

February 2024

Strategic
Planning
Workshop
Results -
Chronological





Strategic Planning Objectives

- Develop Action Plans
 - Short-term (2024); Long-term (2025+)
- Develop Solutions if Possible
- Identify “Process” or “Steps” toward Solutions
- Review and Update Action Plans Regularly



Mission Statement:

“The San Gabriel Valley Municipal Water District provides reliable supplemental water for the communities of Alhambra, Azusa, Monterey Park and Sierra Madre in a cost-effective and environmentally responsible manner.”

Vision Statement:

“A leader in water resource management, the San Gabriel Valley Municipal Water District will provide a diversified and reliable supplemental water supply for the benefit of the communities we serve.”

Action Plan (2024 - Q1/Q2)

OPERATIONS AND INFRASTRUCTURE

- Schedule tours of District and County facilities for Board Members as background for Pipeline Rehabilitation program and consideration of *Pure Water Southern California* program (Board/Staff).
- Complete Schedule 1 “Pilot” and assess results.
- Develop preliminary timeline for Schedules 2-6 of Pipeline Rehabilitation Project.
- Identify “Corrosion Engineer” to review/input into Schedules 1-6 Cost Estimates and to protect the Pipeline in the future.
- Identify financial consultant to assist with Replacement Cost Analysis.

Action Plan (2024 - Q1/Q2)

CURRENT AND FUTURE REVENUE

- Consensus was achieved to maintain the current property tax rate of \$.03 per \$100 assessed value for the short-term.
- Consensus was achieved to adopt a \$240 per AF water rate for member cities in April 2024 as that level keeps the District “in the black” and was the forecasted rate provided to member cities a year ago.
- The General Manager was requested to provide a forecasted water rate for 2025 in April 2024 (utilizing average rate increases over 10 years), and to also provide a longer-term, three-year forecast (qualifying those forecasts by noting sensitivity to energy costs, etc.). There is unanimous concern among Board members that cost increases are becoming so common/certain that water rate increases should reflect and anticipate those increases short/long-term.
- The General Manager will provide the Board with information about sources of emergency funds, such as *Federal Emergency Management Agency* (FEMA) and the *Ibank*, that would supplement the use of reserves in the event of a catastrophic event.
- The General Manager and Assistant General Manager will research and share with the Board what SGVMWD insurance covers if there is a catastrophic event or pipeline failure.
- Consensus was achieved that consulting costs, and potentially employee costs, related to financial, engineering, operations, and legal matters will increase in conjunction with Pipeline Rehabilitation and review/analysis of the *Pure Water Southern California Project* (PWSC). The District must budget for such costs.
- The General Manager was requested to get an update from MWD about the *Pure Water Southern California Project* as it has been nearly a year since MWD signaled its potential interest in utilizing SGVMWD facilities.

Action Plan (2024 - Q1/Q2)

CURRENT AND FUTURE REVENUE

- Consensus exists that the long-term nature of several looming projects and potential cost increases may impact needed staffing levels and staffing expertise (due to both volume and nature of the work, and potential staff retirements). A suggestion to consider a “Chief Financial Officer” was discussed but not acted upon and may be revisited at an undisclosed future date.
- The District will offer a “Cost Workshop” (in-person or virtual) annually to member cities to further explain rate and cost factors.

Action Plan (2024 - Q1/Q2)

MEMBER CITY RELATIONS

- Efforts should increase to meet regularly with the Mayor, City Council members, City Manager and Public Works/Water Utility staff in each member city. External Affairs staff will assist Board members in preparing and offering a brief, annual “State of the District” presentation to each of the District’s member cities during May/Water Awareness Month, with that presentation also available to school boards, chambers of commerce, and other community/non-profit organizations.
- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation.
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role.
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation.
- Consensus was achieved to develop a written policy that articulates how the District may provide financial support in the form of grants and loans to Member Cities. The External Affairs Manager and District Counsel will draft a “policy” to share with Member Cities to help clarify and guide the process of District financial support.
- The Board will address Monterey Park’s request of a \$10 million loan for new meter reading equipment.

