

UPPER SAN GABRIEL VALLEY  
MUNICIPAL WATER DISTRICT



# Strategic Plan



# 2019 FIVE-YEAR STRATEGIC PLAN

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## Message from the Board

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Welcome to the Upper San Gabriel Valley Municipal Water District's (Upper District's) 5-Year Strategic Plan. This document is a blueprint for how Upper District 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 wholesale water service to all or parts of 17 cities and portions of unincorporated Los Angeles County with nearly 1 million residents. Upper District delivers water to twenty-two retail water providers (Producers) that provide retail water service in the area.

Consistent with its motto of "Where Solutions Flow," Upper District is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.



Upper District partners with many public and private entities to provide a sustainable, high quality water supply to residents and businesses within the greater San Gabriel Valley.

The Upper District 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 Plan defines the vision, mission, values, goals and future business strategy for Upper District. Our commitments to the communities we serve fall into four areas: water reliability, financial integrity, workforce and governance, and community representation and engagement. These commitments are established as the four goals of the plan. Our Board actions will consistently support these commitments and we will track our progress against this plan, revisiting the plan regularly to adjust as conditions warrant.

Upper District is governed by five elected Directors representing five geographic divisions within Upper District's boundaries. Each Director is elected to serve a 4-year term and represents a designated geographic area.

Additionally, as a member agency of the Metropolitan Water District of Southern California (Metropolitan), Upper District appoints one representative to sit on the Metropolitan Board of Directors. Upper District also has representation on the San Gabriel Basin Water Quality Authority and the Main San Gabriel Basin Watermaster Boards.

# 2019 FIVE-YEAR STRATEGIC PLAN

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Director Tony Fellow, Secretary  
Division 1



Director Charles Treviño, Treasurer  
Division 2



Director Ed Chavez, President  
Division 3



Director Alfonso "Al" Contreras,  
Vice-President, Division 4



Director Jennifer Santana  
Division 5

## **Strategic Plan Project Team**

Tom Love PE, General Manager  
Robert Tock PE, Assistant General Manager/Chief Engineer  
Evelyn Rodriguez, Director of Finance and Administration  
Patty Cortez, Director of Community and Government Affairs  
Ed Means, Means Consulting LLC

# 2019 FIVE-YEAR STRATEGIC PLAN

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## Message from the General Manager

While our core business has remained constant over time, this plan directs our efforts to take on the complex issues and challenges facing the Upper District in the next several years. In developing this Strategic Plan, we focused on four key points:

- Our most important responsibility is to provide adequate supplies of safe water to the Producers and the communities we serve;
- We continue to make decisions that reflect social, environmental and financial considerations;
- We remain leaders in collaborating with other stakeholders to ensure we effectively represent and support the interests of our customers; and
- We continue to provide employees with resources and systems to effectively do their jobs and give them opportunities for career growth.



We will review the plan periodically in conjunction with our budget process to readjust these goals as changing conditions dictate. With the support of the Board, I am confident this plan will help us achieve the expectations of those we serve in the months and years to come.

Respectfully submitted,

Tom Love PE  
General Manager

# 2019 FIVE-YEAR STRATEGIC PLAN

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## Introduction

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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 its mission.

The planning process enabled Upper District staff to step back from daily activities and deliberate on ways to achieve the Upper District mission to “Consistently meet our customers’ needs for reliable, high quality and affordable water.”

The Strategic Plan was developed under the guidance of the Board of Directors and senior management representing all of the Upper District’s functions. This team met over a 6-month period. The focus of the staff’s strategic deliberations was the key issues Upper District will face in the next five-year planning horizon (and beyond). Workshops were held with the Board and the Senior Management staff to identify strengths, weaknesses, opportunities and threats (SWOT Analysis) that the plan should consider. Verbal and written comments were solicited. In addition, Upper Districts’ member agency (purveyor) input was sought through a focused workshop and incorporated into the Strategic Plan. A workshop was held with the Board of Directors in September of 2018 to affirm the vision, mission, goals and values statements and establish the four goals that set the framework for the strategies and objectives development by the management team. The Board reviewed the draft plan on February 20, 2019 and adopted the plan on March 6, 2019.

- *Review current operating environment – strengths, weaknesses, opportunities, & threats*
- *Review Vision, Mission, Values and establish Goals*
- *Develop Strategies and Objectives*
- *Develop staffing and resource needs in conjunction with the Annual Budgeting Process*
- *Regularly update the Plan*

The five-year Strategic Plan will be implemented and tracked through the annual budget process. Strategic Plan activities that are not budgeted in FY2019-20 will be budgeted in later years, subject to Board review and approval. In the future, staff will ensure the proposed budgets reflect the priorities established in the Strategic Plan.

