

STRATEGIC PLAN

2024 - 2029
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APRIL 2024



THREE VALLEYS MUNICIPAL WATER DISTRICT



GENERAL MANAGER'S NOTES

At Three Valleys, we have always adapted to changing water supply conditions, and adaptability has never been more important than now.

In the past 20 years, we have experienced wild swings in precipitation and snowpack levels that has tested our water supply resiliency. Addressing the uncertainties of climate change will require creativity to advance a broad portfolio of initiatives; this will include development of sustainable local groundwater programs, storage, water use efficiency and State level advocacy for a comprehensive water management strategy that will develop additional supplies instead of solely managing for scarcity.

Our strategic priorities will provide the roadmap for success. Our dedicated Board of Directors and hard-working staff members are what drive us to stay squarely focused on the mission of Three Valleys – and keep the water flowing!

Developing creative solutions, fostering a culture that rewards staff success, providing top-notch customer service to our member agencies, as well as fortifying the public's trust, is of paramount importance for our long-term aspirations and goals.

As the General Manager of Three Valleys, I am wholeheartedly committed to these principles as we move forward.

MATTHEW H. LITCHFIELD | GENERAL MANAGER/CHIEF ENGINEER

ABOUT US

Three Valleys Municipal Water District (Three Valleys or District) was formed in 1950, in response to recurring water shortages and an expanding population, to provide its service area with a reliable supply of regional and locally developed water.

Three Valleys fulfills its mission by importing and distributing water obtained from the *Metropolitan Water District of Southern California (Metropolitan)* to its 13 member agencies; Boy Scouts of America, California State Polytechnic University at Pomona, Cities of Covina, Glendora, La Verne, Pomona, Golden State Water Company (Claremont and San Dimas systems), Mount San Antonio College, Rowland Water District, Suburban Water Systems, Valencia Heights Water Company, and Walnut Valley Water District.

Three Valleys is one of 26 member agencies of Metropolitan. The District's water supply sources consist of untreated and treated imported water purchased from Metropolitan and groundwater from the Six Basins groundwater basin, with imported water accounting for the majority of Three Valleys' supply. Water purchased from Metropolitan comes from the *Colorado River Aqueduct* and the *State Water Project (SWP)*.

Of the 13 member agencies, three utilize recycled water, and five utilize surface water supplies. The remainder use a combination of imported water and groundwater. Several of these agencies are in SWP dependent areas, meaning they cannot receive Colorado River supplies from Metropolitan, and are solely dependent on imported water from the SWP.

BOARD OF DIRECTORS

Three Valleys is governed by an elected seven-member Board of Directors. The Board of Directors are responsible to the members of the public of their respective divisions for proper conduct of Three Valleys affairs. Directors are elected to four-year terms by the registered voters in seven geographic divisions. These divisions are apportioned by population. Terms are staggered to ensure continuity, with public elections held in at least three divisions every two years. Directors must reside within their elected division.

BOARD OF DIRECTORS' MEETINGS

The Three Valleys Board of Directors generally meets on the first and third Wednesday of each month at 8:00 a.m. in the Three Valleys Board Room located at 1021 E. Miramar Avenue in Claremont, California. All Board Meetings are open to the public and the District provides a virtual meeting option for the public to participate. For more information, visit: www.threevalleys.com or call 909.621.5568.



MEET OUR BOARD



**JODY
ROBERTO**

*President
Division V*



**MIKE
TI**

*Vice President
Division VII*



**CARLOS
GOYTIA**

*Secretary/Treasurer
Division I*



**DAVID
DE JESUS**

Division II



**JEFF
HANLON**

Division III



**BOB
KUHN**

Division IV



**DANIELLE
SOTO**

Division VI

Our *mission*

is to
supplement and
enhance local water
supplies to meet our
region's needs in a
reliable and cost-
effective manner

Our *vision*

*is to
be a regional leader
through advocacy,
engagement and
innovation to serve
the generations, now
and into the future.*

CORE VALUES

The *Core Values* serve as the foundation for Three Valleys' employees and its brand of service.