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS - IMPORTED

- Consensus was achieved that the District, along with other State Water Contractors, supports the *Delta Conveyance Project*. In line with that support, the District awaits decisions by key players such as Metropolitan Water District, which is conducting its own cost/benefit analysis of the Project, and the Department of Water Resources, which is expected to request “bridge/gap funding” for the Project between March and June of this year. At that time, the Board will convene and discuss the District’s future role and support of the Project.
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up regularly with MWD about its interest in involving SGVMWD infrastructure in the *Pure Water Southern California (PWSC)* Project and update the Board.
- The District should request a presentation from MWD to the Board about PWSC at an upcoming Board meeting.
- Arrange a presentation from Stetson to the Board about its analysis of the PWSC Project for SGVMWD.
- Arrange tours of PWSC for SGVMWD Board and Staff.
- Decide which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc.
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up with Sean Igoe and Frank Heldman in Monterey Park regarding the status of interest in and funding for the recycled water project that would potentially serve Monterey Park and Alhambra.
- The General Manager should follow-up with Central Basin to see if the opportunity for a recycled water project is still feasible.
- The District should pursue future grant funding opportunities through Federal and State grant programs.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.

Action Plan (2024 - Q1/Q2)

EXTERNAL AFFAIRS

- Increase and blend in messaging about costs, water scarcity and infrastructure to all audiences.
- Research potential new rebate items for inclusion in the rebate program.
- Pursue grant from Bureau of Reclamation for 50% matching grant for turf replacement conservation programs.
- Obtain update from California Advocates and Dennis Albani about potential November 2024 Water Bond and communicate to Board. If on the ballot, develop communications plan to provide information, not advocacy, about the Bond.
- The District should determine its future role within the Water Forum Partner group and consider leading efforts to determine go/no go on smaller, targeted Water Forum events throughout the year.
- Funds contributed by 2020 Water Forum sponsors remain in District accounts. The use or return of the funds should be determined as soon as possible.
- Staff should finalize, distribute and regularly update a 12-month outreach calendar for the Board.
- The District should participate in a February 2024 tour for legislators in conjunction with the Assembly Water, Parks and Wildlife Committee.
- The District should plan and conduct tours periodically during the year for local elected officials and community leaders.
- Staff should draft budget and external affairs/outreach plan for 2024-2025 fiscal year and present to Board.

Action Plan (2024 – Q3/Q4)

OPERATIONS AND INFRASTRUCTURE

- Schedule tours of District and County facilities for Board Members as background for Pipeline Rehabilitation program and consideration of *Pure Water Southern California* program (Board/Staff).
- Update and refine timeline for Schedules 2-6 of Pipeline Rehabilitation Project.
- Work with “Corrosion Engineer” to review/input into Schedules 1-6 Cost Estimates and to protect the Pipeline in the future.

Action Plan (2024 – Q3/Q4)

CURRENT AND FUTURE REVENUE

- Consensus was achieved that consulting costs, and potentially employee costs, related to financial, engineering, operations, and legal matters will increase in conjunction with Pipeline Rehabilitation and review/analysis of the *Pure Water Southern California Project* (PWSC). The District must budget for such costs.

Action Plan (2024 – Q3/Q4)

MEMBER CITY RELATIONS

- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation.
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role.
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation.

Action Plan (2024 – Q3/Q4)

WATER SUPPLY SOLUTIONS - IMPORTED

- Consensus was achieved that the District, along with other State Water Contractors, supports the *Delta Conveyance Project*. In line with that support, the District awaits decisions by key players such as Metropolitan Water District, which is conducting its own cost/benefit analysis of the Project, and the Department of Water Resources, which is expected to request “bridge/gap funding” for the Project between March and June of this year. At that time, the Board will convene and discuss the District’s future role and support of the Project.
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.

