Welcome to the Central Basin Municipal Water District (CBMWD) 3-Year Strategic Plan. This document is a blueprint for how CBMWD will respond to current challenges and make the best of future opportunities for the benefit of our customers. It confirms our mission and goals as a public agency dedicated to providing high quality water service to the more than 2 million residents in CBMWD's service area. It establishes approaches for the preservation of our precious resources for future generations utilizing the principles of sustainability and prudent fiscal practices. It also outlines the specific goals, strategies, and objectives we will pursue to move us from where we are to where we want to be and establishes a process to measure our progress.

CBMWD is a public agency that was formed by the California Legislature in 1952 for the purpose of providing an adequate supply of water within its service area. CBMWD purchases imported water from the Metropolitan Water District of Southern California (MWD), an agency which provides the region with imported water. CBMWD wholesales the imported water to cities, mutual water companies, investor-owned utilities and private companies in southeast Los Angeles County. (Imported water is transported through the Colorado River Aqueduct system and from Northern California.) CBMWD also supplies water used for groundwater replenishment and provides the region with recycled water for municipal, commercial, and industrial use. There are 24 cities in CBMWD's service area.

CBMWD was established to help mitigate the overpumping of underground water resources in southeast Los Angeles County. CBMWD founders realized they would have to curtail the use of relatively inexpensive yet diminishing local groundwater by providing the region with imported water. In 1954, CBMWD became a member agency of MWD. The five CBMWD Directors appoint two representatives to the 37-member MWD Board of Directors; CBMWD is one of the largest member agencies of MWD. Today, in addition to imported water, CBMWD provides recycled water for
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irrigation, commercial applications, and industrial processes. CBMWD's service area uses approximately 315,000 acre-feet of water annually.

Building on this success, CBMWD's Board of Directors and staff are charting a course for continued success in the future through the development and execution of this Strategic Plan. The Strategic Plan defines the vision, mission, values, goals, and future business strategy for CBMWD. Our commitments to the communities we serve fall into four areas: water reliability, financial integrity, stewardship, and communications. These commitments are established as the four goals of the Strategic Plan. Our Board actions will consistently support these commitments and staff will track the progress against this plan, revisiting the Strategic Plan regularly to adjust as conditions warrant.

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Director Arturo Chacon,
Division 3

Director Phillip D. Hawkins
Division 5

Director Robert O. Apodaca, President
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Message from the General Manager

The Strategic Plan for Central Basin Municipal Water District (CBMWD) represents input from our purveyors, our fellow wholesale agencies, our staff, and our Board. The collaborative effort recognizes the significant challenges facing the Southern California water community—a historic drought, mandated per capita consumption reduction, wholesale allocations, the need to improve our region's water reliability—and some unique challenges facing CBMWD—the need to rebuild trust in the community, the 3,000 man hours state audit underway, and the need to address declining water sales. In developing the Strategic Plan, we focused on four key points:

- Our most important responsibility is together with our retail and wholesale partners, to provide reliable supplies of safe water to the communities we serve.
- Our programs, policies, and projects will be done transparently and ethically, and reflect our social and environmental values.
- We will act as stewards of the financial resources entrusted to us, while utilizing our resources to improve the region’s water reliability.
- We will continue to provide our employees with a safe and healthy work environment, resources to effectively do their jobs, and opportunities and training for career growth.

The implementation of the Strategic Plan will require even stronger collaboration with our communities, our fellow water utilities, and State and Federal regulatory agencies. We will be taking the strategic goals and objectives in the Strategic Plan and developing action plans or tactics to achieve them. The Strategic Plan will be reviewed quarterly with the Board and our purveyors and adapted as conditions change.

We the staff of Central Basin Municipal Water District, with guidance and direction from the Board, are confident the Strategic Plan will help us achieve the expectations of those we serve in the months and years to come.

Sincerely,

Kevin P. Hunt, P.E.
General Manager
On behalf of the Staff of
Central Basin Municipal Water District
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Introduction

Strategic Planning is a structured process to prioritize issues. Due to the reality of finite resources, staff must be focused on the key issues that are critical to the mission of CBMWD.

The planning process enabled CBMWD staff to step back from daily activities and deliberate on ways to achieve CBMWD’s mission to “Deliver reliable, affordable, and high-quality potable water and recycled water services to its customers and communities through effective and collegial partnerships with its retailers and other wholesalers.”