01 INTEGRITY

Devote work effort in a consistent and fair manner to do what is right.

02 COLLABORATION

Have an open exchange of information and share ideas broadly within and across organizational lines; engage our internal and external customers as valued partners.

03 ACCOUNTABILITY

Deliver on our commitments and decisions; take ownership of the outcomes and results.

04 PROGRESSION

Have a growth mindset for continuous improvement at both personal and organizational levels.

05 INNOVATION

Provide bold leadership that is prepared to challenge the status quo and develop projects and services that create long-term value for our member agencies.

A worker in a yellow safety vest and hard hat is positioned on a blue scissor lift, performing maintenance on a building's antenna. The lift is extended high into the air, and the worker is focused on the task. The building has a textured, light-colored facade. The sky is clear and blue.

FULTON RESERVOIR SCADA ANTENNA MINTENANCE

BEING PROACTIVE NOT REACTIVE



CHEMICAL INJECTION SYSTEM INSPECTION



INDUSTRY SETTING

California's three driest years of record (Water Years (WY) 2020 – 2022) were followed by a very wet and snowy 2023. The 2023 WY wrapped up with 141 percent of statewide average precipitation and 237 percent of April 1st Sierra Cascades snowpack. The Colorado River Basin also benefited from a wet winter that replenished some of the dramatically depleted storage in Lake Mead and Lake Powell, the two largest reservoirs in the United States.

WY 2023 demonstrated California's high climate variability, ending the state's driest consecutive three-year period with one of the snowiest years of record. Climate change is

expected to amplify naturally occurring variability in the long term, potentially result in a shorter wet season for California but one with more extreme atmospheric river storms and hence potentially greater flood damage risk. Water resources management incorporating hydrologic changes necessitates different strategies to provide reliable water supply to the service area. ***Programs to increase local water storage, interconnection with agencies, extraction of stored groundwater and increasing opportunities to store surplus water will be the focus for Three Valleys.***



INDUSTRY SETTING

The California Construction Cost Index (CCCI) was consistent at 3.1% for the five-year period of 2016-2020, and 1.8% for the five-year period of 2011-2015. After the COVID-19 pandemic of 2020, the CCCI index has increased substantially; the CCCI indices were 13.4%, 9.3% and 9.4% for 2021, 2022 and 2023, respectively. Construction material costs have seen surges compared to the pre-pandemic period ranging between 20% to 40%. Although it is expected that the prices will stabilize, costs are not expected to return to pre-pandemic levels. ***These economic changes along with increased cost of water purchases from Metropolitan will continue to be***

a focus to create robust financial strategies to ensure that the Three Valleys supplies are continued to be provided cost-effectively.

The impending regulations on water use efficiency, water quality requirements and any other impending legislation and regulations create the necessity to implement new programs to continue serving the service area with reliability. ***Policy advocacy at the local, State and Federal agencies will continue to be a focus for Three Valleys.***