Action Plan (2024 – Q3/Q4)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up regularly with MWD about its interest in involving SGVMWD infrastructure in the *Pure Water Southern California (PWSC)* Project and update the Board.
- Develop a firmer timeline about which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc.
- If the *Pure Water Southern California* project remains viable, and once relevant studies are completed, the Board needs to reach consensus on the District's role in the Project and develop a comprehensive communications plan to inform member cities and other key stakeholders about the District's potential involvement in the Project.
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.
- The District should pursue future grant funding opportunities through Federal and State grant programs.

Action Plan (2024 – Q3/Q4)

EXTERNAL AFFAIRS

- Increase and blend in messaging about costs, water scarcity and infrastructure to all audiences.
- Research potential new rebate items for inclusion in the rebate program.
- If funded, implement grant from Bureau of Reclamation for 50% matching grant for turf replacement conservation programs.
- If Water Bond is on November 2024 ballot, develop communications plan to provide information, not advocacy, about the Bond.
- The District should determine its future role within the Water Forum Partner group and lead efforts to determine go/no go on smaller, targeted events throughout the year.
- Staff should regularly update a 12-month outreach calendar for the Board.
- The District should plan and conduct tours periodically during the year for local elected officials and community leaders.

Action Plan (2025 – Q1/Q2 and Ongoing)

OPERATIONS AND INFRASTRUCTURE

- Schedule tours of District and County facilities for Board Members as background for Pipeline Rehabilitation program and consideration of *Pure Water Southern California* program.
- Conduct Replacement Cost Analysis.
- Identify financial consultant to help develop Capital Improvement/Replacement Plan, to analyze reserves and to provide input into rate study; Board preference is to “fast track” and/or overlap Schedules rather than working on one Schedule at a time; assess what expenditures “buy” the District in terms of Pipeline life/utility.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.

Action Plan (2025 - Q1/Q2 and Ongoing)

CURRENT AND FUTURE REVENUE

- Once a corrosion engineer reviews staff estimates on Pipeline Rehabilitation costs, the District will retain a financial consultant(s) to conduct studies on capital replacement costs, property tax and water rates, and reserves.
- In March/April 2025, the District should confirm both property tax and water rates for member cities for 2025, develop and communicate a forecast for 2026, and determine if a long-range forecast of 3-5 years is appropriate.
- Consensus was achieved that consulting costs, and potentially employee costs, related to financial, engineering, operations, and legal matters will increase in conjunction with Pipeline Rehabilitation and review/analysis of the *Pure Water Southern California Project* (PWSC). The District must budget for such costs.
- Consensus was achieved to research the District's bonding capacity to help fund capital improvements as part of the previously mentioned financial consultant's scope of work.
- The District will offer a "Cost Workshop" (in-person or virtual) annually to member cities to further explain rate and cost factors.

Action Plan (2025 - Q1/Q2 and Ongoing)

MEMBER CITY RELATIONS

- Efforts should increase to meet regularly with the Mayor, City Council members, City Manager and Public Works/Water Utility staff in each member city. External Affairs staff will assist Board members in preparing and offering a brief, annual “State of the District” presentation to each of the District’s member cities during May/Water Awareness Month, with that presentation also available to school boards, chambers of commerce, and other community/non-profit organizations.
- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation.
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role.
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation.

Action Plan (2025 - Q1/Q2 and Ongoing)

WATER SUPPLY SOLUTIONS - IMPORTED

- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.
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Action Plan (2025 - Q1/Q2 and Ongoing)

WATER SUPPLY SOLUTIONS – LOCAL

- If the *Pure Water Southern California* project remains viable, and once relevant studies are completed, the Board needs to reach consensus on the District's role in the Project and develop a comprehensive communications plan to inform member cities and other key stakeholders about the District's potential involvement in the Project.
- Develop a firmer timeline about which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc.
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.
- The Sierra Madre Joint Well project is in design phase as of Q1/2024 and the District has committed \$1.9 million to the project involving Sierra Madre and Arcadia.
- The District should pursue future grant funding opportunities through Federal and State grant programs.
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year.

Action Plan (2025 - Q1/Q2 and Ongoing)

EXTERNAL AFFAIRS

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