

WEST BASIN MUNICIPAL WATER DISTRICT  
**STRATEGIC BUSINESS PLAN**  
2017-2022



[www.westbasin.org](http://www.westbasin.org)





# Message from the Board President

As West Basin Municipal Water District (West Basin) celebrates 70 years of meeting the water needs of individuals, families and businesses within our service area, we're facing new challenges and opportunities that compel us to continue being innovative in bringing safe and reliable sources of water to our communities.

When West Basin was formed in 1947 by a vote of the people, it was charged with finding a solution to salt water intrusion due to a declining groundwater table from over-reliance on water from the West Coast Groundwater Basin. West Basin joined the Metropolitan Water District of Southern California (MWD) in 1948 to help conserve that declining water table by importing water and wholesaling it to the cities and water companies in our service area.



However, steady population growth, loss of imported supplies and increasing drought conditions in Southern California necessitated that West Basin set out to diversify our water supply for greater reliability. In the early 1990s, West Basin accomplished this through conservation and locally produced sources of water. To build on these successes today, conservation programs will be updated, recycled water programs will be expanded and ocean water desalination will be evaluated as a potential local supply. By 2025, we estimate that approximately half the water supplied by West Basin will originate locally and over one-third of our needs will be met through water conservation, water recycling, and potentially, ocean water desalination.

Demonstrating a commitment to the environment is a top priority for the West Basin Board of Directors (Board), especially when it comes to ocean water desalination. From the start, the Board has instructed staff to investigate responsible, ocean-friendly technologies to protect marine life and reduce energy use, as well as keep costs competitive. West Basin staff findings, including five years of scientific research at the District's full-scale demonstration facility in Redondo Beach, California, will ultimately assist the Board in making an informed decision about the role of ocean water desalination in our service area's water supply portfolio.



Though the West Basin Board has set ambitious goals, they will be accomplished in a prudent and responsible manner. We have strengthened our credit rating consistently over the past few years by proactively taking steps to ensure a strong rating. Recent actions include prudent funding of pension and OPEB long-term liabilities and increasing our debt service coverage.



Our most recent ratings have been reaffirmed at a very strong Aa2 rating from Moody's and AA- from Standard and Poor's. In addition, the Board initiated an investment policy that encourages investments in small-community banks, which earn a competitive rate of return and that re- invest those dollars into the local community.

Looking ahead, the West Basin Board and staff will work together with other water agencies to provide imported water in a cost-effective manner to our customer agencies. As we conduct our education and conservation outreach programs, we will create additional awareness and provide even more water-savings devices and practices where people live and work. We will maintain our position as a leader in recycled water and the exploration of ocean water desalination, using sound business practices while minimizing the impact on the environment. We will continue to build strong partnerships with our cities, water agencies, environmental groups, and funding agencies. All of this fulfills our mission to provide a safe and reliable supply of high quality water to the communities we serve and I am proud to introduce the 2017 Board adopted Strategic Business Plan.

Harold C. Williams, MSCE, P.E., DTM  
President



## Board of Directors

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**Harold C. Williams** serves as the 2017 Board President and was elected to the West Basin Municipal Water District Board of Directors in November 2014. He is also a Member of the Board for the National Water Research Institute and CalDesal Executive Committee. Williams is a California registered civil engineer by profession, a career that he has held for over 40 years. He is currently doing business as a consulting civil engineer, helping cities and special districts resolve their infrastructure challenges. Prior to entering private practice, Williams led the Department of Public Works for the City of Gardena as the Director of Public Works and City Engineer. He has held similar positions with the cities of Carson, Hermosa Beach, Lawndale and Lynwood. Prior to West Basin, Williams was elected to the Carson City Council in a special election in 2004 and was re-elected in a regularly scheduled election in 2005. A longtime Carson resident and community leader, Williams held leadership positions in numerous civic organizations and has served on various local city commissions.



