



CRESCENTA VALLEY
WATER DISTRICT

2020 STRATEGIC PLAN

2700 Foothill Boulevard
La Crescenta, CA 91214
T: 818.248.3925 | F: 818.248.1659
customerservice@cvwd.com

TABLE OF CONTENTS

Letter from the Board of Directors and the General Manager	1
Executive Summary	2
About Crescenta Valley Water District	4
District at a Glance	5
Mission, Vision, and Guiding Principles	6
Planning Process	7-8
Strategy Map	9
Strategic Goals and Objectives	10-22
Conclusion	23

Final Version Completed October 2019

Letter from the Board of Directors and the General Manager

Crescenta Valley Water District has a long history of providing reliable water and wastewater service to the Crescenta Valley community. While a lot has changed since the District was founded in 1950, our commitment to the community remains the same. To better serve current and future generations of customers, the Board of Directors has developed this Strategic Plan. The plan is designed to identify current needs and future challenges of the District and community, and contains a strategic approach to address those challenges.

The five elected members of the Board of Directors are invested in the success of the Strategic Plan. Every Board member is a customer of the District and lives in the community. All decisions and actions taken by the Board impact them as they would any other customer.

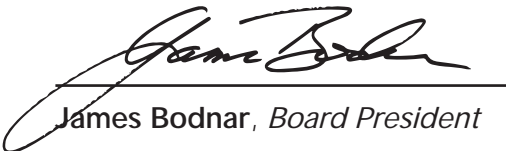
The guiding principles of the Strategic Plan are transparency, partnership, and commitment. These areas of focus define the relationships and priorities shared between the District's customers, Board, and employees.

The planning process identified the following objectives for the District: reliable water and wastewater service, exceptional customer and community service, fiscal responsibility, and protection of public health.

Under the leadership of the General Manager, CVWD's highly-committed and capable workforce is prepared to implement the Strategic Plan, accomplish the District's mission, and strive towards its vision. Successful implementation of the Strategic Plan will also require community support, along with regional stakeholder collaboration and strategic partnerships.

This document signifies the District's commitment to transparency and accountability to the Crescenta Valley community.

Sincerely,



James Bodnar, Board President



Nemesciano Ochoa, General Manager

BOARD MEMBERS

GM



James
Bodnar



Kerry D.
Erickson



Kenneth
R. Putnam



Sharon S.
Raghavachary



Judy L.
Tejada



Nem
Ochoa



Crescenta Valley Water District and other water providers throughout California face a growing number of issues that directly impact the cost of providing reliable service. These issues include: escalating energy costs, expanding regulatory costs, rising imported water costs, growing cumulative costs of deferred facility maintenance, increasing construction costs, a changing climate, and declining revenues due to conservation measures mandated by the state.

All water utilities must find an effective approach to deal with these issues. The economic pressures related to these conditions create concerns, especially in communities that have experienced multiple rate increases in recent years. Fiscal responsibility and effective public outreach are needed to manage this new reality.

While facing these issues, CVWD will continue to focus on accomplishing its mission statement:

To provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner.

CVWD's Board and staff realize that status quo is no longer sustainable. This new reality requires better planning and execution. A vision statement expands upon our mission to define what CVWD strives toward. During the planning process, the Board and staff established the following vision statement for the District:

Secure sustainable water supplies and ensure infrastructure reliability, while furthering our commitment to accountability, transparency and cost-effectiveness.



CVWD developed this 2020 Strategic Plan to serve as a blueprint for future success.

Transparency, partnership, and commitment are the guiding principles that define the connections between the District's customers, Board, and employees. This dynamic is best represented by the inverted pyramid shown to the left.

In order to develop a comprehensive plan capable of meeting the District's mission and vision, Effective Utility Management (EUM) was identified as the preferred planning tool to determine strategy, goals, and objectives.

