



CUSTOMERS FIRST

FY 2021-22 PRELIMINARY BUDGET

Board of Water and Power Commissioners Meeting

March 9, 2021



ladwp.com

Presentation

- Budget Schedule and Status
- Preliminary Budget Overview
- Preliminary: Staffing, Funding and APR
- Financial Summary Overview
- Power System Achievements & Investments
- Water System Achievements & Investments
- Joint System Achievements & Investments
- Next Steps

FY 2021-22 Budget Schedule

City Charter Requirements

- City Charter Section 684 requires the Board of Water and Power Commissioners (Board) to submit a preliminary budget for the upcoming fiscal year to the Los Angeles City Council (Council) for informational purposes, no later than March 31, of each year.
- City Charter Section 511 (b) requires the Board to approve and transmit the final budget to Council on or before May 31, of each year.

Timeline

March 9, 2021: Submit for review and consideration the ***Preliminary FY 2021-22 Water and Power budget presentation*** subject to further refinement in the upcoming months

March 23, 2021: Seek Board ***approval of resolution authorizing only the transmittal of the Preliminary FY 2021-22 Water and Power Revenue Fund Receipts and Appropriations budget and associated schedules*** to the Council for informational purposes to comply with City Charter Section 684

May 11, 2021: Submit the ***Final FY 2021-22 Water and Power budget presentation*** for Board consideration

May 25, 2021: Submit to request the ***final budget approval and transmittal*** to the Council to comply with City Charter Section 511 (b)



FY 2021-22 Budget Development Status

The FY 2021-22 Preliminary Budget has been developed to:

1. Create a budget that is consistent with the LADWP Corporate Strategic Plan, Approved Rates, and Financial Plans to:
 - Support Infrastructure Investment
 - Comply with Regulatory Mandates
 - Provide Exemplary Customer Service

2. Continue to emphasize Cost Control and Fiscal Discipline to:
 - Maintain Financial Metrics and Preserve our Low Cost of Borrowing

3. Align with the City's goals and sustainability objectives that support L.A.'s Green New Deal

Preliminary Budget Overview

\$ in Millions

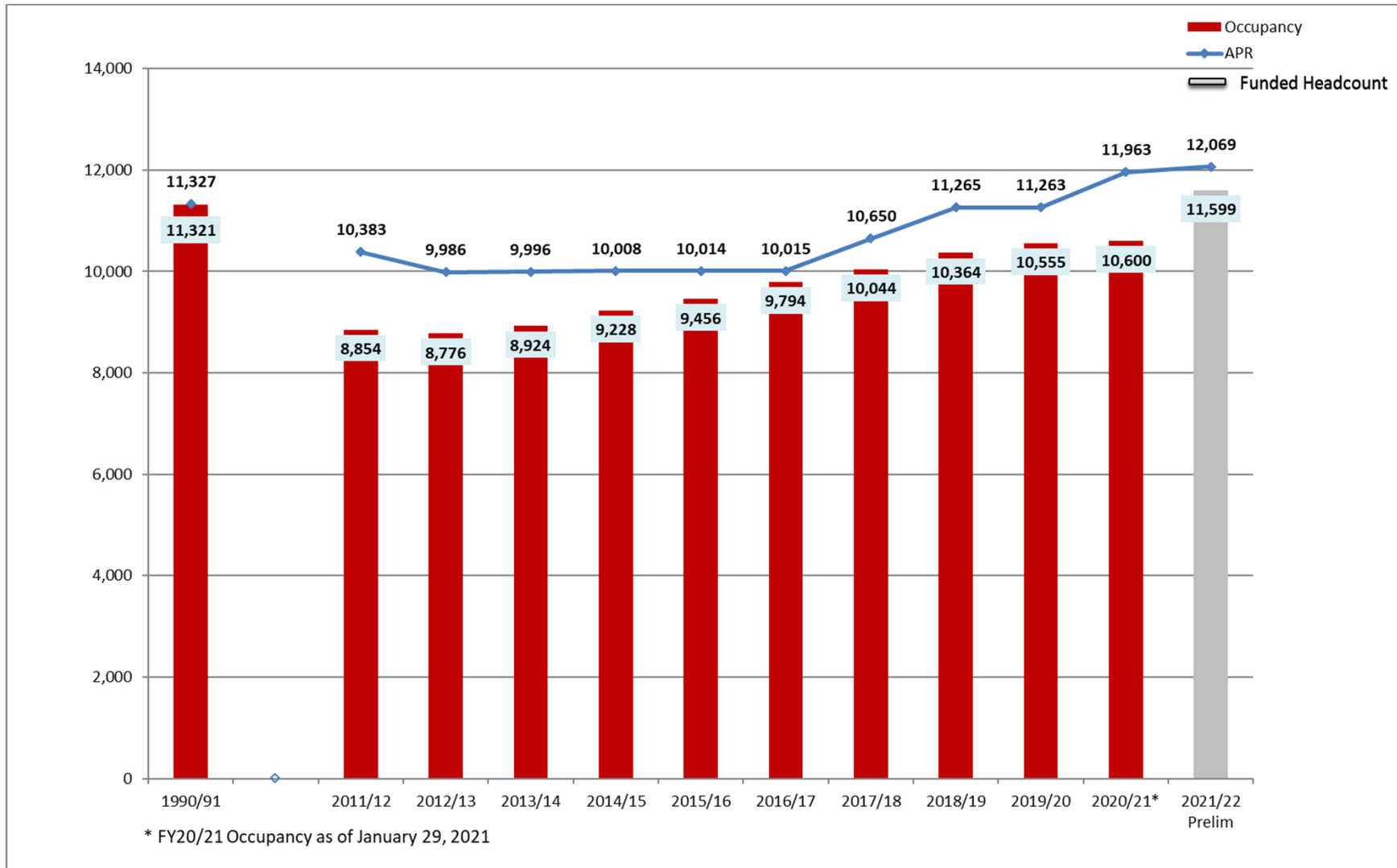
System/Organization	Sr. AGM	FY 2019/20 Actual	FY 2020/21 Preliminary Budget	FY 2020/21 Approved	FY 2020/21 Re-Estimate	FY 2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Power System*	Reiko A. Kerr & Andy C. Kendall	\$ 3,139.5	\$ 3,605.1	\$ 3,329.6	\$ 3,282.9	\$ 3,630.3	9.0%
Water System	Richard F. Harasick	\$ 879.2	\$ 1,107.4	\$ 974.0	\$ 979.0	\$ 1,075.9	10.5%
Joint System							
Chief Financial Officer	Ann M. Santilli	1,573.3	1,706.9	1,845.1	1,802.3	1,751.8	(5.1%)
External and Regulatory Affairs	Nancy H. Sutley	342.0	463.2	357.0	338.0	406.2	13.8%
Information Technology Services	Richard F. Harasick	173.8	229.7	217.1	184.6	228.4	5.2%
Chief Administrative Officer	Shannon C. Pascual	507.4	583.9	558.6	553.4	570.6	2.1%
General Manager Direct Reports **	Martin Adams	64.4	105.3	101.0	100.9	98.2	(2.8%)
Joint System -Total		\$ 2,660.9	\$ 3,089.0	\$ 3,078.8	\$ 2,979.2	\$ 3,055.2	(0.8%)
Total - LADWP		\$ 6,679.6	\$ 7,801.5	\$ 7,382.4	\$ 7,241.1	\$ 7,761.4	5.1%

*Power System includes Fleet, Meter Services and Operations

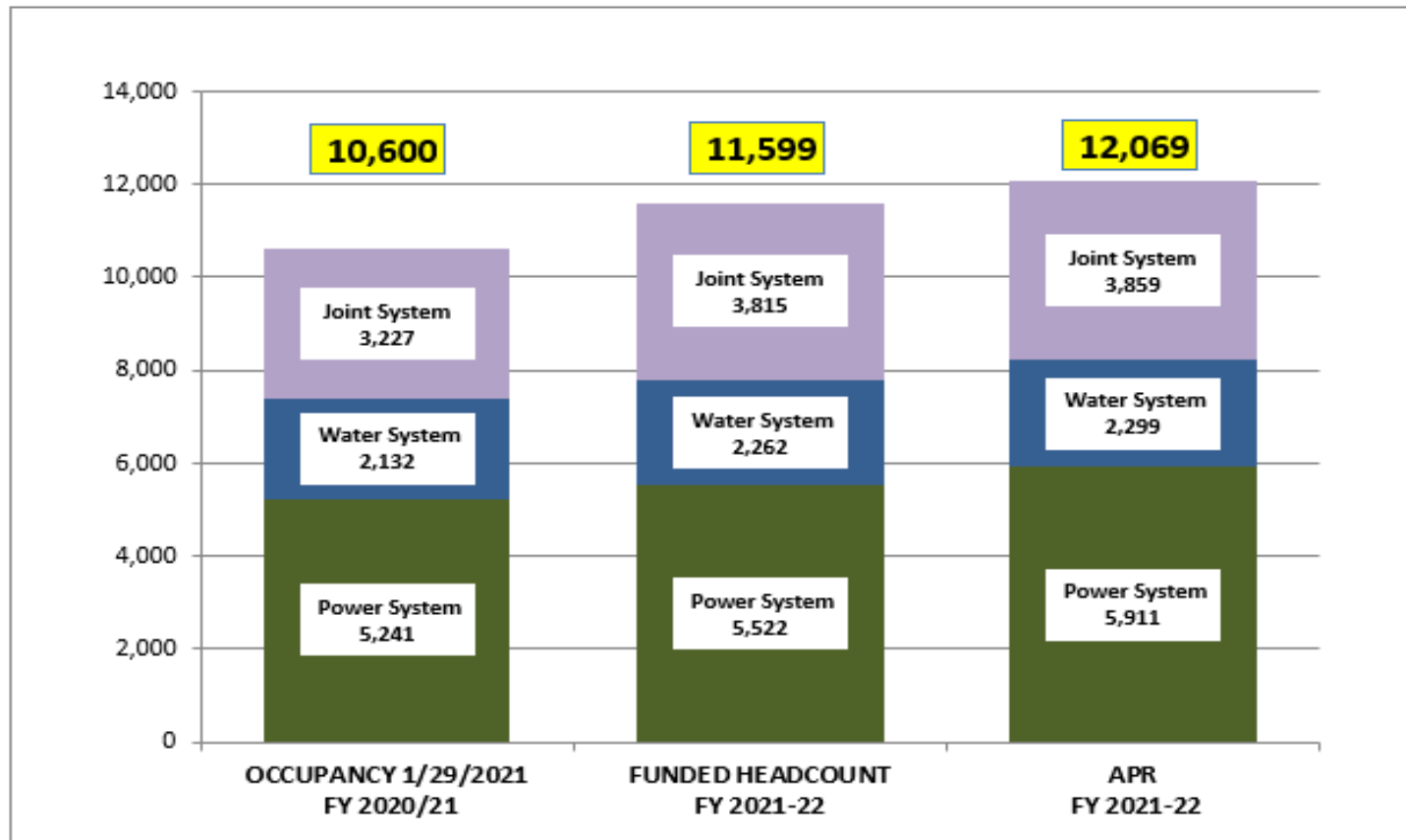
** General Manager Direct Reports include Commission Office, Office of Diversity Equity and Inclusion, Office of City Attorney, Claims, Real Estate, and Office of Safety



LADWP Preliminary APR & Occupancy Trend



LADWP Staffing Plan by System FY 2021-22: Proposed Funding & APR



Total Budget (\$ in Millions)		Labor	Overtime	Benefits	Total
Joint System		\$ 414.7	\$ 49.1	\$ 258.3	\$ 722.1
Water System		\$ 264.6	\$ 45.4	\$ 166.0	\$ 476.0
Power System		\$ 719.4	\$ 192.3	\$ 423.0	\$ 1,334.7
Total LADWP		\$ 1,398.7	\$ 286.8	\$ 847.4	\$ 2,532.9



PRELIMINARY FY 2021-22 BUDGET: New Labor Additions

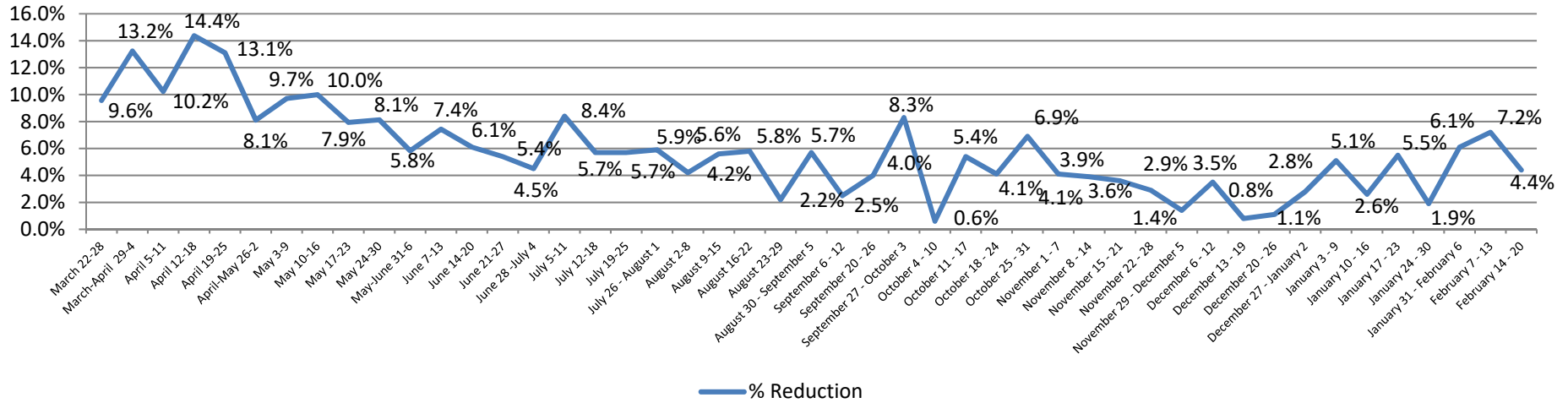
APR INCREASES		
SYSTEM	NEW POSITIONS	PROGRAMS/PROJECTS/ORG
	62	Home Energy Improvement Program Extension
	5	Energy Imbalance Market
	10	Intermountain Power Project: Renewal
Power System Total	77	
GM'S Office	25	For Operational Priorities as follows:
	17	Office of Diversity, Equity, and Inclusion *
	3	External & Regulatory Affairs
	2	Information Technology Division
	1	Commission Office **
Human Resources	4	Support of Office of DEI ***
Joint System Total	29	
TOTAL LADWP	106	
* 6 forthcoming re-allocated positions to the DEI Office, resulting in a total of 23 positions.		
** 1 forthcoming re-allocated position to the Commission Office, resulting in a total of 2 positions.		
*** 6 forthcoming re-allocated positions to Human Resources, resulting in a total of 10 positions.		

Preliminary APR Increases from 11,963 to 12,069



Financial Summary Overview Power System

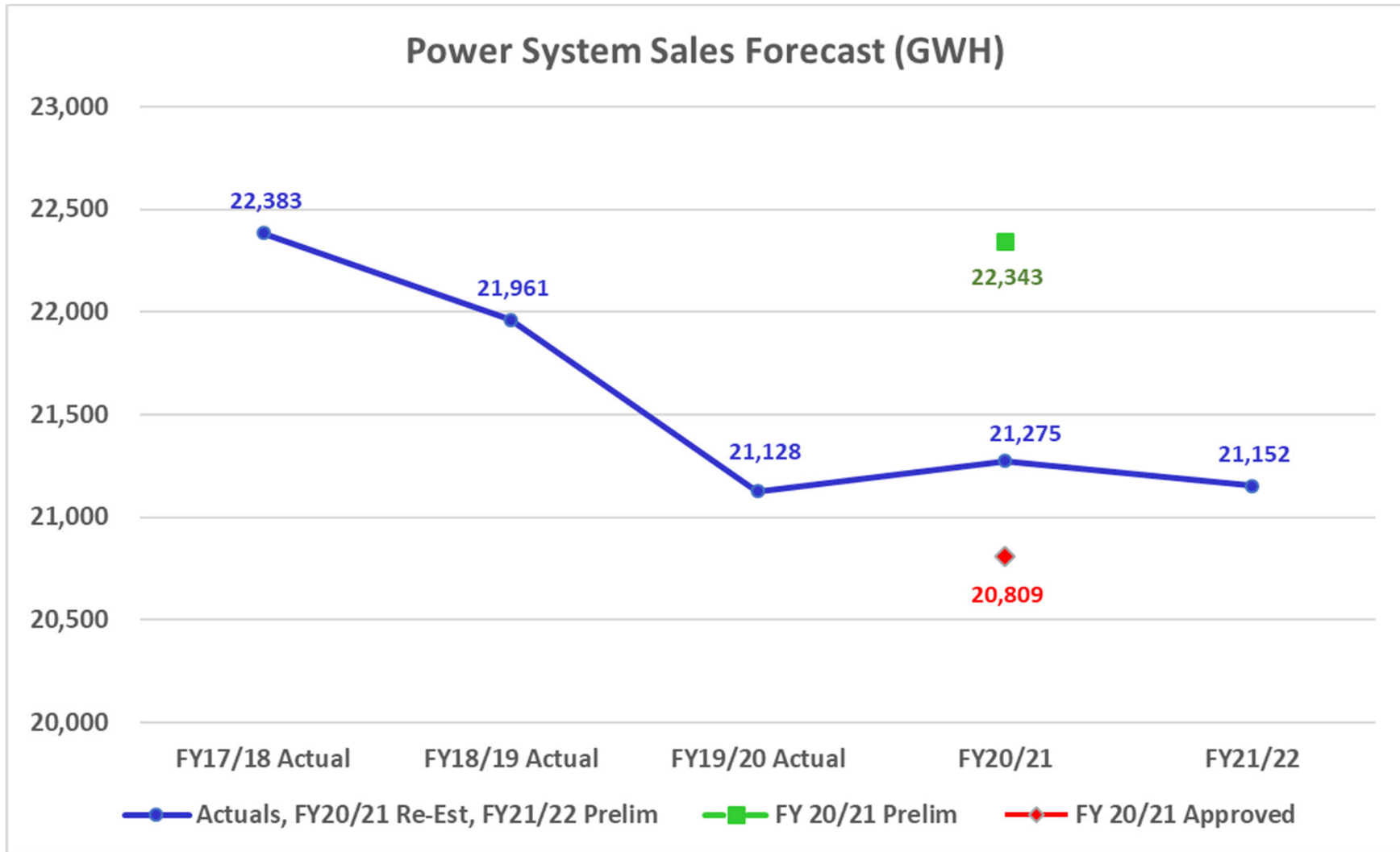
Weekly Average Estimated Load Reduction Due to COVID-19



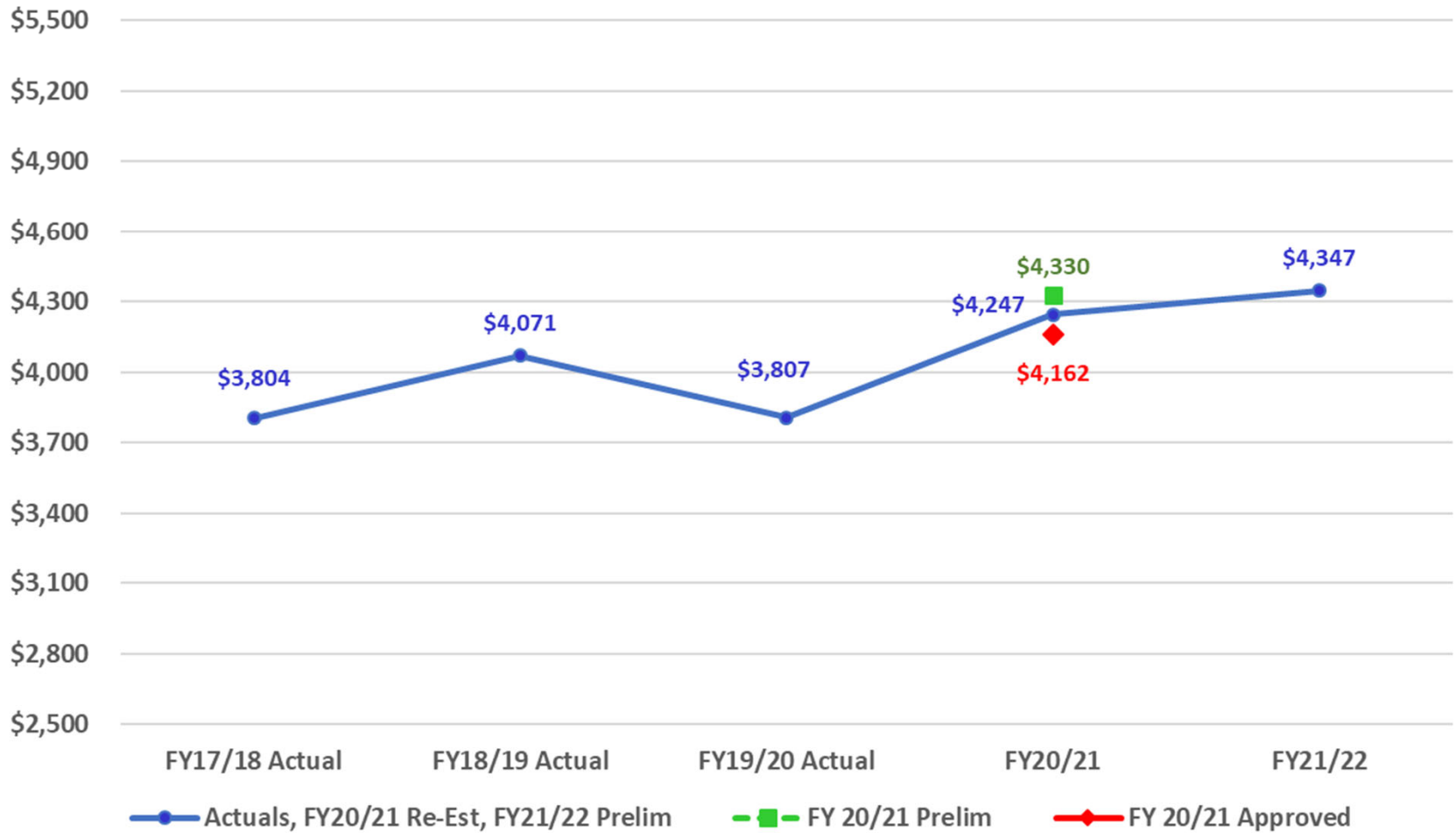
Note: Due to wildfires and heavy-smoke, we're unable to provide an accurate reflection of COVID-19 load reduction impacts during September 13-19



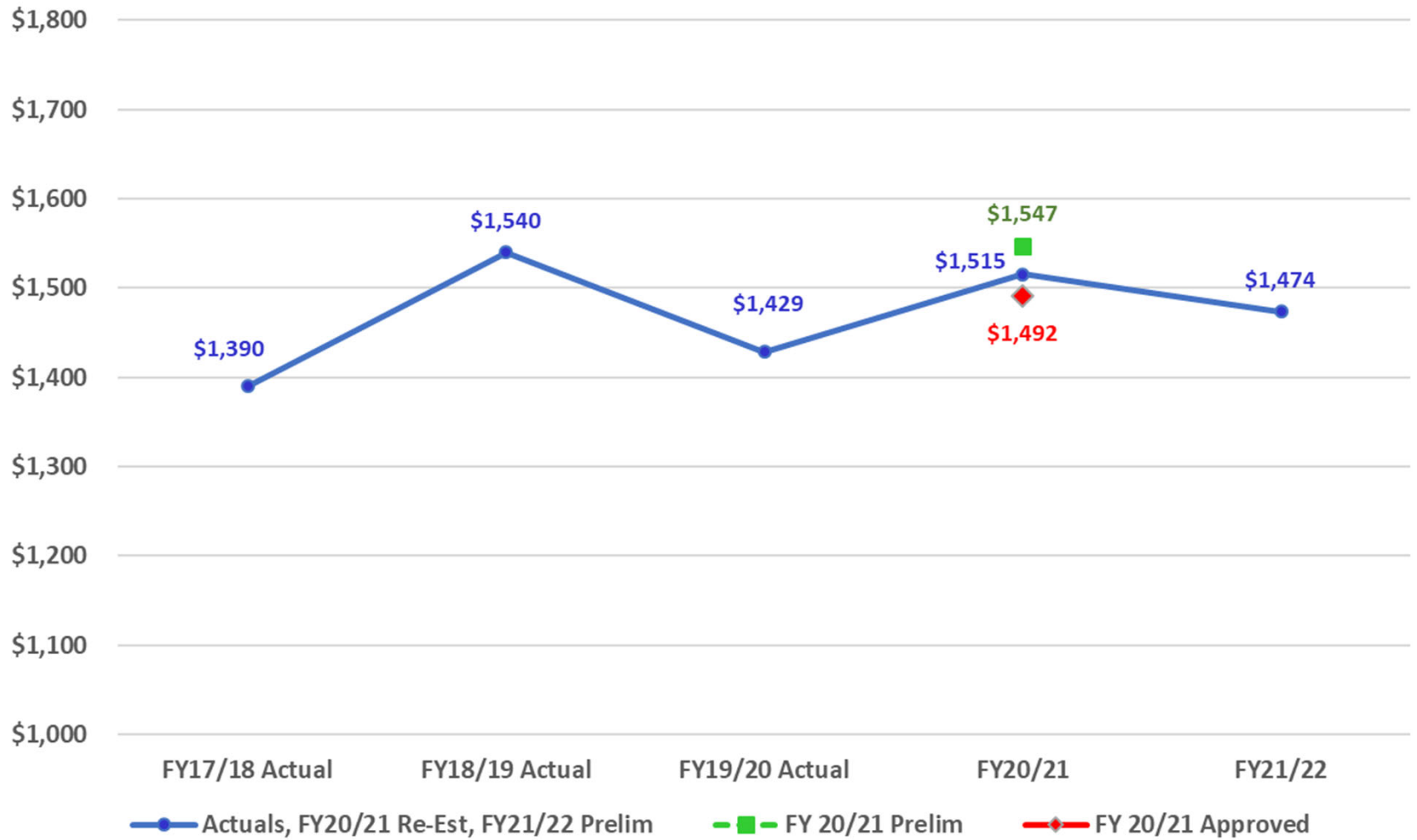
Power System Sales Forecast (GWH)



