



LADWP Strategic Plan
Draft Framework
March 2009



What is Strategic Planning?

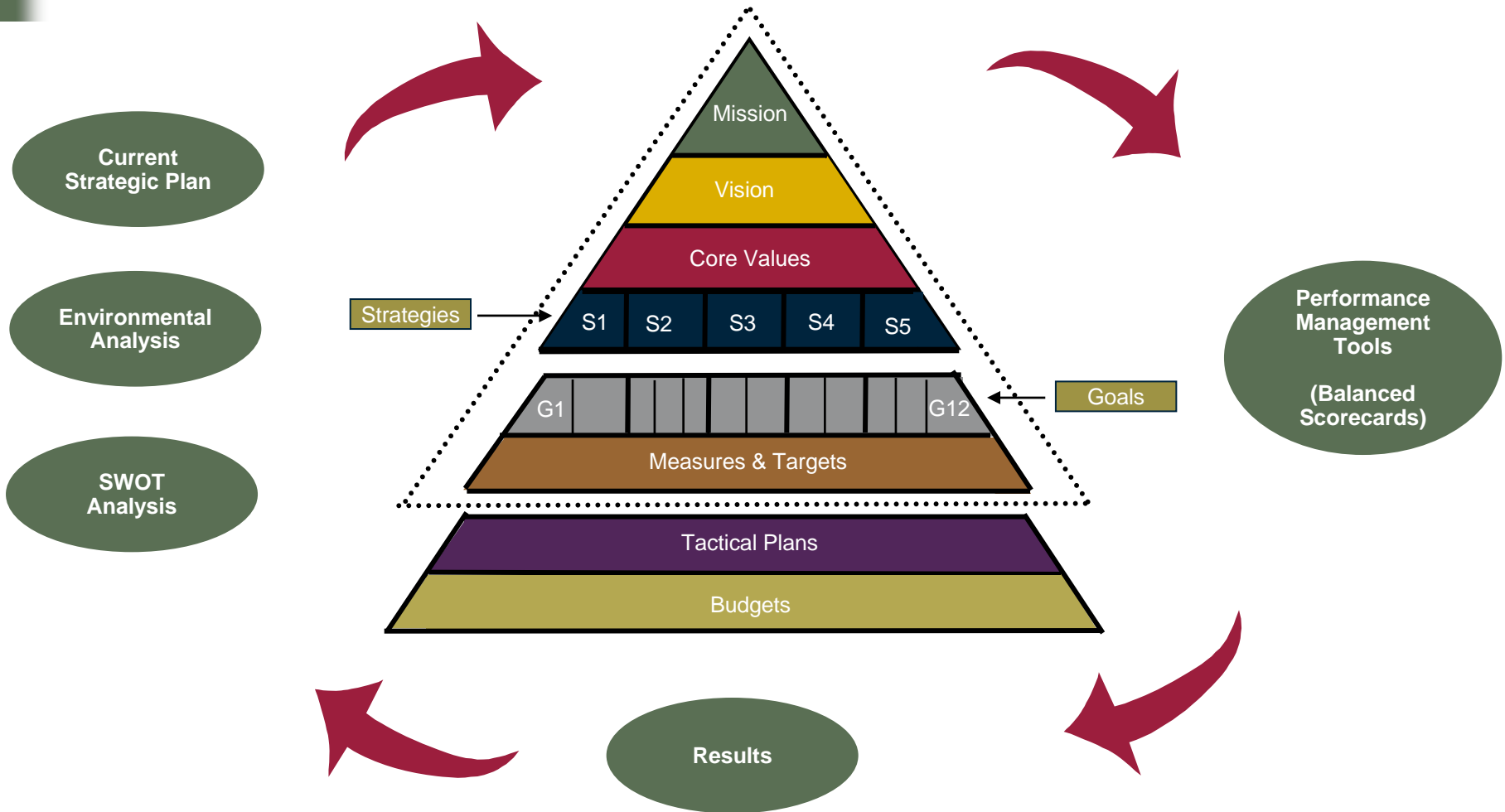
Strategic Planning is a process used by an organization to align itself around a single set of priorities to be accomplished in the future.

Strategic Planning is used by organizations to allocate resources in a manner which balances internal and external realities.

Strategic Planning helps an organization move from its current state to its desired future state by closing gaps using measurable and accountable mechanisms.



Strategic Planning Process



..... Components of the Strategic Plan / Strategic Framework



What is a “Mission”?

A “*Mission*” statement declares an organization’s unique purpose, what the organization aspires to be, why it exists, clarifies who it serves and what it does.