**Gloria D. Gray** was elected to the West Basin Municipal Water District Board of Directors in 2006. Gray is the first African-American woman elected to the Board in its near 70-year history and is currently serving a third term. Gray represents the Division II Cities of Inglewood, South Ladera Heights and Lennox, as well as the communities of Athens and Howard. In April 2010, she was appointed to the Delta Stewardship Council by House Speaker-Emeritus Karen Bass. She is the first African-American woman to serve as Vice Chair of the Metropolitan Water District (MWD) Board of Directors and to chair a Board meeting in the 86-year agency history. Gray currently serves on the MWD Board's Executive Committee, Personnel and Technology Committee, Special Committee on Bay-Delta, and is Vice Chair of the Communication and Legislative Committee. In 2017, Gray was appointed chair of Water Planning and Stewardship Committee which focuses on MWD water projects and programs. She dedicated her 36-year career to the Los Angeles County Department of Health and Human Services and other public service arenas. She served two terms on the Inglewood Unified School District, from 1995 - 2003, and was elected an Executive Board Member for the Los Angeles County Democratic Party Central Committee 51st Assembly District.



**Carol W. Kwan** was first elected to the West Basin Board of Directors in 1996 to represent the cities of Hermosa Beach, Lomita, Manhattan Beach, Redondo Beach and Torrance. She is currently in her sixth term in office. Kwan is the first female and Asian American elected to the West Basin Board in its 70-year history and is the first Asian American member to serve on the Metropolitan Water District Board of Directors. From the age of 15, she was involved in running all aspects of her family's restaurant business and has since developed successful businesses in media marketing and environmental consulting. She served as an environmental consultant to the local water authority in ZhongShan, China. She also served on the American Heart Association Board. Kwan currently serves on the Community Advisory Board (CAB) of KCET and is the President and Co-Founder of the Riverbend International School, a STEM High School, in Atchison, Kansas. She graduated from Sacred Heart High School and went to California State University, Long Beach.



**Scott Houston** was elected to West Basin's Board of Directors in November 2014 to represent Division IV and serves as the 2017 Vice President.

Houston has lived in the District for nearly two decades and has been an active leader in both his local community, the greater Los Angeles area, and the global community. He previously served a four-year term on the City of El Segundo's Public Works Committee where he evaluated infrastructure and capital improvement projects for the city's budget process. Prior to that, Houston was a host and reporter for the city's cable channel covering local issues.

In addition to his Board service at West Basin, Houston is a manager in the manufacturing and printing industry. He began his career as a public relations specialist at leading Los Angeles public relations firms Golin/Harris and The Bohle Company where he represented emerging technology clients. He graduated from Michigan Technological University with a Bachelor of Science degree in Business Administration.



**Donald L. Dear** was elected to the West Basin Board of Directors in November 2000 to represent the cities of Gardena, Hawthorne, Lawndale and portions of El Camino Village. He is currently serving his fifth term after being re-elected in November 2016. Dear also serves as one of two West Basin representatives on the Metropolitan Water District Water Board and is chair of the Audit and Ethics Committee. Dear came to the West Basin Board with a vast array of experience in public service, serving as the Gardena Mayor for nine consecutive terms before retiring in 2001. He has served on the Local Agency Formation Commission since 2005 and is currently Vice Chair of the Commission. He is also a widely respected, award-winning teacher who taught at Stephen White Middle School in Carson for 38 years.

#### **Strategic Plan Project Team**

Shivaji Deshmukh, P.E., Assistant General Manager  
Fernando Paludi, P.E., Associate General Manager  
Christiana Daisy, P.E., Operations Manager  
Margaret Moggia, CPA, Chief Financial Officer  
Eric Owens, P.E., Technical Resources Manager  
Amy Rocha, Communications Manager  
Michelle Green, Human Resources Manager  
Ed Means, Means Consulting LLC



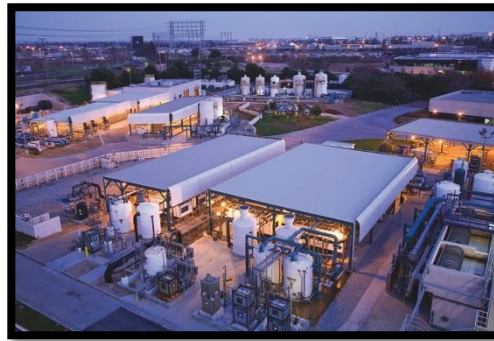


## Message from the Office of the General Manager

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With the clear direction provided in this Strategic Plan, West Basin continues on its path as an industry leader and innovator. As mentioned in the president's message, West Basin has a history of expertise in groundwater clean-up and protection, water recycling, conservation, and the exploration of ocean water desalination. This current plan enables West Basin to build on its history and bring about further reliability, diversification and local control of our water supply. Most importantly, it also allows West Basin to provide reliable future water supplies in the face of looming water challenges, from uncertain impacts of climate change to a changing regulatory landscape.