STRATEGIC PLANNING PROCESS

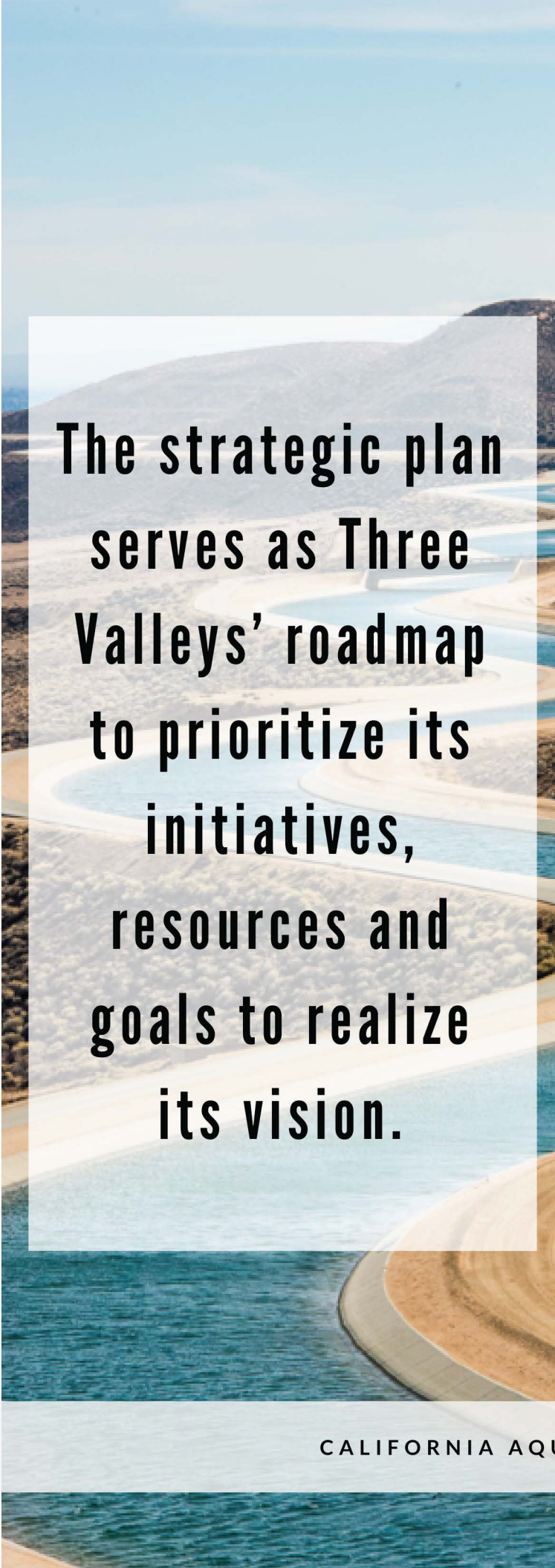
The Three Valleys' Board of Directors held a series of workshops in the summer of 2023 to initiate the strategic planning process. The Board collectively identified the challenges that are on the horizon for the District and its service area.

The process also included a SWOT analysis by identifying and analyzing internal strengths and weaknesses and external opportunities and threats to shape current and future operations and help develop strategic goals. The challenges and opportunities were identified as need for resilient water supplies in the face of changing climates: hydrology, regulations and policy.

With these as the main themes, the results were used to create the strategic priorities and objectives for the District, which provide a holistic direction for the entire organization, internal culture, relationships, and resource development for the needs of the future.

The *Strategic Priorities* were established as:

1. *Reliable Water Supply*
2. *Fiscal Responsibility*
3. *Organizational Culture*



The strategic plan serves as Three Valleys' roadmap to prioritize its initiatives, resources and goals to realize its vision.

1 RELIABLE WATER SUPPLY

**Three Valleys
aims to provide an
adequate, reliable
and high-quality
water supply
through five
objectives**

OBJECTIVES

1 RELIABLE WATER SUPPLY

1.1 WATER QUALITY

Maintain 100% compliance with water quality standards.

1.2 DIVERSE PORTFOLIO

Maintain diverse sources of water supplies and storage to meet projected demands.

1.3 INFRASTRUCTURE RELIABILITY

Maintain water infrastructure to strive for 100% reliability during regular, unplanned and catastrophic events.

1.4 OPERATIONAL EFFICIENCY

Operate all District facilities with expertise and creativity, delivering water dependably and maximizing operational flexibility to meet the needs of our retail partners.

1.5 ADVOCACY

Engage and advocate for the region through focused involvement and awareness of all aspects of water resources management.

OBJECTIVES

2 FISCAL RESPONSIBILITY

2.1 FINANCIAL STABILITY

Develop and update policies to maintain Three Valleys' financial health.

2.2 ACCOUNTABILITY

Implement the policies and programs, monitor and evaluate their progress and make adjustments to deliver the intended results.