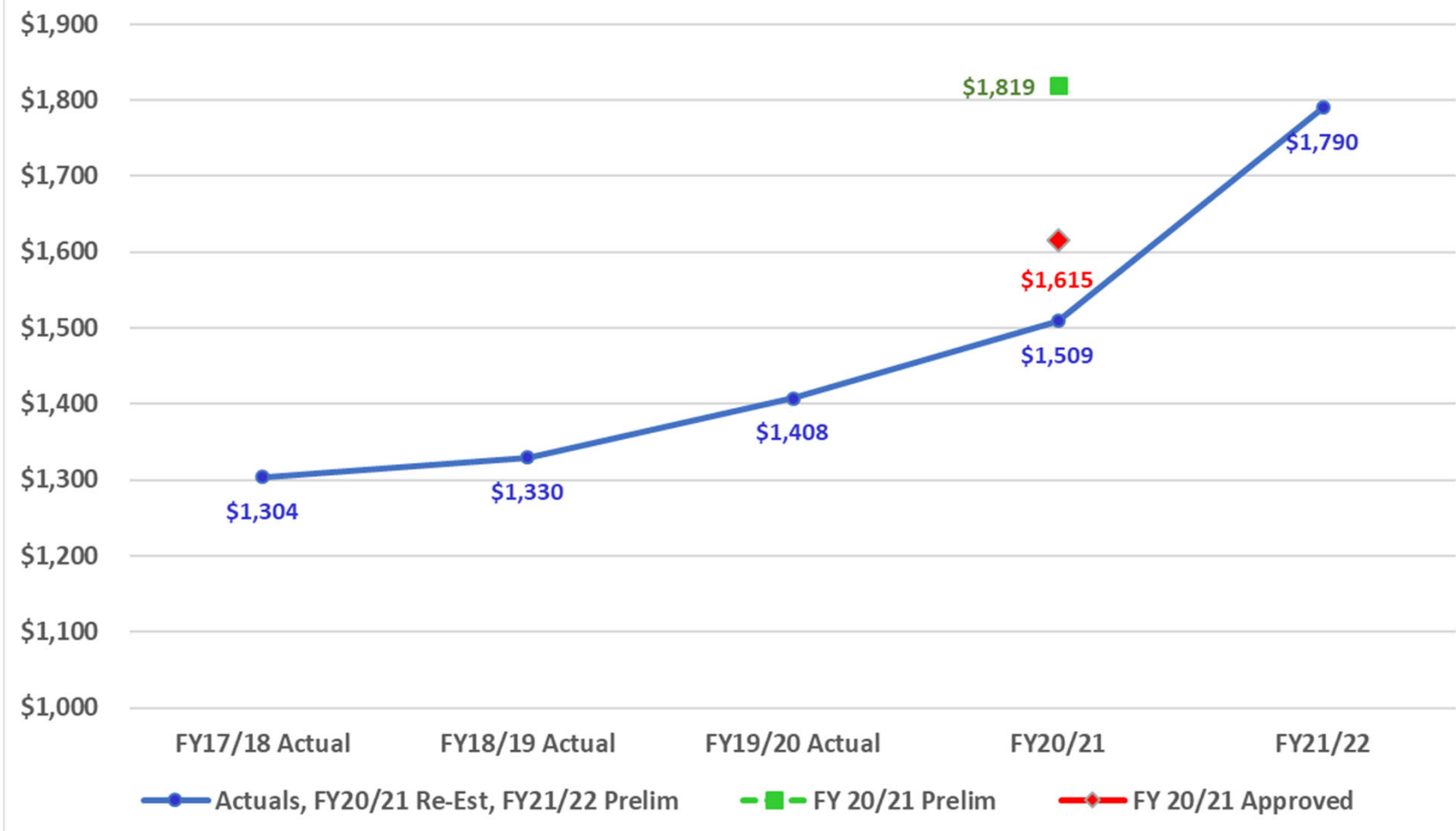
Power System Total Operating Revenue (\$M)



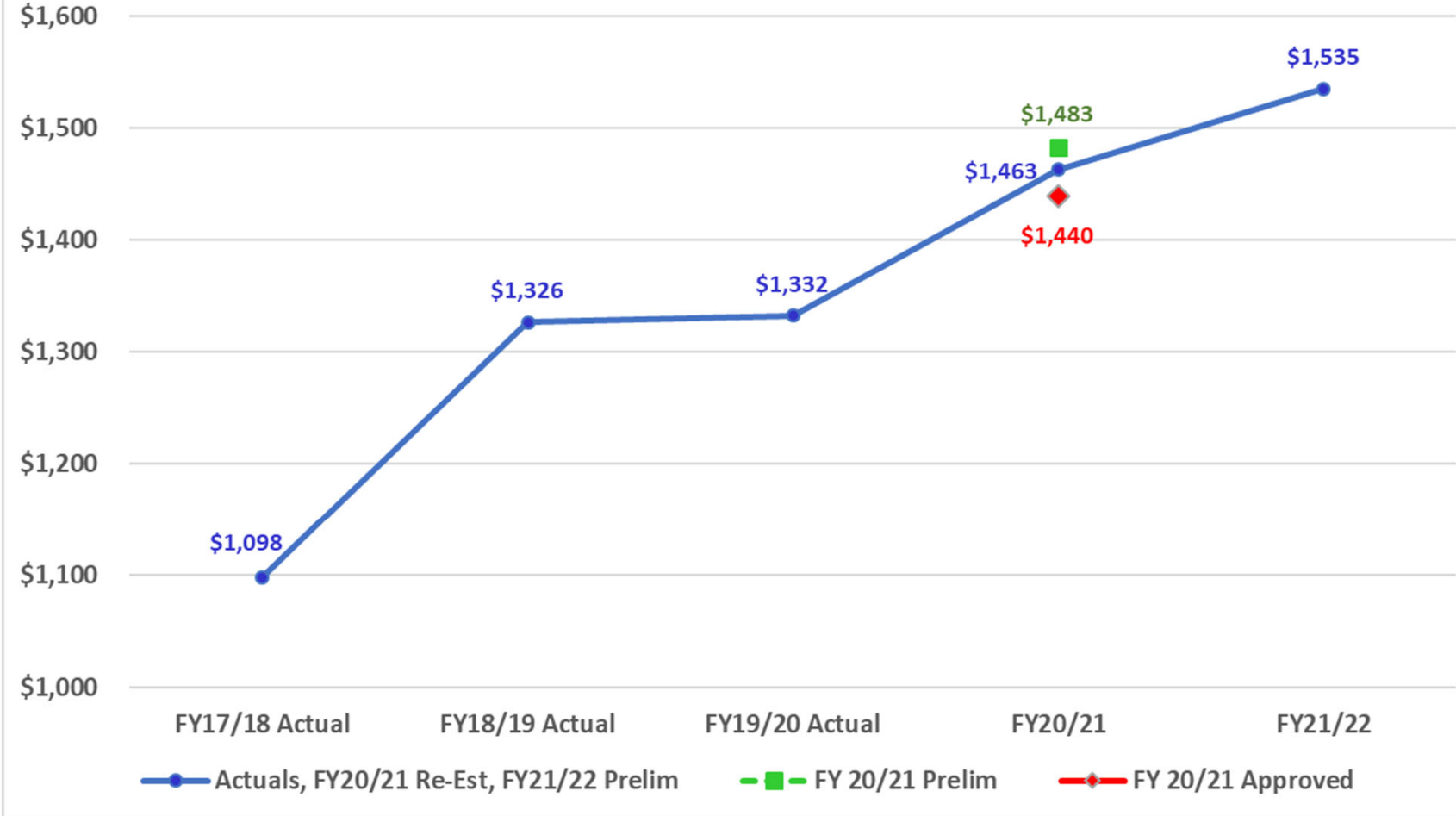
Fuel and Purchased Power (\$M)



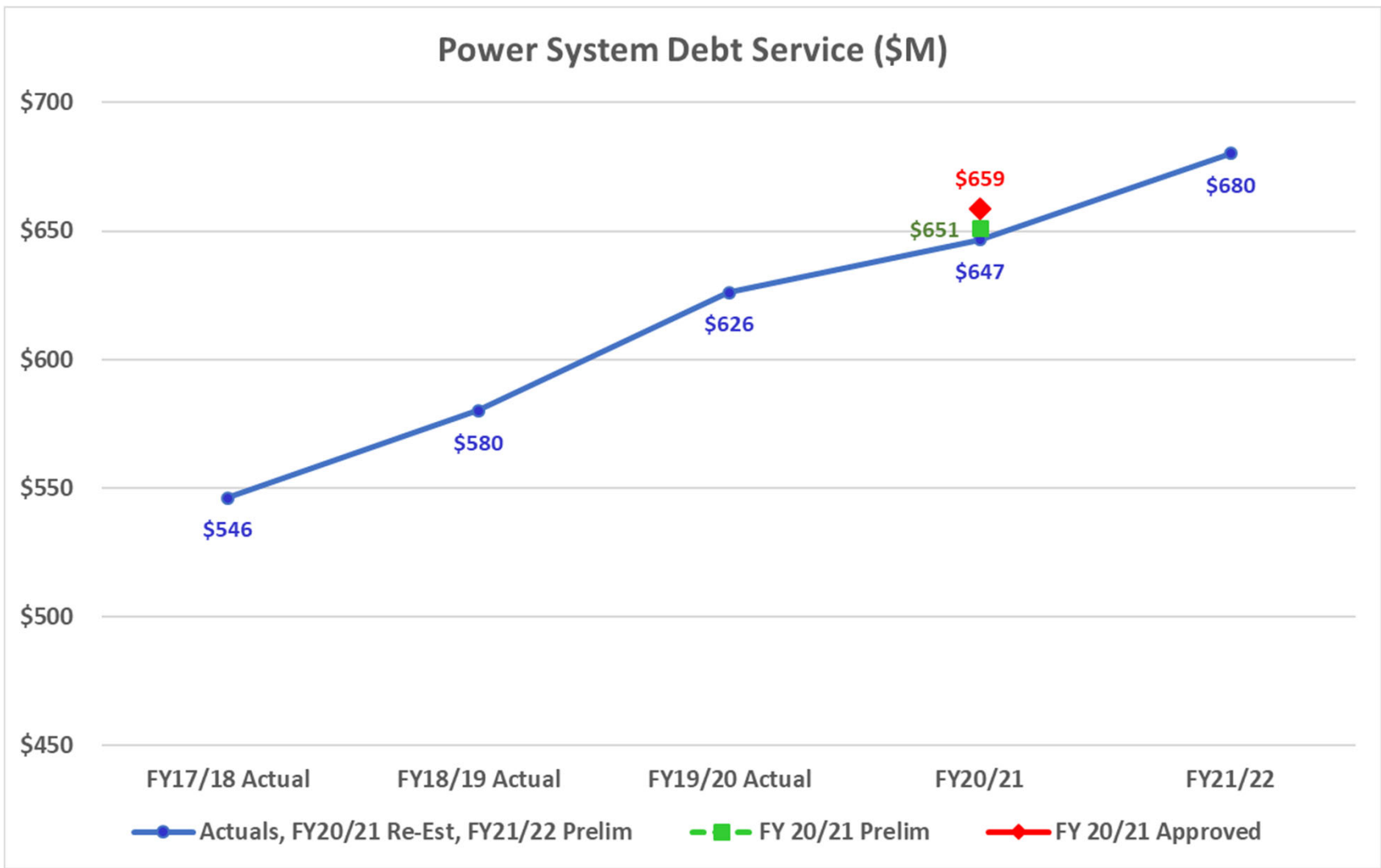
Power System Capital (\$M)



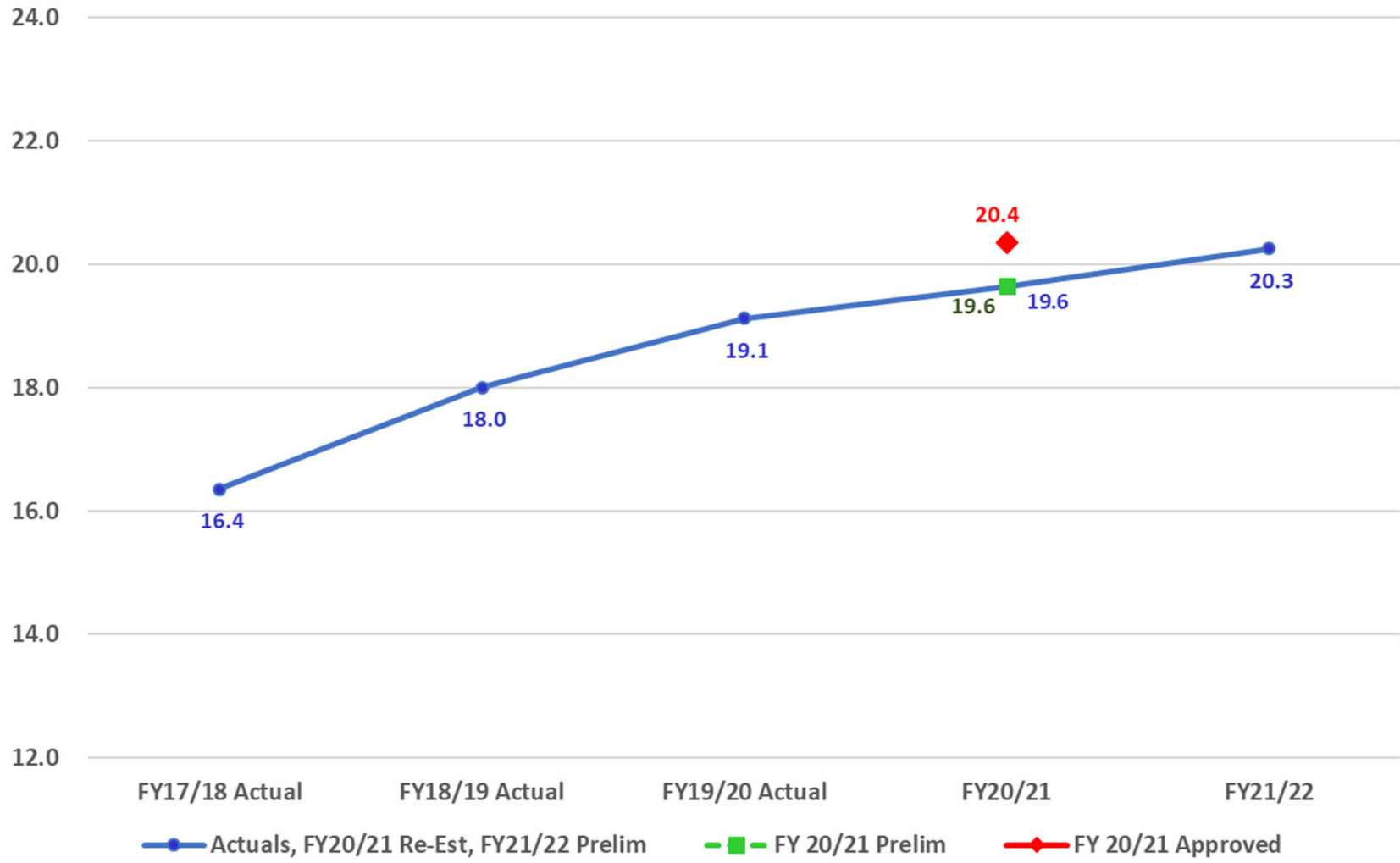
Power System O&M (\$M)



Power System Debt Service (\$M)



Power System System Average Rate (Cents/kWh)

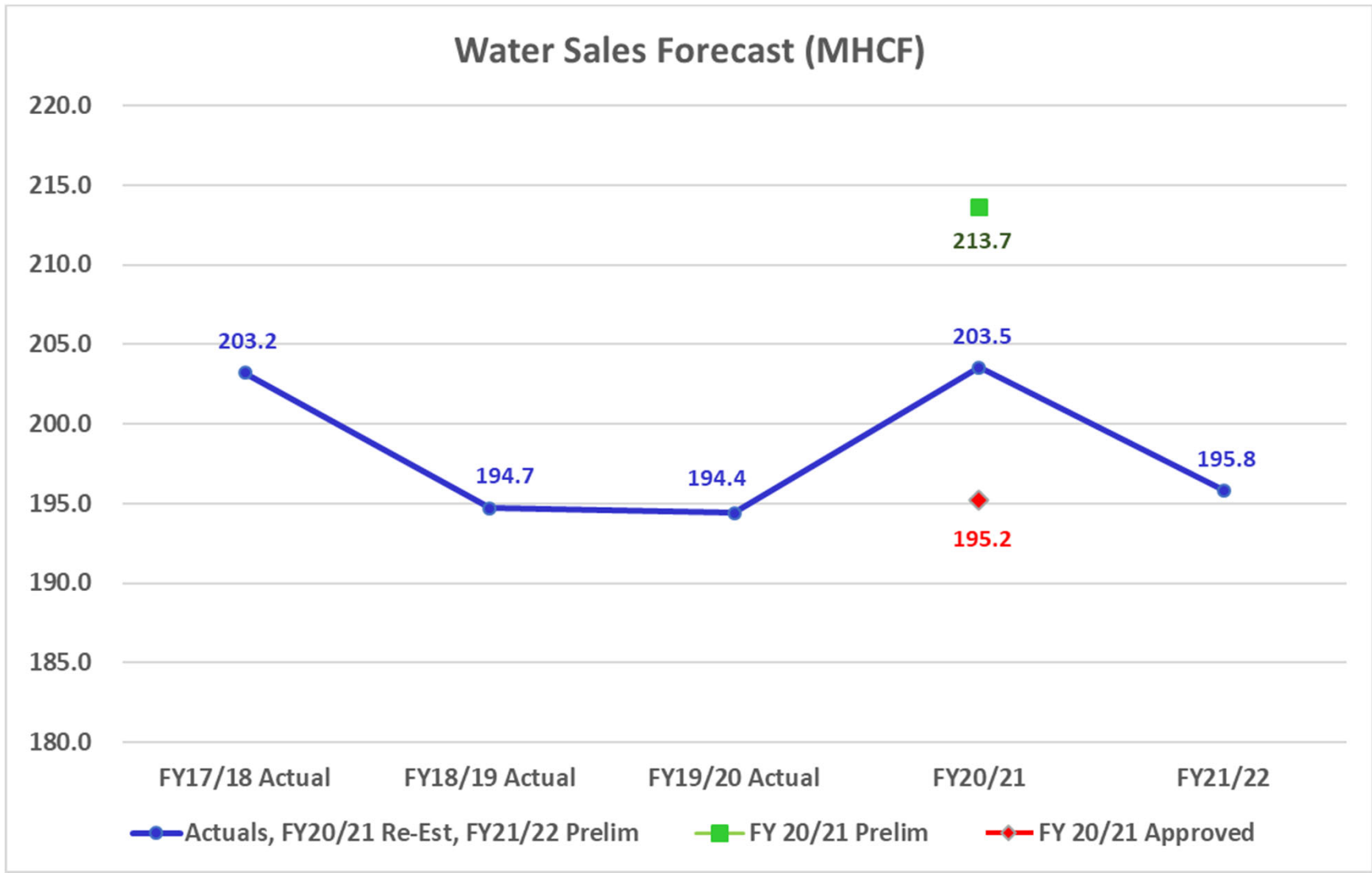


Power System Average Rate
(cts/kWh)

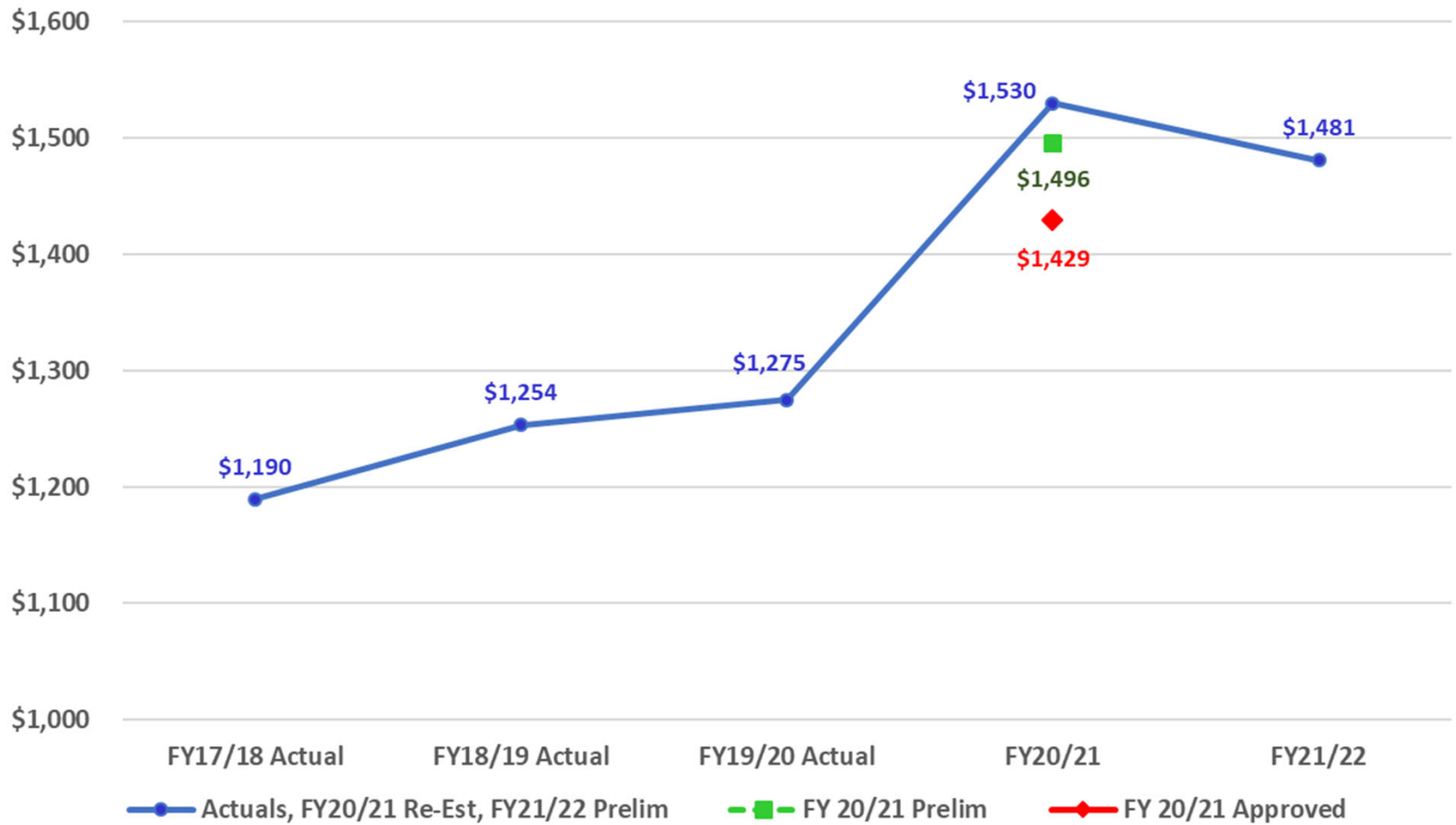
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Re-Estimate	2021-22 Proposed
FY 21/22 Preliminary Budget	16.4	18.0	19.1	19.6	20.3
	<i>7.6%</i>	<i>10.1%</i>	<i>6.2%</i>	<i>2.7%</i>	<i>3.2%</i>