A “*Mission*” can help shape an organization’s culture (shared attitudes, experiences, beliefs and values).

“*Mission*” statements should be brief and easy to understand.

Draft Mission



Mission Statement

We are a publicly-owned utility committed to providing clean, reliable water and power in a safe, environmentally responsible and cost-effective manner with excellent customer service to the communities we serve.



What is a “Vision”?

A “*Vision*” describes how an organization wants to be perceived in the future – the desired future state.

The “*Vision*” provides a long-term focus for an entire organization.

A “*Vision*” helps to define success.

Draft Vision



Vision Statement

A world-class publicly-owned integrated utility, innovatively transformed to provide sustainable water and power to a green, robust and prosperous city.



What are “Core Values”?

“*Core Values*” provide a guide for decision making across an entire organization.

“*Core Values*” are part of an organization’s culture.

“*Core Values*” can be based on ethical themes (e.g., honesty, respect or equality); best practices (e.g., best of class in terms of customer service or cost) or other factors.



Draft Core Values

- **Collaboration and Teamwork**

- We promote open communication to foster collaboration with our employees, labor unions, customers, governmental leaders, and industry counterparts unified to achieve the common goal of enhancing quality of life through responsibly providing water and power services.

- **Diversity**

- We embrace and value diversity in our workforce and business relationships.



Draft Core Values (continued)

- **Environmental Sustainability**

- We provide environmental leadership by conducting our own business and requiring of our business partners an ethic that embodies stewardship of our assets for future generations and adherence to the spirit and the letter of the law.

- **Fiscal Responsibility**

- We deploy our resources in a fiscally responsible manner while accomplishing the Department's objectives.



Draft Core Values (continued)

- **Innovation and Excellence**
 - We value creativity and innovation and seek excellence in all facets of our business.
- **Safety**
 - In unity with our stakeholders, we hold the health and safety of our employees and the public as our highest value and it is never compromised



Draft Core Values (continued)

- **Social Responsibility**

- We strive to balance the wide range of interests of the communities we serve. We will do this in a manner that maintains environmental stewardship, operational integrity and fiscal responsibility.

- **Trust & Integrity**

- We conduct ourselves truthfully and ethically in a manner that strengthens the relationships we have with our stakeholders, business partners, internal and external customers



What are “Strategies”?

“*Strategies*” describe the major steps an organization will take to attain its vision.

“*Strategies*” outline the priorities on which an entire organization will focus.

“*Strategies*” are plans of action designed to achieve a particular outcome.



Strategic Priorities/Strategies

- **Customer Service**

- Exceed expectations by developing effective customer service options based on customer preferences (product / process).
- Build customer confidence through transparent communication and dependable, respectful, knowledgeable, and helpful interactions (people).

- **Employees**

- Recruit, staff and retain a highly-skilled and diverse workforce
- Promote the well-being of our employees through quality health, family care and safety programs
- Create an environment in which employees are empowered and productive



Strategic Priorities/Strategies

- **External Relations**

- Employ LADWP resources to encourage and support business customer retention, growth, and job creation.
- Implement an aggressive and consistent public education strategy and outreach plan to promote LADWP’s legislative and regulatory priorities.
- Improve outreach and public awareness of key departmental initiatives, accomplishments and goals, while increasing stakeholder and neighborhood involvement.
- Collaborate with and support the business retention and growth initiatives of the Mayor, and other City agencies and departments.

- **Financial**

- Operate in a cost-effective manner to maintain financial integrity and rate competitiveness while meeting Department objectives.



Strategic Priorities/Strategies

- **Infrastructure**

- Water Infrastructure reliability – Maintain a sustainable and reliable water system infrastructure.
- Power Infrastructure Reliability – Maintain a sustainable and reliable power system infrastructure.
- Improve reliability by systematic assessment , upgrade and replacement of power system assets.
- Develop a Department asset management strategy
- Achieve compliance with State and Federal regulations.
- IT – Replace antiquated systems and consolidate systems to support critical strategies (e.g., CIS, Financial, Supply Chain, Secure Communications, System Intelligence and Control).



Strategic Priorities/Strategies

- **Security**

- Create an environment that fully protects all LADWP assets and its personnel.
- Ensure the readiness of the LADWP to respond during and after an emergency or large-scale disaster and the ability to expeditiously restore critical water and power services.

- **Sustainable Supply**

- Transform our energy portfolio to emphasize the use of renewable resources in a fiscally responsible manner while maintaining ownership of our vast transmission and diversified generation assets.
- Meet future increased water demand for our customers through 2030 using local resources.