2.3 PUBLIC ENGAGEMENT

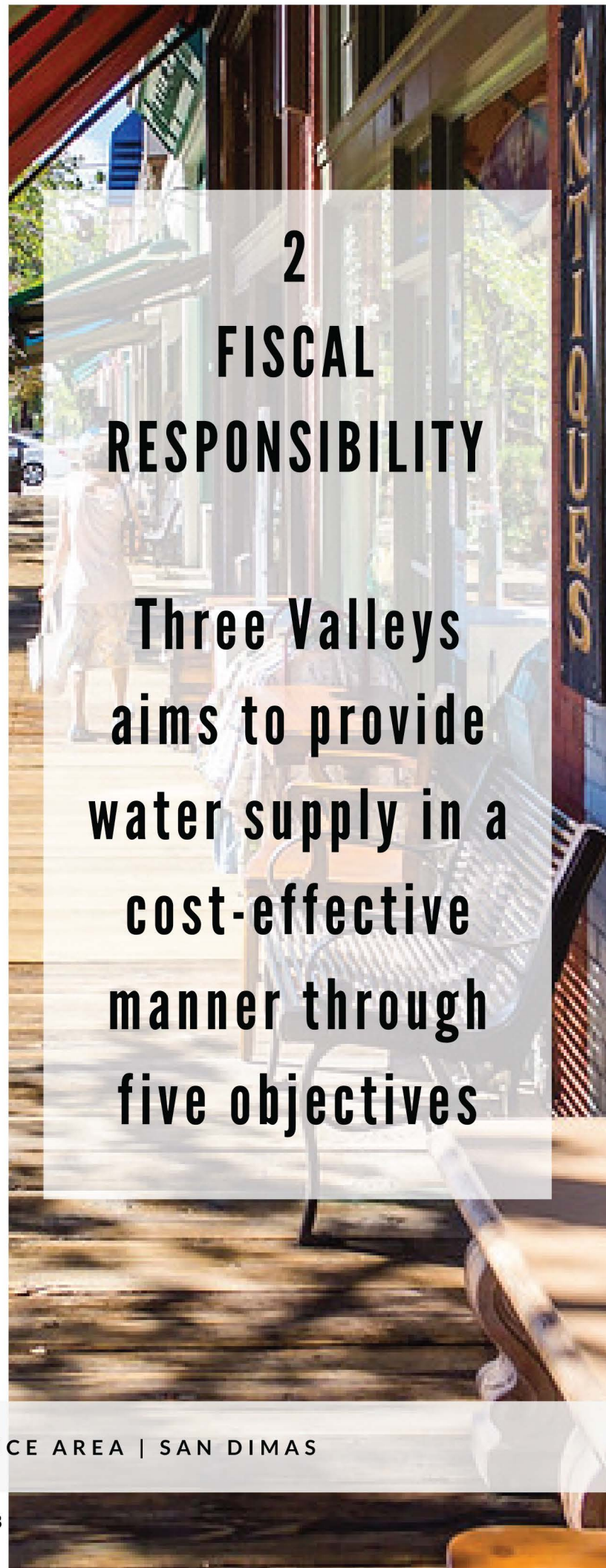
Maintain stakeholder relationships to effectively communicate the value of the services provided.

2.4 LEGISLATION

Be informed of the legislative process to identify proposals that may affect Three Valleys' operations and advocate for the benefit of its service area.

2.5 OPERATIONAL STRATEGIES

Implement cost effective operation and maintenance strategies for all aspects of the business.



OBJECTIVES

3 ORGANIZATIONAL CULTURE

3.1 DIVERSITY

Foster a culture that organically promotes respectful staff that embody excellence in character valuing individuality and equity. Continuously improve business practices to attract and retain the best fit and talent.

3.2 WORKFORCE EXCELLENCE

Identify and develop the skillsets required to meet the demands of today and tomorrow; Prepare for transition to the next generation of water professionals.

3.3 EMERGING TECHNOLOGY

Identify, progress, and promote emerging technologies and business practices with the potential to transform organizational capabilities.

