



2023-2026



Strategic Plan



Introduction

The Los Angeles Department of Water and Power (LADWP) is the largest municipal utility in the nation. Our power system provides about 8,100 megawatts of dependable electric capacity and our water system serves an average of 450 million gallons of water per day to more than 4 million residents of Los Angeles, its businesses and visitors. Supplying water to Los Angeles since 1902 and electricity since 1917, LADWP has continually evolved to meet the needs of our customers and provide reliable water and power service in a cost-effective and environmentally responsible manner.

The 2023-2026 Strategic Plan establishes a strategic mission and a core strategy for achieving quantifiable objectives and goals over the next three years. The Plan is informed by a thorough analysis of the threats and opportunities presented to LADWP by the environment in which we operate as well as our internal strengths and external constraints.

Our Business

LADWP is in the business of meeting the diverse water and power needs of each of our residential and business customers in the City of Los Angeles and the communities we serve. We provide value to our customers while delivering services in a safe, reliable, sustainable, equitable, and affordable way.

Strategic Mission

Qualitative

By June 30, 2026, LADWP will strengthen our role as the trusted provider of water and power in the City of Los Angeles and communities we serve. We will make significant progress in implementing sustainable local water supply and clean energy programs equitably.

We will have strengthened the diversity of our workforce at all levels of the organization, and will have made significant progress in building the funding streams and resources, and developing integrated internal structures needed to support the Department's continued success.

Quantitative

By June 30, 2026, LADWP will:

- Have secured support from city leaders of necessary rate adjustments, and secured voter support as required for needed structural reforms to LADWP's rates.
- Maintain our AA bond rating.
- Improve customer service satisfaction rating by a minimum of one quartile for both residential and business customers.
- Improve reliability levels for Water and Power:
 - > Power: Maintain a 100 level in SAIDI, a .68 in SAIFI, and 150 in CAIDI (excluding major events).
 - > Water: Experience less than 25 leaks per 100 miles of pipeline.
- Achieve 42% of water supply locally sourced.
- Achieve 87% carbon free power supply.
- Reduce employee injury rate to zero.

Core Strategy

We will leverage our vast human and physical resources to deliver world-class innovative solutions and services for our customers that meet their evolving water and power needs. We will provide great service, evolve, and succeed using innovative solutions for our business.

Key Result Areas

The key result areas include **Markets**, **Products & Services**, **Resources**, **Operational Systems**, **Management Systems**, **Culture**, **Financial Results Management**, and **External Relations**. For each of these areas, we have established objectives and measurable goals.”

*A separate Culture Management Plan is under development.
**Some objectives and goals that contain market sensitive information have been omitted from this document.



1. Markets

Objective 1.1

Gain a better understanding of our customers and their needs and expectations.

Goals:

- Establish initial residential customer segmentation model and define data requirements to identify the needs and expectations of residential customers to drive operational and program development.
- Establish segmentation model and define data requirements to identify the needs and expectations of commercial and industrial customers to drive operational and program development.

Objective 1.2

Improve customer satisfaction.

Goals:

- Improve our Cogent brand trust index score from 670 to at least 685 between July 2022 and July 2023.
- Complete replacement of the Customer Service Integrated Voice Response system, with a new contact center platform meeting the specifications in the RFP issued in December 2022.

- Provide strong customer care for new water business customers by meeting or exceeding 100 days for small services and < 140 days for large service installations.
- In order to improve customer care for power new business customers, establish timelines and goals for new service installations.

Objective 1.3

Promote open and transparent communication with our customers and stakeholders.

Goal:

Complete staffing enhancement and technology improvements to the California Public Records Act (CPRA) process.

Objective 1.4

Improve customer education and manage expectations.

Goal:

- Create and present to the leadership team for approval a communication plan to provide customers with educational information on solar costs and payback data.
- Complete assessment of gaps in customer education and prepare a 12-month look ahead plan to improve customer education about LADWP priorities.

2. Products & Services

Objective 2.1

Provide reliable Water and Power.