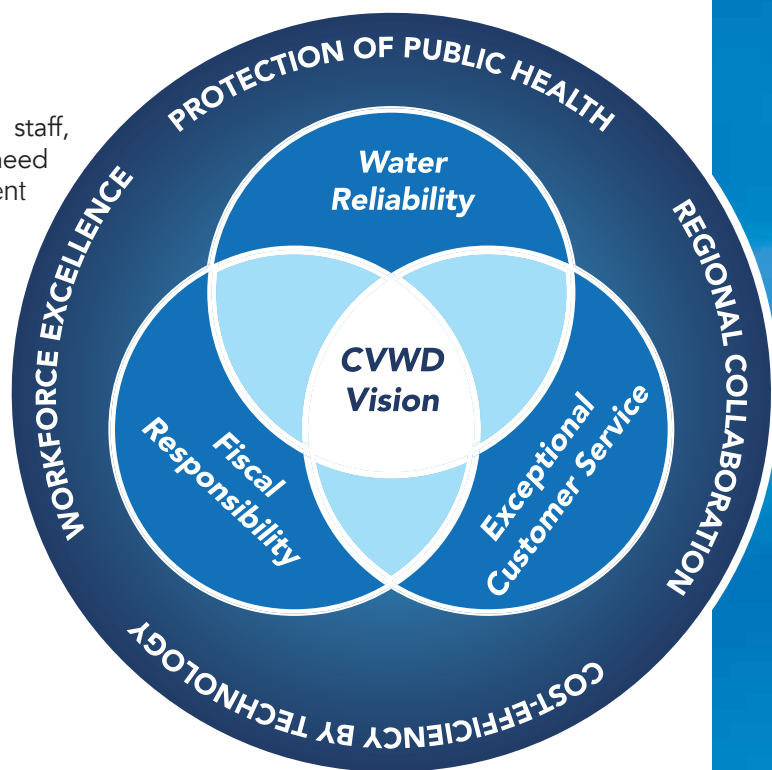


The planning group, consisting of CVWD's Board and staff, conducted an EUM utility "self-assessment" to gauge need and performance in key areas. Based on the EUM assessment results, the areas of concern were prioritized as follows:

1. WS - Water Resource Sustainability
2. IS - Infrastructure Strategy & Performance
3. WQ - Water Quality
4. FV - Financial Viability
5. CS - Customer Satisfaction
6. SU - Stakeholder Understanding
7. ED - Employee Leadership & Development
8. ER - Enterprise Resiliency
9. OO - Operational Optimization
10. SS - Community Sustainability

Through open and honest dialogue, the planning group was able to deliberate and rank these critical issues. The group then established strategic goals and initiatives to address them. The roadmap for "moving from mission to vision" is illustrated in the strategy map on page 9. Specific details of each strategic goal begin on page 10.

As part of the Effective Utility Management process, CVWD will continue to measure success and adapt to fully execute the Strategic Plan. A Strategic Plan Update is scheduled in 2023 as part of our dedication to make this a living document.



HISTORY



The Crescenta Valley Water District (District or CVWD) was formed as the Crescenta Valley County Water District on December 14, 1950 by vote of local residents. Organized under the provisions of Division 12 of the State of California Water Code, the District operates as a subdivision of the state. The term "County" was officially deleted from the District's name in 1996.

In the early 1950's, the newly-formed District purchased the assets and consolidated the infrastructure of several small private water companies then in existence. This was made possible by voter approval of two capital improvement bonds. By 1953, with rapid growth in the Crescenta Valley and surrounding foothill communities, it became apparent that local groundwater supply was not going to be sufficient to meet the increasing water demand. Residents ranging from La Crescenta to Altadena voted to form the Foothill Municipal Water District (FMWD) to purchase and distribute imported water from the Metropolitan Water District of Southern California (MWD).

By 1955, the District was augmenting its groundwater supply with MWD water from the Colorado River. In the 1970's, MWD began importing Northern California water following completion of the