3.4 OPERATIONAL INTEGRITY

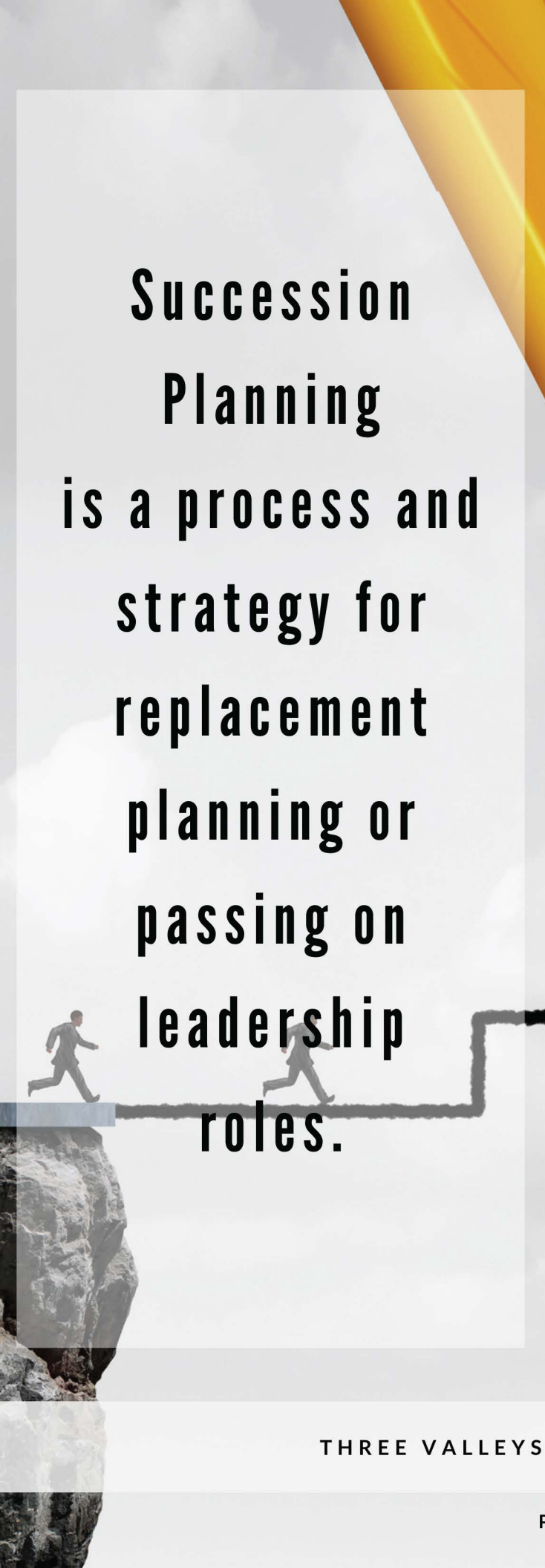
Improve security, safety, resiliency, and controls of operations and services.

3.5 DATA QUALITY

Improve the quality, completeness, and availability of data that is practical providing insights for the public and policy decisions.

3 ORGANIZATIONAL CULTURE

**Three Valleys
aims to provide a
fair, fun and
value-driven
environment to
support its
business ethos
through five
objectives**

A graphic with a white background and a yellow ribbon-like shape at the top right. It features silhouettes of two people running on a path that leads to a cliff edge. The text is arranged in a vertical stack.

**Succession
Planning
is a process and
strategy for
replacement
planning or
passing on
leadership
roles.**

SUCCESSION PLANNING

Succession Planning is used to identify and develop new potential leaders who can move into leadership roles when they become vacant. The process is also used to identify critical positions in the organization and create a talent pipeline, by preparing employees to fill vacancies in their organization as others retire or move on. Succession planning helps ensure business continuity and performance, particularly during times of shifting leadership and change. Even if changes are not imminent, planning for inevitable shifts is prudent.