Financial Summary Overview Water System

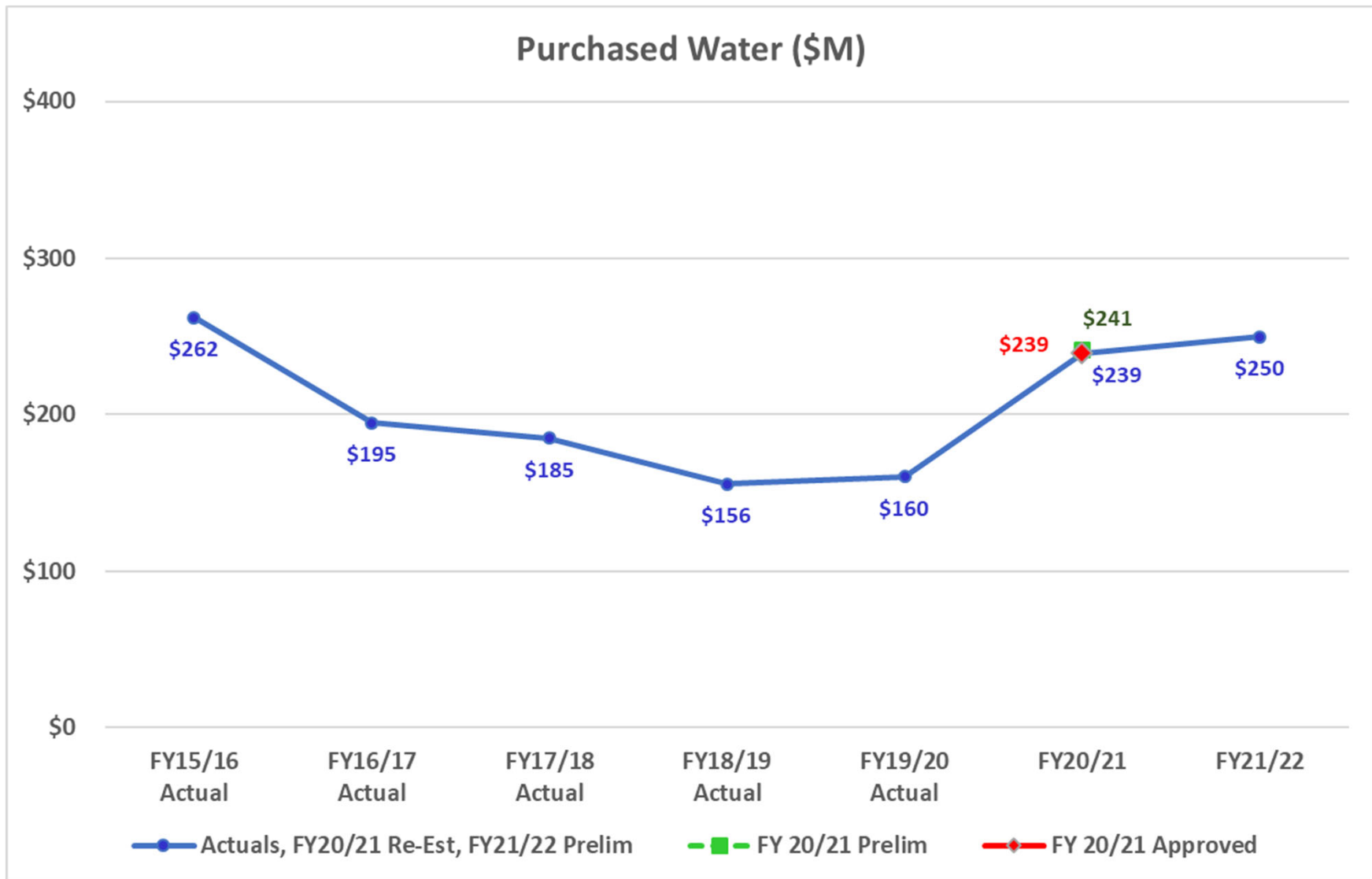
Water Sales Forecast (MHCF)



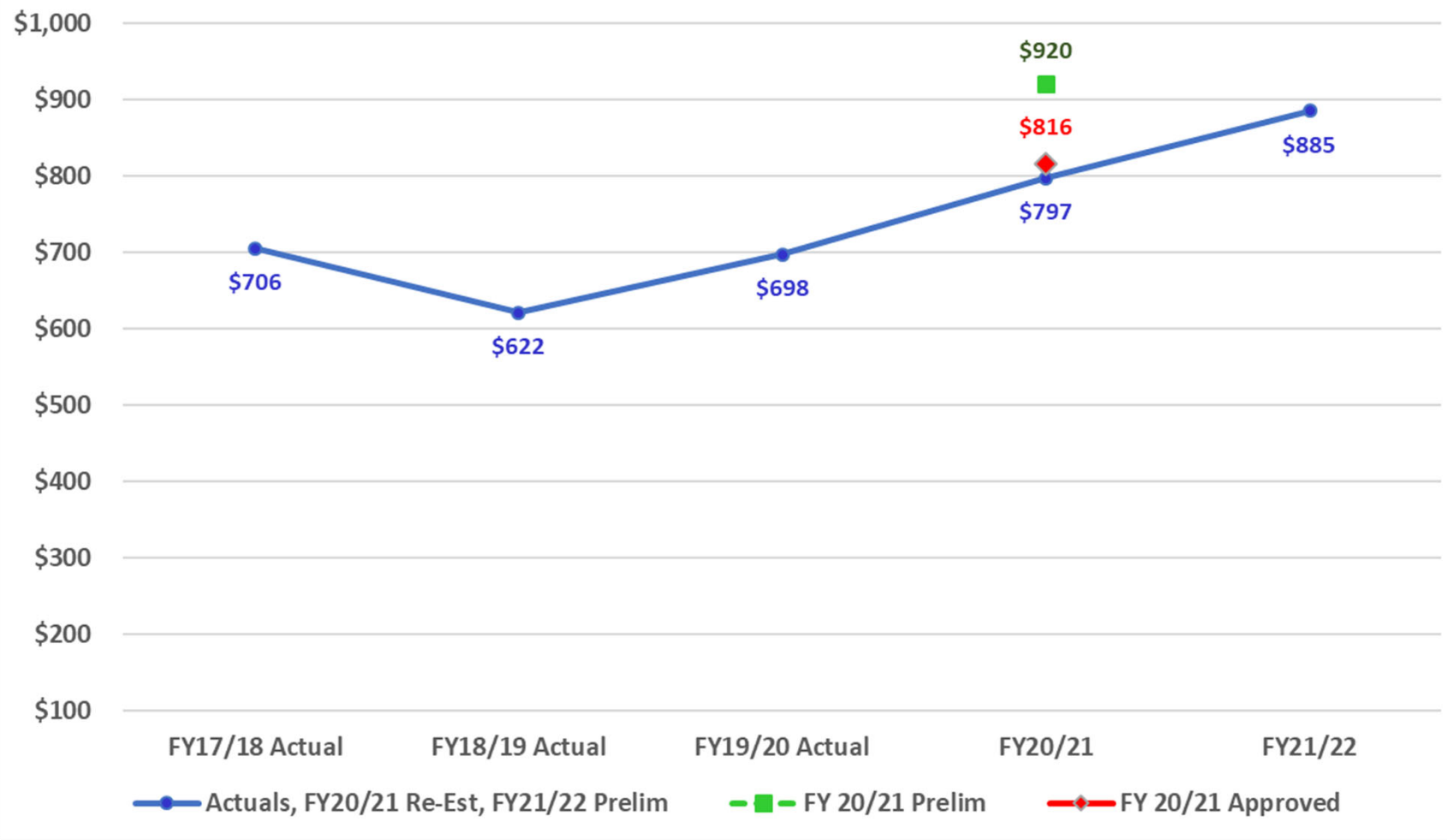
Water System Total Operating Revenue (\$M)



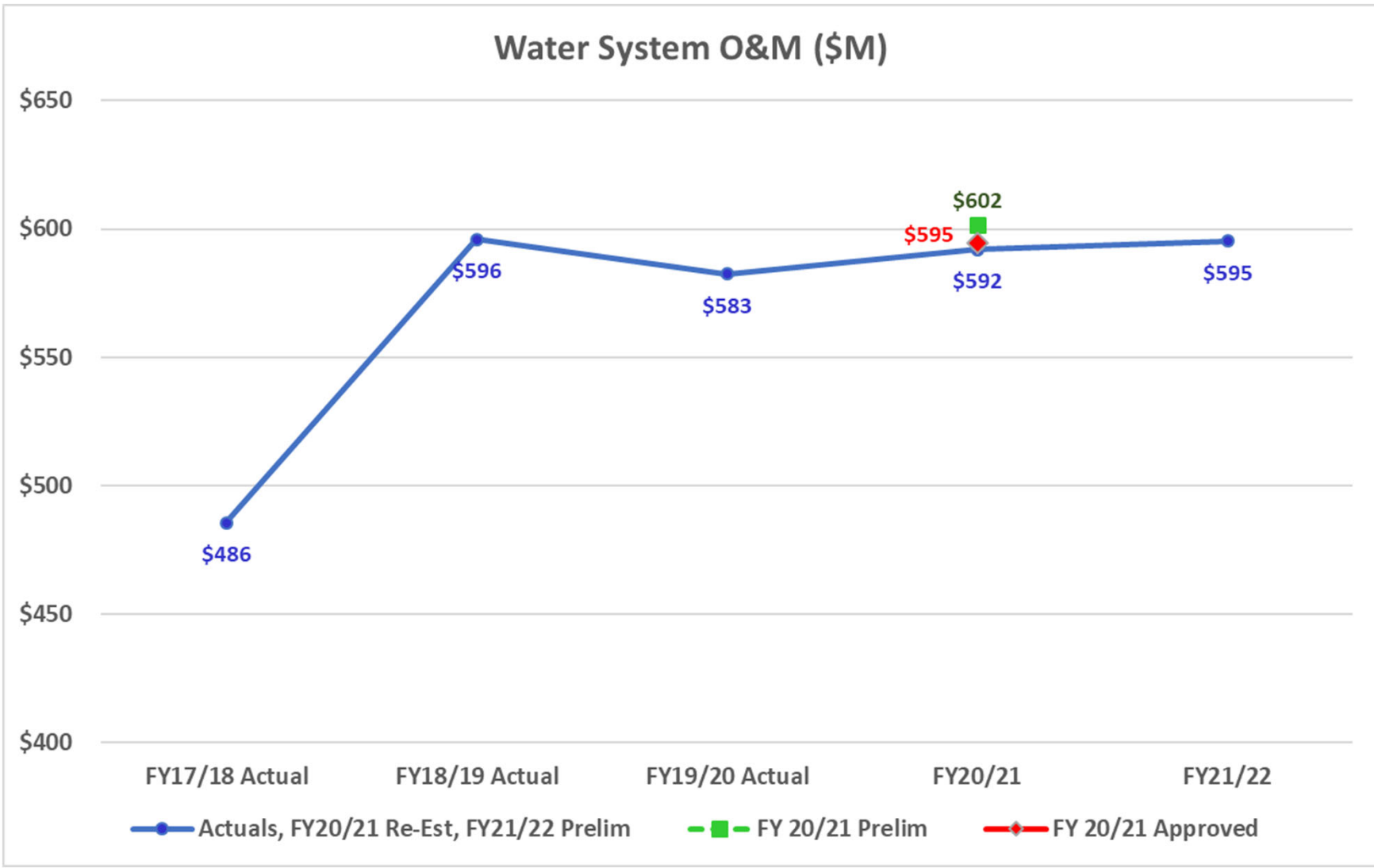
Purchased Water (\$M)



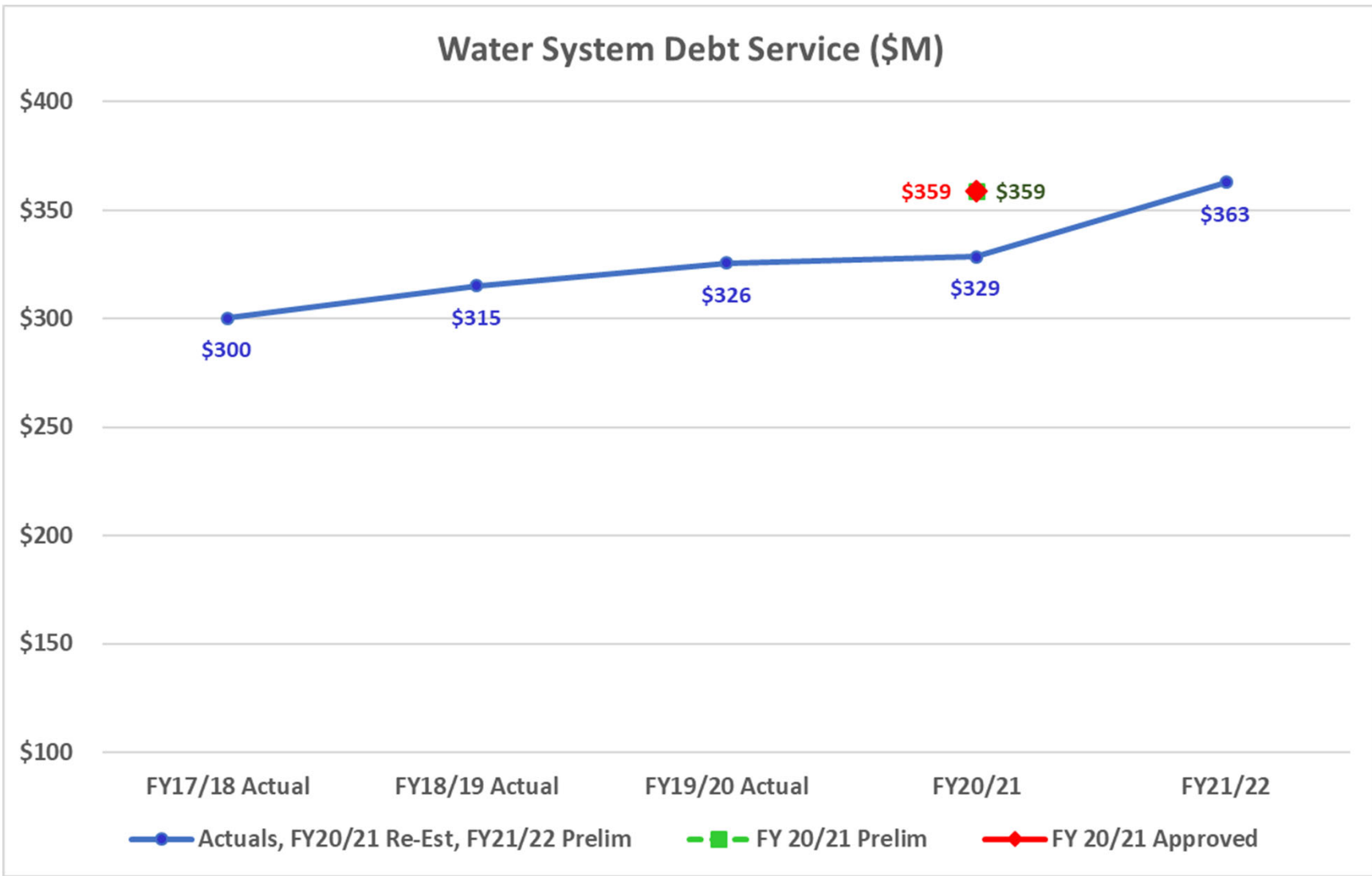
Water System Capital (\$M)



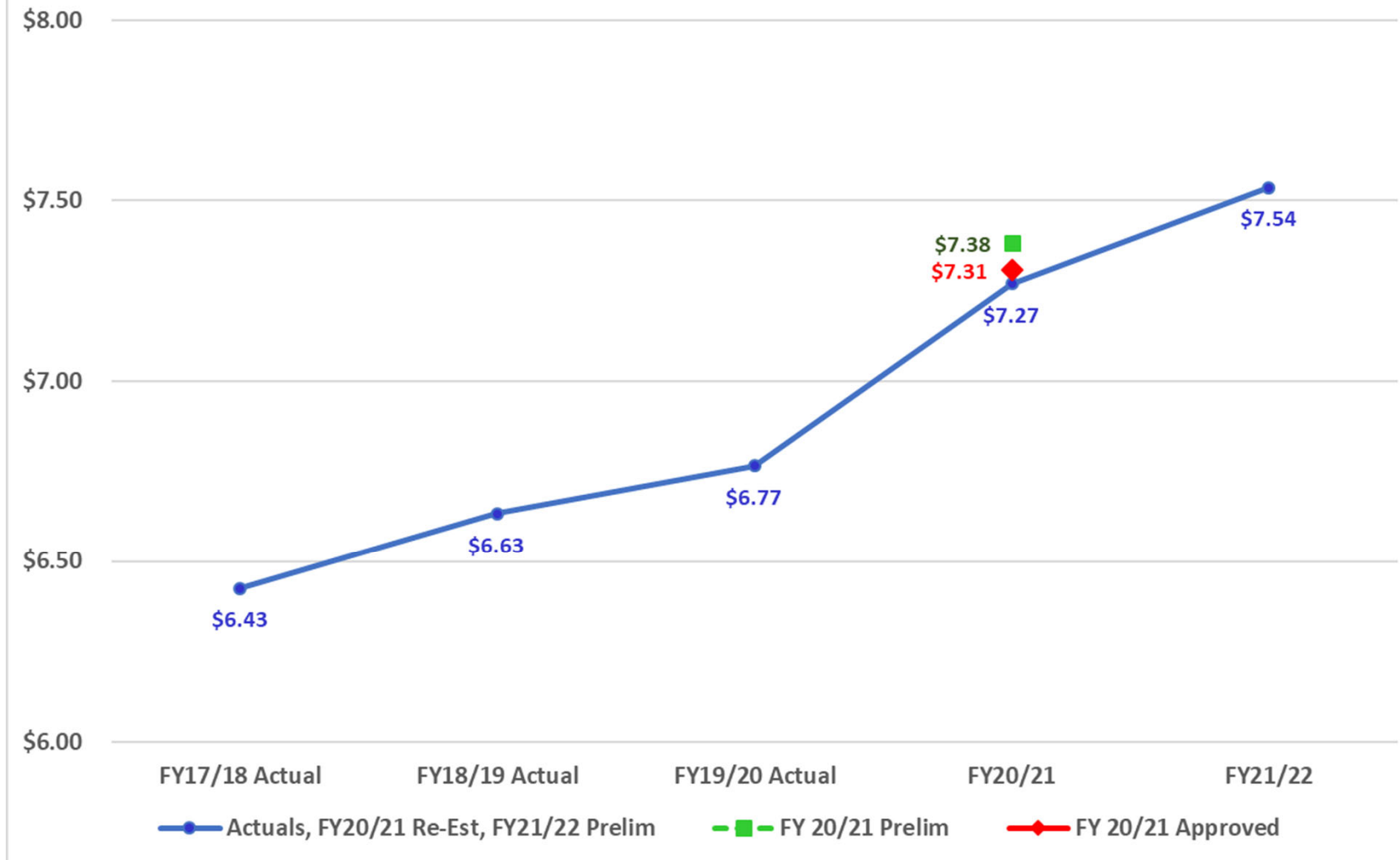
Water System O&M (\$M)



Water System Debt Service (\$M)



Water System System Average Rate (\$/HCF)



Water System Average Rate
(\$/HCF)

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Re-Estimate	2021-22 Proposed
FY 21/22 Preliminary Budget	6.43 <i>15.0%</i>	6.63 <i>3.2%</i>	6.77 <i>2.0%</i>	7.27 <i>7.5%</i>	7.54 <i>3.7%</i>

Power System

Contributing Organizational Budget By Cost Element

POWER SYSTEM

Power System, Fleet, Meter Services and Operations

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Fuel, Purchased Power, and Emissions	\$ 1,449.1	\$ 1,516.7	\$ 1,540.0	\$ 1,499.0	(1%)
Labor (Regular and Overtime)	879.7	839.5	832.9	907.1	8%
Contracts **	400.1	524.8	481.7	766.2	46%
Material & Supplies	203.3	200.6	202.3	200.6	0%
Material & Supplies (Fleet Purchases)	39.1	78.3	60.4	79.1	1%
Other*	74.0	65.3	60.7	65.6	0%
Other Direct, Incentives, and Fees ***	28.5	55.2	55.4	62.1	13%
Joint Owner Contracts	65.7	49.4	49.4	50.6	2%
Total: Power System	\$ 3,139.5	\$ 3,329.6	\$ 3,282.9	\$ 3,630.3	9%

* Other includes Cost Elements: Transportation, Workers' Comp, Utility Services, Rentals & Leases, Land & Structures, and Awards/Damages

** Increase in Contracts mainly relates to Long Term Planning & Development, Barren Ridge Renewable Transmission, PSRP Distribution, Castaic Power Plant Addition & Betterments, and Transmission Line projects.