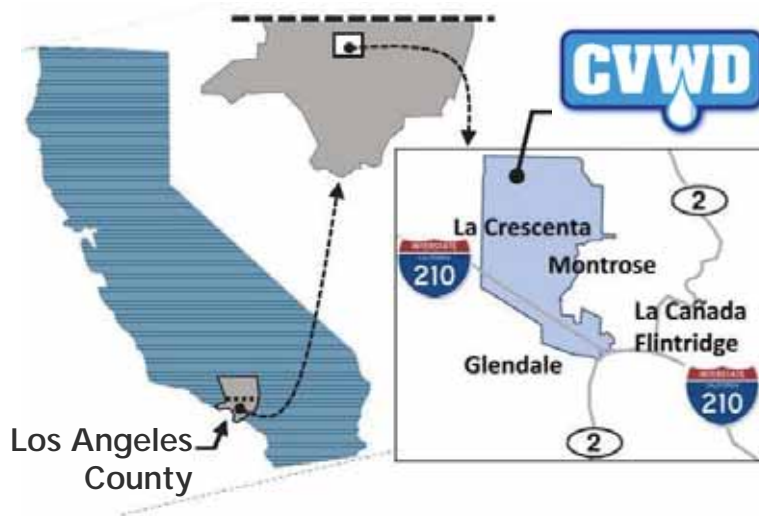
State Water Project. This blend of imported water and groundwater, which ranges from 40% to 60% imported water, continues today as the water supply source for District customers.




The District is located in the Crescenta Valley area of Los Angeles County in the foothills of the San Gabriel Mountains, between the San Fernando and San Gabriel valleys. The District provides water distribution and sewage collection within its boundaries to the unincorporated communities of La Crescenta, Montrose and Verdugo City, as well as small areas within the City of La Cañada Flintridge and the City of Glendale.

The District serves an area of approximately four square miles in relatively steep terrain ranging from 1,200 feet to almost 3,000 feet above sea level. The customer base is primarily residential with some light commercial along Foothill Boulevard in La Crescenta and Honolulu Avenue in Montrose. The District currently provides water to more than 8,000 accounts representing a population of approximately 33,000.

DISTRICT at a Glance




 33,000 customers


 95 miles of water pipelines

 12 wells

 17 reservoirs

 34 booster pumps

 651 fire hydrants

 92 miles of sewer pipelines

FINANCIALS

*Current Water Facilities
Asset Value*

\$23.1 million

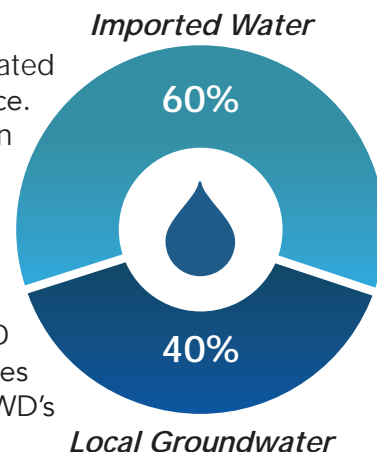
*Current Wastewater
Facilities Asset Value*

\$16.8 million

WATER SUPPLY

CVWD pumps **groundwater** from the Verdugo Basin. The basin is located beneath CVWD's service area, about 200 feet below the ground's surface. Water production out of the Verdugo basin is highly dependent on replenishment from precipitation, which may take up to three years to fully infiltrate into the basin.

CVWD's procurement of **imported water** is contracted through Foothill Municipal Water District (FMWD), which purchases water from Metropolitan Water District of Southern California (MWD). MWD obtains imported water from Northern California, nearly 400 miles away, and from the Colorado River, about 300 miles away from CVWD's service area.



Note: The ratio between imported water and local groundwater can vary based on groundwater availability. The 60-40 split can change to 40-60 when there is ample groundwater supply.

Mission, Vision, and Guiding Principles

OUR MISSION

To provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner.