The Strategic Plan was developed under the guidance of the Board of Directors and senior management representing all of CBMWD’s functions. This team met over a three-month period. The focus of staff’s strategic deliberations were to focus on the key issues CBMWD will face in the next three-year planning horizon (and beyond). Workshops were held with all CBMWD staff to identify strengths, weaknesses, opportunities and threats (SWOT Analysis) that the Strategic Plan should consider. Verbal and written comments were solicited. In addition, purveyor input was sought and incorporated into the Strategic Plan. A workshop was held with the Board of Directors in March of 2015 to formalize the vision, mission, values statements, and establish the 4 goals that set the framework for strategies and objectives developed by the management team. Input on the Draft Strategic Plan was solicited from all employees and the Board.

- Review current operating environment – strengths, weaknesses, opportunities, and threats
- Review vision, mission, values and establish goals
- Develop strategies and objectives
- Develop scorecard to measure our progress
- Develop staffing and resource needs in conjunction with the annual budgeting process
- Regularly update the Strategic Plan

A scorecard was developed to provide a basis for periodic review of the progress and includes targeted activities, priority level, a brief description of the objective or activity, current status, responsible lead and/or manager, and performance metric, where applicable.

The three-year Strategic Plan will be implemented and tracked through the annual budget process.
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Strategic Plan activities that are not budgeted in FY2014-15 will be budgeted in later years and subject to Board review and approval. In the future, staff will ensure the proposed budgets reflect the priorities established in the Strategic Plan.

Vision Statement

"Central Basin Municipal Water District is an innovative, responsive, and effective steward of the water service and management responsibility entrusted to it."

Mission Statement

"The mission of Central Basin Municipal Water District is to deliver reliable and high-quality water and recycled water services to its customers and communities through effective and collegial partnerships with its retailers and other wholesalers."
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Values

CBMWD will embody the following core values in the setting and implementation of its policies and practices:

- Integrity – CBMWD and its representatives will consistently adhere to high moral and ethical principles;

- Collaboration – CBMWD, and its representatives, will cooperatively work together and with stakeholders to further the mission and goals of the organization;

- Customer Service – CBMWD, and its representatives, will professionally and responsively serve the needs of its customers;

- Fair, open, and responsive – CBMWD, and its representatives, will engage its stakeholders and interact with them in a fair, open, and honest manner;

- Accountability – CBMWD, and its representatives, will take responsibility for and be accountable for all its actions

- Innovation – CBMWD, and its representatives, will encourage and value the introduction of new ideas and methods
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Goals / Strategies / Objectives

The Board developed goals that represent CBMWD's key commitments to the community it serves. CBMWD is committed to:

- **Goal 1: Water Reliability** – CBMWD will partner with retailers and wholesalers to provide a level of regional water reliability that ensures customers' water needs are met.

- **Goal 2: Financial Integrity** – CBMWD will manage its financial resources in a responsible, effective, and transparent fashion.

- **Goal 3: Stewardship** – CBMWD will act as responsible stewards of human and capital resource assets.

- **Goal 4: Communications** – CBMWD will proactively engage, inform, and respond to its customers, purveyors, community leaders, and employees.

Management and staff identified specific strategies and measurable objectives for each goal to ensure the proper actions are taken to fulfill the commitment implicit in the goal area. The strategies and objectives listed below encompass both current and new activities.
Goal 1: Water Reliability – CBMWD will partner with retailers and wholesalers to provide a level of regional water reliability that ensures customers’ water needs are met.

Strategy 1 – Conducting appropriate regional planning to ensure CBMWD’s water demands and supplies are balanced:

Objective 1  Implement Regional Water Supply Allocation Plan

Objective 2  Develop 2015 Urban Water Management Plan

Objective 3  Publish CBMWD Annual Water Use Report

Strategy 2 – Represent the region’s water interests:

Objective 1  Represent the interests of CBMWD’s service area at MWD Board and Member Agency Manager meetings

Objective 2  Represent CBMWD area interests for regional policy development

Objective 3  Analyze regional policy developments for potential impact to CBMWD’s retail agencies
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<thead>
<tr>
<th>Objective</th>
<th>Description</th>
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<tbody>
<tr>
<td>Objective 4</td>
<td>Engage in regional planning and developments with the Greater Los Angeles Integrated Regional Water Management Plan (IRWMP) and the Gateway Water Management Authority</td>
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<td>Objective 5</td>
<td>Participate in regional partnership to secure funding for water supply and water quality projects throughout CBMWD’s service area</td>
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<td>Objective 6</td>
<td>Develop five-year water use demand forecast for MWD</td>
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<td>Objective 7</td>
<td>Participate in MWD’s 2015 Integrated Resources Plan Update</td>
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<td>Objective 8</td>
<td>Support the Water Replenishment District (WRD) in regional efforts to replenish the Central Groundwater Basin</td>
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<td>Objective 9</td>
<td>Enhance strategic relationships with purveyors on water policies and issues and develop coalition to further CBMWD’s interests in representation at MWD</td>
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**Strategy 3 – Increase recycled water sales to 10,500 acre-feet by 2020:**