What are “Goals”?

“Goals” describe the desired outcome (future state) an organization plans to attain in support of its mission and vision.

“Goals” should be SMART - **S**pecific, **M**easurable, **A**ccountable, **R**ealistic and **T**imely.

“Goals” can be short-term or long-term depending on the nature of the underlying strategies.



Evaluating Goals

1. Does this rise to the level of being a strategic Department goals? Or, is it a System or Division goal?

- S**
- 2. Can a well-defined scope be developed for this goal?
 - 3. Does this goal address a significant priority for the Department?
-

- M**
- 4. Is there an easily tracked KPI or benchmark for this goal?
 - 5. Can a detailed schedule with milestones be created so that progress can be tracked?
-

- A**
- 6. Can personnel be committed to this?
 - 7. Are we sure we can commit to this?
-

- R**
- 8. Have we or are we budgeting for this goal?
 - 9. Is this something we really want to publish?
-

- T**
- 10. Can we develop a timeline / deadline for achieving this goal?



Customer Service Goals

CS1	Continue to work with Information Technology Services to redesign the bill to better suit customers' needs; the new bill will be state of the art, informative, and easy to read.
CS2	Improve the functionality and aesthetics of the LADWP website, thereby expanding our customers' options for conducting business with us.
CS3	Increase self-service options to improve customer satisfaction; this will also reduce costs and improve employee productivity.
CS4	Create an effective outreach program to build customer confidence in the quality of their tap water.
CS5	Achieve actual improvements to water quality at the customers' taps.
CS6	Provide timely and reliable power supply to customer.
CS7	Complete the Customer Information System (CIS) replacement project; this will streamline customer services, including wireless meters, billings, revenue, collection, payments, outage management, and more.
CS8	Complete a wide-ranging transactional survey (e.g., service installations, payment methods, etc.) of business and residential customers to serve as the basis for future strategic planning and budgeting.



Employee Goals

EM1	Strengthen communications and continue to built trust with Labor Unions
EM2	Conduct Department-wide Employee Survey.
EM3	Develop and implement programs for cross-training, knowledge transfer job rotation, mentoring, collaboration and coaching.
EM4	Revitalize Employee Suggestion Program.
EM5	Implement effective polices and procedures.
EM6	Develop and implement a sustainable workforce development plan to meet current and future staffing needs.
EM7	Revitalize employee health and well-being programs.
EM8	Provide quality health and dental benefit programs.
EM9	Continue current safety programs and expand the Worker Safety Groups.
EM10	Strengthen support of the Joint Labor Management Process



External Relations

ER1	Identify, develop, and pursue opportunities to promote and retain businesses by using Department assets that encourage business development.
ER2	Provide education and training opportunities to support workforce development, knowledge, and career opportunities in the utility industry.
ER3	Expand procurement and contracting opportunities for minority / women-owned businesses through outreach activities.
ER4	Develop and implement media and public outreach strategies to improve public confidence and trust, increase and win support for Department programs and initiatives.
ER5	Strengthen relationships with key stakeholders and elected officials and partner agencies.

Financial

F1	Maintain AA bond ratings.
FN2	Maintain at least 15 percent rate advantage compared to the State's investor-owned electric utilities.
FN3	Remain below median rate for similarly situated water utilities.
FN4	<p>Implement cost effective automation project to lower costs and improve efficiencies.</p> <ul style="list-style-type: none"> a) Electronic Request Solicit and Procure b) Automated Meter Reading c) Financial Planning System d) Supply Chain System (CIS) e) Design Systems
FN5	Manage expenditures within cost and budget constraints.
FN6	<p>Provide adequate internal control to safeguard Department's assets and to ensure reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations.</p> <ul style="list-style-type: none"> a) Internal Audit Division will develop an annual audit plan for Board review by June 15th of each year. b) Internal Audit Division will complete all audits requested by the executive management and the Board. c) Internal Audit Division will provide a monthly audit status report to the executive management and the Board. d) Director of Internal Audit will meet with the Audit Committee at least twice a year.



Infrastructure

IN1	Maintain monthly graphical progress charts for annual Water Infrastructure Program (WIP) goals.
IN2	Use Asset Management principles to forecast infrastructure replacement and funding requirements
IN3	Achieve PRP goals
IN4	Implement transmission upgrades as identified in the Ten-Year Transmission Assessment
IN5	Implement voltage support and reactive management program
IN6	Initiate Smart Grid implementation program
IN7	Create a cross-system work group and develop a long-term asset management strategy.