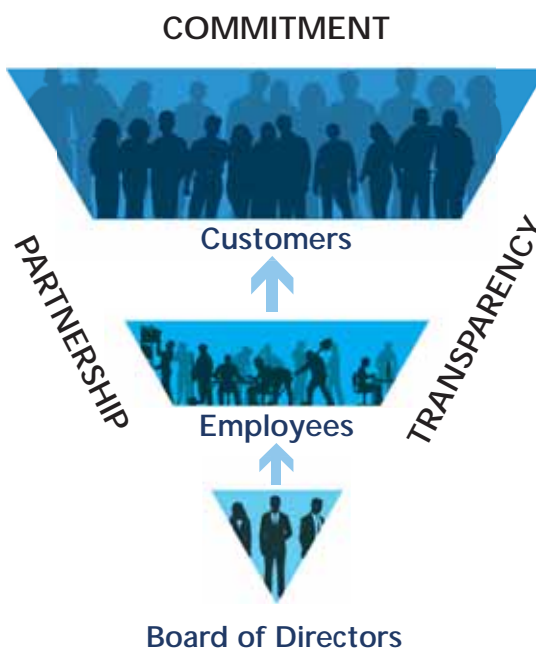
OUR VISION

Secure sustainable water supplies and ensure infrastructure reliability, while furthering our commitment to accountability, transparency and cost-effectiveness.