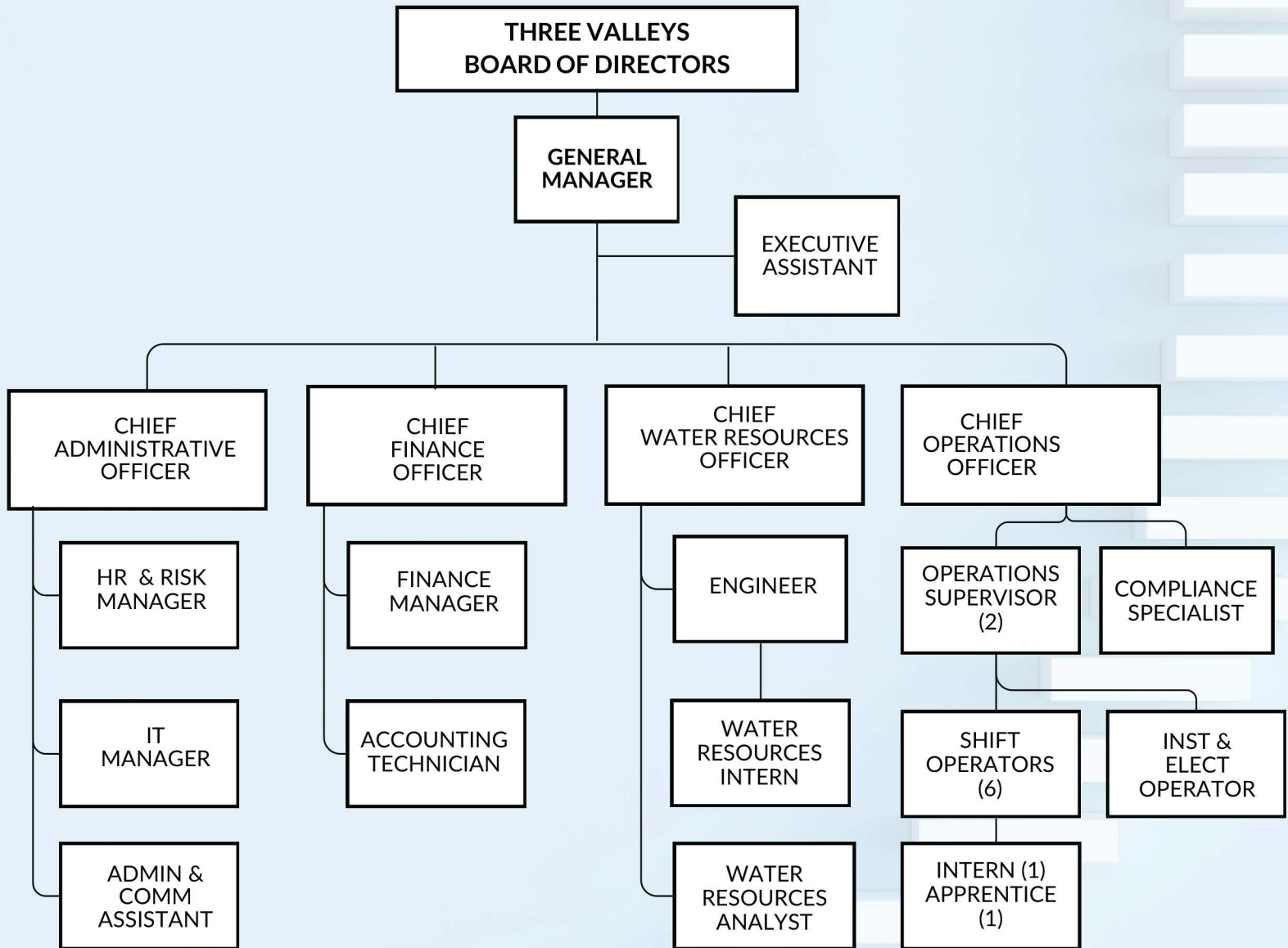
Three Valleys initiated its first succession planning process in July 2023 and held a series of working sessions with the Executive Management Team to identify critical and vulnerable roles and determine if there is a clear succession plan for the identified critical positions.