Working as a small, efficient, entrepreneurial team, West Basin is focused on providing value. For more than 20 years, West Basin has invested time and resources to developing our one-of-a-kind water recycling facility and distribution system. This advancement of recycled water continues today with a Capital Improvement Program dedicated to the restoration of existing assets, and the installation of new infrastructure and equipment to enhance the system. In addition to safeguarding this sustainable supply of water, improvements also support our local workforce. In this new era of water efficiency, conservation is and will continue to be a cornerstone in our water resource management plan as well. Our conservation programs, augmented by grants and partnerships, give our communities more than \$3 worth of water efficiency resources for each \$1 we spend. We continue to look for new and engaging ways to encourage our communities to save water. Finally, the District's scientific desalination research has helped shape California's new Ocean Plan Amendment requirements and will be foundational to future decisions on whether to pursue a potential local project that could provide 20 million gallons per day of drinking water for our service area.



Together, with the leadership of the Board of Directors and the support of efficient, knowledgeable staff, the Office of the General Manager ensures continued strategic planning and investment that deliver value and water reliability to our customers.

Fernando Paludi, P.E.  
Associate General Manager

Shivaji Deshmukh, P.E.  
Assistant General Manager



## Introduction to Strategic Planning

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 achieving West Basin's mission.

The planning process enabled the West Basin Board and senior management staff to step back from daily activities and deliberate on ways to achieve the West Basin mission: "to provide a safe and reliable supply of high quality water to the communities we serve."

The Strategic Plan was developed under the guidance of the Board of Directors and senior management representing all of West Basin's functions. This team met over a three-month period following the steps in the call out box below. The focus of the staff's strategic deliberations was the key issues West Basin will face in the next five-year planning horizon (and beyond). Interviews were conducted with the Board and the Senior Management staff to identify strengths, weaknesses, opportunities and threats (SWOT analysis) that the plan should consider. A workshop was held with the Board of Directors on April 7, 2017 to verify the vision, mission, and values statements, and review the five goals that set the framework for the strategies and objectives developed by the management team. The Board adopted the plan on August 28, 2017.

The five-year Strategic Plan will be implemented and tracked through the annual budget process and subject to Board review and approval. In the future, staff will ensure that the proposed budgets reflect the priorities established in the Strategic Plan.

### Process

- Review background documents
- Review current operating environment
- Conduct interviews
- Assess strengths, weaknesses opportunities and threats
- Conduct Board workshop to review vision, mission, values and goals
- Develop strategies & objectives
- Develop staffing and resource needs in conjunction with the annual budgeting process
- Regularly update the plan





## Vision Statement

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*“Sustainable and drought-proof water services enhancing the quality of life and economy of our communities”*

## Mission Statement

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*“To provide a safe and reliable supply of high quality water to the communities we serve”*

## Values

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

- Integrity and ethical behavior – West Basin will consistently adhere to high moral and ethical principles
- Respect – West Basin will work with our stakeholders in a respectful, professional, and courteous fashion
- Safety – West Basin will provide a safe work and public space environment
- Exceptional service – West Basin will professionally, responsively and with courtesy serve the needs of its external customers/stakeholders and its internal stakeholders
- Transparent – West Basin will engage its stakeholders and interact with them in a fair, open and honest manner
- Innovation – West Basin will value the introduction of new ideas and methods at all levels
- Collaboration – West Basin will encourage teamwork and collaboration and engage the communities we serve in our business opportunities
- Professionalism – West Basin will be diligent, responsible and accountable in all its activities
- Trust – West Basin will value trust and honesty in its business practices







## Goals / Strategies / Objectives

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West Basin makes the following commitments to the communities it serves:

- **Goal 1: Water Supply Reliability** – West Basin is committed to innovative planning and investments to provide water reliability
- **Goal 2: Sound Financial and Resources Management** – West Basin is committed to best practices in capital asset management, financial management, human resources management, and internal controls
- **Goal 3: Water Quality** – West Basin is committed to providing safe, high-quality water by meeting current and anticipated water quality requirements
- **Goal 4: Customer Service** – West Basin is committed to providing value by understanding and meeting the water needs of our recycled water clients and the cities, water utilities, and communities we serve
- **Goal 5: Environmental Stewardship** – West Basin is committed to sustainable and environmentally-friendly policies, projects, programs, and practices





