancy of positions throughout the organization and ensures continuity of leadership.
- The District Succession Plan was established in October 2018 to address District demographics and inevitable change, to ensure it can continue to attract and retain a well-qualified workforce to fulfill its vision and mission well into the future.
- The Succession Plan is supportive of Strategic Objective No. 1, “Develop a strategy to maintain a highly effective workforce.”



# Succession Plan Implementation Strategies

- Three main components of the Succession Plan:
  - Attraction
    - Initiative #1 – Promote a Positive Reputation
    - Initiative #2 – Maintain and Enhance Proactive Outreach Efforts
    - Initiative #3 – Promote Benefits of the District
  - Retention
    - Initiative #1 – Provide a Positive Workplace Culture
    - Initiative #2 – Provide Staff Development Opportunities
    - Initiative #3 – Workplace Benefits
  - Knowledge Sharing
    - Initiative #1 – Formalize Program to Transfer Knowledge
    - Initiative #2 – Provide Opportunities for Training
    - Initiative #3 – Maintain an Employee Onboarding Process



# The Customer Experience

## Building and Maintaining Excellent Customer Service

Joe McDermott

Director of Engineering and External Affairs

March 28, 2023



# LVMWD Strategic Plan Business Values



# Proposed 2023 Customer Survey



1. District staff has been courteous, knowledgeable, and responsive in assisting me with questions or issues when I've had contact with them in-person or by telephone. (check only one that most closely reflects your opinion).
  - Strongly Agree
  - Agree
  - Don't know/not sure/have not had to contact
  - Disagree
  - Strongly Disagree
  
2. My water/sewer bills have been timely and accurate (check only one that most closely reflects your opinion).
  - Strongly Agree
  - Agree
  - Don't know/not sure
  - Disagree
  - Strongly Disagree
  
3. I am aware and have at least some knowledge of the Pure Water Project Las Virgenes – Trinunfo, which will consist of treating recycled wastewater to drinking water standards and will provide a new source of reliable and high-quality water to the region (check only one that most closely reflects your opinion).
  - Strongly Agree
  - Agree
  - Don't know/not sure/what's the Pure Water Project?
  - Disagree
  - Strongly Disagree
  
4. During the height of the drought, I received an adequate amount of information or at least knew where to find information on watering restrictions, ways to save water, and rebate programs (check only one that most closely reflects your opinion).
  - Strongly Agree
  - Agree
  - Don't know/not sure
  - Disagree
  - Strongly Disagree

5. I understand how water budgets work and some of the things I can do to stay within my water budget (check only one that most closely reflects your opinion).
- Strongly Agree
  - Agree
  - Don't know/not sure/what's a water budget?
  - Disagree
  - Strongly Disagree
6. The most I'd like to get useful information from the District via text is (check only one that most closely reflects your opinion).
- Every day is okay
  - Once a week at the most
  - Once a month at the most
  - A maximum of once every three months
  - Preferably no texts unless it is an emergency such as a water main break that affects my service
7. I prefer to get useful information from the District by (check only one that most closely reflects your top preference)
- e-mail
  - Text
  - With my monthly bill
  - Social media (twitter, Facebook or Instagram)
  - Newspaper/advertisements
8. Flow restriction devices should be installed for customers that routinely exceed their water budget by twice the amount and have been given several opportunities to be more efficient with their water use (check only one that most closely reflects your opinion).
- Strongly Agree
  - Agree
  - Don't know/not sure/mixed feelings/what's a flow restriction device?
  - Disagree
  - Strongly Disagree

9. My top choice for the one area that I feel needs the most change/improvement from the District is: (check the one that most closely reflects your opinion).

- Lower water and/or sanitation costs
- More reliable water supply
- Easier to reach for questions/issues
- More transparency and engagement with customers
- Do better at explaining how water budgets work

10. On a scale from 1-5, with 5 being the highest level of satisfaction, how would you rate your overall customer satisfaction with your water/sewer service?