*** Increase in Other Direct, Incentives, and Fees mainly relates to Demand Response Program incentives.



Power System

Contributing Organizational Budget By Cost Element

- Detail of Major Variances

POWER SYSTEM

Power System, Fleet, Meter Services and Operations

\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL		FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved	
Contracts		\$ 524.8	\$ 481.7	\$ 766.2	\$ 241.5	46%
FI 21631	LONG-TERM PLNGG & DEVLPMT	25.0	17.9	100.8	75.9	
FI 24346	BARREN RIDGE RENEWBL TRAN	44.1	25.9	98.8	54.7	
FI 3013104	PSRP - DISTRIBUTION	28.0	32.5	76.4	48.4	
FI 21147	CASTAIC PWR PLANT A&B'S	5.5	5.5	51.1	45.6	
FI 24348	TRANSMISSION LINES	7.1	0.0	40.5	33.4	
Other Direct, Incentives and Fees		\$ 55.2	\$ 55.4	\$ 62.1	\$ 6.8	13%
Job C5199	DEMAND RESPONSE PROGRAM (FI 21111)	8.5	8.5	21.9	13.4	
Job M5020/ M5021	ELECTRIC TRANSPORTATION PROGRAM (FI 4051403 / 4051404)	44.3	44.3	37.5	(6.8)	

POWER SYSTEM ACHIEVEMENTS & INVESTMENTS

Power Accomplishments & Strategic Investments Power System Reliability Program (PSRP)

Wildfire Hardening and Mitigation – PY 21/22

- Poles – 525
- Crossarms – 1,500
- Transformers – 128
- Substation Automation – Situational Awareness and Controls

FY20/21 Accomplishments for Fiscal Year to Date (FYTD)

- Over 90% of target for distribution transformer replacements
- On target for cable replacements, vault replacements, maintenance hole lid restraint installations, pole and cross arm replacements

Impact Statement

- Continued investments in PSRP improves system reliability

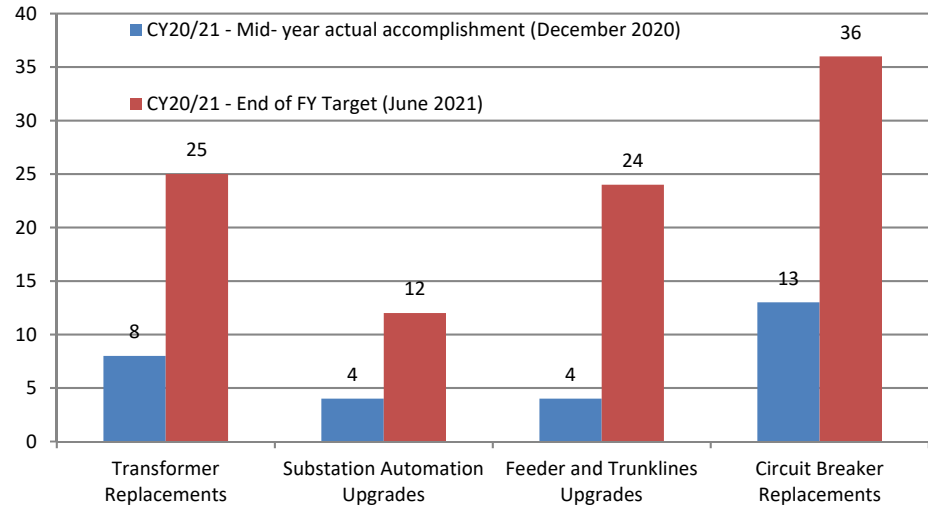


Power Accomplishments & Strategic Investments: Infrastructure and Reliability



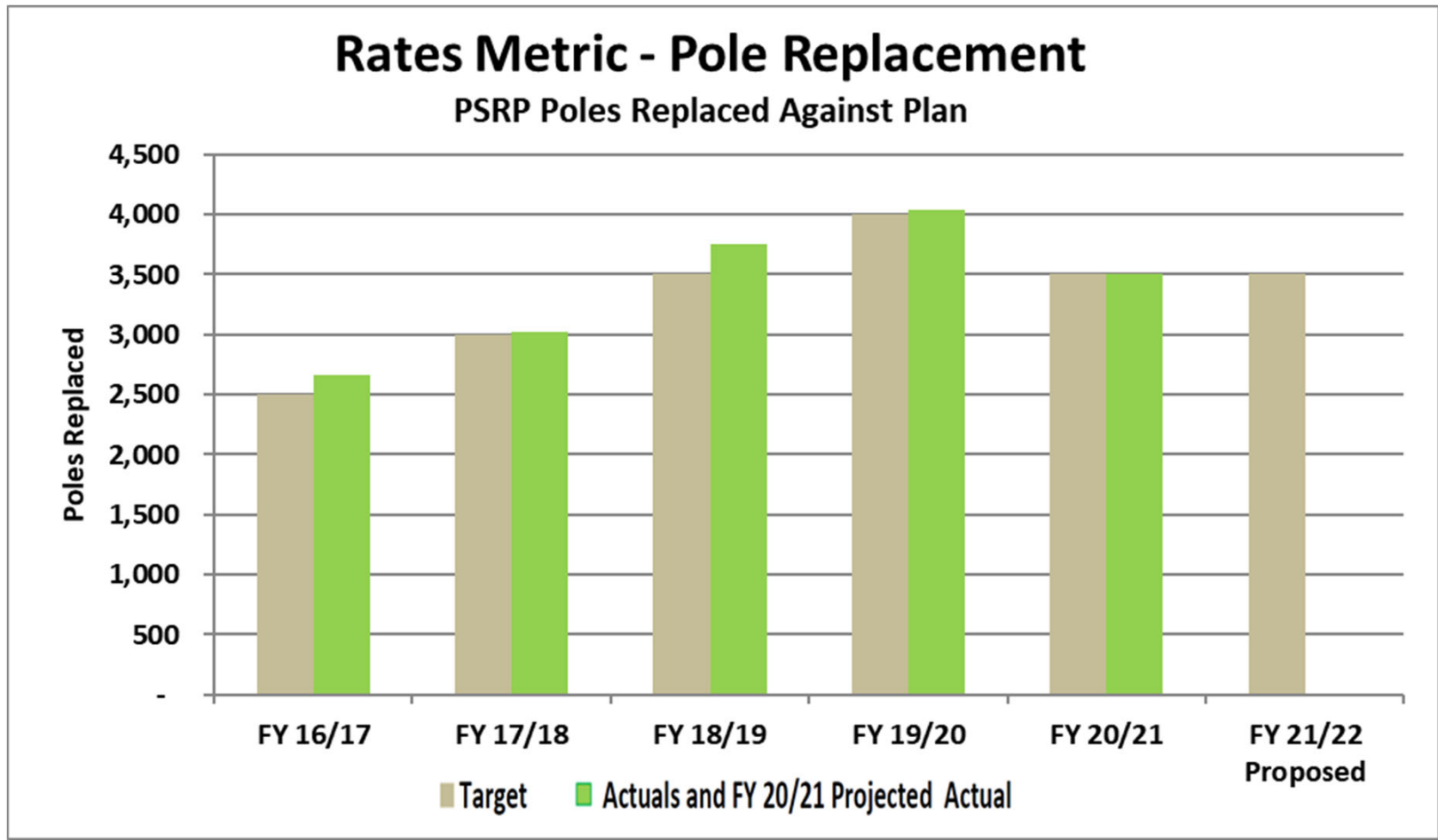
Receiving Station E – Transformer Replacement

Substation Asset Replacements & Upgrades

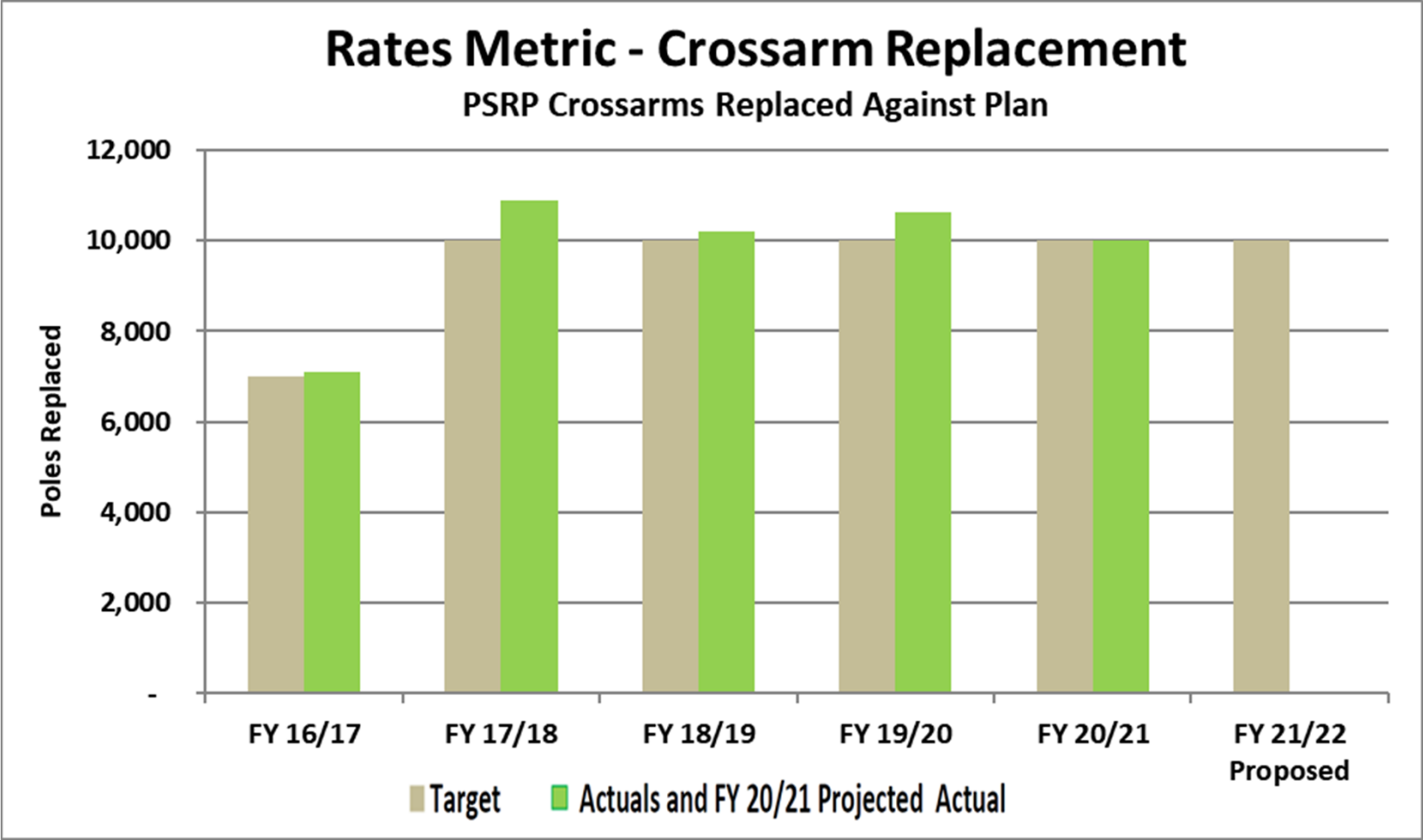


DS-80 Substation Automation Upgrade



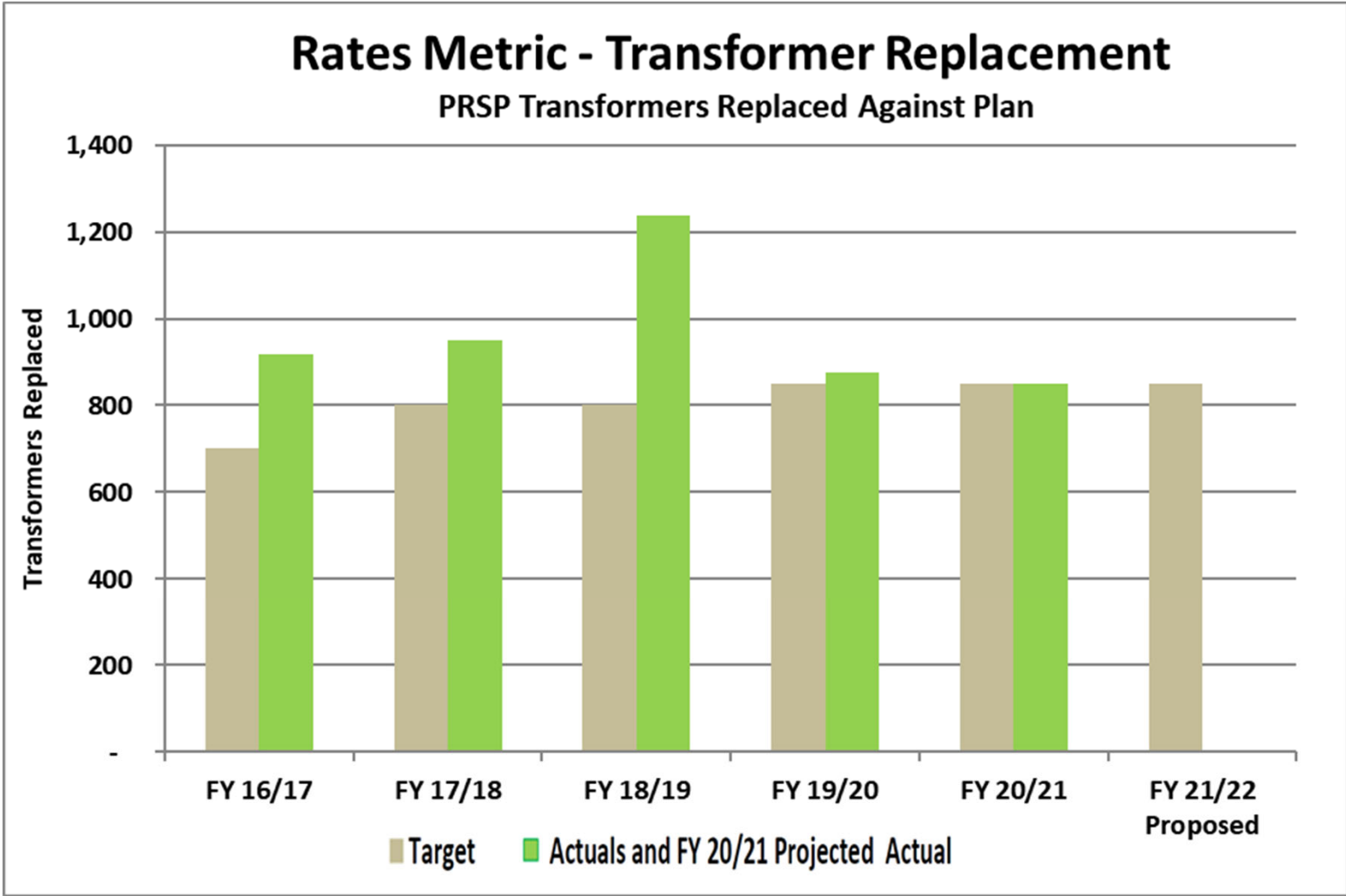


Objective supported: Increase the safety, reliability and resiliency of Power System's infrastructure



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Power System Safety & Training

Hiring Goals for FY 21/22



- **Electric Distribution Mechanic Trainee Program**
 - 20 new trainees in September 2021 and March 2022
- **Electrical Mechanic Trainee Program**
 - 15 new trainees in October 2021 and February 2022
- **Electric Station Operator Trainee Program**
 - 9 new trainees in September 2021
- **Electric Meter Setters Trainee Program**
 - 6-9 new trainees May 2022
- **Underground Distribution Conduit Mechanic Training Program**
 - 8 new trainees in July 2021 and February 2022

Power System Safety & Training

Hiring & Graduations

Data starting with FY 17/18 to FY 21/22



- **Electric Distribution Mechanic Trainee Program**
 - 199 Hired and 127 Graduated/Projected
- **Electrical Mechanic Trainee Program**
 - 184 Hired and 183 Graduated/Projected
- **Electric Station Operator Trainee Program**
 - 83 Hired and 55 Graduated/Projected
- **Electric Meter Setter Trainee Program**
 - 26 Hired and 11 Graduated/Projected
- **Underground Distribution Construction Mechanic Trainee Program**
 - 21 Hired and 6 Graduated/Projected

Power Accomplishments & Strategic Investments: Electric Transportation program



Electric Transportation (EV) Program - FY20/21

- Continue to process \$55.5 M in pending rebate applications – over 9,400 Commercial Level 2 Chargers, 381 residential chargers and 150 DC Fast Chargers
- \$8M – EV infrastructure for LADWP and City Facilities
- \$3M – Residential EV Chargers and Used EV Vehicles

FYTD (20/21) Expenses	\$31.2 M	Of the \$55.5M pending in commercial rebate applications approximately 45% of them ~ \$25M are completed projects and the remaining are reservation applications at various stages of deployment.
FY 21/22 Estimate	\$62.9 M	For FY 21/22 estimate based on expected commercial rebate payments, planned rebate programs currently in place, clean fuel rewards contributions, planned LADWP projects & proposed funding payments to City agencies.

Power Accomplishments & Strategic Investments: Renewables and Reliability

Utility Scale Renewables FY20/21 Accomplishments

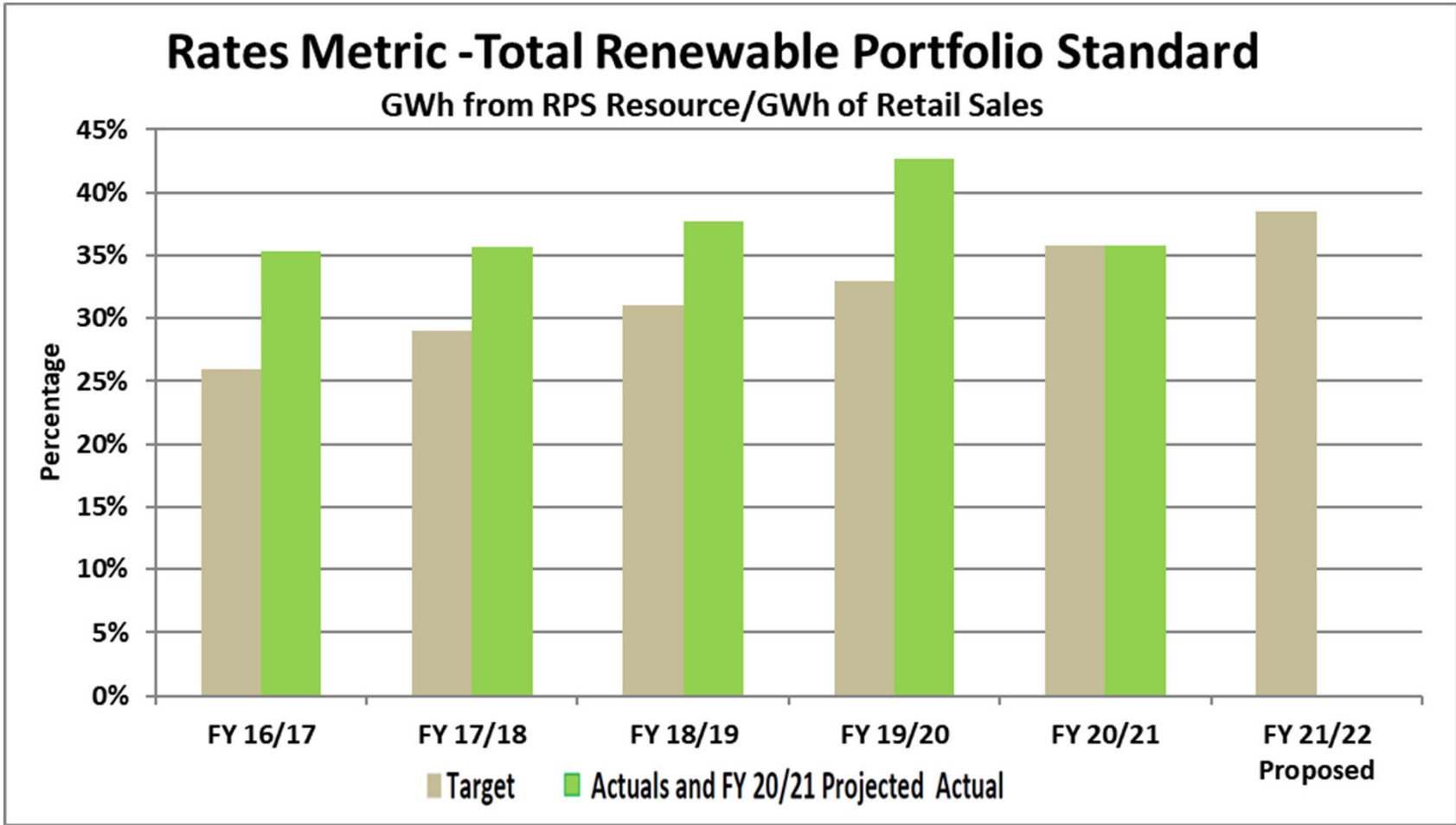
- Red Cloud Wind PPA was approved by LA City Council on October 21, 2020
- Roseburg Biomass PPA, 5.4 MW was approved to comply with SB859.
- Amended the Eland PPAs to include the Battery Energy Storage System (BESS) Increase Option Provisions and extended Reactive Power Option Provisions on July, 21, 2020 increasing the total storage from 200 to 300 MW (4hr)

New resources approved in FY 20/21 to contribute to future RPS goals					
Project	Resource	Capacity	RPS %	Annual Cost	COD
Red Cloud Wind PPA	New Mexico Wind	330 MW	5.9%	\$57.4 M	Dec 2021

FY 21/22 Goals & Plans

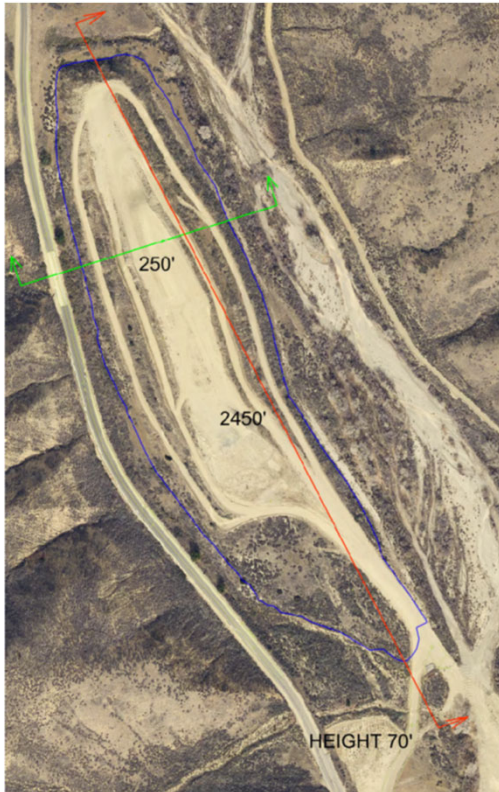
- Conduct PPA negotiations for 600 MW of solar with battery energy storage systems and submit for approval.
- Complete the Clean Grid LA Plan and public outreach
- Complete the 2021 Strategic Long Term resource plan and public outreach with input from the LA100 study and Clean Grid LA Plan
- Finalize the 2021 Distributed Resource Plan and implement streamlined interconnection review processes
- Complete negotiations and award a 50 MW Energy Storage Pilot project connected to the Beacon Substation
- Energize an additional 40 MW of FiT for a total of 190 MW
- Award 10 MW of FiT with Battery projects thru a new FiT+ program.
- Complete negotiations and award 30 MW of various DER technologies thru a competitive RFP process
- Achieve 75 MW total thru demand response programs for residential and commercial customers





Objective supported: Transform the power supply and flexible loads with a focus on environmental stewardship

Castaic Power Plant Spoil Pile Removal



- Sediment build-up is removed from Elderberry tailbay to improve power system reliability and is stored on Department of Water Resources land per permit agreement
- 20+ years of accumulation have created a nearly half-mile long spoil pile
- Stored sediment must be removed in order to be in permit compliance and for environmental stewardship
- Original plan was to start in FY 20/21
- \$27.5 million deferred to FY 21/22 – Capital Reduction

Valley Generating Station Demolition



- Valley Generating Station Units 1-4, built in the 1950s, is scheduled to be demolished to make room for future projects.
- Old stacks will be removed to meet neighborhood environmental justice goals.
- Mechanical and electrical decoupling activities estimated at \$1.5M in FY 20/21
- Demolition contractor scheduled to begin in FY 21/22; progress payments estimated up to \$32M.

Power System Information and Advanced Technology

Program & FY 21/22 Goals	Challenges	Beyond 21/22
<p>Distribution Automation</p> <ul style="list-style-type: none"> • Complete Design Phase • Install required software • Begin field installation 	<p>Delays to project milestones due to COVID-19 and logistics challenges. Scope of project remains the same and will be delivered with an extended completion date.</p> <p>FY20/21 Approved: \$29.9M FY21/22 Estimate: \$43.0M FY22/23 Estimate: \$23.4M</p>	<p>Deploy control devices</p> <ul style="list-style-type: none"> • Line monitors across remaining 2,200 distribution circuits (approx. 13,200) • Install automatic re-closers and switches across 600 sub-transmission circuits
<p>Smart Grid</p> <ul style="list-style-type: none"> • Project Initiation • Award Contract • Install 5000 advanced meters 	<p>Receive meters and complete field testing prior to deployment.</p> <p>FY20/21 Approved: \$1.2M FY21/22 Estimate: \$1.9M FY22/23 Estimate: \$1.2M</p>	<p>Begin large scale meter installation</p> <ul style="list-style-type: none"> • Install approximately 1.4M advanced meters, per the Mayor's Directive
<p>Geographic Information System</p> <ul style="list-style-type: none"> • Advertise Phase 2 RFP • Continue Training and Knowledge Transfer 	<p>Timely updates of maps and GIS to provide real- time details of field conditions.</p> <p>FY20/21 Approved: \$1.8M FY21/22 Estimate: \$3.7M FY22/23 Estimate: \$3.1M</p>	<p>Data improvements</p>

Fleet Services: FY 21-22 Major Investments



Major Vehicle/ Equip. Purchases (\$40 M)

- 22 Tanker Semi-Trailers
- 12 Aerial Bucket Trucks
- 8 CNG Tree Trimmer Trucks
- 55 Heavy Utility Service Trucks
- 20 Backhoe Trucks
- 15 Patrol Service Trucks
- 110 Cargo Vans
- 4 High Reach Aerial Platform
- 15 Truck Tractors – 3 Axle
- TBD Construction Equipment



Significant Fleet Managed Contracts (\$56 M)

- Fuel purchases and parts
- Car and Truck Rentals
- Bare Construction Equipment Rentals
- Fully Operated Equipment Rentals



Fleet Aviation (\$9 M each)

- 2 Twin engine helicopters for external human cargo.
- Security patrols of critical infrastructure.
- Delivery of materials for DWP systems.