Goals:

- Maintain a 100 level in SAIDI, .68 in SAIFI, and 150 in CAIDI.
- Meeting the goals in the Power Infrastructure Plan to anticipate failures and manage resources to minimize service downtime.
- Align the Power System Reliability Program with regulatory inspection and maintenance requirements and report to risk management team.
- Develop plan to address backlog of required power system maintenance and deliver to GM, COO and risk management team.
- Meet the goals in the Water Infrastructure Plan to anticipate failures and manage resources to minimize service downtime.
- Achieve and maintain the number of leaks per 100 miles of pipe to be less than the national average of 25 leaks per 100 miles of pipe.
- Water System to submit report on compliance with regulatory standards that do not already have established reporting timelines and protocols. Share compliance reports with risk management team.
- Minimize the amount of water loss to no more than 40 gallons per connection per day.

Objective 2.2

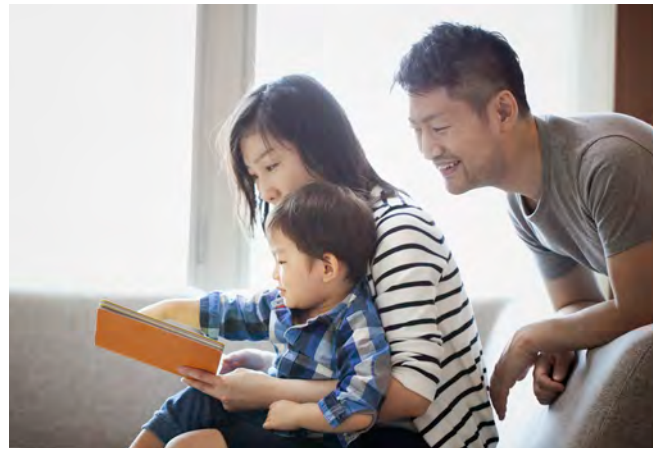
Manage rate structure and customer-facing programs to provide affordable and equitable services.

Goals:

- Secure approval of a rate action calendar by the Board of Water and Power Commissioners, the City Council and the Mayor.
- Complete and deliver a plan for Council sponsorship of Charter Amendment that allows LADWP to better assist low-income customers through a larger assistance fund.
- Complete and deliver a plan for Council sponsorship of Charter Amendment to create more flexibility for current and future electric rates to address equity and cost shifts.
- Subject to advertising budget approval by LADWP Customer Service Division, Financial Services and the General Manager, increase participation in LADWP's low-income discount program (EZ-Save) by 50,000 net new participants from the May 1, 2020 level.

Objective 2.4

Support the sustainability goals of the City of Los Angeles through our water and power practices.



Goals:

- Complete a study of the demand management potential in L.A. that includes our recommendations and deliver a report to the board.
- Create goals based on the findings of LA 100 Equity Strategies.
- Achieve the water conservation goals that are laid out in the Urban Water Management Plan, which is updated every five years, most recently in 2020.
- Present to the Board a proposal for a shared community solar program expansion targeting low income/disadvantaged communities.

Objective 2.5

Modernize the customer experience through digital transformation and empower customers with increased access to their data.

Goals:

- Implement remote bill pay so people can pay on their smart phones.
- Complete installation and testing of an Advanced Metering Infrastructure (AMI) communication network and back office equipment.
- Complete the development of a comprehensive Smart Meter Plan.
- Develop a formalized process for developing and effectively implementing customer focused programs, and present to the leadership team.



3. Resources

Objective 3.1

Attract, acquire, and retain the people needed to support current and future operations.

Goals:

- Exceed 95% of overall budgeted staffing level as a Department. Each senior staff member will develop a plan to attain target staffing level in their areas of responsibility.
- Complete a strategic staffing plan for the Department, including an assessment of skill sets, job classifications, and training needed for the future.
- Develop a plan to improve retention and attract/recruit journey level line series workers to the Power System.

Objective 3.2

Promote Vendor and Contractor diversity.

Goals:

- Achieve at least 50 new small business enterprise (SBE) and local businesses bidders (over June 30, 2022) for Department goods and services.
- Supplier Diversity team will visit 10 Chambers of Commerce to discuss or present opportunities for working with LADWP and act as ambassadors.
- Increase diversity in subcontractor participation by 50% (\$8 million) of the awards for 2022.

- Identify the barriers to supplier/contractor diversity, develop the solutions, and present a report to the leadership team.
- Develop and implement a robust supplier program that is reliable and includes identification of small local businesses to help them to increase the opportunity for award.