- 5
- 4
- 3
- 2
- 1

11. Is there anything else you'd like to share with us that can help us to improve the service we provide?



# Landscape Transformation Program

Craig Jones  
Resource Conservation Manager  
March 28, 2023



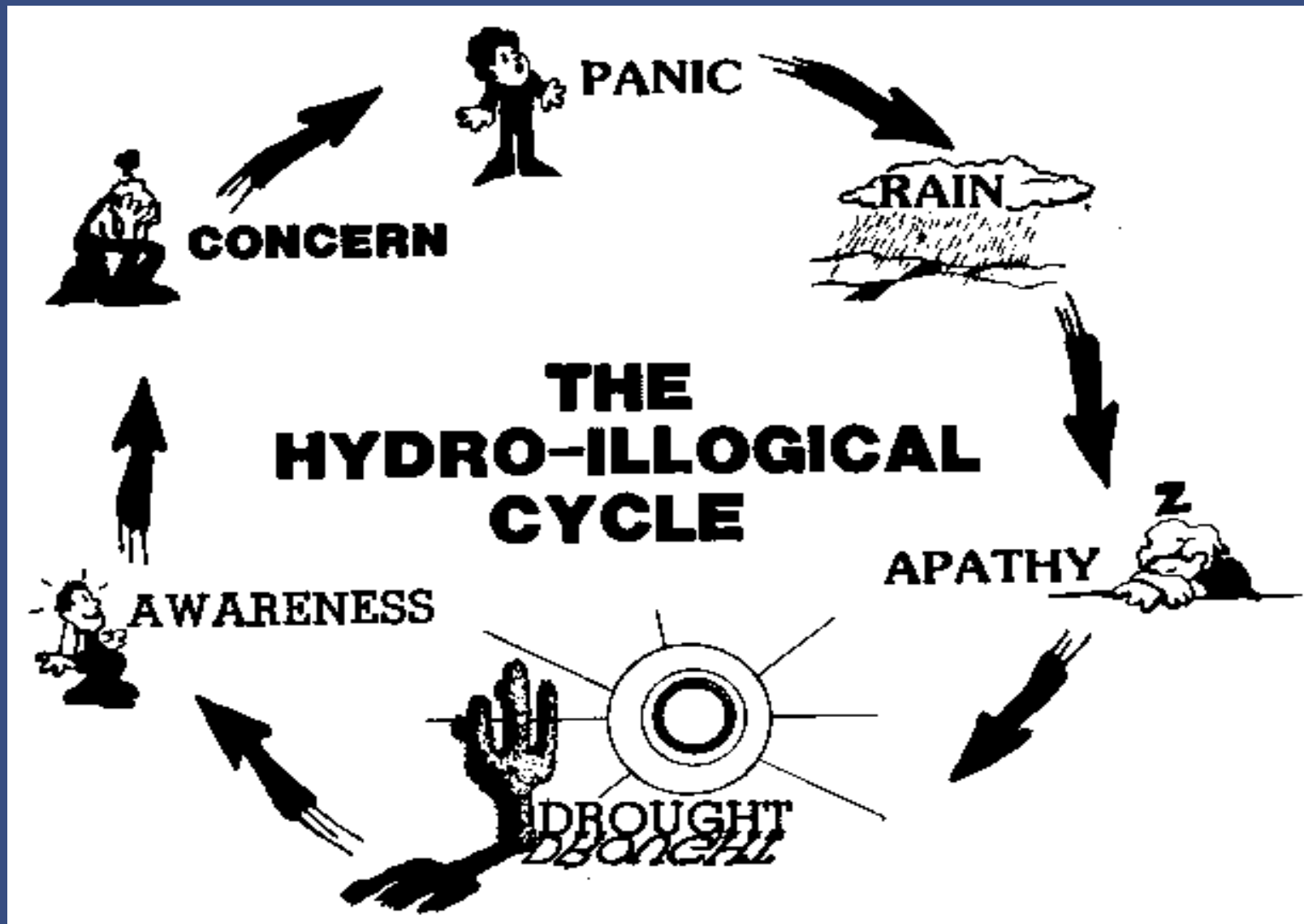
# Overview

1. Objectives and Goals
2. Program Development
3. Program Overview
  - a. Design Assistance Program
  - b. Drip Irrigation Direct Install/Tune-Up Program
4. Education
5. Peripheral Resources
6. Funding



Agoura Hills





# Program Objectives

- Develop data-driven programs that compliment MWD, LVMWD programs
- Identify barriers to completing landscape transformation
- Provide assistance/guidance/education to overcome obstacles
- Incentivize landscape transformation:
  - Financial support
  - Professional services
  - Educational Workshops
  - Discounted water saving devices



# Program Goals

- Bolster LVMWD website/webpages –
- Create and publish collateral to support customer ease of access
- Align rebates and incentives with Regional IRWM and Met Program
- Develop “turnkey” programs full-service landscape transformation
- Leverage WaterSmart to manage savings – Program Participation Module
- Promote programs through interactive campaigns and contests – “Capture Conservation”
- Short term (2023-24) Implement IRWM – Programs and use as pilot to refine future programs – Fall 2023
- Long term (2024-2030) – fund and manage supplemental programs that facilitate landscape transformation and produce cumulative water savings





# Program Goals

- Meet all State mandates for water use efficiency
- Reduce water use from the 2020 level of 195 gallons per capita per day to less than 146 gallons per capita per day by the year 2030 (25 percent reduction)
- Reduce recycled water use on landscapes by 25 percent compared to 2020 levels by the year 2030