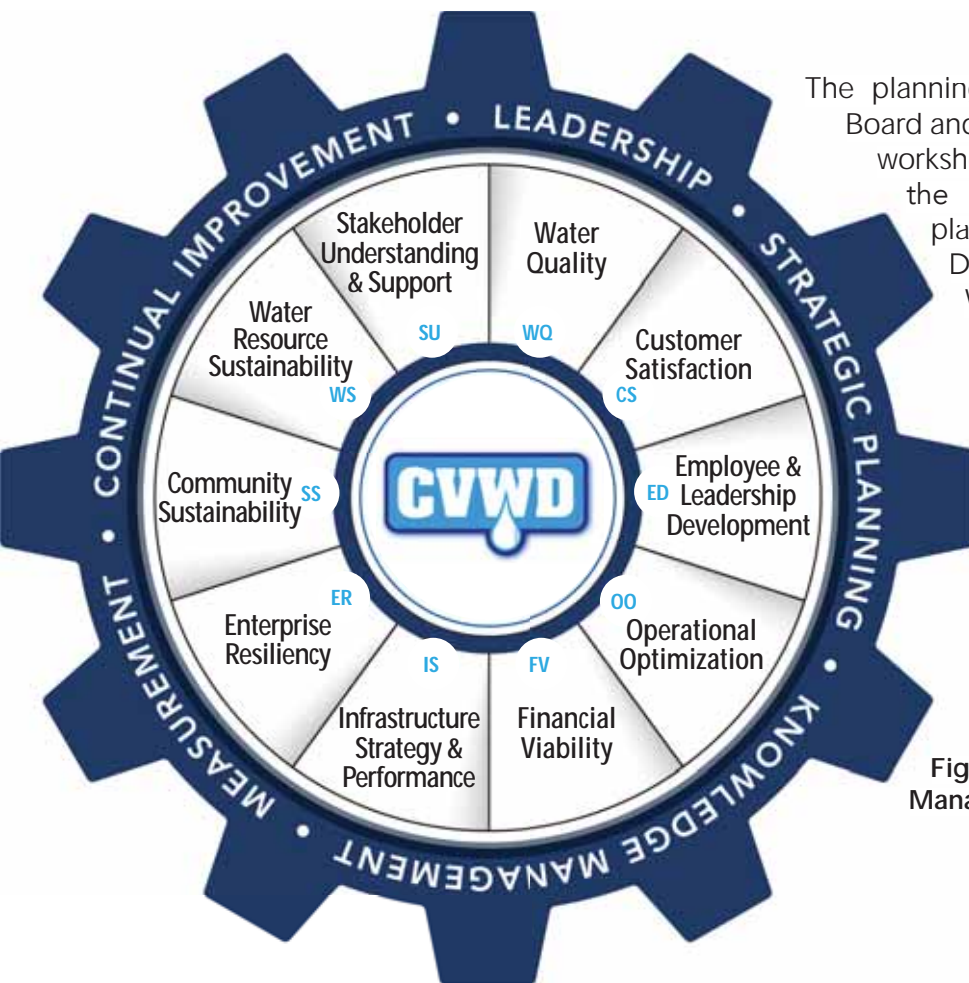
OUR VALUES



OUR GUIDING PRINCIPLES



PLANNING Process



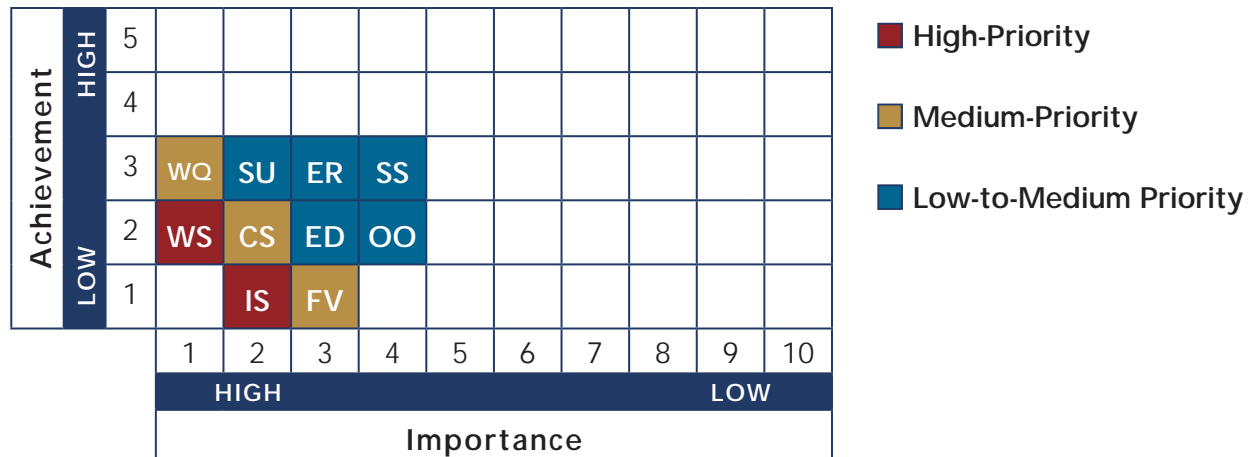
The planning group, consisting of District Board and staff, participated in structured workshops and surveys throughout the planning process. The first planning exercise explored the District's perceived Strengths, Weaknesses, Opportunities, and Threats (SWOT). The planning group used the SWOT analysis to examine how the District is performing overall. In order to identify specific goals and objectives, the planning group took part in a comprehensive planning effort derived from Effective Utility Management principles.

Figure 1. Effective Utility Management Attributes

Effective Utility Management (EUM) provides performance benchmarking in key areas for water and wastewater utilities. EUM was created by utility/regulatory-leading agencies including the United States Environmental Protection Agency and the American Water Works Association during a collaborative research effort that spanned over a decade. The research established that the efficacy of a water utility can be measured by its collective performance in 10 key areas: Water Quality, Customer Satisfaction, Employee and Leadership Development, Operational Optimization, Financial Viability, Infrastructure Strategy and Performance, Enterprise Resiliency, Community Sustainability, Water Resource Sustainability, and Stakeholder Understanding and Support. These 10 areas became known as the EUM attributes and the industry-accepted metric to gauge overall utility performance (see Figure 1).

The planning group was able to prioritize the EUM attributes by conducting an EUM self-assessment. The assessment ranked the level of achievement and the level of importance for each attribute. Those attributes that showed low-achievement coupled with high-importance were ranked highest in priority, as shown in Figure 2.