Water System Contributing Organizational Budget By Cost Element

WATER SYSTEM

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Contracts**	\$ 264.5	\$ 286.9	\$ 298.4	\$ 375.5	31%
Labor (Regular and Overtime)	\$ 282.9	\$ 295.5	\$ 291.0	\$ 310.0	5%
Purchased Water	\$ 160.2	\$ 239.2	\$ 239.2	\$ 249.8	4%
Material & Supplies	\$ 95.4	\$ 97.5	\$ 95.4	\$ 83.2	(15%)
Utility Services	\$ 24.0	\$ 25.3	\$ 25.3	\$ 27.3	8%
Other Direct, Incentives, and Fees ***	\$ 12.9	\$ 16.2	\$ 16.5	\$ 18.7	15%
Other*	\$ 39.3	\$ 13.5	\$ 13.3	\$ 11.5	(15%)
Total: Water System	\$ 879.2	\$ 974.0	\$ 979.0	\$ 1,075.9	10%

* Other includes Cost Elements: Transportation, Workers' Comp, Utility Services, Rentals & Leases, and Land & Structures

** Increase in Contracts mainly relates to Groundwater Remediation & Cleanup contracts.

*** Increase in Other Direct, Incentives, and Fees mainly relates to fees for LA Groundwater Pumping.



Water System

Contributing Organizational Budget By Cost Element

- Detail of Major Variances

WATER SYSTEM

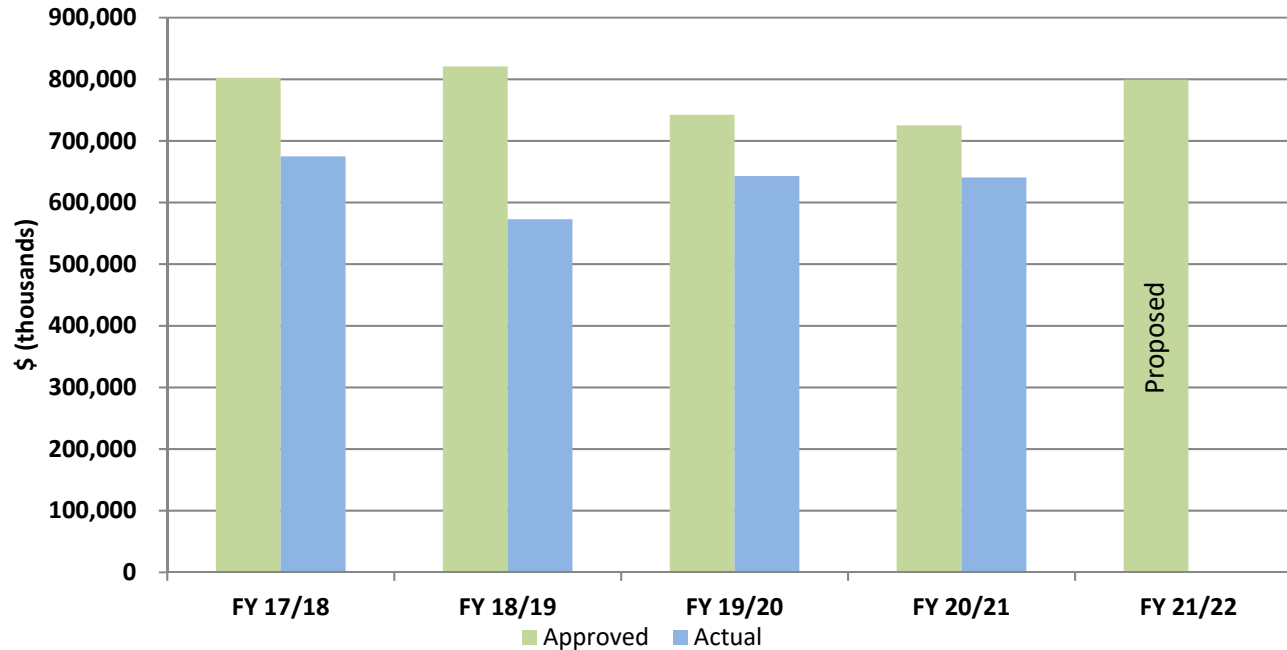
\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL			FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved	
Contracts			\$ 286.9	\$ 298.4	\$ 375.5	\$ 88.6	31%
FI 24316	GRNDWTR REMEDTN & CLEANUP		38.8	65.3	169.4	130.7	
FI 29130	WQIP RESV IMPRVTS		21.4	15.9	1.4	(20.0)	
FI 23222	WQIP TRUNKLINE IMPRVEMNTS		66.7	63.6	47.3	(19.4)	
FI 26331	DISTRIBUTION MAINS		28.7	23.7	22.5	(6.2)	
Other Direct, Incentives, and Fees			\$ 16.2	\$ 16.5	\$ 18.7	\$ 2.5	15%
FI 3112200	LA GROUNDWATER PUMP & SOURCE FACILITIES		3.5	3.5	6.0	2.5	

WATER SYSTEM ACHIEVEMENTS & INVESTMENTS

Expenditure Trend and Challenges

Water Fund - Capital Excluding Operating Support



Significant Challenges

- Delays in obtaining contracts and Program/Project Redirection.
- Staffing issues due to attrition and difficulties with hiring.
- Other external issues – street moratoriums, more stringent requirements, delays in agreements with outside agencies.
- Cumulative impacts of COVID 19.
- Estimating accuracy.

Water Infrastructure



The Foothill Trunk Line Project will install 16,600 feet of 54-inch welded steel pipe and earthquake resistant ductile iron pipe using the open trench method and pipe jacking. 4,361 feet of pipe has been installed by Trunkline Construction to date.



The Century Trunk Line Unit 1 Project will install approximately 10,800 feet of new 24-inch and 48-inch earthquake resistant ductile iron pipe. Phase 1 groundbreaking began in February 2020 and a total of 5,930 square feet of trunk line has been completed.

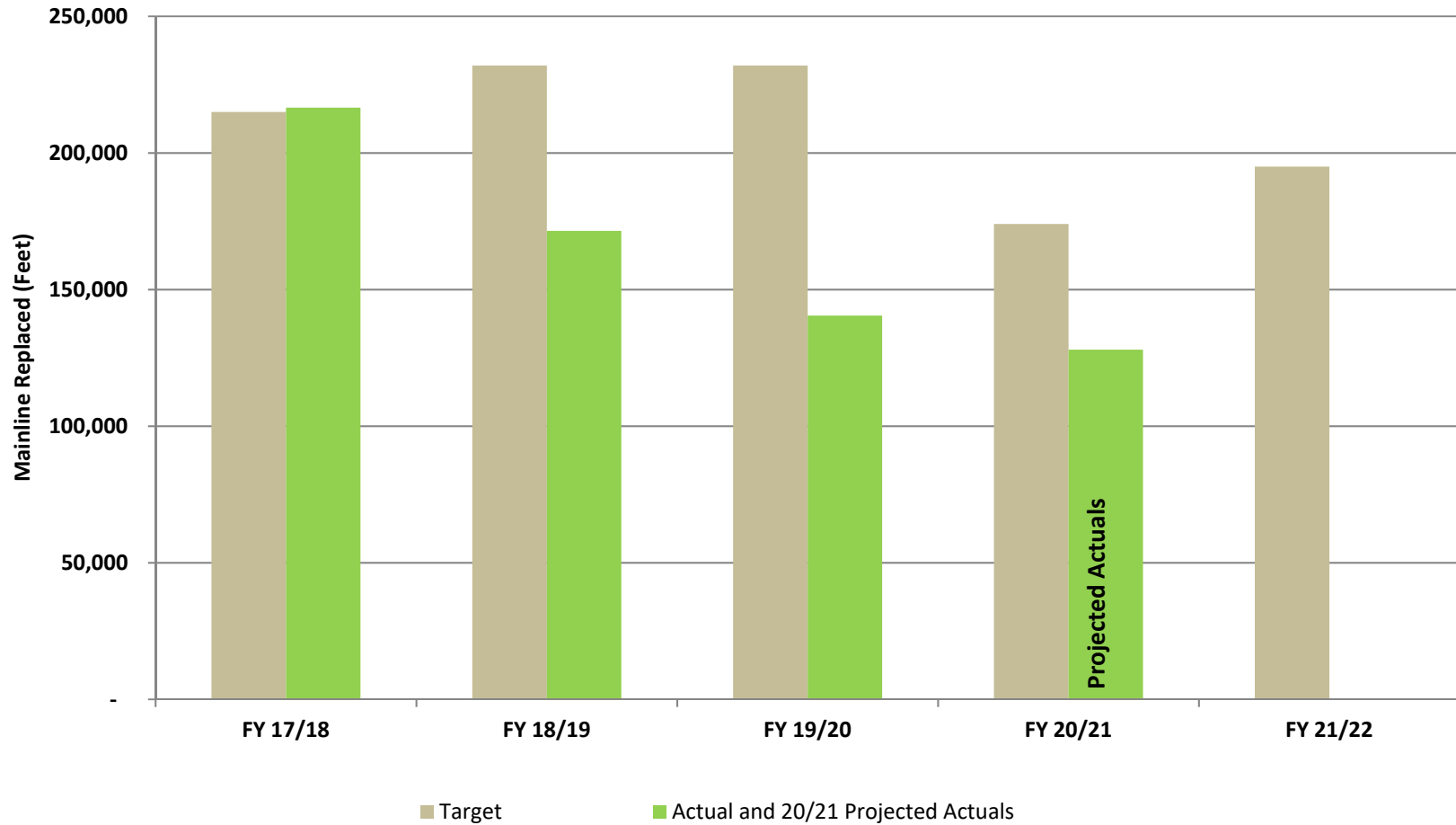


195,000 feet of mainline pipe will be replaced, prioritizing mainlines with the highest risk of failure.



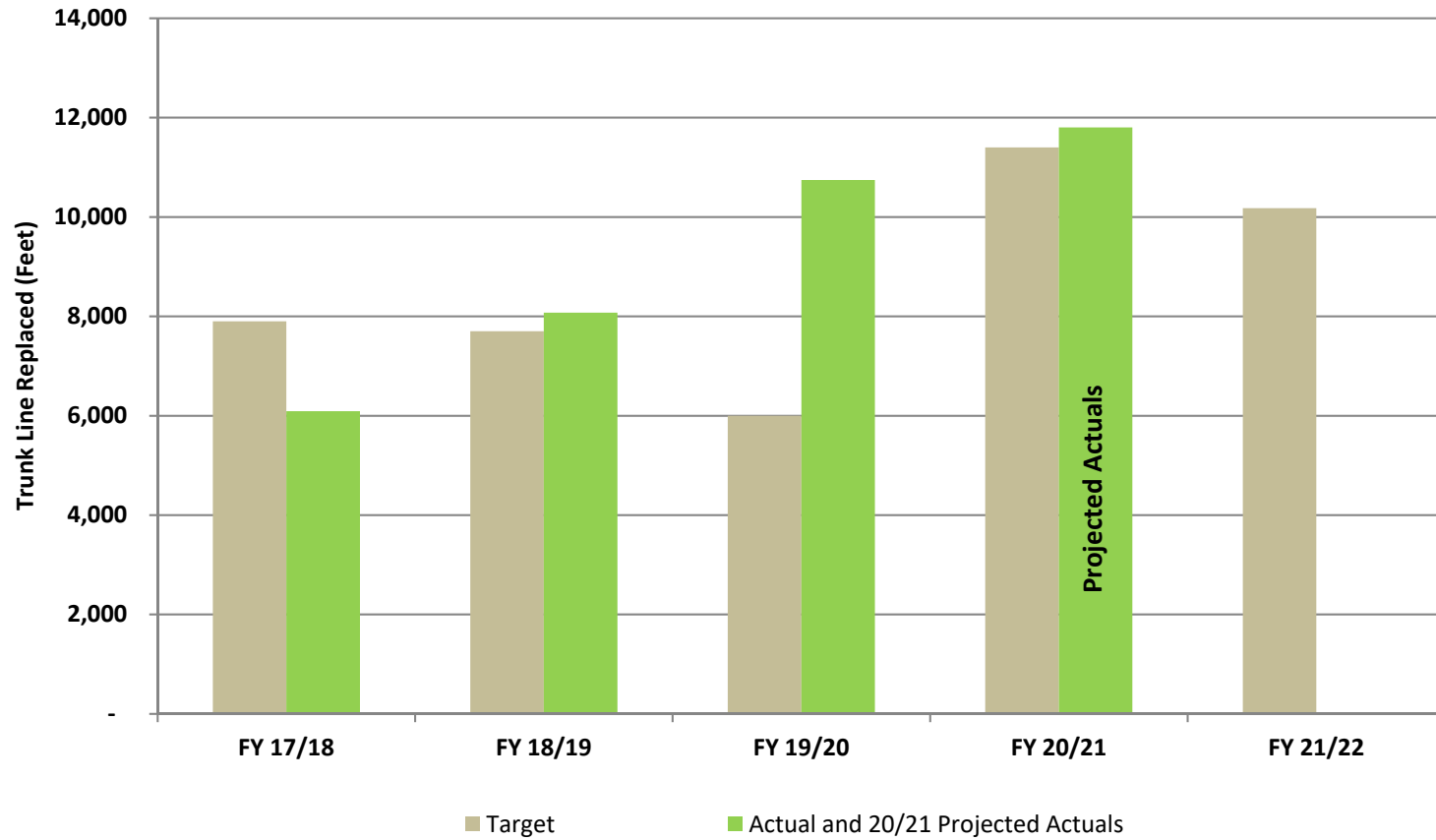
Rates Metric - Mainline Replacement

Mainline Replaced Against Plan



Rates Metric - Trunk Line Replacement

Trunk Line Replaced Against Plan



Water Quality



Headworks Reservoir West is under construction and is 95% complete. The massive network of steel rebar and the “chevron” concrete pour pattern was implemented to reduce cracking.



The LA Reservoir UV Treatment Facility is a 650 million-gallon-per-day treatment plant to meet water quality regulations and is 92% complete.



River Supply Conduit Upper Reach Improvement Unit 7 (RSC7) will install 13,325 feet of 78-inch welded steel pipeline, and the entire RSC Upper Reach will connect the North Hollywood Pump Station to Headworks.

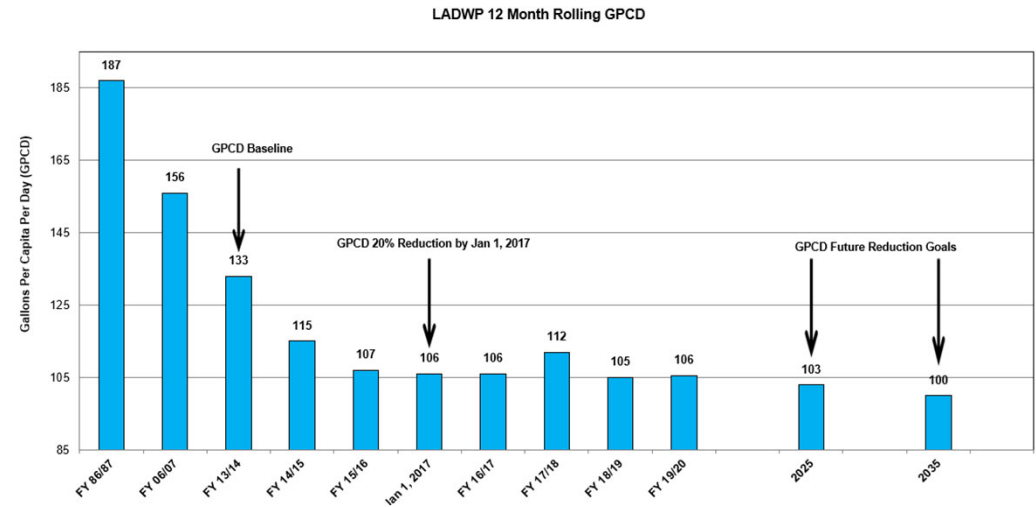


The North Hollywood Central Treatment project is a groundwater treatment facility to treat 38.2 cfs of groundwater for contamination from the Rinaldi Toluca wellfield. This project is part of Water System’s

Water Supply



The Tujunga Spreading Grounds Enhancement Project (TSG) began construction in August 2016 and is expected to be completed by Summer 2021.



In January 2017, LADWP met the pLAN goal of 20% reduction in water use in Gallons Per Capita per Day (GPCD) and as of December 2020 was sustaining this milestone.



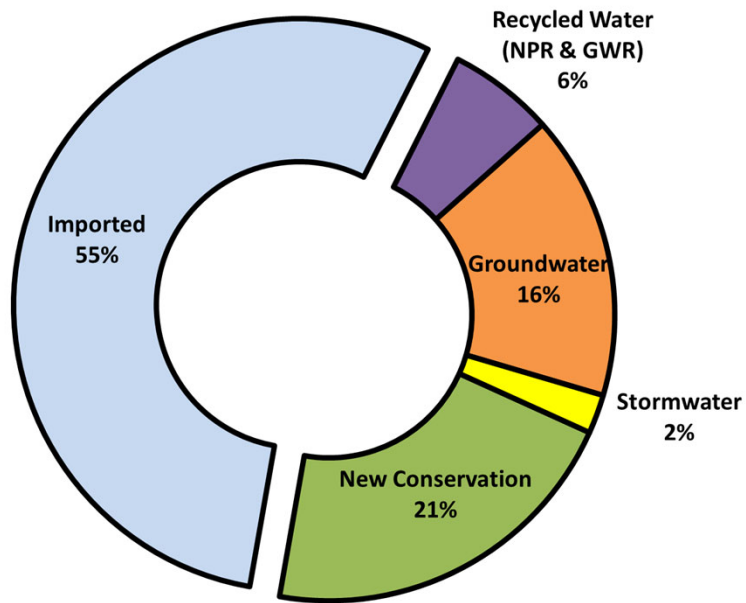
The Los Angeles Groundwater Replenishment Project will recharge the San Fernando Groundwater Basin with up to 30,000 AFY of recycled water produced by the Donald C. Tillman Water Reclamation Plant (DCTWRP).

The Initial Phase is expected to be in service by the end of 2021 and will replenish up to 3,500 AFY of recycled water. This phase also includes a demonstration of ozone treatment to show the efficacy of ozone for future phases.

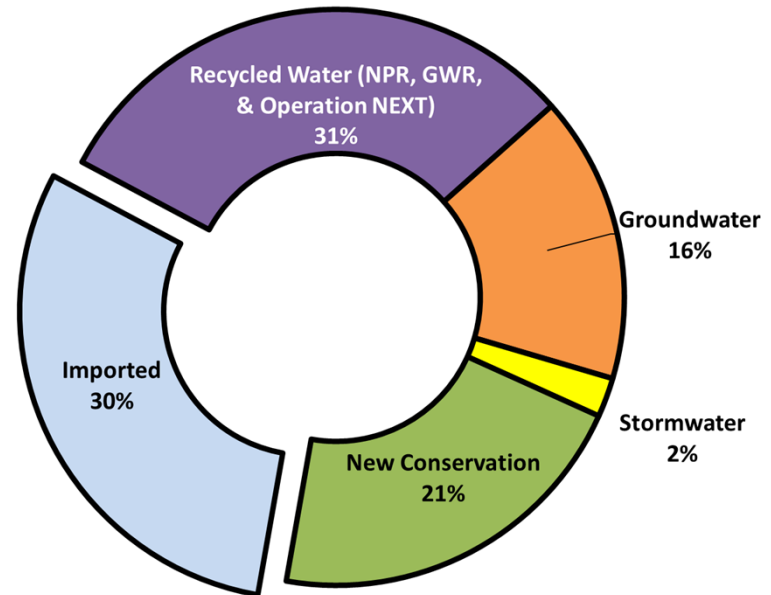


Water Supply Future

Fiscal Year 2034-35 Average Hydrology
Without Operation NEXT



Fiscal Year 2034-35 Average Hydrology
With Operation NEXT



Joint System: Information Technology Services Contributing Organizational Budget by Cost Element

Information Technology Services

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Labor (Regular and Overtime)	\$ 74.0	\$ 80.7	\$ 71.8	\$ 83.7	4%
Material & Supplies**	43.4	51.6	58.6	66.1	28%
Contracts***	44.7	73.8	42.1	64.7	(12%)
Other*	11.7	10.9	12.1	13.8	27%
Total: Information Technology Services	\$ 173.8	\$ 217.1	\$ 184.6	\$ 228.4	5%

* Other includes Cost Elements: Transportation, Workers' Comp, Sponsorship/Ads, Utility Services, and Rentals & Leases

** Increase in Material & Supplies mainly relates to ERP Program, Cyber Security, and Cloud Infrastructure O&M.

*** Decrease in Contracts mainly relates to CIS Replacement Project and Cyber Security contracts.

JOINT SYSTEM ACHIEVEMENTS & INVESTMENTS Information Technology Services

ITS ACCOMPLISHMENTS

<u>Network</u>	<u>Application</u>	<u>Security</u>
<ul style="list-style-type: none"> ❑ deployed Umbrella Client to LADWP machines to provide additional layer of security while telecommuting 	<ul style="list-style-type: none"> ❑ designed and implemented a new COVID tracker application 	<ul style="list-style-type: none"> ❑ deployment of next Gen End-Point Protection to enhance mobile device protection especially during telecommute
<ul style="list-style-type: none"> ❑ enabled telecommuting for the Contact Center Express agents utilizing IP Communicator soft phones 	<ul style="list-style-type: none"> ❑ implemented billing system processing changes to support temporary COVID-19 policies 	<ul style="list-style-type: none"> ❑ deployment of Enhanced Email Security System to address increase in phishing email risk
<ul style="list-style-type: none"> ❑ expanded our virtual private network infrastructure to enable the telecommuting workforce 	<ul style="list-style-type: none"> ❑ implemented CARES Act Check Printing interface 	
<ul style="list-style-type: none"> ❑ implemented and supported virtual Board meeting technology and process 	<ul style="list-style-type: none"> ❑ launched digital paycheck distribution 	
<ul style="list-style-type: none"> ❑ implemented WEBEX Cloud to enable virtual meetings, events and training for thousands of employees 	<ul style="list-style-type: none"> ❑ launched Ebenefits software 	
<ul style="list-style-type: none"> ❑ upgraded internet bandwidth to 10 Gbps to enable the application process for the CARES Act 	<ul style="list-style-type: none"> ❑ launched new medical surveillance test scheduling application 	
<ul style="list-style-type: none"> ❑ upgraded the ECC Avtec communication system used by load dispatchers 	<ul style="list-style-type: none"> ❑ launched MyDWP added dedicated COVID-19 Resource Office page, Telecommute Info page, and implemented expedited process to publish the General Manager's COVID-19 messages in response to the pandemic 	
<ul style="list-style-type: none"> ❑ completed the Bishop Telecommunications building construction 	<ul style="list-style-type: none"> ❑ selected the software for ERP 	
<ul style="list-style-type: none"> ❑ Customer Contact Center IVR system was upgraded from UCCE 10.5 to 11.6 with new hardware and applications upgrade 	<ul style="list-style-type: none"> ❑ supported development and installation effort for Budget System Replacement 	
<ul style="list-style-type: none"> ❑ upgraded the Intrusion Prevention System devices to further secure our network and support the internet bandwidth upgrade 	<ul style="list-style-type: none"> ❑ upgraded the Occupational Health Management system 	
	<ul style="list-style-type: none"> ❑ upgraded Worktech ❑ launched Cornerstone 	



* Accomplishments in response to the COVID-19 pandemic and enabling telecommuting

Joint System: General Manager Direct Reports Contributing Organizational Budget By Cost Element

General Manager Direct Reports

Commission Office, General Manager, Office of Diversity Equity and Inclusion, Office of City Attorney, Claims, Real Estate, and Office of Safety

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Contracts**	\$ 28.1	\$ 43.9	\$ 43.0	\$ 35.1	(20%)
Labor (Regular and Overtime)	\$ 14.9	\$ 23.9	\$ 24.1	\$ 34.1	43%
Awards and Damages	\$ 17.1	\$ 26.6	\$ 26.6	\$ 26.0	(2%)
Other*	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	5%
Material & Supplies ***	\$ 2.5	\$ 4.6	\$ 5.2	\$ 1.1	(76%)
Total: General Manager Direct Reports	\$ 64.4	\$ 101.0	\$ 100.9	\$ 98.2	(3%)

* Other includes Cost Elements: Transportation, Workers' Comp, Utility Services, and Rentals & Leases

** Decrease in Contracts mainly relates to Direct Legal Services

*** Decrease in Materials & Supplies mainly relates to Office of Safety budget for arc resistant clothing, which was moved to Power System.