# Program Development

1. Water District Interviews
2. Landscape Professional Interviews
3. Public Surveys
4. Key Takeaways



Westlake Village

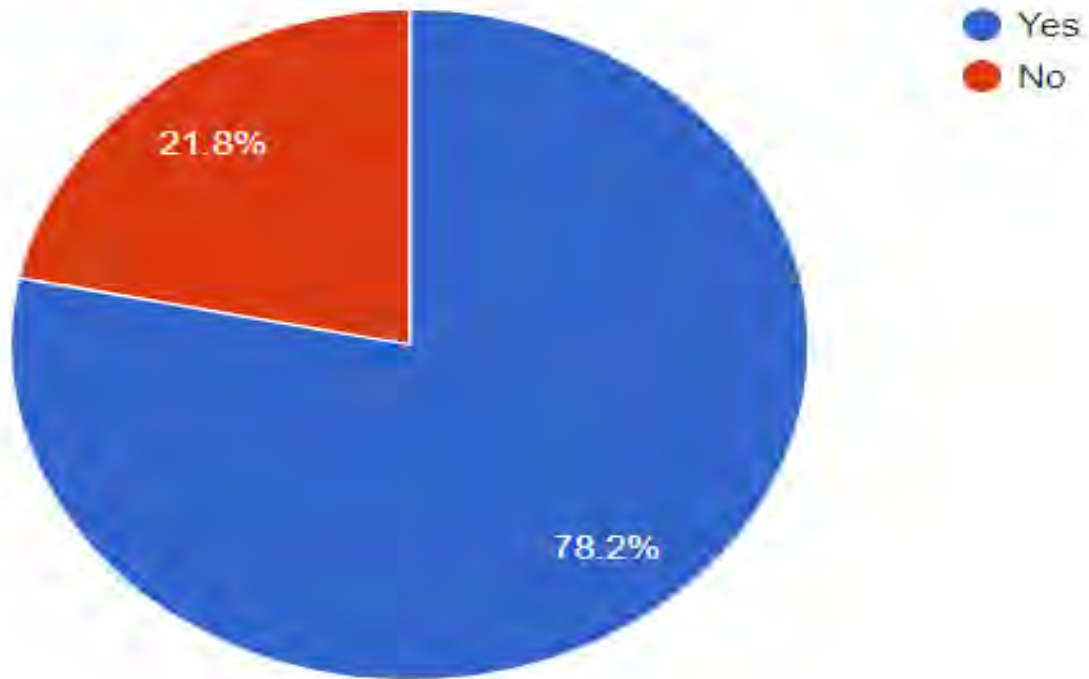






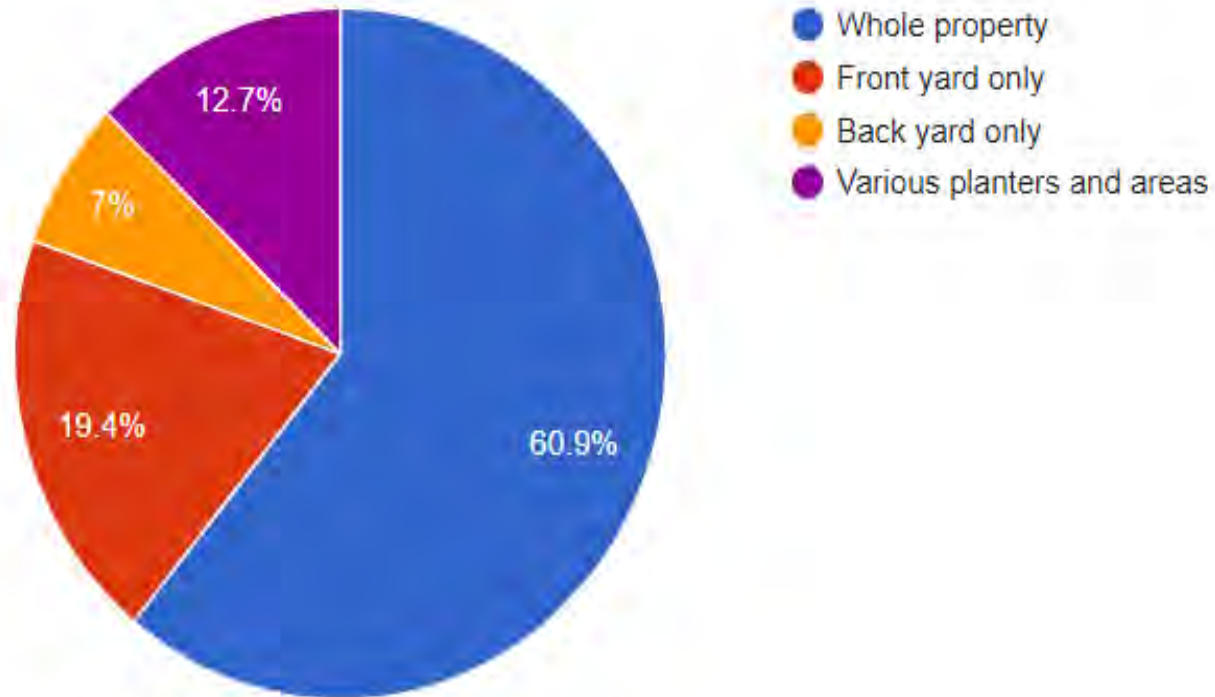
**9. Are you considering transforming your property into a climate appropriate garden?**

Answered: 422 Skipped: 0 Left Blank: 0



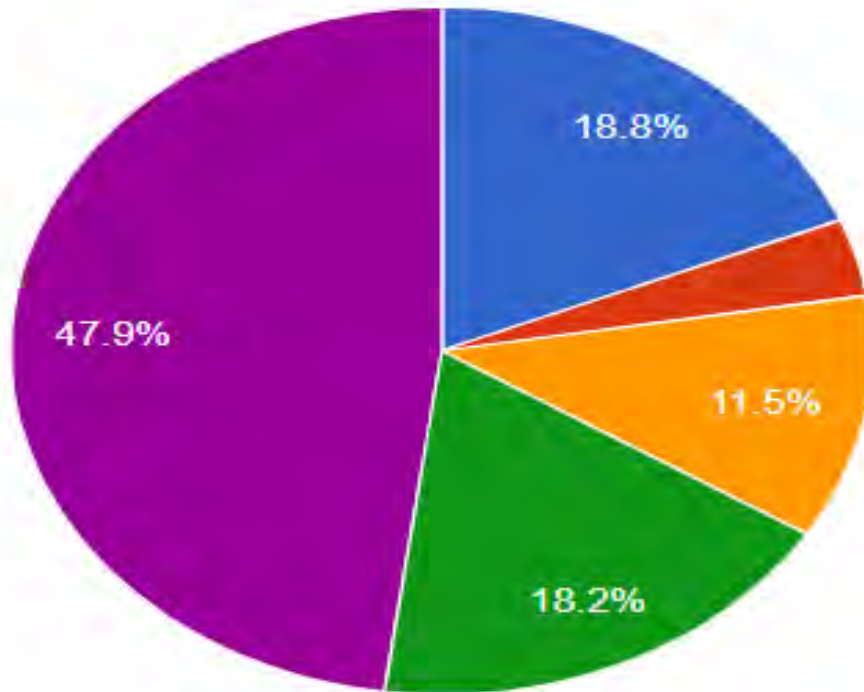
**10. When considering your landscape transformation project, what areas of your property are you considering?**