FIGURE 2. CVWD'S EUM ASSESSMENT RESULTS

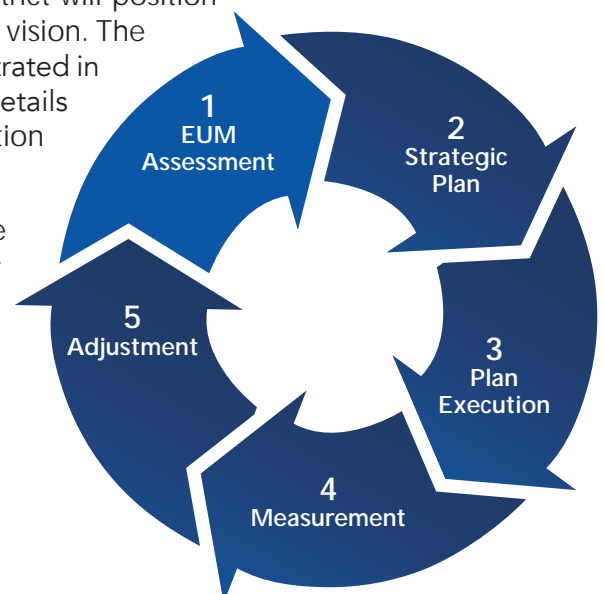


CVWD's EUM Prioritized Action-List

- | | |
|---|---|
| 1. WS - Water Resource Sustainability | 6. SU - Stakeholder Understanding & Support |
| 2. IS - Infrastructure Strategy & Performance | 7. ED - Employee Leadership & Development |
| 3. WQ - Water Quality | 8. ER - Enterprise Resiliency |
| 4. FV - Financial Viability | 9. OO - Operational Optimization |
| 5. CS - Customer Satisfaction | 10. SS - Community Sustainability |

CVWD's prioritized list of the EUM attributes is shown above. Once this list was developed, the planning group was able to explore why certain categories rose to the top — in other words, why certain attributes were critically important AND why those same attributes were perceived as low in achievement. Through open and honest dialogue, the planning group was able to deliberate on the critical issues that contributed to each ranking and then establish strategic goals and objectives to address them. By achieving these goals, the District will position itself to accomplish its mission and move towards its vision. The roadmap for "moving from mission to vision" is illustrated in the strategy map on the following page. Specific details of each strategic goal are provided in the last section of this plan.

As part of the EUM process, CVWD will continue to measure and adjust (or adapt) in order to fully execute the Strategic Plan. The EUM Cycle shown to the right best illustrates this continuous effort toward improvement.



STRATEGY Map

CVWD created the strategy map shown below to illustrate how it will progress from accomplishing its mission to actualizing its vision. The map visualizes how each strategic goal and objective moves the District from mission to vision (from left to right on the map).



STRATEGIC GOALS and Objectives

GOAL 1 Reliable Water & Wastewater Service



DEVELOP LONG-TERM WATER SUPPLY RELIABILITY

- Evaluate and restructure current water contracts and agreements to maximize reliability, cost-efficiency, and equity.
- Maintain current level of water efficiency and conservation which exceeds current regulatory requirements.
- Evaluate alternative water supply options including storm water recharge, conjunctive use, and indirect potable reuse (to maximize groundwater storage and production).



ENSURE INFRASTRUCTURE RELIABILITY AND PERFORMANCE

- Develop and implement a comprehensive infrastructure reliability plan (e.g. development of a 75-year pipeline replacement program with resulting funding requirement and finance options).
- Develop and implement preventative/predictive maintenance schedules for all major assets.
- Perform condition assessments on critical infrastructure.
- Procure on-call emergency construction services contract.

GOAL 2

Exceptional Customer & Community Service



INCREASE CUSTOMER AWARENESS

- Develop and implement outreach plan to increase awareness.
- Develop and deploy customer survey to optimize communication strategy.
- Establish Community Advisory Committee to educate and solicit feedback from community on key issues.
- Deploy technology upgrades to use automated communication to increase efficiency and enhance customer outreach.
- Assess and upgrade usability and functionality of CVWD website.



GOAL 2

Exceptional Customer & Community Service



IMPROVE CUSTOMER SERVICE

- Develop and implement various online customer service features (e.g. payment, notifications, new accounts).
- Develop webpage to improve consultant, contractor, and developer experience related to engineering and construction projects.
- Assess efficacy of third-party billing provider and rotate the provider as appropriate, targeting 10% reduction in cost.



IMPROVE EMERGENCY PREPAREDNESS

- Develop proficiency in National Incident Management System and Incident Command System.
- Develop and participate in regional emergency preparedness stakeholder group, such as CERT (Community Emergency Response Team).

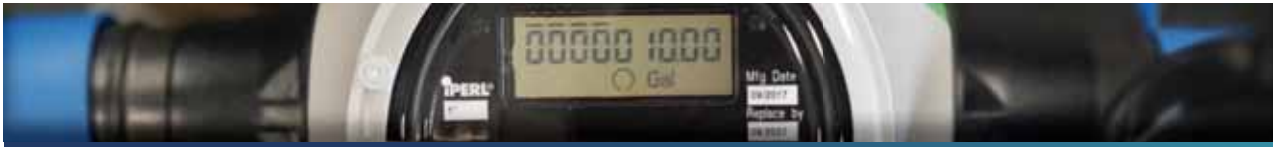


IMPROVE COMMUNITY STEWARDSHIP

- Develop Community Stewardship Volunteer Program (matching employee volunteer interests with in-kind community needs, outside of working hours).