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<tr>
<td>Objective 1</td>
<td>Update recycled water master plan and prioritize short-term and long-term projects</td>
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<td>Objective 2</td>
<td>Identify retailers with potential to develop additional recycled water service connections</td>
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<tr>
<td>Objective 3</td>
<td>Develop strategic relationships with retailers to increase recycled water sales</td>
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<tr>
<td>Objective 4</td>
<td>Develop and complete East Los Angeles Recycled Water Expansion Project, La Mirada Recycled Water Expansion Project, West San Gabriel Recycled Water Expansion project, and additional smaller projects</td>
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Strategy 4 – Investigate creative new sources of water (e.g. injection of highly treated recycled water, groundwater cleanup water, or industrial sources of water):

Objective 1 Investigate the Huntington Park project

Objective 2 Investigate other projects as appropriate

Strategy 5 – Expand water conservation in the service area:

Objective 1 Assist CBMWD’s retailers with achieving state mandated reduction goals

Objective 2 Update Water Conservation Master Plan

Objective 3 Maximize MWD funding

Objective 4 Increase local partnerships with retail agencies

Objective 5 Secure alternative sources of funding
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Goal 2: Financial Integrity – CBMWD will manage its financial resources in a responsible, effective, and transparent fashion.

Strategy 1 – Increase our success rate for grants and incentives:
   Objective 1  Obtain 25% matching grants on projects
   Objective 2  Identify grants and provide grant writing support to cities/agencies

Strategy 2 – Provide transparent and regular financial reporting:
   Objective 1  Support the completion of the State audit
   Objective 2  Produce accurate sale forecasts
   Objective 3  Prepare an annual financial report
   Objective 4  Prepare an annual budget for Board approval
   Objective 5  Prepare annual capital improvement plan
   Objective 6  Implement monthly review of revenue / expense tracking
   Objective 7  Conduct long-range financial planning
   Objective 8  Transform financials to automatic reporting and leverage the use of CBMWD's financial management system
   Objective 9  Manage our annual financial processes to produce an audit with no qualified findings
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Strategy 3 – Ensure there is adequate capital to support CBMWD’s goals:

Objective 1        Refinance bonds to take advantage of market conditions
Objective 2        Convert billing of Readiness-To-Serve (RTS) to a fixed charge
Objective 3        Develop a rate strategy
to increase the fixed revenue stream
Objective 4        Develop and manage the reserve policy

Strategy 4 – Improve financial management of CBMWD’s contracts:

Objective 1        Address the long-term effects of the following contracts:

a. Renegotiate City of Vernon Malberg contract
b. Monitor status of Montebello Golf Course contract
c. WRD contract
d. Resolve issues with the Pico Rivera contract
e. Upper San Gabriel Valley Municipal Water District contract
f. Sanitation Districts of Los Angeles County contract
g. City of Downey recycled water purchase contracts
h. City of Santa Fe Springs recycled water purchase contracts

Objective 2        Improve the effectiveness of revenue / expense tracking for each major project or program (e.g. contracts administration)

Objective 3        Incorporate the State audit responses into CBMWD business policy and practices
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Goal 3: Stewardship – CBMWD will act as responsible stewards of human and capital resource assets.

Strategy 1 – Ensure staffing levels and skills are adequate to meet CBMWD’s needs:

Objective 1  Develop and implement a staffing strategy to bolster resources in engineering and water resources

Objective 2  Develop and implement succession planning for key positions

Objective 3  Minimize vacancies

Objective 4  Create a professional development plan for each employee

Objective 5  Identify and implement a cross-training strategy

Strategy 2 – Cultivate a supportive work culture of camaraderie, teamwork, high work ethic, and collegiality:

Objective 1  Implement best employment practices as defined by the Society of Human Resources Management (SHRM)

Objective 2  Ensure policies and practices that promote a safe and healthy workforce and workplace

Objective 3  Achieve accountability through annual conduct of performance evaluations and quarterly review of the Strategic Plan scorecard

Objective 4  Ensure that CBMWD’s compensation practices are competitive to attract and retain high-performing staff
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Strategy 3 – Utilize technology and workflow improvements to streamline operations for CBMWD:

Objective 1  Optimize SCADA network
Objective 2  Create, update, and implement analytical tools to maximize effectiveness of GIS, SCADA, Finance and Asset Management, and Electronic Records Management systems
Objective 3  Conduct an annual technology assessment to ensure CBMWD remains at the forefront of leading-edge technological advancements
Objective 4  Conduct evaluation of workflow processes and streamline where appropriate

Strategy 4 – Maintain physical assets to maximize useful asset life:

Objective 1  Implement an asset management program

Strategy 5 – Document CBMWD’s policies and procedures:

Objective 1  Document recycled water policy
Objective 2  Identify key manual requirements
Objective 3  Develop a business continuity plan

Strategy 6 – Develop an Emergency Response Plan:

Objective 1  Develop facilities operations manual
Goal 4: Communications – CBMWD will proactively engage, listen to, inform, and respond to its customers, purveyors, community leaders, stakeholders, and employees.