Answered: 330 Skipped: 92 Left Blank: 0



## 12. When you transform your property would you...

Answered: 330 Skipped: 92 Left Blank: 0

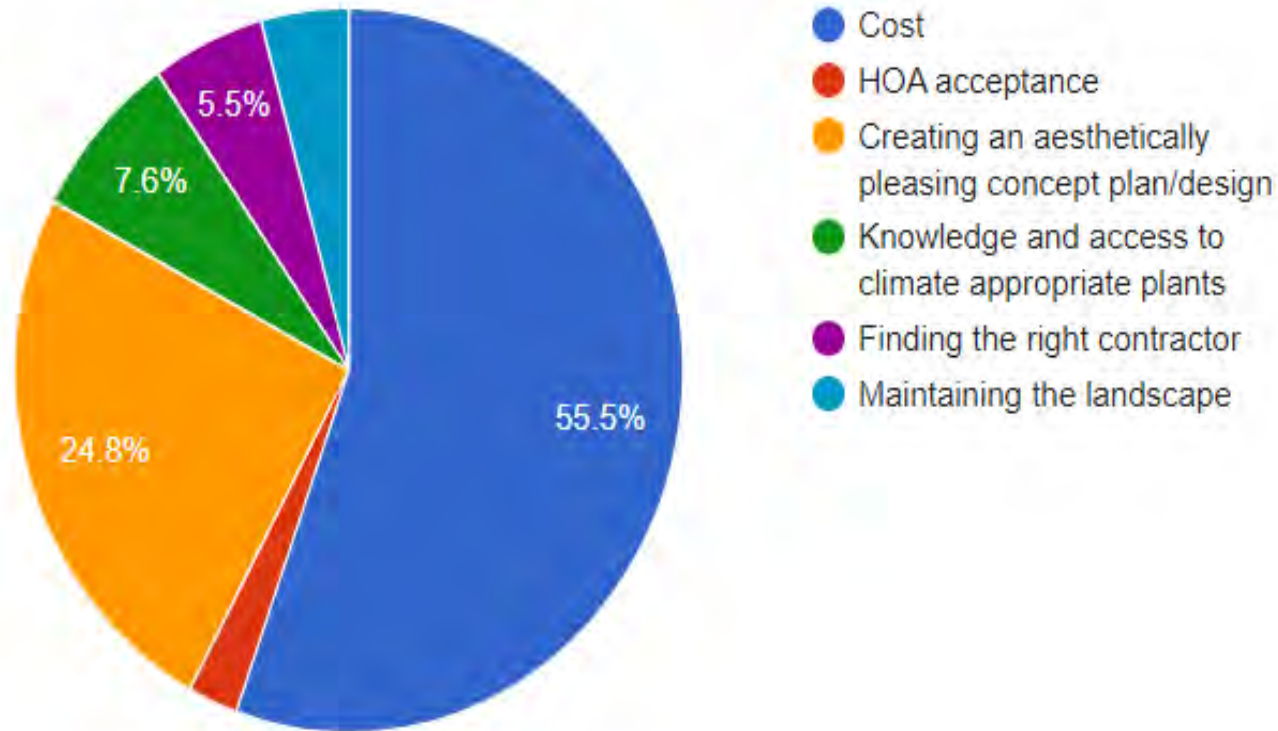


- Do the entire project yourself
- Hire a designer and implement yourself
- Hire a designer and have existing gardener implement
- Hire a designer and have a landscape contractor implement
- Not sure, need more information



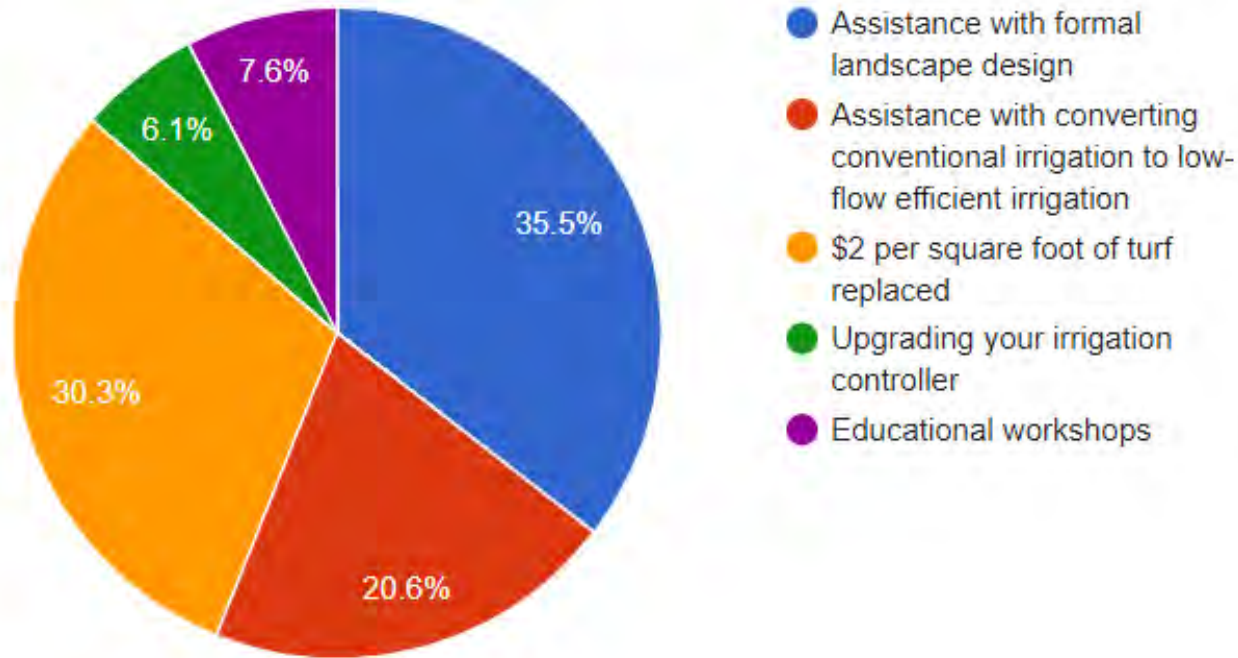
### 13. When considering transforming your landscape what is the biggest barrier or most overwhelming part of the process?

Answered: 330 Skipped: 92 Left Blank: 0



#### 14. Which of the following potential rebate options would best benefit your landscape transformation project(s)?

Answered: 330 Skipped: 92 Left Blank: 0



# Survey Takeaways

- Majority of customers are considering landscape transformation for their entire property
- 50/50 - DIYers vs. hiring a contractor
- Cost is the most prohibitive factor
- Assistance needed with technical elements (design and irrigation)



# Landscape Transformation Programs

1. Design Assistance Program

2. Drip Irrigation Direct Install/ Tune-up



# Design Assistance Program – Customized Design

- LVMWD will cover 50% of the design fee (up to \$1,000)
- Applicants must attend an educational program to qualify
- Customers are assigned a designer
  - Two-hour on-site design consultation
  - Designer provides a landscape plan within agreed upon timeframe
- Designer invoices customer less cost-share, then invoices LVMWD monthly

**WHAT IS CONTINUING FOR KADY? WHAT IS A SWALE?**  
 This garden features the continued use of the SWALE system for water control. The plan shows the location of the swales and the plants that will be installed in them. The swales will be installed in the driveway and in the front yard. The plants will be installed in the swales and in the front yard.