Infrastructure (continued)

IN8	Upgrade water and power Maximo implementations and consolidate to common platform for a consistent source of data and methods to implement the asset management approach.
IN9	Implement new supply chain management application to integrate with asset management
N10	Meet Department of Public Health compliance dates for removal of six remaining open reservoirs by 2023
IN11	Convert Water System disinfection from chlorine to chloramines by 2014
IN12	Adhere to SCAQMD and EPA requirements for plant emissions and ocean water cooling
IN13	Adhere to WECC/NERC/FERC requirements for power system planning, operations and maintenance
IN14	Adhere to WECC/NERC/FERC requirements for critical infrastructure Protection (CIP) program



Infrastructure (continued)

IN15	Adhere to CPUC requirements for vegetation management
IN16	Develop a plan to meet AB 32 and SB1368 requirements
IN17	Improved web platform and tools to support improved external and internal facing web presence
IN18	Internal IT Security improvements
IN19	Extended Network capacity to support security improvements, and future smart grid
IN20	Improved and consistent system support for reporting and records management



Security

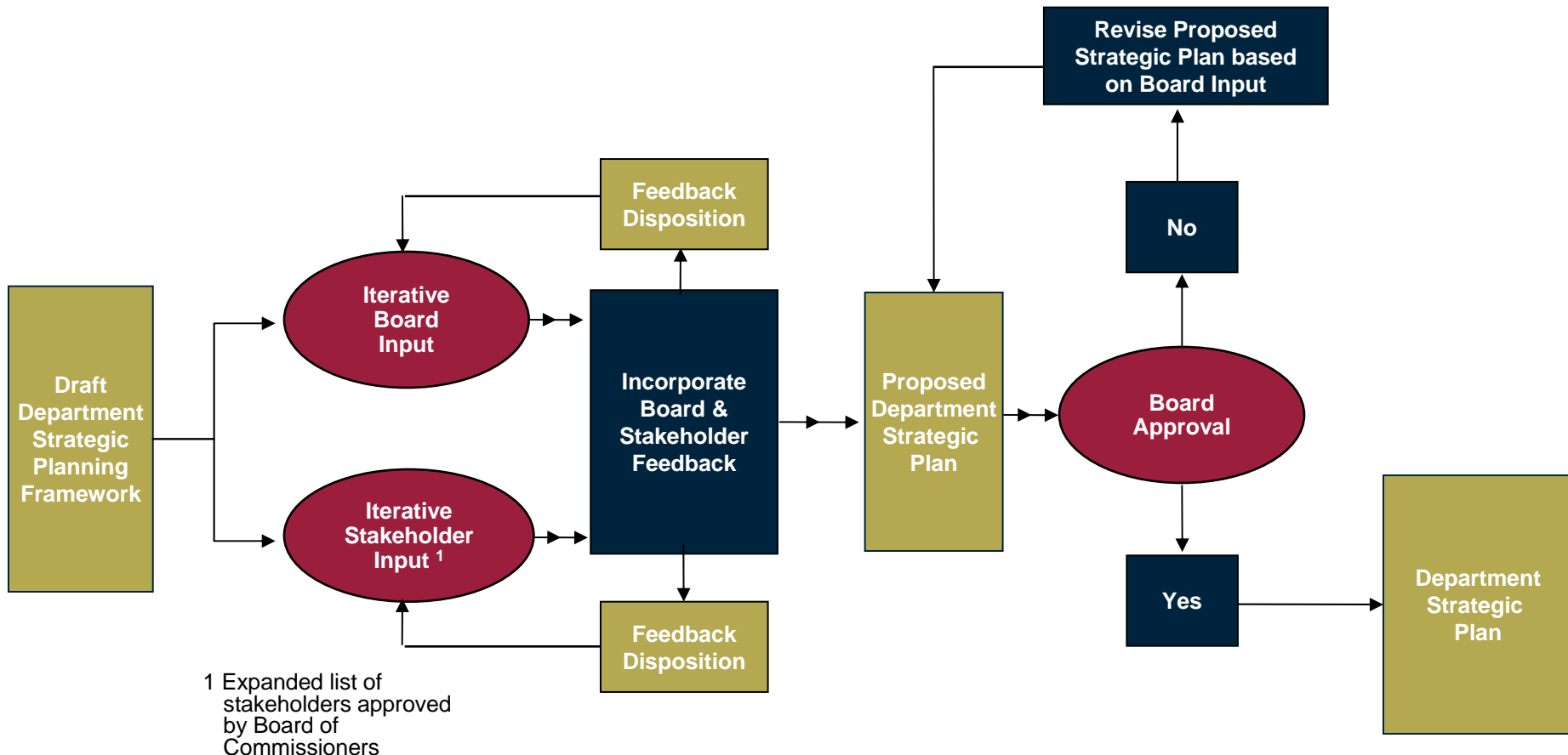
SE1	Implement a Department security plan that integrates staff, electronic surveillance systems, lighting, electronic access control adhering to the Infrastructure goal IN14. .
SE2	Perform annual GAP analysis at cyber and physical security locations and develop / implement measures to close gaps.
SE3	Increase visibility of security through use of physical barriers, check points, signs, and increased uniform presence at JFB.
SE4	Conduct security awareness training for employees and implement a comprehensive standardized training plan for security personnel.
SE5	Conduct at least one large-scale exercise each year that includes a mock activation of mutual assistance agreement to train and prepare employees and test the readiness of LADWP to respond to emergencies.