# 2019 FIVE-YEAR STRATEGIC PLAN

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## Vision Statement

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Our vision is to support:

*“A high quality of life in the greater San Gabriel Valley by providing valued water services”*



## Mission Statement

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Our mission is to:

*“Consistently meet our regions’ need for reliable, high quality and affordable water”*



## Core Values

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The Upper District team, consisting of Board and staff, will embody the following core values in conducting the business of the district:

- Transparency – Our team will interact with all in a fair, open and honest manner
- Professionalism – Our team will professionally, respectfully, and responsively serve the needs of its customers



# 2019 FIVE-YEAR STRATEGIC PLAN

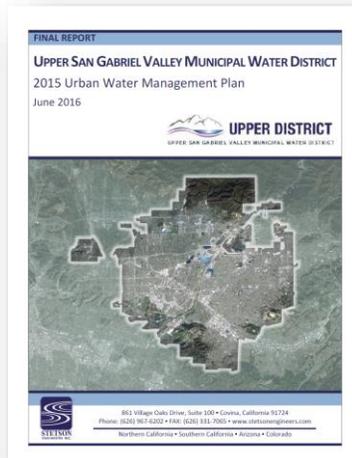
- Integrity – Our team will consistently adhere to high moral and ethical principles
- Collaborative – Our team is collaborative, supporting each other's efforts, loyal to one another, and cares for each other both personally and professionally
- Innovative – Our team will encourage and value the introduction of new ideas and methods

## Goals / Strategies / Objectives

The Board developed goal areas that represent the key Upper District commitments to the community it serves. Upper District is committed to:

- **Goal 1: Water Reliability** – Upper District will provide reliable water services that meet the needs of the communities we serve
- **Goal 2: Financial Integrity** – Upper District will effectively and efficiently manage the financial resources entrusted to it
- **Goal 3: Workforce and Governance** – Upper District will maintain a trained and motivated workforce, an informed and engaged Board of Directors, and effective business processes to achieve its goals
- **Goal 4: Community Representation and Engagement** – Upper District will provide responsive local governance, value, legislative engagement, and outreach to the Producers and the communities we serve

Management and staff identified specific strategies and measurable objectives for each goal area 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.



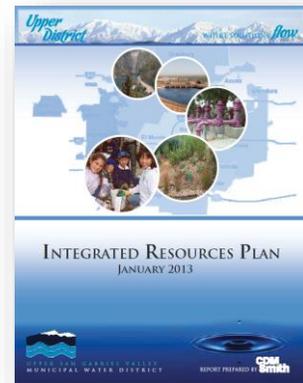
# 2019 FIVE-YEAR STRATEGIC PLAN

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## Goal 1: Water Reliability - Upper District will provide reliable water services that meet the needs of the communities we serve

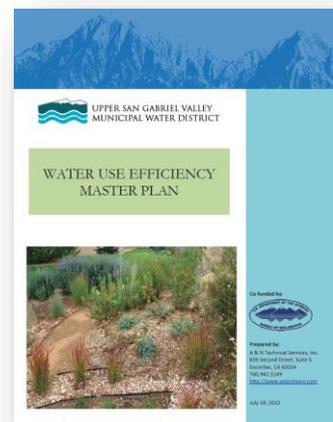
Strategy 1 – Ensure District Planning is adequate to support water reliability in the greater San Gabriel Valley

- Objective 1 Update the Urban Water Management Plan in 2020
- Objective 2 Update the Water Use Efficiency Master Plan
- Objective 3 Update the Integrated Resources Plan considering, evaluating, and prioritizing all viable water resources and cost (Indirect Reuse Replenishment Project (IRRP), desalination, Metropolitan’s Regional Recycled Water Program, conservation, water banking, etc.)
- Objective 4 Assess opportunities for stormwater capture in support of our cities’ and SGVCOG MS4 compliance efforts
- Objective 5 Ascertain availability of recycled water supply from Los Angeles County Sanitation Districts and financial implications for the IRRP



Strategy 2 - Plan and prepare for catastrophic emergencies (e.g. earthquake, fire etc.)

- Objective 1 Evaluate and define the District’s role in emergency preparedness and planning
- Objective 2 Update Emergency Operations Plan
- Objective 2 Train staff on DHS/FEMA processes for emergency response and reimbursement
- Objective 3 Perform table top exercises as required
- Objective 4 Create Business Continuity Plan



# 2019 FIVE-YEAR STRATEGIC PLAN

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## Strategy 3 – Continue water use efficiency efforts as a core water resource element

- Objective 1 Participate in the development and adoption of water use efficiency legislation, ordinances, and practices
- Objective 2 Maintain or enhance educational programs that improve residential, commercial and industrial water efficiency performance
- Objective 3 Review conservation performance parameters and evaluate existing programs to ensure cost-effectiveness and equity
- Objective 4 Comply and assist our Producers in meeting conservation requirements
- Objective 5 Continue to leverage grants and Metropolitan incentives to enhance conservation



## Strategy 4 – Track compliance with drinking water quality standards and potential water reliability impacts

- Objective 1 Track and project drinking water regulations to proactively consider water reliability impacts (e.g. 1,2,3 TCP)
- Objective 2 Support Producers through provision of technical assistance on water topics as appropriate.