**A. Rain Garden (planted)**  
 B. 'Dry Creekbed' (rocks and pebbles)  
 C. Rain Garden on Slope

**Plant List:**  
 Malacotheca clematis  
 Salvia melissa  
 ...

**Coastal Garden - Laguna Hills**  
 Full Sun/Part Shade in Sunset Zones 22, 24  
 This garden is designed to complement the natural features of coastal Southern California. It will be completely drought tolerant and self-sustaining once established. Local species as well as native plant species from coastal environments have been selected. Permeable hardscape surfaces and continuing the soil other measures to repress the soil. This garden is diverse. It will come to life with different plant species and seasonal flowers, all of which will attract birds, butterflies, hummingbirds and beneficial pollinators. Your new Coastal Garden will offer many possibilities for future fine tuning as you add more details and personality into the design. There are dozens of wonderful plants that can be used in this look, coastal design and we encourage you to include more variety in your garden palette.

**moulton niguel water district**

**EVANSTON RESIDENCE**  
 28311 RANCHO DE LINDA  
 LAGUNA HILLS, CA 92677  
 949-547-0435  
 bevaston@cox.net  
 2/15/22

**JODIE COOK**  
 LANDSCAPE DESIGNER  
 2/15/22



Jodi Cook



# Design Assistance Program – Design Templates

- LVMWD to hire a landscape architect to develop general designs for a variety of landscapes, purposes, and aesthetics
- Designs are readily accessible and free to use
- Develop pallets for HOA pre-approval



MWDOC



# Drip Irrigation DI/Tune-Up Program

- LVMWD would cover from \$600 up to \$1,500 in irrigation efficiency upgrades
- Paired with a site evaluation, a certified irrigation professional will retrofit a customer's existing irrigation system and make critical repairs
  - Cap excess emitters
  - Convert to low-flow (e.g., sub rotating nozzles, set drip line, change valves, etc.)
  - Install WBIC
- Limited to moderate repairs
  - Customers needing extensive work will be advised to contact a certified professional



# Education

## Spring Landscape Workshop Series

### Scheduled

- March 14 – Garden Design Workshop
- April 1 – Firescaping: Protecting your family, home, and property from a wildfire
- May 6 – Native Garden Maintenance – Spring and Summer Techniques

### Pending

- Rainwater Harvesting
- Maintaining Trees During Drought
- Climate Ready Trees
- How to Apply for a Turf Rebate
- Sheet Mulching
- Native Lawn Alternatives



# Peripheral Resources

- Rachio Weather-Based Irrigation Controllers
- Rain Barrels and Cisterns
- Native Plant Kits
- Drip Irrigation Kits



# Rachio Weather-Based Irrigation Controller

- Save an average of 13,500 gallons per year compared to “non-smart” controllers
- 8-station or 16-station controller for \$99, plus free professional installation
  - Limit one per customer



# Rain Barrels & Cisterns

- Rain Barrels
  - 125 50-gallon rain barrels offered as a “carrot” to select customers
  - 50% cost share (\$70 plus tax for the customer)
- Cisterns
  - Device, concrete pad, and installation
  - Installed at public sites (city, parks, schools)
  - 50% of cost covered by MET, 50% of cost covered by LVMWD



# Gardening Kits



## Native Plant Kit

- Pilot launch March 2023
- Full implementation Fall 2023
- Thematic kits
  - Full Sun, Partial Sun, Coastal, Aromatic, Firewise, Meadow
- 10 native plants + Planting Guide + Maintenance Guidelines
- \$160 retail price
  - Possibly offer LVMWD voucher/rebate



## Drip Irrigation Kit

- Spray-to-Drip conversion starter kit
- \$24.99 - \$64.99 retail value
  - Possibly offer LVMWD voucher/rebate



# Program Funding Opportunities

- Integrated Regional Watershed Management Grant – Lead Agency
- USBR Grants (WEEG)
- MWD Member Agency Administrative Program Funding (MAAP)
- Penalty Funds





# Next Steps

- Prepare for Drought Resiliency Water Conservation Program Launch – Fall 2023
- Work with Finance on future landscape transformation budget requests
- Implement Landscape Transformation projects at Westlake Filtration Facility (\$54,064) and Equestrian Tank (\$40,964)
- Develop program collateral and messaging





# MWD State Project Dependent Areas Solution



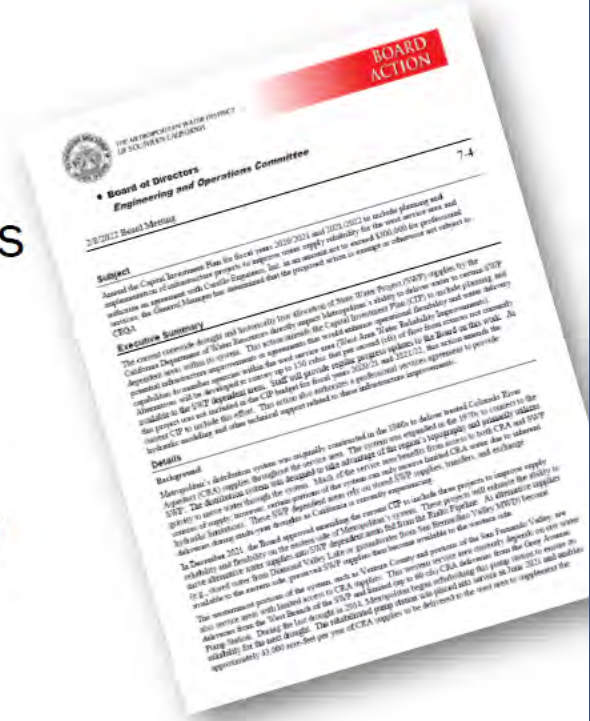
# Background

- Historic drought has reduced available State Water Project (SWP) supplies
- Metropolitan's goal is to provide equity in supply reliability to ALL Member Agencies
- Six SWP-dependent agencies lack equitable access during severe droughts
- On August 16, 2022, Metropolitan approved a resolution that affirmed a call to action and a commitment to regional reliability for ALL member agencies.