Objective 3.3

Acquire and manage necessary land and space to support current and future operations.

Goals:

- Complete a long-term space/facilities and infrastructure (land acquisition) plan that supports/aligns with the strategic plan.
- Complete a short-term space/facilities plan that supports current hiring needs.

Objective 3.5

Acquire the needed equipment and tools to support current and future operations.

Goals:

- Complete a minimum of 95% assessment of replacement schedules to identify what needs to be replaced now (trucks, equipment, material), subject to CARB 108 rules.
- Complete annual electric vehicle conversion plan for the Department.

4. Operational Systems

Objective 4.1

Improve and increase efficiency of processes and systems for recruitment and hiring.

Goals:

- Complete a Department-wide recruitment and hiring plan that identifies how we will identify, recruit, select, and onboard the desired talent and how to overcome any barriers to doing so effectively and efficiently.
- We will work with the City of Los Angeles Personnel Department to:
 - > Identify current problems with classification needed for certain positions.
 - > Recommend process changes and creation of LADWP-specific job classifications.



- Ensure 100% of all new construction contracts include a Project Labor Agreement.
 - > Create standard language with labor partners to be applied to all contracts unless excepted for valid reasons
- Resolve obstacles from civil service rules or City processes that prevent an optimal outcome of local hiring and develop a strategy to address.
- Work with IBEW Local 18 to rewrite, revamp and establish hiring levels and hiring goals in the Utility Pre-Craft Trainee (UPCT) Program.
- Identify timelines and a scorecard to demonstrate success in onboarding more members from the local community.
- Implement a local hiring program for Owens Valley for Water and Power, including:
 - > Local civil service testing
 - > Local preference for job placement, through bonus scoring and/or locally-earmarked positions
 - > Establish OV training centers
 - > Expand student programs and create post-student, UPCT-like local program
 - > Develop outreach with local tribes
- Develop a schedule and hold targeted events to inform high school and local trade technology students about the kinds of jobs LADWP has to offer and how to access jobs with LADWP, and begin tracking and measuring the impact of this outreach.
- Establish an outreach strategy with targeted local communities and through CBOs, faith organizations, and other groups to conduct job fairs to inform community members about the kinds of jobs we have to offer and how to access jobs with LADWP.
- Document and finalize the system for outreach to female applicants in non-traditional roles.

Objective 4.2

Increase the effectiveness of training programs to improve skills, knowledge, and abilities of staff.

Goals:

- Improve graduation rate of craft training programs.
- Create a digital training platform for hosting training videos to replace or supplement face to face training, and retention of institutional knowledge.

Objective 4.3

For the Department as a whole to create, manage and improve customer service processes and systems to better meet their needs.

Goals:

- Complete Phase 1 and 2 replacement of the LADWP.com website platform, meeting the specifications in the scope of work.
- Identify and evaluate CRM system options that will meet the Department's customer relations and management needs. Present report to leadership team with recommendations.
- Complete plan that establishes rebate processing time metrics, processes to support, and processes to implement new rebate programs.
- Complete a report and submit for review to General Manager and Power System Senior Assistant General Manager identifying potential improvements to the current Power Outage Notification System.

Objective 4.4

Align Policies and Procedures with best practices and the Department's goals, and promote compliance.

Goals:

- Complete LADWP's Future of Work Plan which includes:
 - > Defining future of work at LADWP.
 - > Establishing policies for telecommuting.
 - > Establishing Hoteling/new office standards.
- Develop and document the review and update schedule for the Policies and Procedures in Administrative Manual.

Objective 4.5

Actively manage and strengthen the Safety culture across the Department.

Goals:

- Implement a centralized database software platform that is designed to track safety Key Performance Indicators and is able to display trends and gaps in the data.
- Implement Department-wide Prevention through Design Program to prevent or reduce occupational injuries, illnesses, and fatalities through the inclusion of prevention considerations in all designs that impact workers.
- Reduce employee serious injuries (reportable and recordable) and fatalities to zero.
- Develop and implement a Department-wide employee safety recognition program.

Objective 4.6

Modernize our IT/OT infrastructure (people, process, and technology) to support the needs of the business and customers.