## Strategy 5 – Support Main San Gabriel Basin groundwater sustainability

# 2019 FIVE-YEAR STRATEGIC PLAN

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- Objective 1 Coordinate delivery and purchase of replenishment water in coordination with the Main San Gabriel Basin Watermaster
- Objective 2 Support continued development of regional recycled water projects



## Strategy 6 – Service and maintain District facilities

- Objective 1 Develop formal policies on replacement equipment (e.g. asset management plan for VFDs)
- Objective 2 Develop capital replacement program and funding strategy

## Goal 2: Financial Integrity - Upper District will effectively and efficiently manage the resources entrusted to it

### Strategy 1 – Ensure the District has sufficient financial capacity to provide reliable wholesale water service

- Objective 1 Develop a long-range financial plan
- Objective 2 Evaluate surcharge rate structure to reduce revenue variability and improve predictability
- Objective 3 Prepare, adopt, and operate within a budget each year
- Objective 4 Update the reserve policy and maintain appropriate reserves
- Objective 5 Continue to obtain unqualified audits each year
- Objective 6 Engage the Producers in the rate setting process to ensure their views are considered

### Strategy 2 – Ensure District policies are current and understood

- Objective 1 Maintain the Employee Handbook and Policy Manual with formal review and update every 3 years

# 2019 FIVE-YEAR STRATEGIC PLAN

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Strategy 3 - Ensure financial activities are transparent and reporting is accurate

- Objective 1 Prepare and submit a quarterly investment and financial report (Treasurers report) for Board review
- Objective 2 Provide monthly reporting and semi-annual forecasting of performance compared to budget and detailed discussion with the Board Administration and Finance Committee
- Objective 3 Institute methods to share financial information with staff
- Objective 4 Maintain contract legal counsel services
- Objective 5 Continue to make required financial reports available to the public

Strategy 4 - Pursue state and federal grant funding and Metropolitan incentives in Upper District's business model and financial planning as appropriate

- Objective 1 Identify and pursue grant opportunities to implement Upper District projects
- Objective 2 Evaluate resource requirements to expand Upper District grant pursuits and administration
- Objective 3 Evaluate resource requirements to expand support of producer grant pursuits

Strategy 5 – Identify opportunities to manage District retirement and other post-employment obligations (OPEB)

- Objective 1 Periodically re-evaluate adequacy of pension funding
- Objective 2 Reduce actuarial liability by periodically reevaluating adequacy of District's annual OPEB funding contributions to a GASB approved investment trust.

**Goal 3: Workforce and Governance - Upper District will maintain a trained and motivated workforce, an informed and engaged Board of Directors, and effective business processes to achieve its goals**

# 2019 FIVE-YEAR STRATEGIC PLAN

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Strategy 1 - Ensure Upper District has policies and practices that promote a safe and healthy workforce and workplace

- Objective 1 Conduct a review of District safety policies and update as appropriate
- Objective 2 Maintain an organization-wide focus on health and safety practices
- Objective 3 Minimize injuries and illnesses by implementing health and safety best practices

Strategy 2 - Ensure that the workforce understands human resources policies

- Objective 1 Review and document all human resources policies
- Objective 2 Maintain current job descriptions for all positions
- Objective 3 Develop formal on-boarding process
- Objective 4 Evaluate HR support needs

Strategy 3 - Maintain accountability throughout the organization

- Objective 1 Conduct an inclusive review of performance evaluation processes to drive responsiveness and accountability and ensure regular performance reviews
- Objective 2 Include making adherence to business processes part of all performance reviews
- Objective 3 Evaluate reward/incentive systems for employees
- Objective 4 Clarify data ownership and responsibility

Strategy 4 - Encourage a high-performance team-oriented approach to work

- Objective 1 Develop a training program (including cross-training, leadership training, safety, onboarding, mentoring, and continuing education);
- Objective 2 Develop a system for tracking training
- Objective 3 Update the staff skills inventory
- Objective 4 Re-examine current delegation of authority levels and revise as appropriate
- Objective 5 Establish committee to engage staff in celebrating milestones/events

# 2019 FIVE-YEAR STRATEGIC PLAN

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Objective 6      Develop staff appreciation strategy (management and staff)

Strategy 5 - Recruit and retain a high-quality efficient workforce to achieve Upper District's strategic goals

Objective 1      Develop a Succession Plan (including staff overlap, exit interviews, institutional knowledge transfer, etc.)