# Problem Statement

Due to limited infrastructure, Metropolitan cannot provide the SWP-dependent agencies equitable access to water supply and storage assets during severe droughts. Simply put, there is not enough **pipeline connectivity and operational flexibility** between imported supplies and storage assets and not enough water resource diversity for Metropolitan to equitably satisfy the needs of all member agencies.

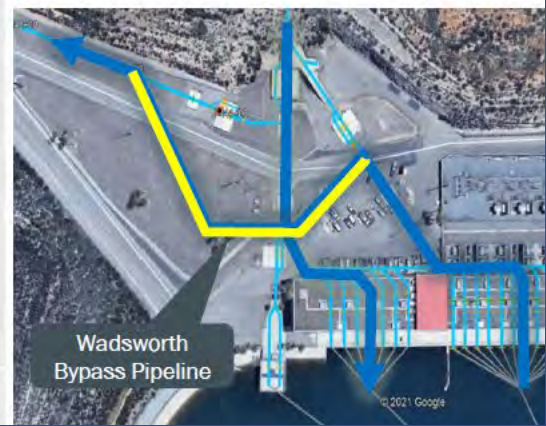
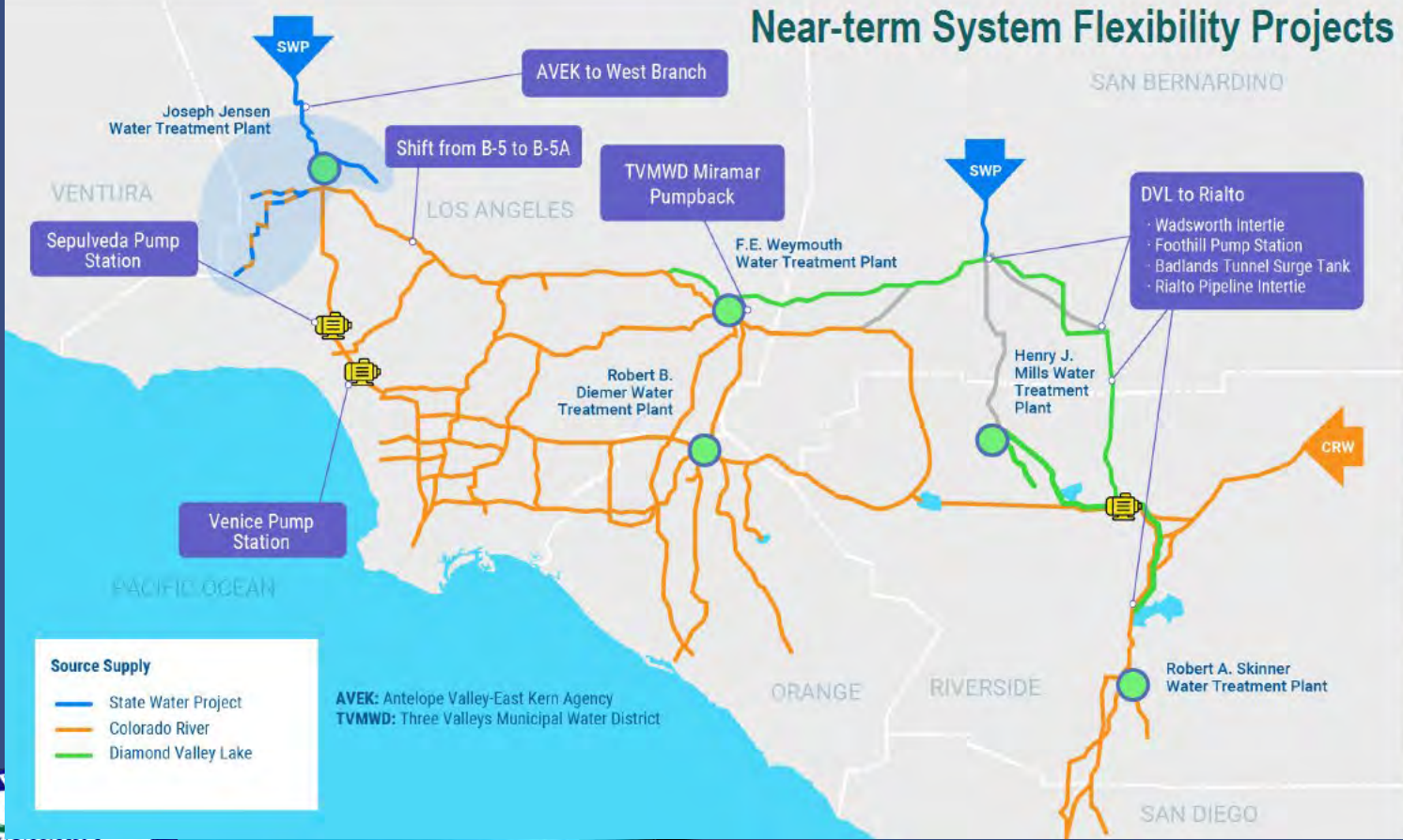