JOINT SYSTEM ACHIEVEMENTS & INVESTMENTS General Manager Direct Reports

Office of Safety

Office of Safety

FY20/21 Budget Goal \$15.6M

21/22 Proposed: \$11.2M

Accomplishments to Date

COVID-19 PANDEMIC RESPONSE



17/18 Actuals – 8.8M
 18/19 Actuals – 10.3M
 19/20 Actuals – 10.1M
 20/21 Approved – 15.6M
 21/22 Proposed – 11.2M

LADWP’s response to the COVID-19 pandemic:

Coordinating employee **vaccinations** to ensure continuity of critical operations

Conducting over 70 **facility inspections** to ensure compliance with Los Angeles County Department of Public Health standards

Procuring 2 contracts for employee **testing**; Created Testing Coordinator position to manage distribution

Securing Clean Harbors contract for **post-outbreak infectious material cleanup**

Developed COVID-19 Awareness & Hazard Communication **training** and presented to over 11,000 employees

Wrote COVID **Exposure Control Plan policy** as an addendum to LADWP’s Injury and Illness Prevention Program

Created **COVID Task Force** to ensure a multidisciplinary approach to response measures

Partnered with LADWP divisions to: manufacture CDC/Public Health compliant **arc-rated (AR) face coverings**; develop Hazard Communication compliant labeling for in-house manufactured **hand sanitizer**; install **plexiglass barriers** consistent with Public Health Department standards

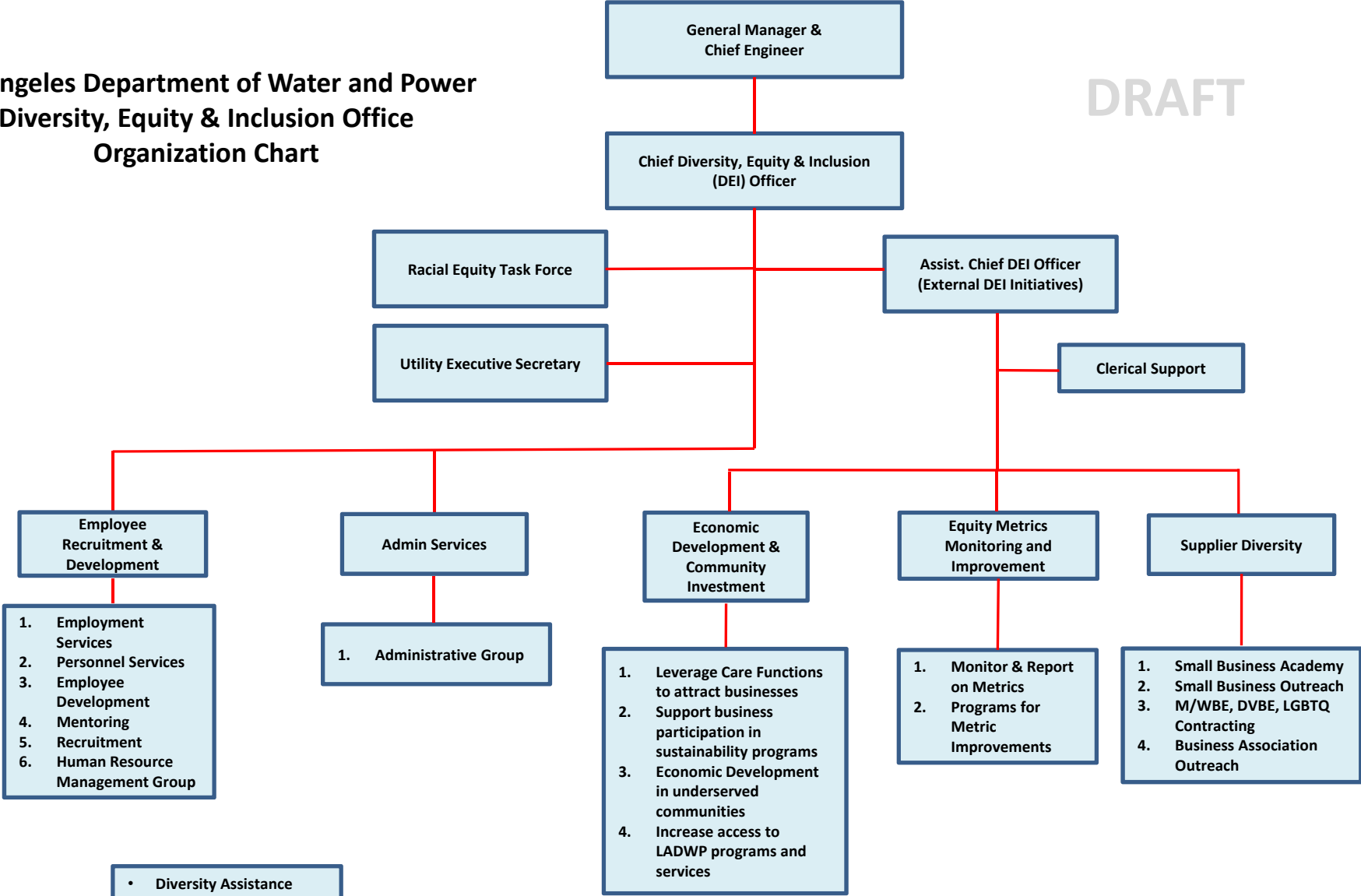
Budget estimates reflect anticipated continued pandemic response into the next fiscal year



Office of Diversity, Equity & Inclusion

DRAFT

Los Angeles Department of Water and Power Diversity, Equity & Inclusion Office Organization Chart



- Diversity Assistance
- Employee Resource Group Support
- DEI Programs & Projects



FY21/22 DEI Office Goals

- Recruitment and Hiring
- Training
- Community Outreach and Economic Development
- Supplier Diversity

The total DEI labor budget is included elsewhere in the organization, but it is estimated that 80+ positions will be moved into DEI and with the 21 new positions, the final labor budget will approximate \$17.5 million.

Joint System: Chief Administrative Officer Contributing Organizational Budget by Cost Element

Chief Administrative Officer

Human Resources, Facilities Services, LEED, JFB Facilities Mgmt, Supply Chain Services, Security Services, Labor Relations, and EEO

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Health Care Payment	\$ 339.8	\$ 344.5	\$ 350.2	\$ 357.0	4%
Labor (Regular and Overtime)	\$ 138.5	\$ 152.5	\$ 145.7	\$ 156.1	2%
Contracts	\$ 11.3	\$ 32.4	\$ 31.0	\$ 31.9	(2%)
Material & Supplies	\$ 9.0	\$ 18.8	\$ 17.0	\$ 15.5	(18%)
Other*	\$ 4.7	\$ 7.6	\$ 6.6	\$ 7.2	(5%)
Contracts (Tuition Reimbursement)	\$ 4.0	\$ 2.9	\$ 2.9	\$ 2.9	0%
Total: Chief Administrative Officer	\$ 507.4	\$ 558.6	\$ 553.4	\$ 570.6	2%

* Other includes Cost Elements: Transportation, Workers' Comp, Sponsorship/Ads, Utility Services, Rentals & Leases, and Other Direct



JOINT SYSTEM
ACHIEVEMENTS & INVESTMENTS
Chief Administrative Officer

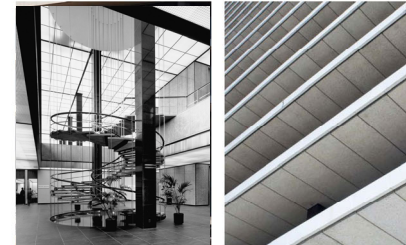
Human Resources

LADWP NEW HIRES AND ATTRITION

FY20-21
(as of Jan. 2021)



Facilities Services

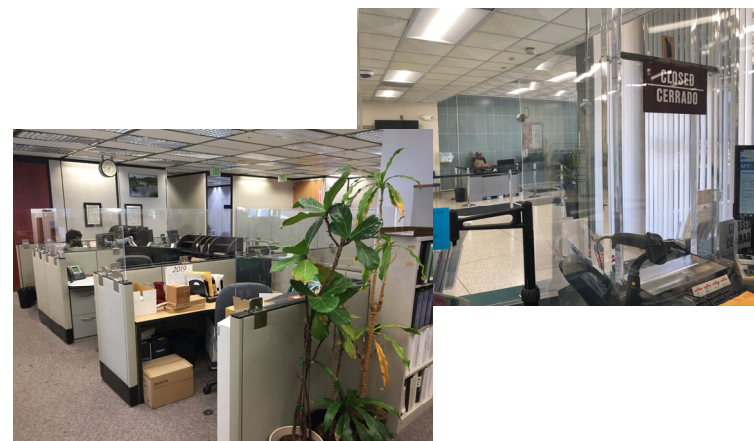


Facilities Services Office Space Expansions

	Capacity	Occupied	Vacancy
FY 16/17 221 Fig Plaza	362	249	113
FY 17/18 6060 Sepulveda	427	147	280
FY 19/20 3200 San Fernando Rd (environmental inspection phase)	450	0	450
FY 20/21 Pacific Stock Exchange (planned occupancy Oct-2021)	1094	0	1094
FY 21/22 JFB Reconsolidation Project (final completion Nov-2026)	800	0	800

Facilities Services Accomplishments FY 20/21

CONSTRUCTION START FINISH
May-2020 Jun-2020



COVID-19 PLEXIGLASS SAFETY BARRIERS

- 2,185 workstations
- JFB Customer Call Center, LA Aqueduct, Pasadena Test Lab, Harbor Yard, Customer Service Centers

Facilities Services Accomplishments FY 20/21



CONSTRUCTION START FINISH
Jun-2020 Jun-2021



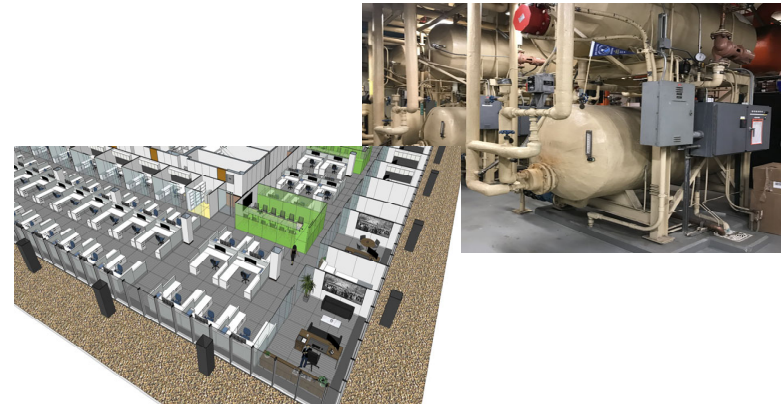
PACIFIC STOCK EXCHANGE – TENANT IMPROVEMENT

- New office lease 132,500 square feet
- 1,094 offices, 623 parking spaces
- Relocation of Customer Service Division and Information Technology

Facilities Services Accomplishments FY 20/21



	<u>START</u>	<u>FINISH</u>
ASSESSMENT	Jul-2020	Jan-2021
CONSTRUCTION	Nov-2021	Nov-2026



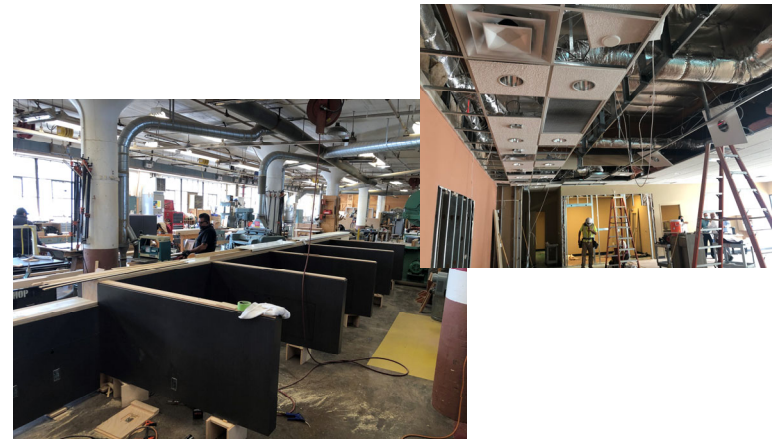
JFB ASSESSMENT AND MASTER PLAN

- Overall assessment of JFB systems for upcoming reconsolidation
- JFB reconsolidation 270,000 square feet, 9 floors total
- Asbestos abatement, LED, HVAC, ADA restrooms, open space plan

Facilities Services Accomplishments FY 20/21



CONSTRUCTION START FINISH
Oct-2020 May-2021



NORTH HILLS CUSTOMER SERVICE CENTER

- New lease 4,950 square feet
- 5 ergonomic teller stations, Q-matic ticketing
- Replacement of Mission Hills CSC

Facilities Services Accomplishments FY 20/21



	<u>START</u>	<u>FINISH</u>
DESIGN	Nov-2020	Mar-2021
CONSTRUCTION	Apr-2021	Sept-2021



WATTS CUSTOMER SERVICE CENTER

- New lease 4,000 square feet
- 6 ergonomic teller stations, Q-matic ticketing
- Replacement Customer Service Center

Drought Tolerant Conversions FY 21/22

Water

- Los Angeles Aqueduct Filtration Plant Parking Lot
- Winnetka Pumping Station
- Kenter Canyon
- North Hollywood West
- John Ferraro Building
- North Hollywood Pump
- Estepa Pumping Station

Power

- Distribution Station (DS)-4
- DS-22
- DS-29
- DS-30
- DS-52
- DS-60
- DS-74
- DS-91
- DS-136
- DS-145
- Power Plant-1 Housing
- Rodeo Grounds
- Centennial Park

Joint

- 3200 San Fernando Road
- Temple Street

Joint System: External and Regulatory Affairs

Contributing Organizational Budget by Cost Element

External and Regulatory Affairs

Office of Sustainability, Public Affairs, and Customer Service Division

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Contracts **	\$ 133.4	\$ 122.8	\$ 109.7	\$ 160.7	31%
Labor (Regular and Overtime)	\$ 126.7	\$ 140.4	\$ 140.5	\$ 146.8	5%
Other Direct, Incentives, and Fees***	\$ 62.0	\$ 66.9	\$ 61.9	\$ 70.2	5%
Other*	\$ 4.6	\$ 5.4	\$ 5.3	\$ 10.2	89%
Material & Supplies	\$ 6.7	\$ 10.7	\$ 10.4	\$ 8.3	(22%)
Postal Services	\$ 5.6	\$ 6.5	\$ 6.5	\$ 5.4	(17%)
Sponsorships / Ads	\$ 3.0	\$ 4.3	\$ 3.7	\$ 4.3	0%
Total: External and Regulatory Affairs	\$ 342.0	\$ 357.0	\$ 338.0	\$ 406.2	14%

* Other includes Cost Elements: Transportation, Workers' Comp, Utility Services, and Rentals & Leases

Increase in Other expenses mainly relates to rentals and leases.

** Contract increases mainly relate to Environmental Services and Permits, Account Care and Revenue Support, General Invoice & Collectible Billable Work, and Customer Contact Centers.

*** Other Direct, Incentives, and Fees increases mainly relate to Energy Conservation and Mail Center (paperless billing promotion)



Joint System: External and Regulatory Affairs

Contributing Organizational Budget by Cost Element

- Detail of Major Variances

External and Regulatory Affairs

Office of Sustainability, Public Affairs, and Customer Service Division

\$ in Millions

FUNCTIONAL ITEM / JOB DETAIL			FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved	
Contracts			\$ 122.8	\$ 109.7	\$ 160.7	\$ 37.9	31%
Job P6262	ENVIRONMENTAL SERVICES AND PERMITS (FI 3583400)		6.3	2.5	33.0	26.7	
FI 4070420	ACCT CARE,RVNUE SUPP,AND		1.1	0.7	4.7	3.6	
FI 3055070	GEN I&C BILLABLE WORK		2.8	2.7	5.5	2.8	
FI 4070210	CSD CUSTOMER CONTACT CTR		2.1	2.1	3.9	1.8	
Other Direct, Incentives, and Fees			\$ 66.9	\$ 61.9	\$ 70.2	\$ 3.3	5%
FI 28182	ENERGY CNSRVTN-PWR FUNDED		54.6	54.6	60.5	5.9	
FI 4070480	MAIL CENTER		2.8	2.8	0.2	(2.5)	
Other*			\$ 5.4	\$ 5.3	\$ 10.2	\$ 4.8	89%
Rentals and Leases							
FI 4070100	CUSTOMER EXPERIENCE OPRTN		0.4	0.4	4.8	4.4	

* Other includes Cost Elements: Transportation, Workers' Comp, Utility Services, and Rentals & Leases



LADWP Customer Benefits Programs

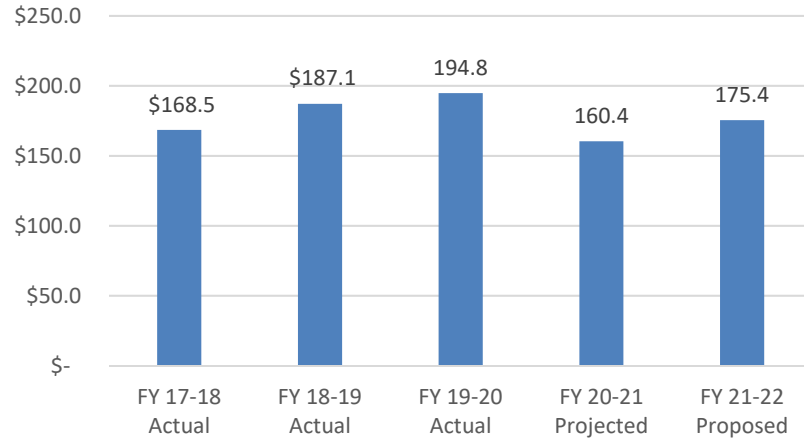
Customer Programs (\$ in Millions)	FY 2019-20		FY 2020-21		FY 2021-22	
	Actual	Approved	Estimated	Proposed		
Energy Efficiency Program	\$ 195	\$ 173	\$ 161	\$ 174		
Electric Transportation Program	\$ 39	\$ 67	\$ 67	\$ 63		
Power System Incentive Program						
Solar Incentive Payments	\$ 4	\$ 6	\$ 6	\$ 4		
Demand Response Program	<u>1</u>	<u>13</u>	<u>13</u>	<u>27</u>		
TOTAL PS Incentive Program	\$ 5	\$ 19	\$ 19	\$ 31		
Water Conservation Program	\$ 12	\$ 18	\$ 12	\$ 18		
Notes:						
1) All data based on 2/9/21 Budget Data						
2) Program costs include rebates, all other direct, and indirect costs						
3) Programs include O&M components						

JOINT SYSTEM ACHIEVEMENTS & INVESTMENTS External and Regulatory Affairs

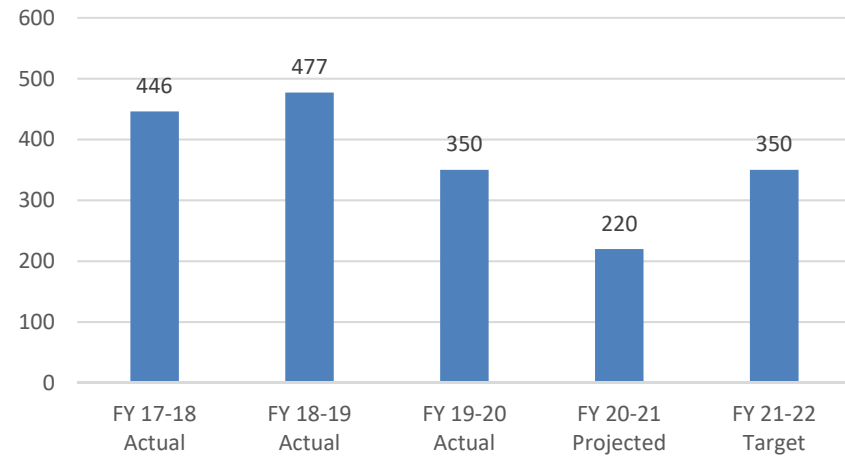
Office of Sustainability

Energy Efficiency

Actual/Projected Costs & Proposed Budget in millions



Energy Savings, in GWh



- LADWP achieved the 2010-2020 EE goals of 15% energy reduction versus baseline by the end of 2019. LADWP is on track to achieve another 15% energy reduction by 2030 (SB 350-mandated doubling of EE).
- LADWP will bring CA’s Low Income Weatherization Program (LIWP) into LA, enhanced with LA-specific requirements, as Comprehensive Affordable Multifamily Retrofits (CAMR), with the Association for Energy Affordability (AEA) as program administrator.
- LADWP’s FY 20-21 EE goal will not be met, due to COVID 19-related program shutdowns. Program activity is still occurring, but all Direct Install programs have been severely curtailed.
- The 2030 EE goal is still attainable but some “catch-up” will be required once normal operations resume post-COVID 19.
- EE programs continue to be run in the most cost-effective manner possible, and remote inspection protocols have allowed some programs to continue unimpeded.



Public Affairs

Communications & Public Affairs Division

Media Relations & Crisis Communications	Corporate Communications	Community Affairs	Education Outreach	Customer Communications & Advertising
				
<p>News releases & events, outage communications, newsroom, Ask the GM, social media engagement</p> <p>21/22 Goals: Enhanced ethnic media outreach, enhanced outage communications in-basin and roll out to Owens Valley (Power/CSD/CPA), continued earned media, more visible on social media highlighting community investments & campaigns</p> <p>Accomplishments FY 16/17 To Present 408 News Releases</p>	<p>Policy & employee communications, videos, publications, executive briefings, AV support, Owens Valley communications & outreach, intranet, graphics support, exhibits</p> <p>21/22 Goals: Increase virtual experience for employees and customers (training, tours, events); transition 1-2 publications to digital platform; collaborate with employee groups; text and email blasts to employees; kickoff new intranet development; launch LADWPEmployeeInfo.com; Owens Valley e-newsletter</p> <p>Accomplishments FY 16/17 To Present 65 Videos; 48 Editions of Contact; 25 Employee Events</p>	<p>Community outreach, neighborhood council outreach, events, construction outreach, stakeholder engagement, speakers bureau, facility tours, sponsorships, display and exhibits</p> <p>21/22 Goals: Expand virtual experiences for tours, meetings and events; increase stakeholder engagement; and expand community partnerships</p> <p>Accomplishments FY 16/17 To Present 1,708 Community Meetings & Events</p>	<p>Adopt-a-School, Science Bowl, Teachers Institute, Academic Decathlon, Electric Safety, LA Times in Education, Career Education, Class and School Presentation on Zoom platform, virtual STEM events</p> <p>21/22 Goals: Sustain adopt-a-school program, take in-class presentations virtual and print lessons digital; restore in-class presentations and printed lesson materials when schools reopen</p> <p>Accomplishments FY 16/17 To Present 300 schools; 1,250 teachers; 75,000 students</p>	<p>Marketing campaigns; water conservation and energy efficiency rebate promotions, discount program promotions, customer emails, customer service center support, external website content, social media promotions, ad placement and strategy</p> <p>21/22 Goals: City-wide and targeted campaigns to raise awareness and participation in programs and rebates; discount and assistance, electric vehicles, solar, demand response, water conservation, energy efficiency, water quality</p> <p>FY 16/17–20/21 Accomplishments 35,616 Facebook Likes; 50,400 Twitter Followers</p>

Customer Service Division

Customer Service Division

Impact of the Pandemic

Impact of the Pandemic

- Kept CSCs open with appointment scheduling
- Impact on residential payments due to CSC closures; customers continue to make payments via drop box
- Increased gap between payments and billed amounts
- More estimated reads due to civil unrest, pandemic precautions, and rotational work assignments
- Businesses shutdown due to the COVID-19 pandemic continue to incur facilities/demand charges which are reset in a rolling 12-month basis
- Increase in paperless billing led to a 7% decrease in bills mailed