Strategy 1 – Develop and implement a legislative strategy:

Objective 1  Conduct a Board workshop on legislative priorities and engagement approaches

Objective 2  Influence key pieces of legislation that support CBMWD’s water supply management role

Objective 3  Implement a federal lobby day

Objective 4  Implement a state lobby day

Objective 5  Ensure consistent communications with legislative staff

Objective 6  Active participation in water industry coalitions (e.g. Association of California Water Agencies (ACWA), MWD, Central Basin Water Association (CBWA), etc.)

Objective 7  Conduct Water 101 legislative forum
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Strategy 2 – Provide leadership to increase collaboration and partnerships with cities and agencies:

Objective 1  Conduct monthly purveyor meetings to maintain effective communications

Objective 2  Conduct monthly Central MWD Caucus meetings

Objective 3  Work with the Central Basin Water Association (CBWA), Gateway Water Management Authority (GWMA), and Central Basin Water Rights Panel to coordinate drought messaging and programs

Objective 4  Work with elected leaders in CBMWD’s service area to coordinate response to the drought and to encourage participation in CBMWD’s conservation programs

Objective 5  Actively participate in local government organizations (Gateway Cities Council of Governments, League of California Cities and California Contract Cities Association)

Objective 6  Create opportunities to promote conservation throughout CBMWD’s service area

Strategy 3 – Increase participation in CBMWD’s educational programs (reach 33,000 participants for all programs by 2020):

Objective 1  Develop funding to expand partnerships

Objective 2  Increase participation in Think Water Shed program by 25 percent by FYE 2016

Objective 3  Expand Think Earth It’s Magic and Think Water It’s Magic program by 25 percent by FYE 2016.
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Strategy 4 – Foster and build effective relationships with media:
  Objective 1  Develop and implement a strategic communications plan
  Objective 2  Develop and implement a strategic communications protocol
  Objective 3  Conduct media training for staff and Board of Directors
  Objective 4  Improve CBMWD’s online accessibility and social media presence

Strategy 5 – Provide support for water outreach issues to the community:
  Objective 1  Continue and improve stakeholder engagement opportunities for community (and support Board of Directors to foster positive relationships throughout the community)
  Objective 2  Develop relationships with colleges and universities to support CBMWD’s mission
  Objective 3  Assist community members in utilizing conservation rebates to save money, save water, and save energy
  Objective 4  Participate in local events to promote CBMWD programs

Strategy 6 – Increase positive awareness of CBMWD within the water industry:
  Objective 1  Implement new Administrative Code containing CBMWD’s policies
  Objective 2  Maintain and update the Strategic Plan every year and conduct strategic planning every three years
  Objective 3  Obtain District Transparency Certificate of Excellence from Special District Leadership Foundation
  Objective 4  Implement and maintain electronic records management
  Objective 5  Optimize CBMWD’s website to convey information to Directors
  Objective 6  Ensure Directors have appropriate training in water and board governance issues

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Next Steps

The Strategic Plan is intended to be a living document and will be updated periodically to remain current. It will be used in planning and budgeting the activities of CBMWD.
Glossary

The following key terms are used in this strategic plan:

**Action Plan** – a detailed set of tactical actions that will be developed in order for objectives to be achieved

**Core Values** – non-negotiable standards that the staff and the Board believe in and embody how they will act individually and as an organization

**Goal** – CBMWD’s commitment to the community it serves

**Key Performance Indicator** – measurement that reflects progress against the goal

**Mission** – the primary reason(s) for the existence of the organization

**Objective** – measurable work activity that, when accomplished, will directly lead to the success of the strategy

**Issue** – a problem or opportunity facing CBMWD

**Scorecard** – a tool developed to track progress against the objectives

**Strategy** – how an issue is solved to achieve the goal

**Strategic Plan** – a structured plan to drive CBMWD to achieve its goals

**SWOT Analysis** – description of strengths, weaknesses, opportunities, and threats to identify areas of focus in the strategic plan

**Tactic** – specific work activities to accomplish a strategy

**Vision** – what CBMWD aspires to become