# Study Goals and Objectives

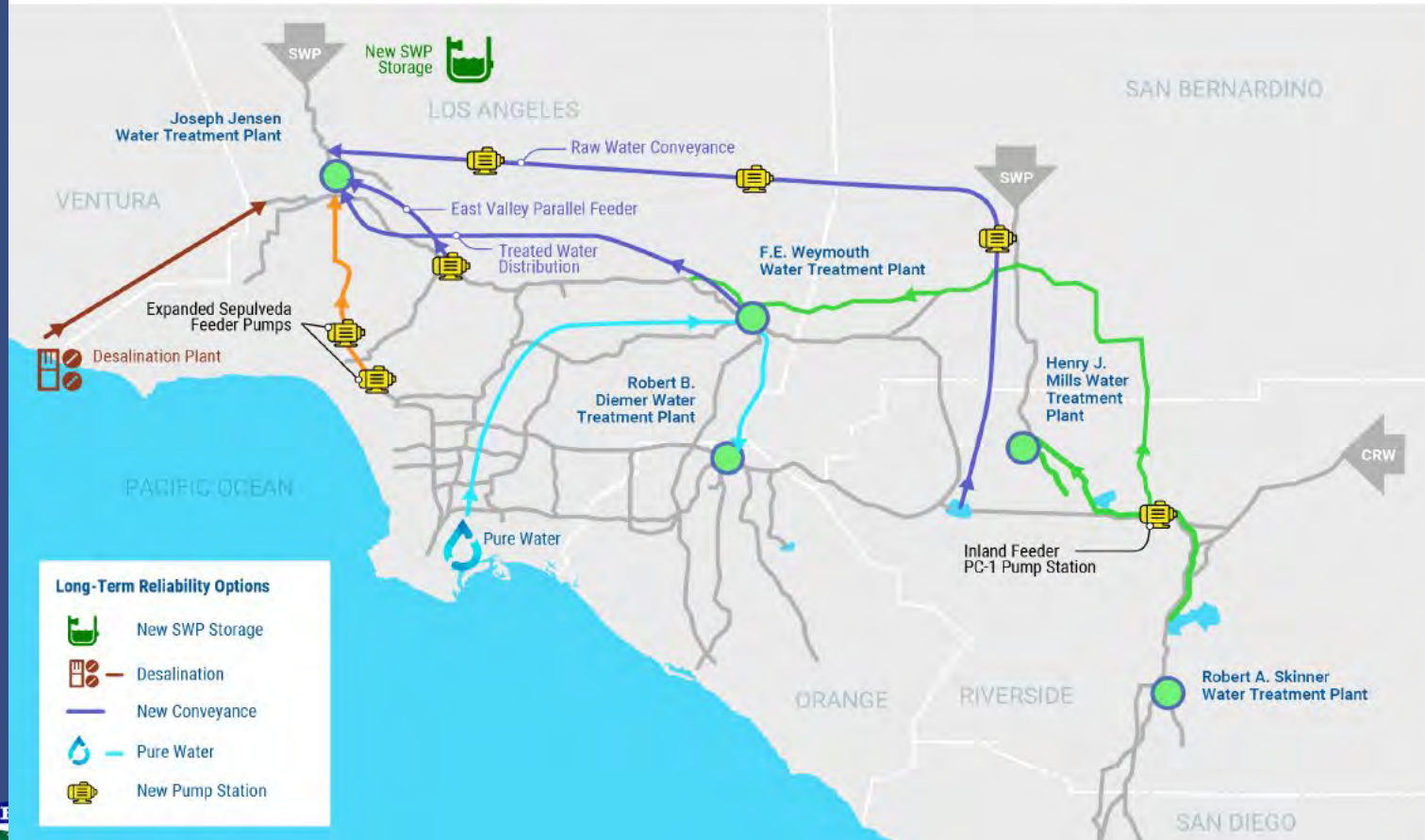
- Collaborate with Member Agencies to develop **East-West Conveyance** alternatives to improve access to supplies and storage to the **West Side SWP Dependent Area** with consideration of the following:
  - A targeted capacity of **up to 600 cfs**
  - Consider treated water and raw water conveyance lines and facilities
  - Integrate other long term water supply reliability projects (i.e., PureWater SoCal, Operation NEXT)
  - Determine proposed connection points (i.e., Jensen Treatment Plant)
- Target completion December 2023



# Flexibility Improvement Projects - Underway



# Urgent Studies - Underway



- Long-Term Reliability Options**
-  New SWP Storage
  -  Desalination
  -  New Conveyance
  -  Pure Water
  -  New Pump Station