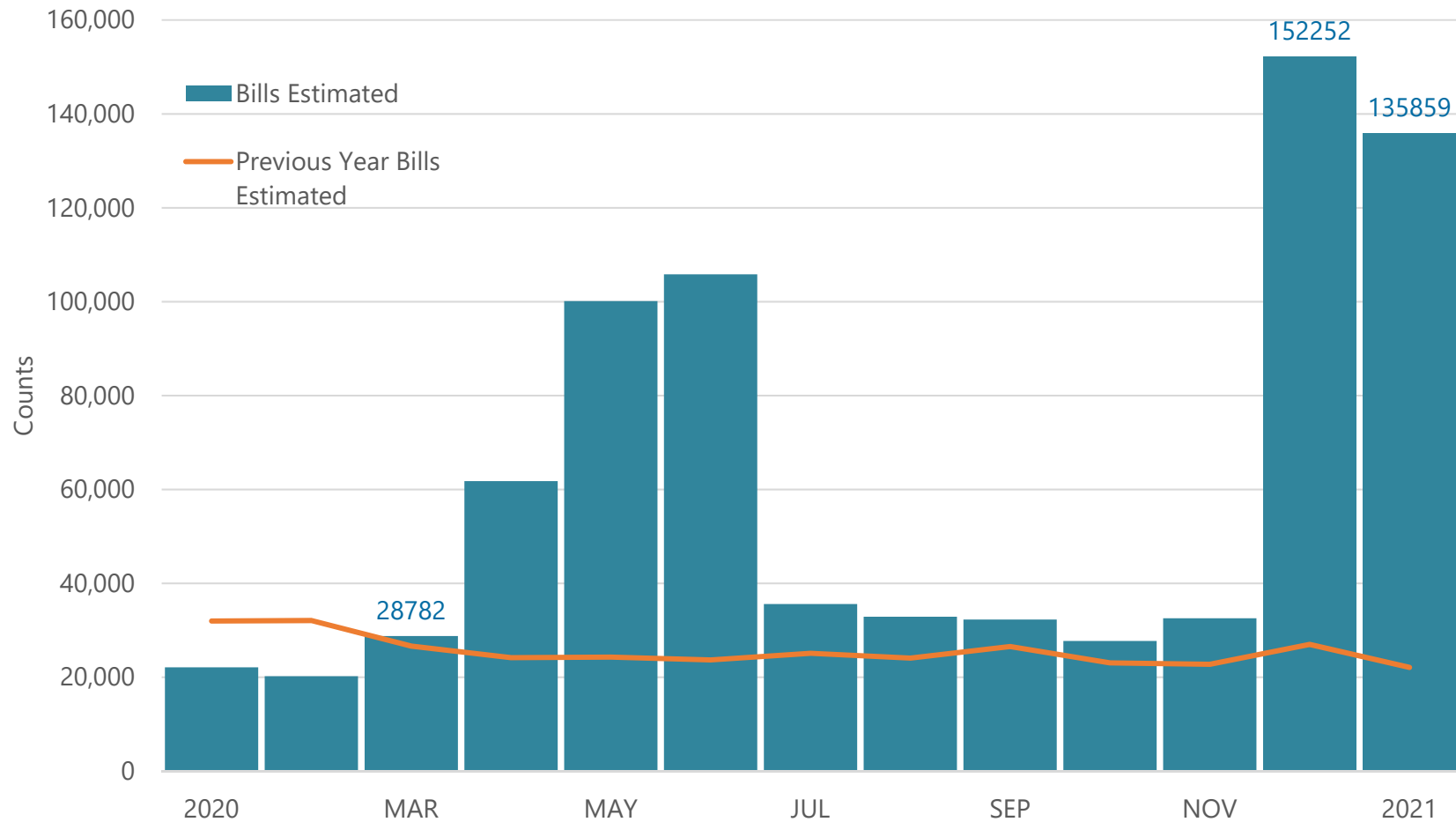


Activities Supporting Customers Throughout the Pandemic

- Distributed over \$33 M. in federal LADWP CARES Utility Grant Assistance Program money
- Actively developing new payment and billing programs to assist customers and reduce gap between payments and billed amounts
- Enhance existing Customer Relationship Management platform
- Worked with LAUSD to complete Direct Install installations in 47 schools
- Developed and published a new small business support website

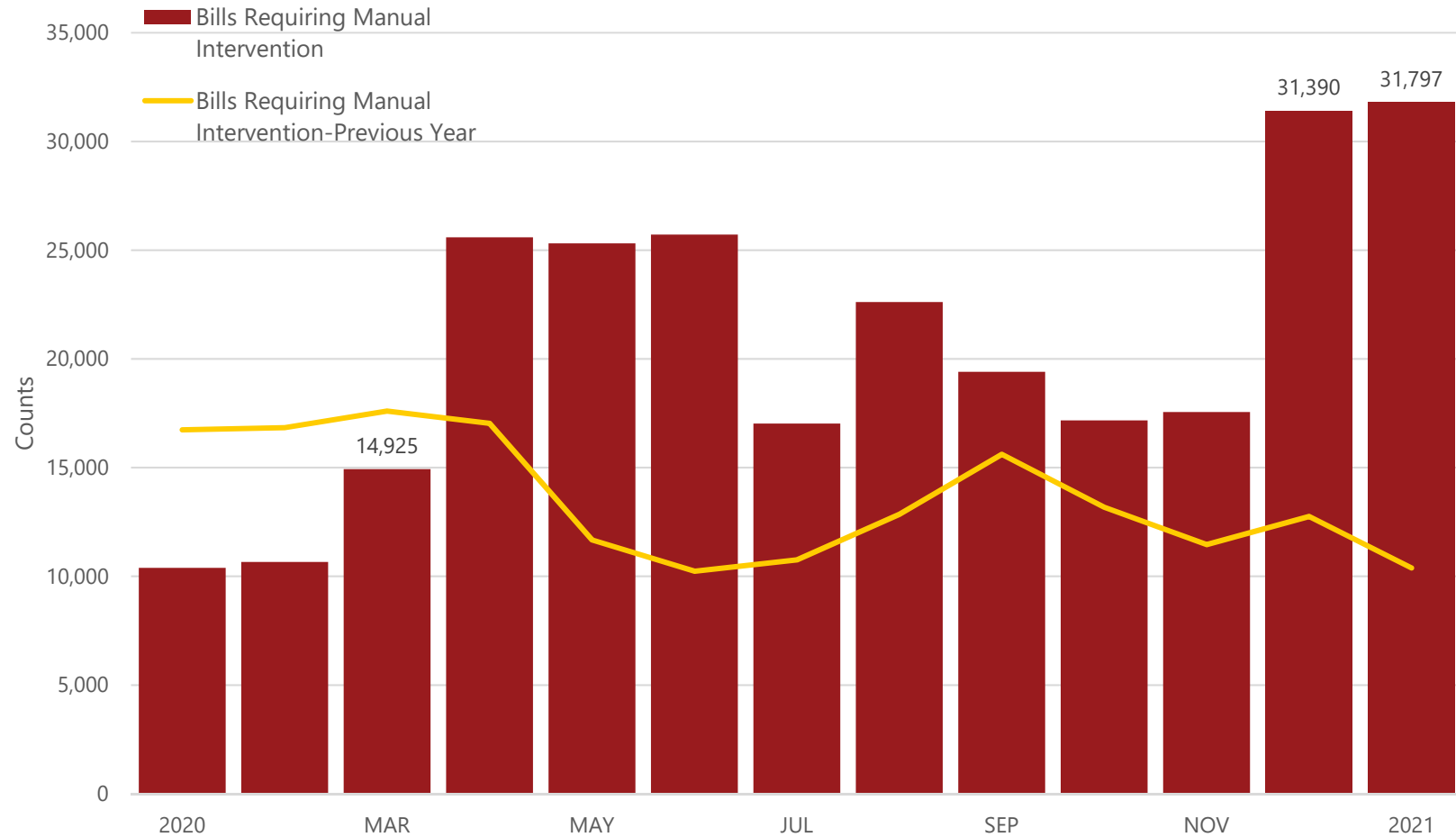
Customer Service Division

Estimated Bills by Month



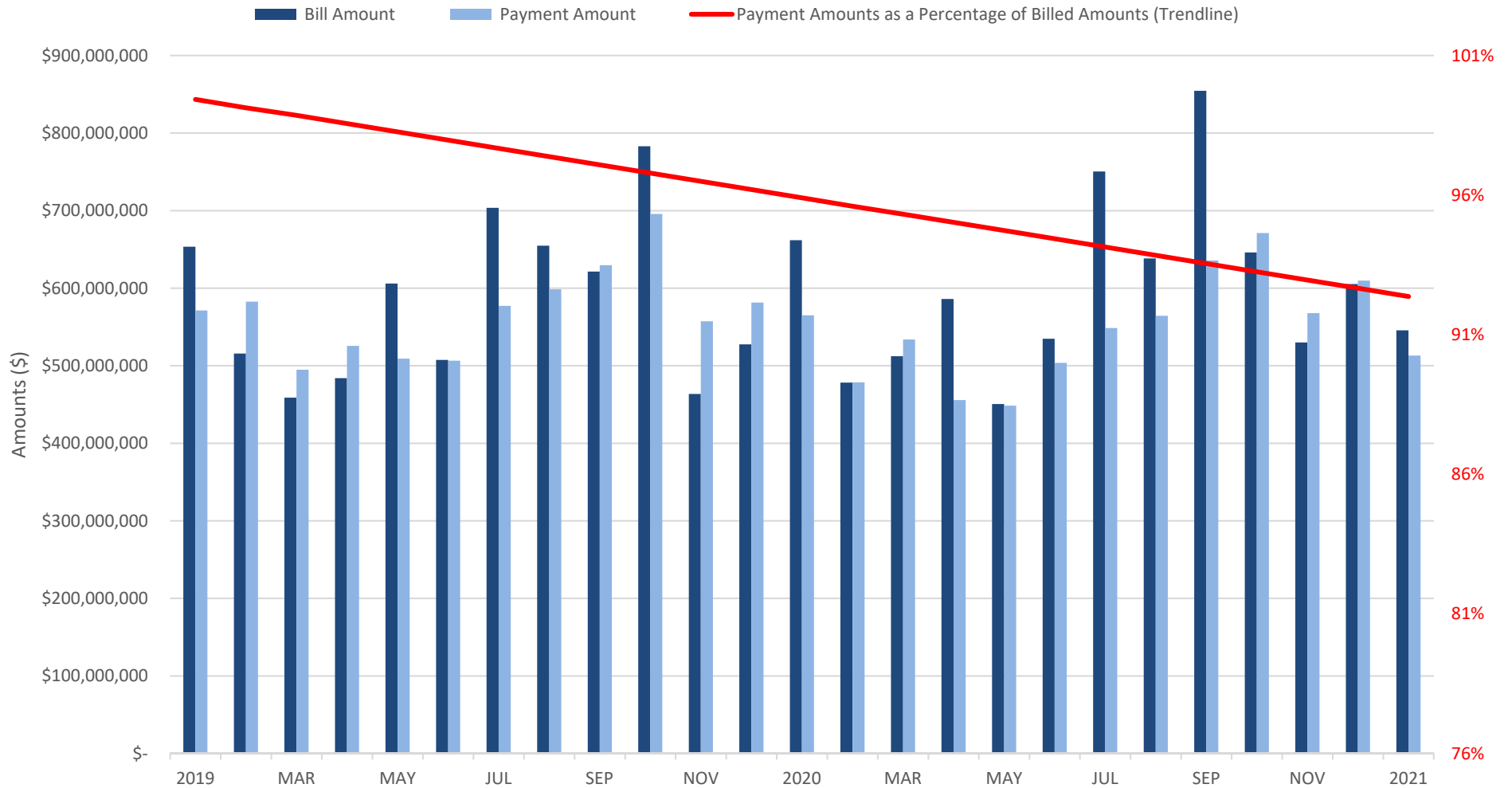
Customer Service Division

Significant increase in the number of bills an employee must manually issue



Customer Service Division

Payment Amounts and Bill Amounts



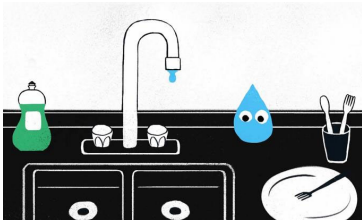
Customer Service Division

Energy Efficiency and Water Conservation Rebate Programs



Energy Efficiency Projects

- Completed **47** LAUSD direct installs projects in 2020
- Energy Savings Assistance Program (ESAP) increased **113%** with **8,344** projects with SoCalGas Company



Water Conservation efforts

- Over **76,000** customer touchpoints
- Nearly **\$700 k** in Turf Rebates Paid
- **Washer rebate** added to Efficient Product Marketplace



Incoming Consumer Rebate Unit Project Counts have more than doubled in 2020

- Processed over **38,000** applications in calendar year 2020
- Over **\$27 million** paid in rebates



Incoming used EVs rebate and residential and commercial charger rebates in 2020

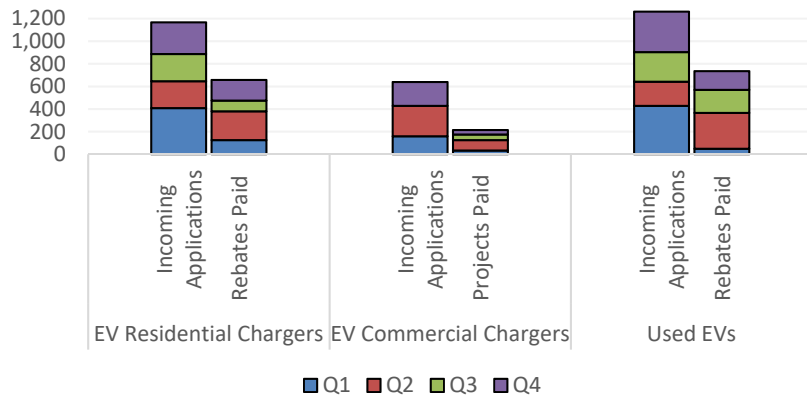
- **1,232** used EVs
- **1,268** residential chargers
- **675** commercial charger projects



Customer Service Division

Backlogs that persisted in 2020 due to staffing constraints

Electric Vehicle (EV) Rebates Calendar Year 2020



During 2020, the number of applications for the Consumer Rebate Program (CRP) also **increased**.

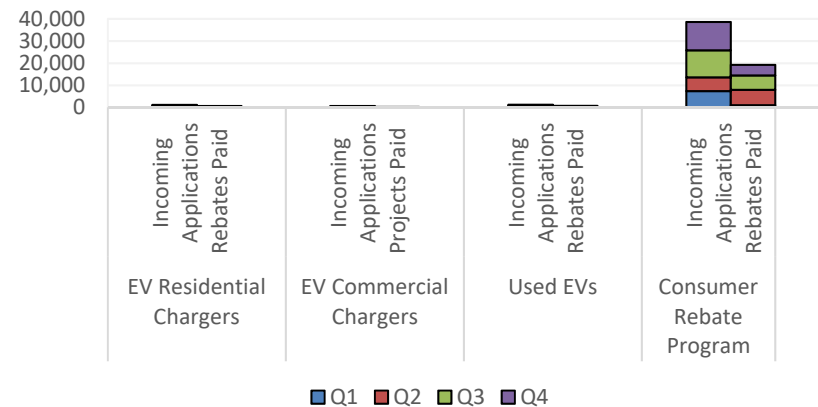
Over 38,000 applications (33,000 for Attic Insulation alone) were received – which **dwarfed** the number of more EV related rebates submitted. The team processing CRP had to balance paying CRP rebates and the more complicated EV rebates with the same number of staff.

2019: Over 18,000 applications (12,000 for Attic Insulation alone) were received.

The overwhelming customer demand for the EV Charger Rebate is apparent by the high volume of applications received during the 2020 program year.

When EV Charger funding is released, the program processing staff is **inundated with rebate application requests**. Funding is typically fully subscribed the first day, and with Board approval, additional funding allocations are issued. **Some commercial projects may take several months** to complete depending on the project size and complexity, and to ensure that funding is available upon completion, the amount of approved project rebate is reserved.

CRP and EV Rebate Programs Calendar Year 2020



Joint System: Chief Financial Officer Contributing Organizational Budget by Cost Element

Chief Financial Officer

\$ in Millions

Cost Element	FY2019/20 Actual	FY2020/21 Approved	FY2020/21 Re-Estimate	FY2021/22 Preliminary Budget	FY2021/22 Prelim vs. FY2020/21 Approved
Bond Redemption & Interest	\$ 951.7	\$ 1,017.6	\$ 975.1	\$ 1,043.0	2%
Retirement and Death Benefit	\$ 446.1	\$ 589.7	\$ 589.7	\$ 425.4	(28%)
Insurance	\$ 73.1	\$ 76.4	\$ 76.4	\$ 84.8	11%
Health Care Payment Adjustment**	\$ -	\$ 32.7	\$ 32.7	\$ 65.0	99%
Contracts	\$ 35.9	\$ 50.0	\$ 49.9	\$ 50.0	0%
Labor (Regular and Overtime)	\$ 32.3	\$ 41.4	\$ 41.4	\$ 43.0	4%
Property Tax	\$ 32.2	\$ 34.2	\$ 34.2	\$ 36.4	6%
Material & Supplies	\$ 1.2	\$ 1.2	\$ 1.1	\$ 2.4	100%
Other*	\$ 0.8	\$ 2.0	\$ 2.0	\$ 1.9	(5%)
Total: Chief Financial Officer	\$ 1,573.3	\$ 1,845.1	\$ 1,802.3	\$ 1,751.8	(5%)

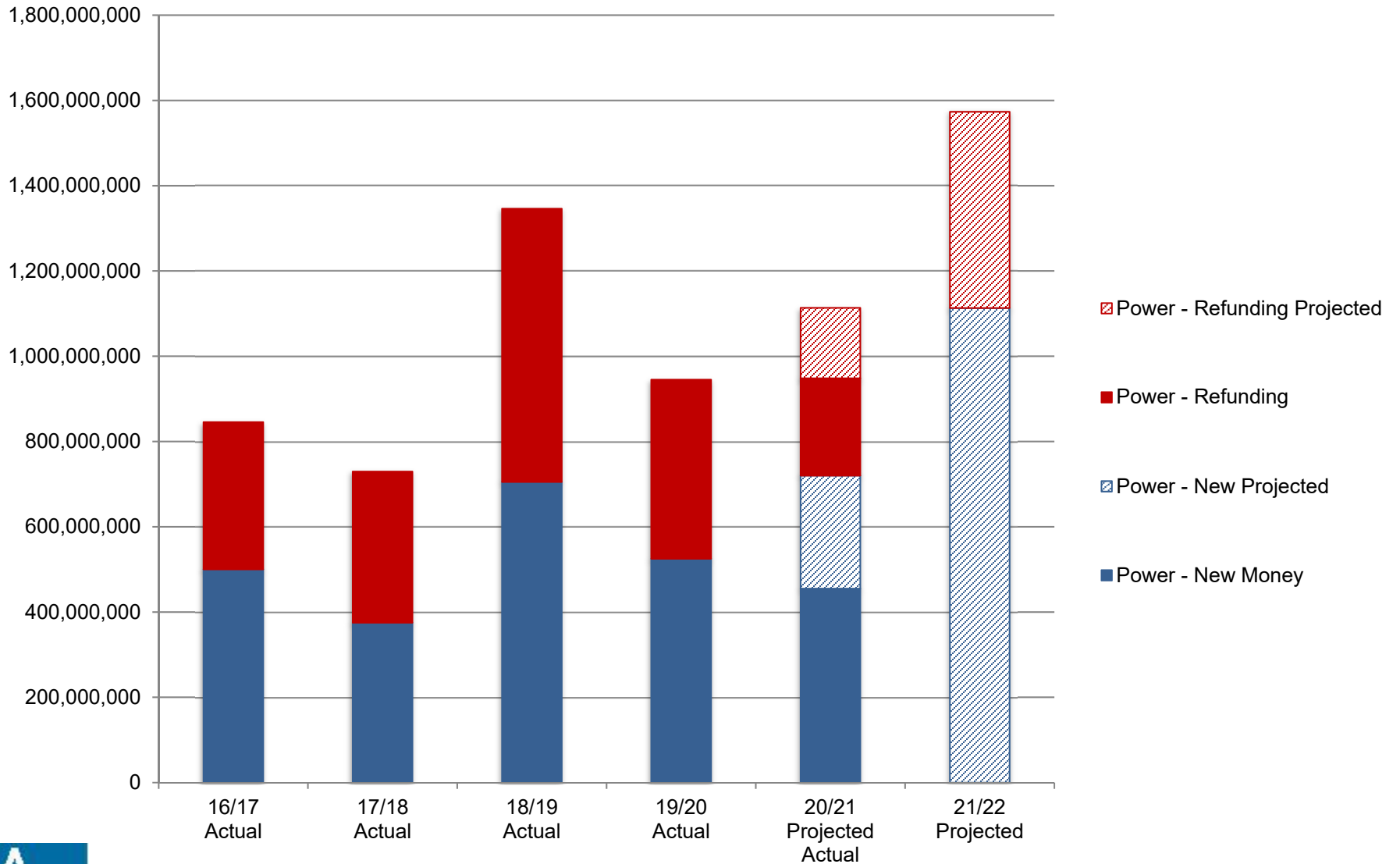
* Other includes Cost Elements: Transportation, Workers' Comp, Sponsorship/Ads, Utility Services, Postal Services, Rentals & Leases, and Joint Owner Contracts.

** Health Care Payment Adjustment relates to Other Post Employment Benefit assumed cash contribution and estimated future staffing increases.