## Goal 1: Water Supply Reliability - West Basin is committed to innovative planning and investments to provide water reliability

### Strategy 1.1 – Prepare and periodically update water supply plans

- Objective 1.1.1 Update Urban Water Management Plan (UWMP) every five years
- Objective 1.1.2 Develop and maintain master plan(s) for District infrastructure
- Objective 1.1.3 Ensure the annual budget and long-range financial model supports the UWMP and other District master plans

### Strategy 1.2 – Increase supply diversification by promoting conservation

- Objective 1.2.1 Update and implement West Basin's Conservation Master Plan to comport with State requirements

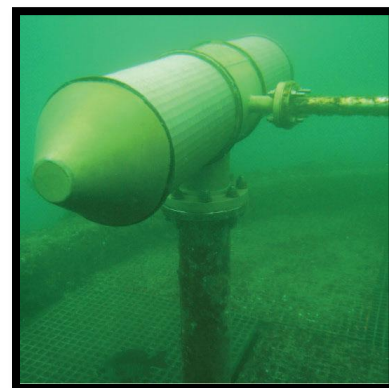


### Strategy 1.3 – Increase supply diversification by promoting groundwater development

- Objective 1.3.1 Participate in opportunities for regional development of groundwater storage
- Objective 1.3.2 Play a direct role in evaluating a regional brackish groundwater desalting partnership for the West Coast Basin
- Objective 1.3.3 Position West Basin to be the source of groundwater replenishment water for brackish desalting

### Strategy 1.4 – Increase supply diversification by promoting water recycling

- Objective 1.4.1 Expand West Basin's water recycling system through partnerships with local agencies both inside and outside of the West Basin service area
- Objective 1.4.2 Develop a recycled water master plan
- Objective 1.4.3 Maintain the current recycled water system
- Objective 1.4.4 Evaluate potential for expansion of potable reuse in the West Basin service area
- Objective 1.4.5 Continue to engage in and positively impact potable reuse regulations





**Strategy 1.5** – Investigate ocean water desalination as a supply opportunity

- Objective 1.5.1 Complete Environmental Impact Report
- Objective 1.5.2 Develop permitting plan (including greenhouse gas mitigation)
- Objective 1.5.3 Develop delivery approach for desalination
- Objective 1.5.4 Develop financial model
- Objective 1.5.5 Evaluate partnerships to develop full-scale ocean water desalination facility
- Objective 1.5.6 Develop Board consensus on path forward

**Strategy 1.6** – Effectively manage West Basin's imported supplies

- Objective 1.6.1 Proactively represent West Basin's interests at the Metropolitan Water District of Southern California



## Goal 2: Sound Financial and Resource Management – West Basin is committed to best practices in capital asset management, financial management, human resources management, and internal controls

**Strategy 2.1** – Provide effective overall capital facility asset management through the application of industry best-practices

- Objective 2.1.1 Continue to provide effective project management practices to ensure successful infrastructure implementation
- Objective 2.1.2 Develop and maintain a comprehensive Asset Management Program, including estimation of needed repair and replacement reserves
- Objective 2.1.3 Implement and manage the repair and rehabilitation program
- Objective 2.1.4 Develop a plan for long-term space needs for West Basin staff



**Strategy 2.2** – Maintain facilities to manage and minimize risk of failure and liability exposure

- Objective 2.2.1 Review emergency preparedness and business continuity plans
- Objective 2.2.2 Complete update of record drawings
- Objective 2.2.3 Review and document Standard Operating Procedures
- Objective 2.2.4 Continue implementation of operations optimization plan



**Strategy 2.3** – Develop partnerships with public and private entities to facilitate capital asset development and implementation

- Objective 2.3.1 Renegotiate recycled water agreements with refineries in the next five years incorporating a repair and rehabilitation component
- Objective 2.3.2 Renegotiate recycled water operations contracts

**Strategy 2.4** – Maintain or improve current bond ratings

- Objective 2.4.1 Periodically meet with interested parties/partners



Objective 2.4.2 Ensure that Board and management actions contribute to maintaining a healthy financial condition