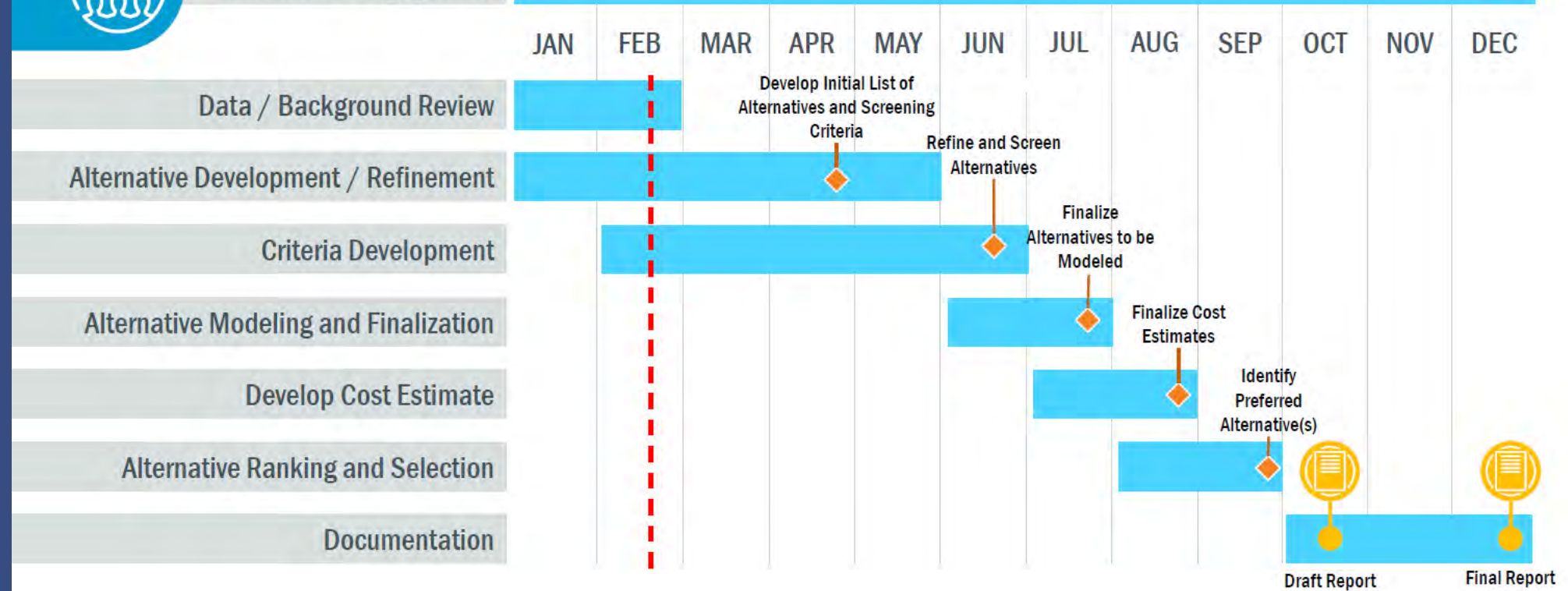


# Schedule and Milestones

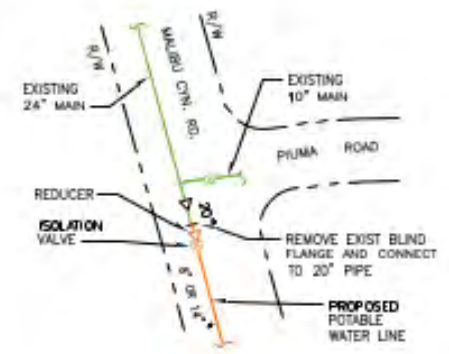
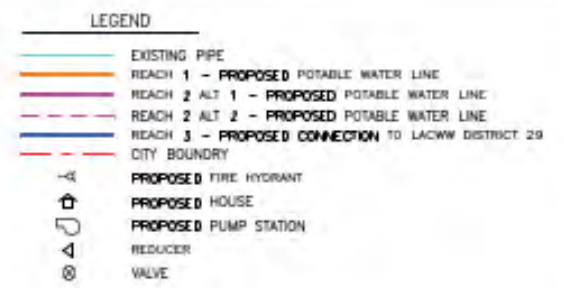
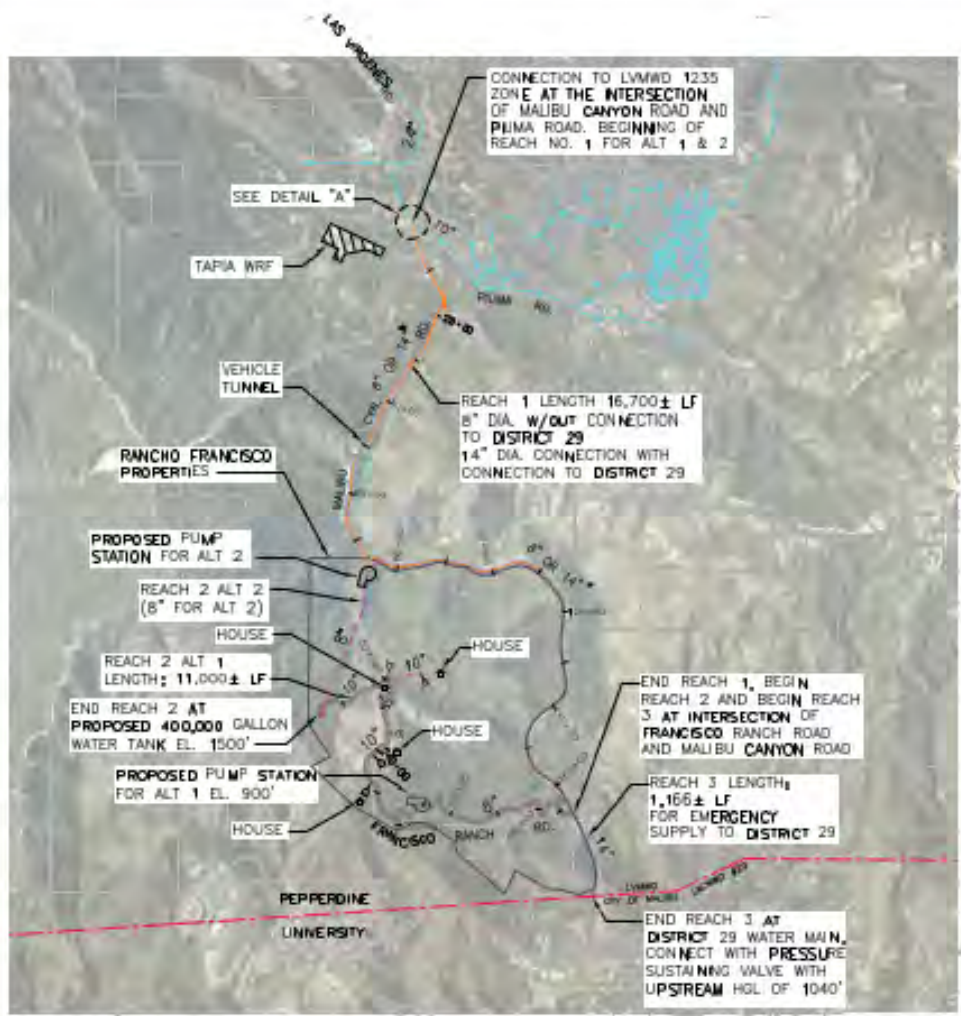
Board Presentation



Stakeholder Engagement



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 SHEET: BASE - PARCELS -- PPE5-812 -- RANCHO AERIAL -- baseparcels(0-25-06) IMAGE: AECOM\_color\_rgb.rvt -- RANCHO FRANCISCO



PIPE SIZE:  
 14" WITH DISTRICT 29 CONNECTION  
 8" WITHOUT DISTRICT 29 CONNECTION

**AECOM**

|   |              |
|---|--------------|
| RANCHO FRANCISCO  |              |
| LAS VIRGENES MUNICIPAL WATER DISTRICT<br>PROPOSED POTABLE WATER<br>MAIN EXTENSION |              |
| PLATE 2   |              |
| 60101065  | JANUARY 2010 |