Objective 4.7

Strategically manage our supply chain projections, procurement, and deliverables.

Goals:

- Meet 75% of the timelines for critical procurement items as established by Water, Power and Joint Systems.
- Decrease late, expired and rush items to no more than 25 in a quarter.
- Achieve 85% of items supplied on time to meet PSRP and Water System infrastructure goals.





5. Management Systems

Objective 5.1

Develop and implement a Strategic Planning process and plan that provides a clear direction.

Goals:

- Prepare and send to all employees a message from the General Manager outlining key aspects of the Strategic Plan, hold employee meetings about the Plan and share the Plan through Senior Managers with staff and online.
- Complete Quarterly Plan review and update sessions.
- Complete the Department's 2024-2027 Strategic Plan by June 1, 2024.
- Develop and implement a formalized process that LADWP will use for the Department overall and Systems for their own Division-level strategic plans.
- Complete System Plans and deliver to leadership team for approval. Utilize plan development process to train-the-trainer at System and Division levels.
- Complete Water Infrastructure Plan (WIP) and Power Infrastructure Plan (PIP) and include in annual Briefing Book and separate Infrastructure Investment Summary fact sheets to share with key stakeholders and the public.

Objective 5.2

Develop and implement well-designed performance management systems to promote the achievement of the Department's goals.

Objective 5.3

Effectively manage an integrated organizational structure to support the accomplishment of our strategic mission.

Goal:

Review organization and management reporting structure semi-annually to ensure alignment with strategic goals. Prepare report for review by the Board on all senior management vacancies, functional gaps and related hiring or reorganizational plans. Include specific actions and milestones.

Objective 5.4

Improve our Leadership and Management development programs and processes to improve manager effectiveness and prepare for management succession.

Goals:

- Complete revamp of Supervisory Development Program.
- All senior managers will develop individual training and development plans for review and approval by the General Manager. Plans should set forth professional development needs and related activities to be undertaken in the following 12 months by each member of the Senior Management Team, including access to management coaches to maximize effectiveness, seminar or symposia attendance and/or leadership development or position-related program participation and professional development activities.
- Publish a Department-wide "Mentorship Directory." This effort will include identification of prospective mentors and guidelines for mentees.
- Establish a talent accelerator training program that includes training and mentorship opportunities to increase the number of women and minority candidates.
- Identify, document and complete succession plans for all key positions within ITS.



6. Culture

A separate Culture Management Plan is under development.

7. Financial Results Management



Objective 7.1

Manage and achieve overall financial targets.

Goals:

- Maintain AA bond ratings category for both water and power systems.
- Complete a plan to secure more outside funding through the Inflation Reduction Act of 2022 and present to leadership for approval. Plan should consider grants, loans, and financial partnerships.

Objective 7.2

Proactively manage costs and budgets within the Department.

Goals:

- Develop and adopt a formal internal process to regularly benchmark costs and customer programs against other utilities and recommend changes to senior leadership based upon the findings.
- Identify potential gaps in current rate metrics, KPIs and other metrics to track budget spending and recommend strategies to address them.

Objective 7.3

Develop and secure support for our long-term financial plan.

Goals:

- Achieve Board approval for a long-term budget and financial plan for key long-term water and power strategic resource initiatives, LA100 and Operation Next.
- Create a process by which rates can be increased or modified to support long-term goals and cost-effective funding.

Objective 7.4

Modernize rate ordinances to provide financial flexibility.

8. External Relations

Objective 8.1

Strengthen strategic communication and working relationship with Board, City, Legislators, and Regulators.

Goals:

- Develop and deliver to Council a proposed ballot measure to codify and expand low-income discount program.
- Report progress on priority legislative and/or regulatory issues.

Objective 8.2

Strengthen strategic communication and working relationship with Union partners.

Goal:

Complete future of work plans to maintain a competitive workforce and serve as an employer of choice.

Objective 8.3

Strengthen strategic communication and working relationship with the Community.

Goals:

- Develop and deliver series of seminars to third-party solar developers about LADWP service process, timing, and contact to call to improve communications and service to our customers. Set forth specifics in a separate event plan to be presented to the Senior Assistant General Manager - Power by due date.
- Complete identified action items under the Racial Equity Action Plan and communicate them to the community.





Strategic Plan



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