Objective 2.4.3 Maintain debt coverage ratio of at least 1.75

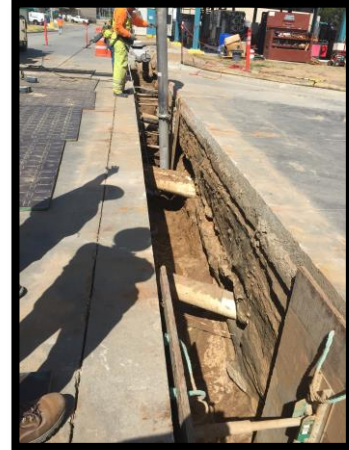
**Strategy 2.5 – Develop a formal Long Range Financial Plan**

Objective 2.5.1 Maintain a financial model to project water sales, revenue and expenditure assumptions

Objective 2.5.2 Develop a capital funding policy

Objective 2.5.3 Explore alternative financing sources for general capital needs

Objective 2.5.4 Review pricing of different water qualities inside and outside the service area



**Strategy 2.6 – Operate cost-efficiently and effectively, with robust internal controls**

Objective 2.6.1 Periodically review and report financial results

Objective 2.6.2 Prepare an annual budget based on the Board's goals and objectives

Objective 2.6.3 Maintain and annually review the District's Administrative Code

Objective 2.6.4 Pursue external funding for facilities/programs

Objective 2.6.5 Develop and implement a comprehensive records management program

Objective 2.6.7 Ensure risk management review in key solicitations/procurements

Objective 2.6.8 Pursue energy conservation incentive programs to benefit the district

Objective 2.6.9 Audit meter readings to verify customer submittals

Objective 2.6.10 Develop strategic technology plan

Objective 2.6.11 Explore out-sourcing conservation marketing







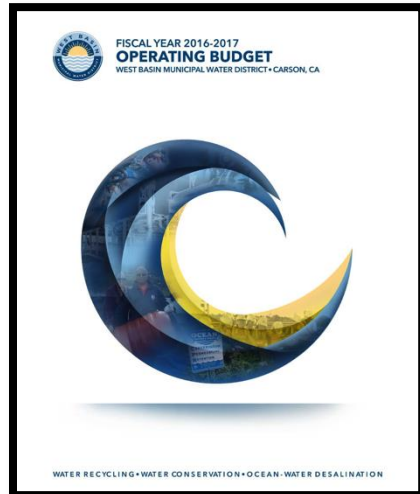
**Strategy 2.7** – Ensure cost-effective recycled water operations through proactive contract management

- Objective 2.7.1 Develop methods and procedures for evaluating contractor performance including an independent operational audit
- Objective 2.7.2 Conduct a recycled water loss audit
- Objective 2.7.3 Establish and implement specific contract performance criteria aligned with production efficiency and customer needs



**Strategy 2.8** – Recruit and hire qualified candidates to fill all West Basin positions

- Objective 2.8.1 Utilize effective outreach efforts to recruit and hire a broad pool of diverse and qualified candidates
- Objective 2.8.2 Provide annual workforce diversity report
- Objective 2.8.3 Focus on internal recruitment and promotional opportunities where feasible
- Objective 2.8.4 Examine hiring a dedicated safety officer to handle safety issues at all West Basin facilities



**Strategy 2.9** – Manage and reward performance

- Objective 2.9.1 Conduct comprehensive classification study at a minimum of every five years
- Objective 2.9.2 Conduct selective compensation surveys to ensure salaries/benefits are competitive within the labor market
- Objective 2.9.3 Conduct annual employee performance evaluations
- Objective 2.9.4 Utilize merit-based pay plan to promote outstanding performance

**Strategy 2.10** – Develop a formal plan for workforce retention, training, and succession planning

- Objective 2.10.1 Periodically update the plan
- Objective 2.10.2 Conduct training consistent with the plan
- Objective 2.10.3 Assess effectiveness of current employment policies and practices to retain and motivate staff



Objective 2.10.4 Identify opportunities for Board/staff governance training

Objective 2.10.5 Provide ongoing training and supervision of personnel for effective management of West Basin's assets

**Strategy 2.11** – Ensure annual Board evaluation of the General Manager

Objective 2.11.1 Support Board development of annual goals and objectives for the General Manager