The process identified several options for the District to consider such as:

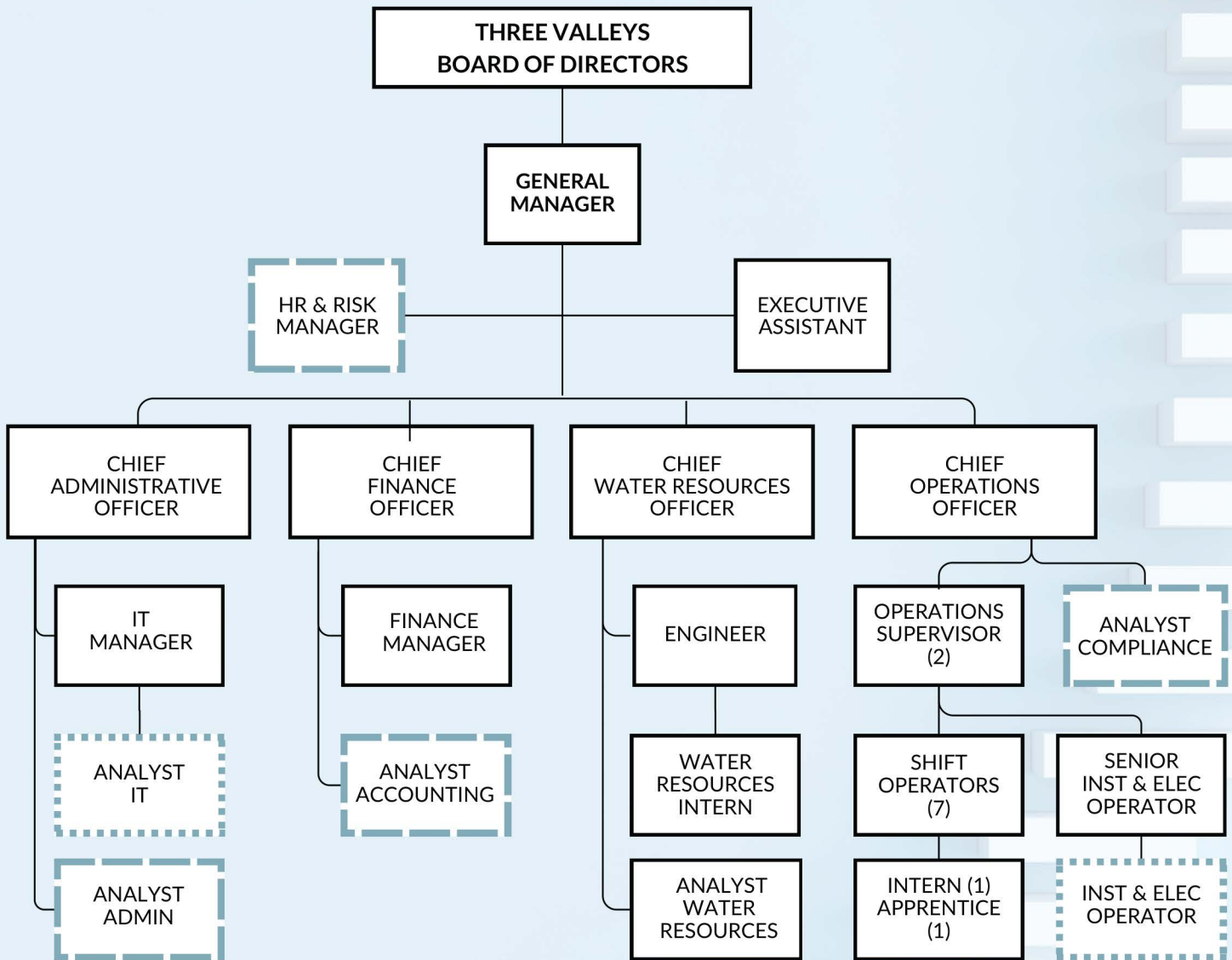
- Targeted work assignments and training for the positions that are well-suited to temporarily transition into the successor position should a vacancy arise. The District currently uses this process in an informal manner and will consider in the future if a formalized rotation program should be created to provide an opportunity for the staff to become well-rounded in all aspects of Three Valleys business.
- Creation of a long-term plan with creation of positions that would be well-suited to transition to the successor position. This is illustrated below as the long-term vision for the organizational structure.



ORGANIZATION STRUCTURE



ORGANIZATION STRUCTURE PROPOSED FOR SUCCESSION PLANNING



 EXISTING POSITIONS RECLASSIFIED

 PROPOSED NEW POSITIONS