GOAL 3

Efficiency Through Technology



EVALUATE AUTOMATED METERING INFRASTRUCTURE (AMI)

- Develop business case and next steps for AMI.
- Use smart meters to provide timely information to customers (e.g., high water use, leak detection, operations updates, customer messaging).



DEVELOP ENERGY EFFICIENCY MEASURES

- Evaluate energy provider options (e.g. Southern California Edison and Clean Power Alliance).
- Perform energy audit to identify potential cost-savings.
- Evaluate renewable energy options (e.g. solar).



OPTIMIZE BUSINESS SOFTWARE TO MAXIMIZE FUNCTIONALITY

- Implement modules to facilitate asset management and operational efficiency (fleet management, Dig-alerts, LIMS).
- Implement appropriate updates to the customer-service and accounting information system (Springbrook).

GOAL 3

Efficiency Through Technology



EFFECTIVE MANAGEMENT OF SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) PROGRAM

- Improve efficiency and long-term management of SCADA hardware, programing, and integration by migrating from a sole-source to open-source standardized platform, targeting greater than 5% cost savings.



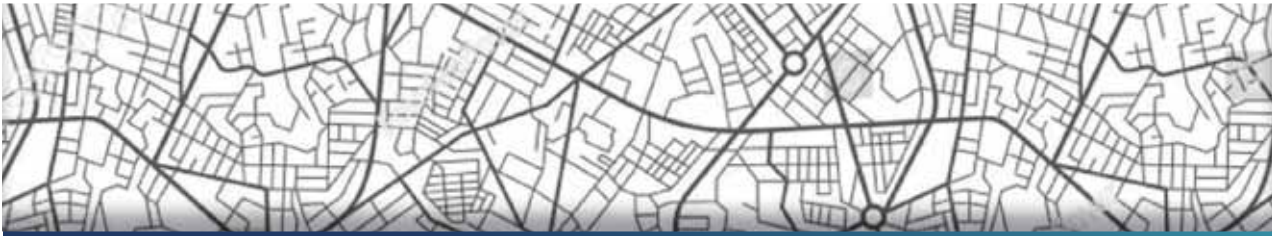
IMPROVE COMMUNICATION RELIABILITY

- Upgrade connectivity and reliability of District communication devices and network.



IMPROVE DATABASE MANAGEMENT

- Streamline data input, access and reporting across all departments. Deploy use of handheld devices to increase efficiency and accuracy.



DEVELOP GRAPHICAL INFORMATION SYSTEM (GIS)

- Deploy GIS system to improve data integration (e.g. mapping, assets, geographic location, data-management) and analytics.



DEVELOP DECISION-SUPPORT MODELING TOOLS

- Update water system hydraulic model.
- Update groundwater model.
- Develop system optimization tool.

GOAL 4

Fiscal Responsibility



IMPROVE FINANCIAL STABILITY

- Review reserve target levels. If needed, revise and re-establish reserve target levels to support financial stability, operational resiliency, and infrastructure reliability.



ENSURE EQUITABLE COST OF SERVICE

- Ensure fees, rates, and charges provide adequate revenue to cover the District's cost of service, including infrastructure.
- Ensure fees, rates, and charges are distributed equitably among all customers (conduct cost-of-service study).



IMPLEMENT ASSET MANAGEMENT

- Develop and implement an effective strategy to optimize real estate assets.
- Develop tools to maximize the useful life and benefit of all District assets.
- Develop and implement preventive/predictive maintenance and replacement programs for all major assets (e.g. wells, pipelines, reservoirs, pump stations).



ENHANCE FINANCIAL REPORTING

- Improve job costing, tracking, and analytics.
- Increase transparency, frequency, and accessibility of reporting to all stakeholders (e.g. department-level budgets, updated chart of accounts for accounts payable, etc.).