Objective 2.11.2 Periodically review the General Manager Evaluation form

Objective 2.11.3 Provide Board members with evaluation forms in May and schedule a meeting for the annual General Manager's performance review



## Goal 3: Water Quality – West Basin is committed to providing safe, high-quality water by meeting current and anticipated water quality requirements

### Strategy 3.1 – Achieve and maintain recycled water client satisfaction

- Objective 3.1.1 Assess and address customer water quality concerns

### Strategy 3.2 – Increase control over source water quality

- Objective 3.2.1 Build policy support to push Hyperion fix to fruition
- Objective 3.2.2 Advocate for pilot testing of improvements at Hyperion to improve feed water quality at Edward C. Little Water Recycling Facility
- Objective 3.2.3 Investigate contingency actions for poor water quality from Hyperion



### Strategy 3.3 – Meet permit and contractual water quality requirements

- Objective 3.3.1 Ensure our monitoring processes are current and properly executed
- Objective 3.3.2 Develop and maintain standard procedures to notify management and the Board when water quality requirements are not met
- Objective 3.3.3 Influence pending or proposed regulatory requirements



## Goal 4: Customer Services – West Basin is committed to providing value by understanding and meeting the needs of our recycled water clients and the cities, water utilities, and communities we serve

### Strategy 4.1 – Build community trust

- Objective 4.1.1 Develop a Communications Plan
- Objective 4.1.2 Track political / environmental roles and relationships
- Objective 4.1.3 Develop a process to establish lobbying priorities including the Board
- Objective 4.1.4 Develop peer relationships between West Basin communications staff and the retailers
- Objective 4.1.5 Administer West Basin’s Code of Conduct



### Strategy 4.2 – Ensure recycled water client and customer agency satisfaction

- Objective 4.2.1 Track and respond to level of recycled water client and customer agency satisfaction

### Strategy 4.3 – Support the Board in maintaining the strategic business plan

- Objective 4.3.1 Develop proposed annual budgets reflecting strategic business plan goals, strategies and objectives
- Objective 4.3.2 On a semi-annual basis, staff will provide a status update of progress on the strategic business plan
- Objective 4.3.3 Provide support to the Board in the implementation of their duties



### Strategy 4.4 – Promote outreach and education programs

- Objective 4.4.1 Conduct outreach events highlighting West Basin programs
- Objective 4.4.2 Participate in community events throughout the service area
- Objective 4.4.3 Develop plan to manage construction impacts on educational tours



Objective 4.4.4 Periodically review the current educational programs and make recommendations for additions or changes to ensure programs meet state standards and extend the District's messaging

**Strategy 4.5** – Engage small and/or local businesses in the procurement of services



Objective 4.5.1 Periodically assess the effectiveness of outreach to small and/or local businesses program

Objective 4.5.2 Periodically host or partner with other entities to promote West Basin to encourage small and local business participation

Objective 4.5.3 Develop a process to track and report small and local business District spending





## Goal 5: Environmental Stewardship – West Basin is committed to sustainable and environmentally friendly policies, projects, and practices

**Strategy 5.1** – Ensure social and environmental factors are considered in decision-making

Objective 5.1.1 Evaluate feasibility of designing new and retrofit facilities to green building standards

Objective 5.1.2 Incorporate life cycle analysis or other decision tools for major projects



**Strategy 5.2** – Continue to gain environmental community support for West Basin programs

Objective 5.2.1 Communicate West Basin’s environmental achievements

Objective 5.2.2 Partner with the environmental community on projects as appropriate

**Strategy 5.3** – Implement and maintain environmental permits

Objective 5.3.1 Proactively comply with environmental permits

**Strategy 5.4** – Proactively work with environmental regulators to ensure compliance

Objective 5.4.1 Maintain channels of communication with key regulators

**Strategy 5.5** – Engage and inform neighbors in areas where the District maintains facilities

Objective 5.5.1 Ensure local stakeholders are kept apprised of District activities that may impact them and promptly and effectively respond to any complaints



## Next Steps

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The plan is intended to be a living document. It will be used in planning and budgeting the activities of West Basin. Staff is responsible for developing tactics and/or formal “action plans” for the strategies.

## Glossary

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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 some of the strategies / 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** - West Basin’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

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

**Strategic Plan** - a structured plan to drive West Basin 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 West Basin aspires to become

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