Objective 2      Conduct a staffing needs assessment and incorporate results into a staffing plan to optimize staff deployment

Objective 3      Ensure staff participation in professional organizations to bring innovative "best-of-class" methods / processes back to Upper District

Objective 4      Ensure that Upper District has competitive compensation and benefits (conduct compensation surveys, benchmarking of certification compensation policy)

Strategy 6 - Ensure all Upper District staff and Board members are informed on Upper District priorities and activities and that communication is effective, clear, and open

Objective 1      Develop and implement improved internal communication tools

Objective 2      Develop and implement a structure to consistently convey Board actions and rationales to staff

Strategy 7 – Ensure facilities and systems are efficient and effective

Objective 1      Develop strategy for new headquarters building

Objective 2      Re-evaluate the space strategy for file storage

Objective 3      Examine existing health expense reimbursement policy

Strategy 8 – Ensure cost-effective and efficient business processes

Objective 1      Centralize standalone databases

Objective 2      Evaluate address IT support needs

Objective 3      Evaluate need for additional cloud storage space

# 2019 FIVE-YEAR STRATEGIC PLAN

- Objective 4 Review lobbyist/contract list to reevaluate and, as appropriate, remove any overlap
- Objective 5 Systematically review processes and use technology to make our workflow more efficient and organized; learn from other organizations

## Goal 4: Community Representation and Engagement - Upper District will provide responsive local governance, value, legislative engagement, and outreach to the Producers and the communities we serve

Strategy 1 – Provide effective representation of the region’s interests at the Metropolitan Water District of Southern California (Metropolitan)

- Objective 1 Sponsor and participate in Colorado River Aqueduct and State Water Project tours
- Objective 2 Attend and advocate for San Gabriel Valley water interests at Metropolitan’s Board and committee meetings
- Objective 3 Build and maintain strong relationships with Metropolitan
- Objective 4 Conduct periodic Producer meetings to engage Upper District Producers regarding Metropolitan programs and activities



Strategy 2 - Support the Board of Directors to facilitate transparent informed policy / decision-making

- Objective 1 Support Board and committee meetings
- Objective 2 Optimize effectiveness of Board calendar (e.g. establishing meeting times to improve Producer participation)

# 2019 FIVE-YEAR STRATEGIC PLAN

Objective 3 Organize Board workshops and/or identify key outside educational opportunities to convey Board information on key policies or issues

Objective 4 Conduct annual review of governance improvement opportunities

## Strategy 3 - Maintain effective community outreach

Objective 1 Maintain a current outreach plan and budget to further community outreach (consider social media strategy, rebranding, new videos, board communications / summaries, etc.)

Objective 2 Implement the outreach plan

Objective 3 Conduct stakeholder surveys to measure public perceptions of Upper District effectiveness

Objective 4 Coordinate and participate in community events



## Strategy 4 – Improve the customer and stakeholder experience

Objective 1 Ensure the Upper District’s website reflects current information, programs, and issues

Objective 2 Provide transparent and easy public access to Upper District’s financial information

Objective 3 Maintain strong relationships with the Producers and Watermaster



## Strategy 5 – Engage local, regional, state, and federal stakeholders in support of Upper District interests

Objective 1 Advocate for greater San Gabriel Valley water issues by conducting timely and consistent briefings with key legislators/staff

# 2019 FIVE-YEAR STRATEGIC PLAN

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- Objective 2 Track and engage on regulations / legislation and other administrative actions that may impact Upper District's water (e.g. sediment removal in flood control facilities)
- Objective 3 Coordinate with legislators to maximize funding opportunities for Upper District
- Objective 4 Build coalitions to support Upper District water positions
- Objective 5 Consistently convey appropriate information through the General Managers report
- Objective 6 Update the Legislative Policy Principles consistent with the start of new legislative sessions
- Objective 7 Support the California Water Fix
- Objective 8 Maintain involvement in San Gabriel Valley Council of Governments and business organizations
- Objective 9 Monitor the success of District legislative activities



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## Next Steps

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The 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 Upper District.

## Glossary

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The following key terms are used in this Strategic Plan:

# 2019 FIVE-YEAR STRATEGIC PLAN

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**Action Plan** – a detailed set of tactical actions that will be developed in order for some of the 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** - Upper District's commitment to the community it serves

**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 the Upper District

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

**Strategic Plan** - a structured plan to drive Upper District to achieve its goals

**SWOT Analysis** - description of strengths, weaknesses, opportunities and threats to identify areas of focus in the Strategic Plan

**Vision** - what Upper District aspires to create

# Strategic Plan 2019