IDENTIFY COST-RECOVERY OR COST-SAVING MEASURES

- Evaluate lease option for District fleet (vehicles).
- Evaluate and renegotiate contracts with suppliers, vendors, and service providers (including financial institutions).
- Evaluate current Engineering Design Standards and Approved Materials to identify potential cost-savings (e.g. pipeline material, project delivery methods).
- Pursue grants and other funding programs to support District projects and programs.
- Ensure appropriate level of risk transfer with contractors and consultants by centralizing and updating professional services contracts.
- Reduce total uncollected revenue from delinquent accounts by 10%, by restructuring deposit requirement and collection process.

GOAL 5 Protection of Public & Environmental Health



ENSURE WATER QUALITY COMPLIANCE

- Improve efficiency of samples required by DDW
- Develop facilities to convert system to Chloramination.
- Develop facilities to treat nitrates with bio-remediation (zero waste flow).
- Comply with new regulations.
- Improve water mixing in key reservoirs.
- Implement zero-waste hydrant flushing program.





ENSURE DISTRICT-WIDE REGULATORY COMPLIANCE

- Establish clearinghouse of all permits.
- Create and implement master-schedule for all permits.



EVALUATE GREEN POWER ALTERNATIVES

- Determine appropriate level of sourcing environmentally-friendly electrical power.



GOAL 6

Regional Collaboration & Synergy



DEVELOP AND PARTICIPATE IN PROGRAMS TO MAXIMIZE REGIONAL COLLABORATION

- Create partnerships to optimize regional assets (supply, conveyance, and storage) and develop equitable contracts for cost recovery.
- Actively participate in regional, local, and multi-agency stakeholder meetings.
- Establish mutual aid agreements with regional stakeholders.



GOAL 7 Employer & Workforce Excellence



DEVELOP BEST-IN-CLASS CULTURE

- Develop, adopt, and integrate core values.
- Establish cohesion through organized team-building events.
- Revamp performance evaluation process to facilitate transparency, accountability, and professional development.
- Encourage outreach to qualified women and minorities to continue fostering diversity in the workplace.



DEVELOP SAFETY-ORIENTED WORKFORCE

- Perform on-going safety basics training.
- Develop messaging and programming to instill safety mindset.

GOAL 7 Employer & Workforce Excellence



PRODUCTIVITY AND MISSION EFFICACY

- Conduct organizational structure assessment and reallocate human and financial resources to execute the current strategic plan and attain long-term vision for the District.
- Update Human Resources Department processes and procedures in accordance with best management practices.
- Develop succession plan in key areas.
- Cross-train staff to accelerate individual development and improve staffing flexibility and coverage.
- Develop standard operating procedures across all departments.



CVWD SLOGAN CONTEST

CVWD employees participated in a contest to create a slogan that reflects the District's mission and values. The slogans below were selected as the winners:

"CVWD...working hard, working smart, working together!"

"Dedicated to Purpose, Driven by Passion, Unified in Service. We are CVWD."



CVWD's 2020 Strategic Plan provides a roadmap to accomplish the District's mission and actualize its vision. Through an open-minded and transparent process, the District's Board and staff established clear strategic goals and objectives to be accomplished within the next three years.

The strategic goals and objectives are in alignment with both the District's mission and vision. Strategic alignment will be infused within the organization by assigning each goal (and objective) to a specific employee or team of employees within CVWD.

Annual goal-setting and quarterly progress-update meetings between managers and their team members provide assurance that goals (e.g. objectives and initiatives) are completed in a timely manner.

The 2020 Strategic Plan is a living document. It will be used to create other planning and/or policy documents, inform stakeholders, welcome and train new employees, and be revised as necessary in response to changing conditions. The strategic plan will be fully updated in 2023 to address new challenges and consider new planning strategies to tackle them.

Successful implementation of the strategic plan requires an ongoing process of planning, execution, measurement and adjustment. Through this cycle of continuous improvement, CVWD can reach its vision of securing sustainable water supplies and ensuring infrastructure reliability, while furthering its commitment to accountability, transparency and cost-effectiveness. – now and well into the future.