Sustainable Supply

SS1	Achieve Renewable Portfolio Standard (RPS) goals. a) 2010 – 20 percent b) 2020 – 35 percent
SS2	Achieve Integrated Resources Plan (IRP) goals. a) Modernization of gas-fired generation fleet b) Expansion of our transmission assets. c) Integration of new renewable resources for reliability and reduction of system losses.
SS3	Reduce Green House Gas (GHG) emissions by 35 percent of 1990 levels by 2030.
SS4	Meet all load growth with Energy Efficiency and Demand Side Management.
SS5	Reduce water consumption at LADWP facilities.
SS6	Increase water conservation by 50,000 acre-feet per year by 2030.
SS7	Increase water recycling to 50,000 acre-feet per year 2019.
SS8	Enhance storm water capture.
SS9	Clean up the San Fernando Basin groundwater contamination.
SS10	Develop and Introduce “Green Building” initiatives/ordinances.

Feedback & Continued Iterative Process

Feedback on the draft framework will be obtained from stakeholders, reviewed by Management and the Board and incorporated into a proposed Department Strategic Plan which will be submitted to the Board for approval.



Strategic Plan Development Schedule

The schedule has been expanded to provide additional time for stakeholder input and Board evaluation while still completing the Strategic Plan in a comprehensive and timely manner.

Month / Week of 2009	January	April				May				June					July				August					September			
Strategic Planning Activity	February March	6	13	20	27	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28
Jan. 15 Session - Develop Initial Mission, Vision, Core Values and Strategies																											
Initial Employee Feedback (M/V/CV/S)																											
Initial Proposed Goals																											
Jan. 28 Session - Modification (M/V/CV/S) and Goal Development																											
Develop Measures and Targets																											
Establish Office of Strategic Planning																											
Iterative Board Dialogue on Strategic Planning Framework																											
1. Apr. 14 Workshop w/ Board																											
2. Develop Expanded Stakeholder Outreach Action Plan																											
3. Board Presentation of Expanded Stakeholder Outreach Action Plan																											
4. Conduct Interviews with Individual Board Members																											
5. Execute Expanded Stakeholder Outreach Plan																											
6. July Session w/ Board to Review Stakeholder Inputs																											
Complete Proposed Strategic Plan																											
Obtain Board Input on Proposed Strategic Plan																											
Finalize Proposed Strategic Plan																											
Present Proposed Strategic Plan to Board																											
Develop System Strategic Plans																											
Develop Division Strategic Plans																											
Develop Tactical Plans																											



Feedback Needed

- Comments on the Mission, Vision, Core Values, Strategies or Goals.
- Was anything missed?
- Is there a strategy or goal that should be considered?
- Remember the Goals have to be **S**pecific **M**easurable **A**ccountable **R**ealistic **T**imely.
- Submit feedback by June 30, 2009 to: svcstgcplan@ladwp.com
- Or submit on the forms provided to:

Los Angeles Department of Water and Power

Attn: Stephan Tucker

111 North Hope Street

Room 1348

Los Angeles, CA 90012



Strategic Planning Framework – Feedback Template

Mission Statement:	
Feedback Description:	
Source:	
Disposition	
Vision:	
Feedback Description:	
Source:	
Disposition	
Core Values:	
Feedback Description:	
Source:	
Disposition	
Strategy	
Feedback Description:	
Source:	
Disposition	



Goals Feedback Template

Strategy	XX
Goals to Address Strategy:	1- 2- 3- 4- 5-
Source:	
Disposition (TBD Jan. 28th)	

THANK YOU