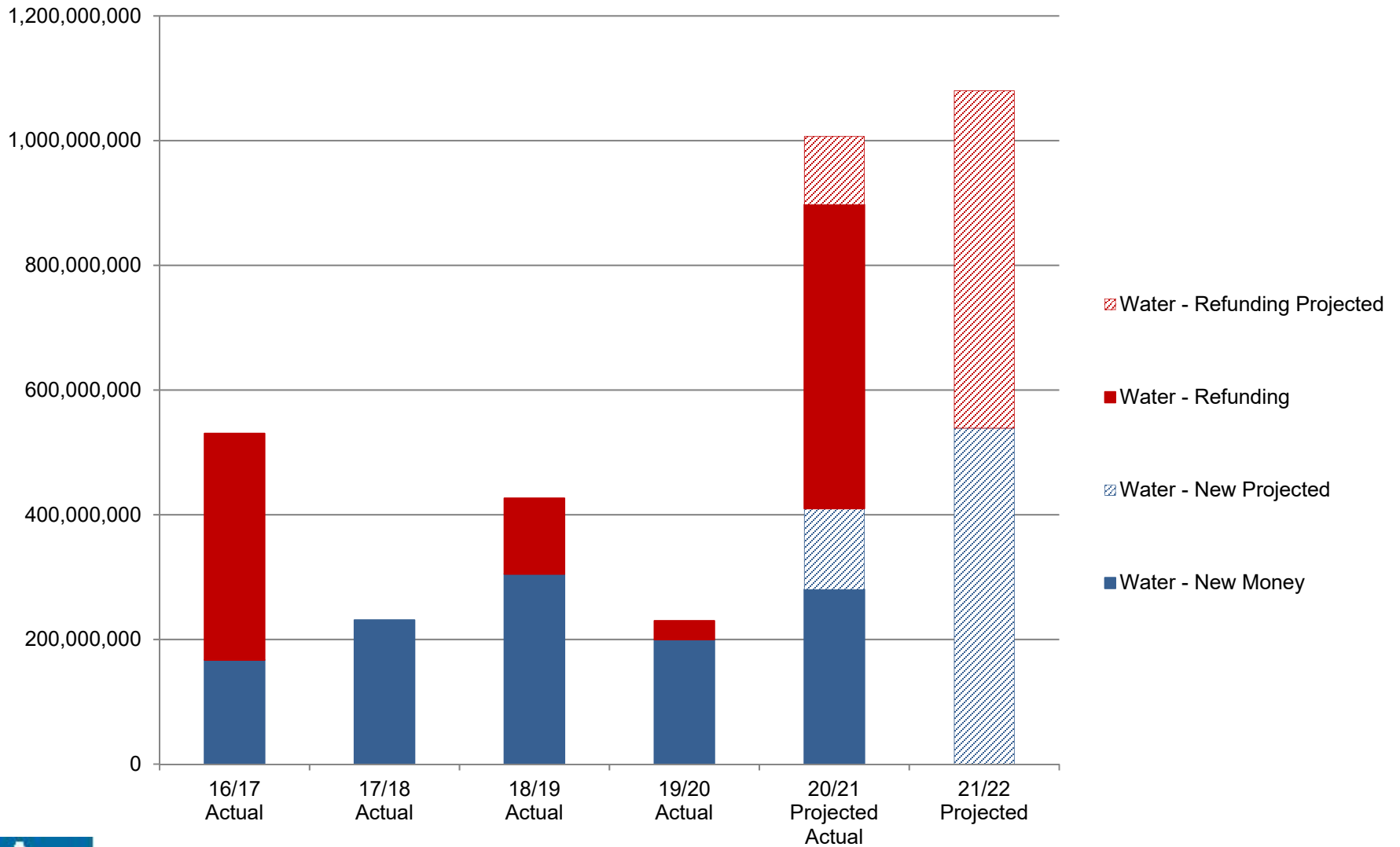


**JOINT SYSTEM
ACHIEVEMENTS & INVESTMENTS
Chief Financial Officer**

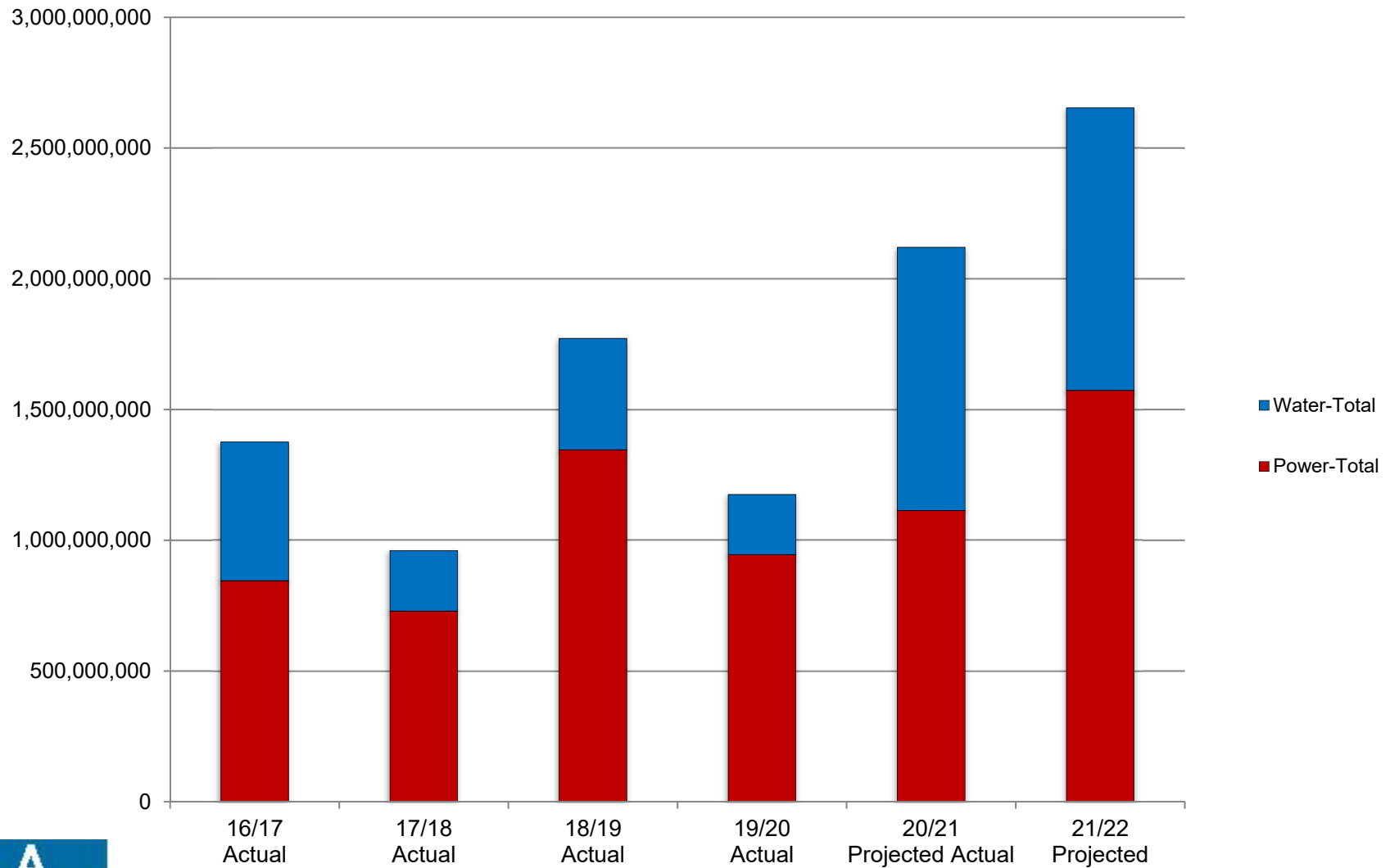
Power Bond Sales



Water Bond Sales



Total Bond Sales



Power Revenue Fund Financial Plan Summary

\$ in Millions	FY 2020-21		FY 2021-22
	Approved	Re-Estimated	Proposed Prelim
RETAIL SALES (GWh)	20,809	21,275	21,152
REVENUE REQUIREMENT	\$ 4,162	\$ 4,247	\$ 4,347
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	\$ 557	\$ 557	\$ 566
- POWER SYSTEM RELIABILITY PROGRAM	455	468	513
- INFRASTRUCTURE	377	379	404
- RENEWABLE PORTFOLIO STANDARD	50	59	52
TOTAL OPERATION & MAINTENANCE EXPENSE	\$ 1,440	\$ 1,463	\$ 1,535
FUEL, PURCHASED POWER, AND EMISSIONS	1,517	1,540	1,499
DEPRECIATION, PROPERTY TAX AND OTHER	742	703	781
TOTAL OPERATING EXPENSE	\$ 3,698	\$ 3,706	\$ 3,815
OTHER INCOME/EXPENSE (incl. Debt Exp. and City Transfer)	\$ 387	\$ 401	\$ 389
CHANGE IN NET POSITION	\$ 76	\$ 140	\$ 142
SYSTEM AVERAGE RATE (cts/kWh)	20.4	19.6	20.3

Water Revenue Fund Financial Plan Summary

\$ in Millions	FY 2020-21		FY 2021-22
	Approved	Re-Estimated	Proposed Prelim
SALES (Million HCF)	195.2	203.5	195.8
REVENUE REQUIREMENT	\$ 1,429	\$ 1,530	\$ 1,481
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	\$ 163	\$ 163	\$ 161
- INFRASTRUCTURE	159	161	155
- WATER SUPPLY	126	123	130
- WATER QUALITY	110	110	112
- OWENS VALLEY	36	36	37
TOTAL OPERATION & MAINTENANCE EXPENSE	\$ 595	\$ 592	\$ 595
PURCHASED WATER	239	239	250
DEPRECIATION, PROPERTY TAX AND OTHER	236	231	247
TOTAL OPERATING EXPENSE	\$ 1,070	\$ 1,062	\$ 1,092
OTHER INCOME/EXPENSE (incl. Debt Exp.)	\$ 180	\$ 160	\$ 173
CHANGE IN NET POSITION	\$ 179	\$ 308	\$ 215
SYSTEM AVERAGE RATE (\$/HCF)	7.31	7.27	7.54

Next Steps

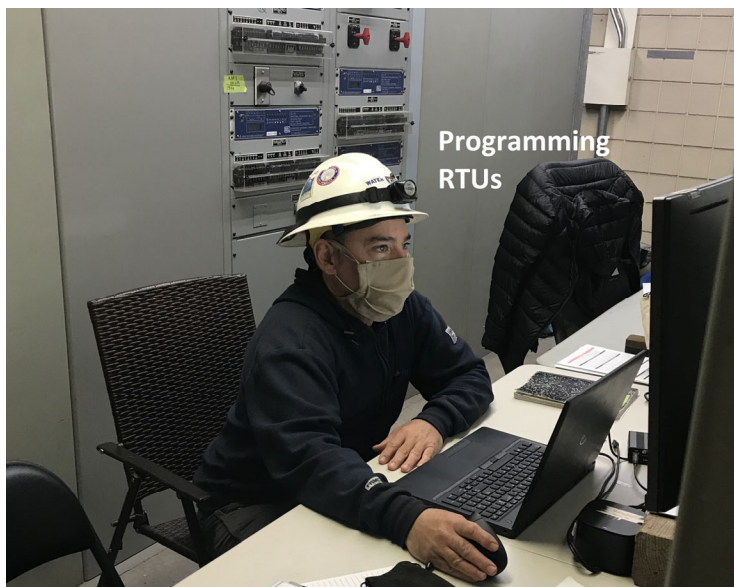
- Request approval of the Preliminary FY 2021-22 Budget package transmittal to the Council for informational purposes, on March 23, 2021

Work with Board between March 9 through April 2 to meet the submittal of the board final package deadlines

- Submit the Final FY 2021-22 Water and Power Budget presentation for Board consideration, on May 11, 2021
- Request the Final Budget approval and transmittal to the Council, on May 25, 2021
- Forward Final Budget to the Mayor, City Council, and other relevant stakeholders no later than May 31, 2021

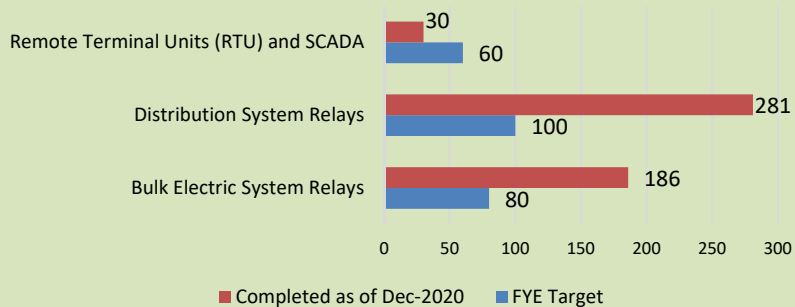
APPENDIX

Power Accomplishments & Strategic Investments: Infrastructure and Reliability



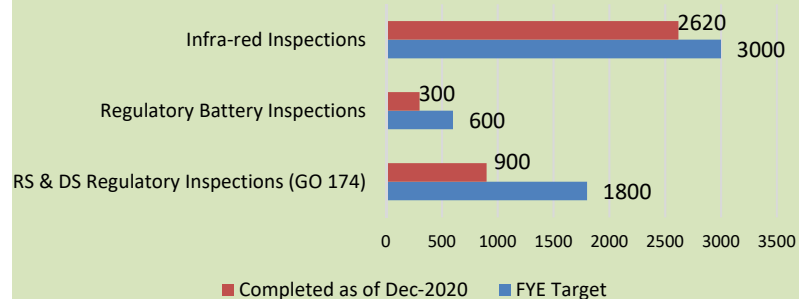
Receiving Station and Distributing Station Relays

PRC005 Regulatory Requirements - Main., Test, & Troubleshoot



Receiving Station and Distributing Station Control Batteries

Regulatory Inspections FY20-21



Power Accomplishments & Strategic Investments: Infrastructure and Reliability



Ten circuits in this project include:

1. Fairfax-Gramercy Line 1, 5.59 miles (138-kV, completed in FY16/17)
2. Fairfax-Gramercy Line 2, 5.6 miles (138-kV, completed in FY17/18)
3. Fairfax-Airport Line 1, 2.56 miles (230-kV, completed in FY18/19)
4. Fairfax-Airport Line 2, 2.52 miles (230-kV, delayed from June 2020 due to COVID-19; anticipated in-service date 3/1/21)
5. Fairfax-Olympic Cable A, 5.89 miles (138-kV, completed FY18/19)
6. Fairfax-Olympic Cable B, 5.87 miles (138-kV, completed in FY18/19)
7. Scattergood-Airport Line 1, 5.05 miles (138-kV, completed in FY18/19 but will be replaced at 230-kV)
8. Scattergood-Airport Line 2, 5.04 miles (230-kV, completed in FY 19/20)
9. Tarzana-Olympic Line 1A, 3.21 miles (230-kV, completed January 2021)
10. Tarzana-Olympic Line 1B, 3.21 miles (230-kV, completed January 2021)

Power Accomplishments & Strategic Investments: Infrastructure and Reliability

Replace 10 aging 138-kV underground transmission circuits for power system reliability

- Reduce splices (potential failure areas) by 45%
- LADWP to upgrade 6 of the 10 circuits from 138-kV to 230-kV to increase circuit rating by 80 percent
- Supports system demands, maintains grid reliability, and aligns with Clean Grid LA initiatives

	Target	Costs (contract plus stations)
FY 16/17	\$2.7M/mile	\$3.2M/mile
FY 17/18	\$2.5M/mile	\$2.8M/mile
FY 18/19	\$2.8M/mile	\$4.4M/mile
FY 19/20	\$5.5M/mile	\$11.5M/mile
FYTD 20/21	\$5.6M/mile	13.99 miles for Tar-Oly 1a & 1B and Far-Air L2 and Sca-Air L1; approximately \$61M total cost

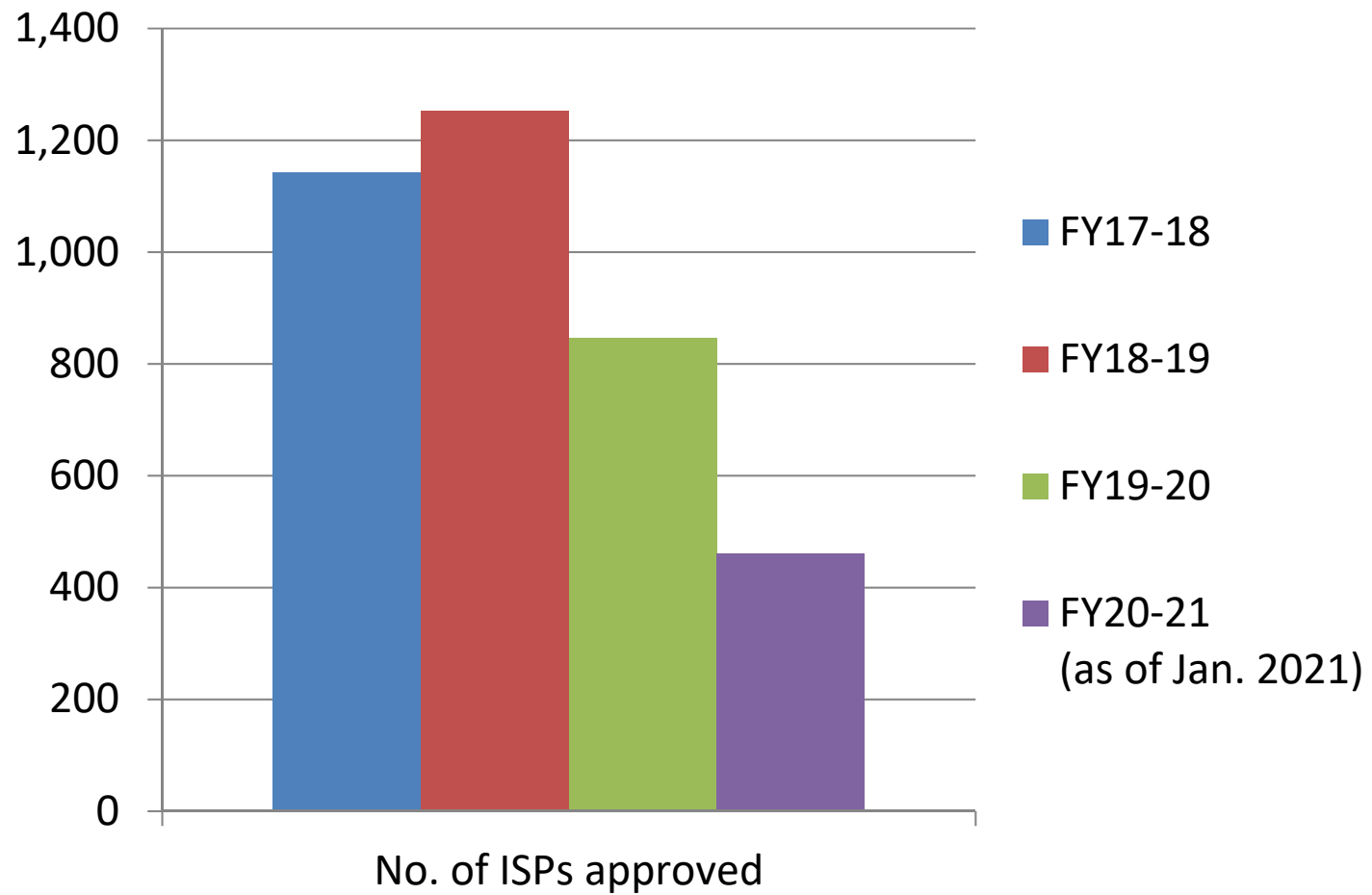
Increase Cost Per Mile Due to Higher Transfer Capability with Cables from 138kV to 230kV

Office of Safety

Injury & Accident Prevention & Reporting	Air Quality & Lab Sampling	Safety Training	Inspections & OSHA Investigations	Contractor Safety Management
				
<p>LADWP's 5020 accident and injury database, regulatorily required annual 300 logs, injury reduction programs</p> <p>20/21 Goals: Reduce by ergonomic intervention high soft tissue injury rates.</p> <p>FY 17/18–19/20 Accomplishments Ergonomic assessments: 931</p> <p><u>Recordable Cases</u> FY17/18 – 525 FY18/19 – 521 FY19/20 – 591</p>	<p>Monitoring of fugitive methane emissions at Valley Generating Station</p> <p>20/21 Goals: Provide real-time data to the public and work with Environmental Affairs and AQMD on fence line monitoring program</p> <p>FY 17/18–19/20 Accomplishments Procured gas monitoring equipment and provided support to Power System</p> <p><u>Lab Sampling</u> FY17/18 – 924 tests FY18/19 – 696 tests FY19/20 – 904 tests</p>	<p>Wildfire Protection, Heat Illness, COVID, Asbestos, Lead, Silica, Respiratory Protection, Fall Protection</p> <p>20/21 Goals: 2,000+ employees require ARC training; implement Safety Training Tracking system with IT (75% complete)</p> <p>FY 17/18-19/20 Accomplishments ARC – 2,036 trained COVID – 11,000 trained</p> <p><u>Safety & Industrial Hygiene</u> FY17/18 – 230 classes FY18/19 – 367 classes FY19/20 – 427 classes</p>	<p>Conducted 75 field inspections</p> <p>20/21 Goals: Manage LADWP's risk with regard to OSHA citations and maintain a field presence to proactively mitigate hazards</p> <p>FY 17/18–19/20 Accomplishments 16 investigations 9 citations 8 appeals</p>	<p>Implementation of Third Party Contractor Safety Administrator to monitor contractor safety records, add safety review to Supply Chain bid process</p> <p>20/21 Goals: Fully implement contractor safety management program and develop robust Safety Management System</p> <p>FY 17/18–19/20 Accomplishments ISN contract Monitoring vendors participating</p>

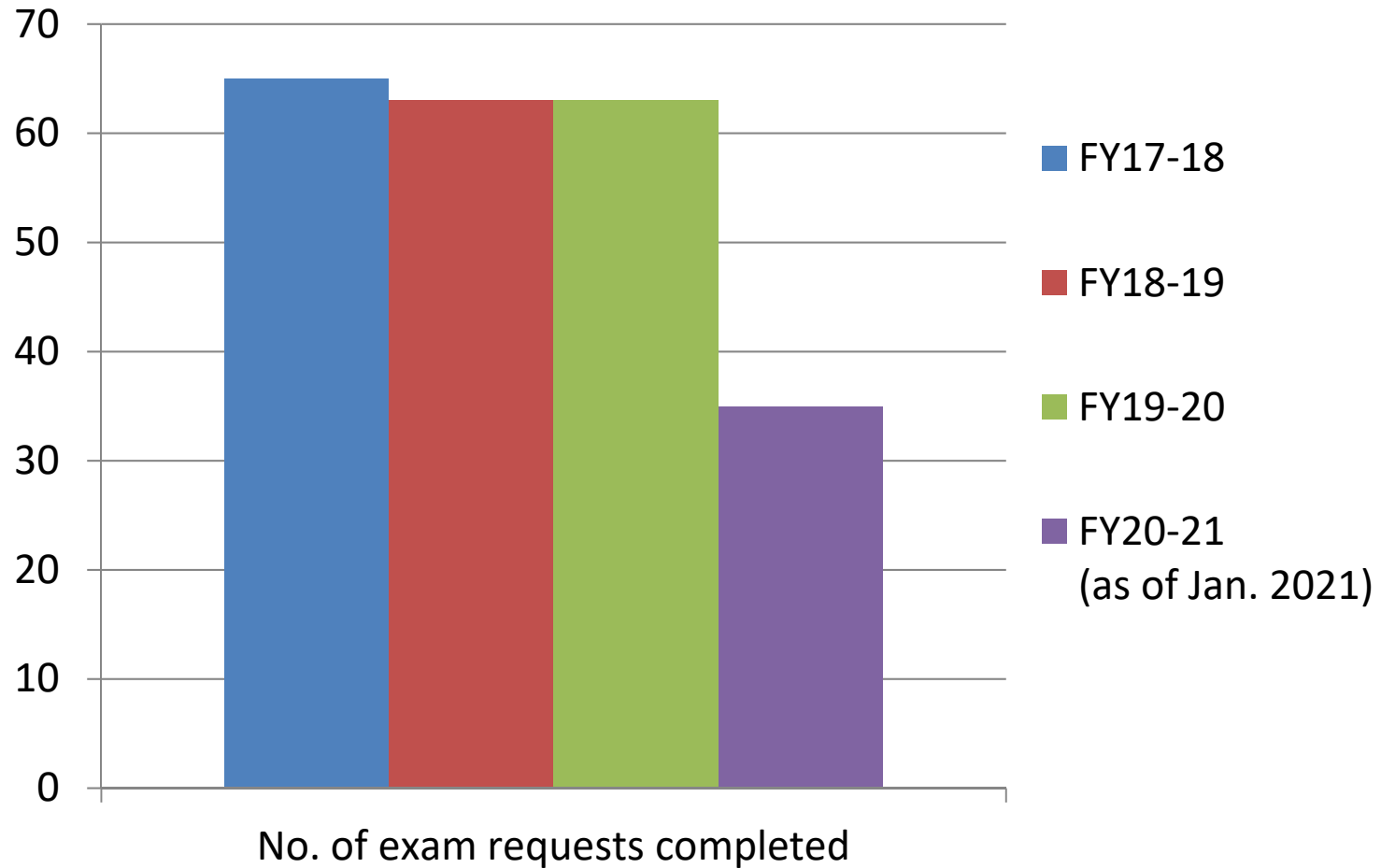
Human Resources – Employment Services

Interview Selection Packages Approved



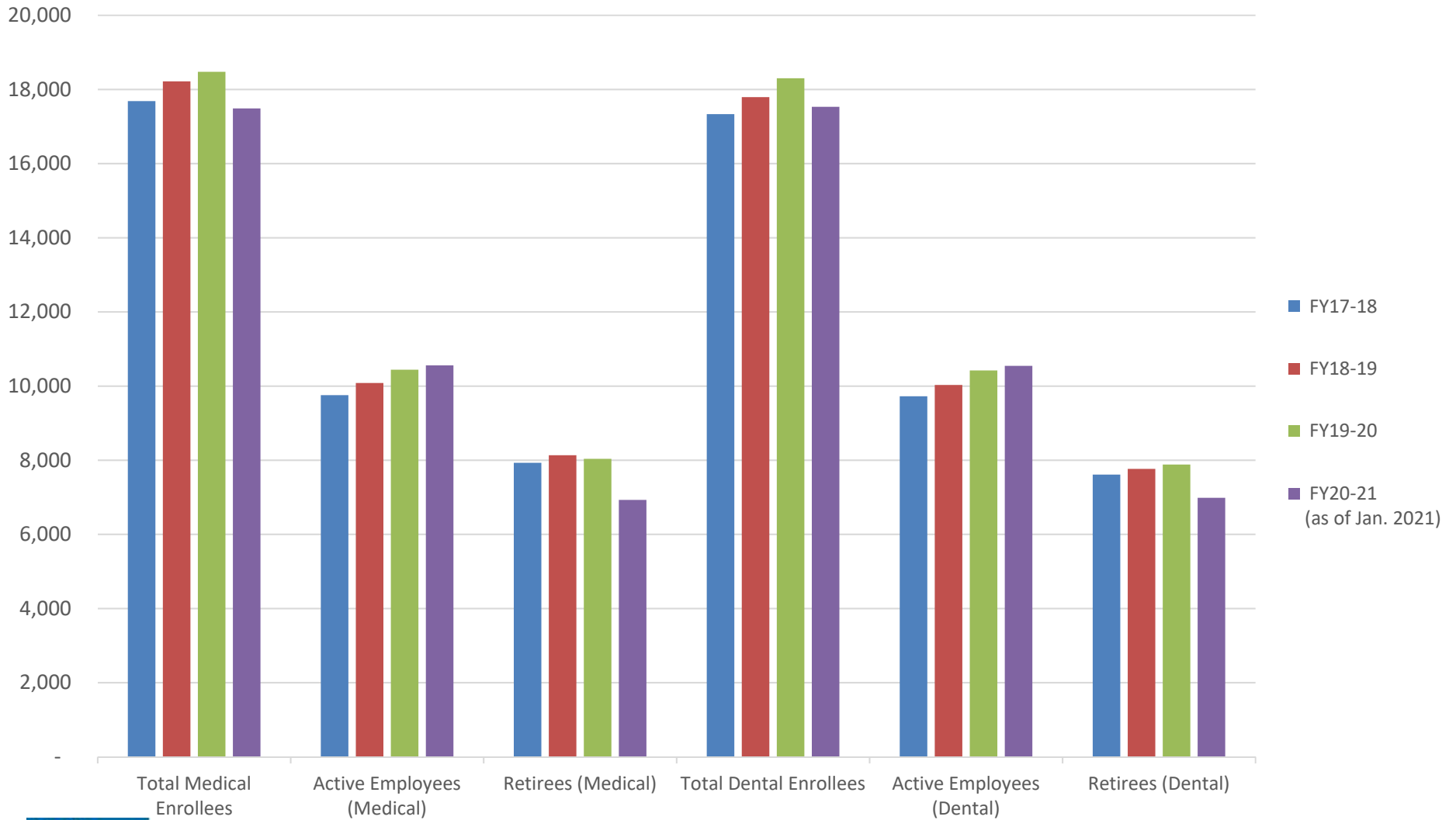
Human Resources – Employment Services

Civil Service Exam Requests Completed



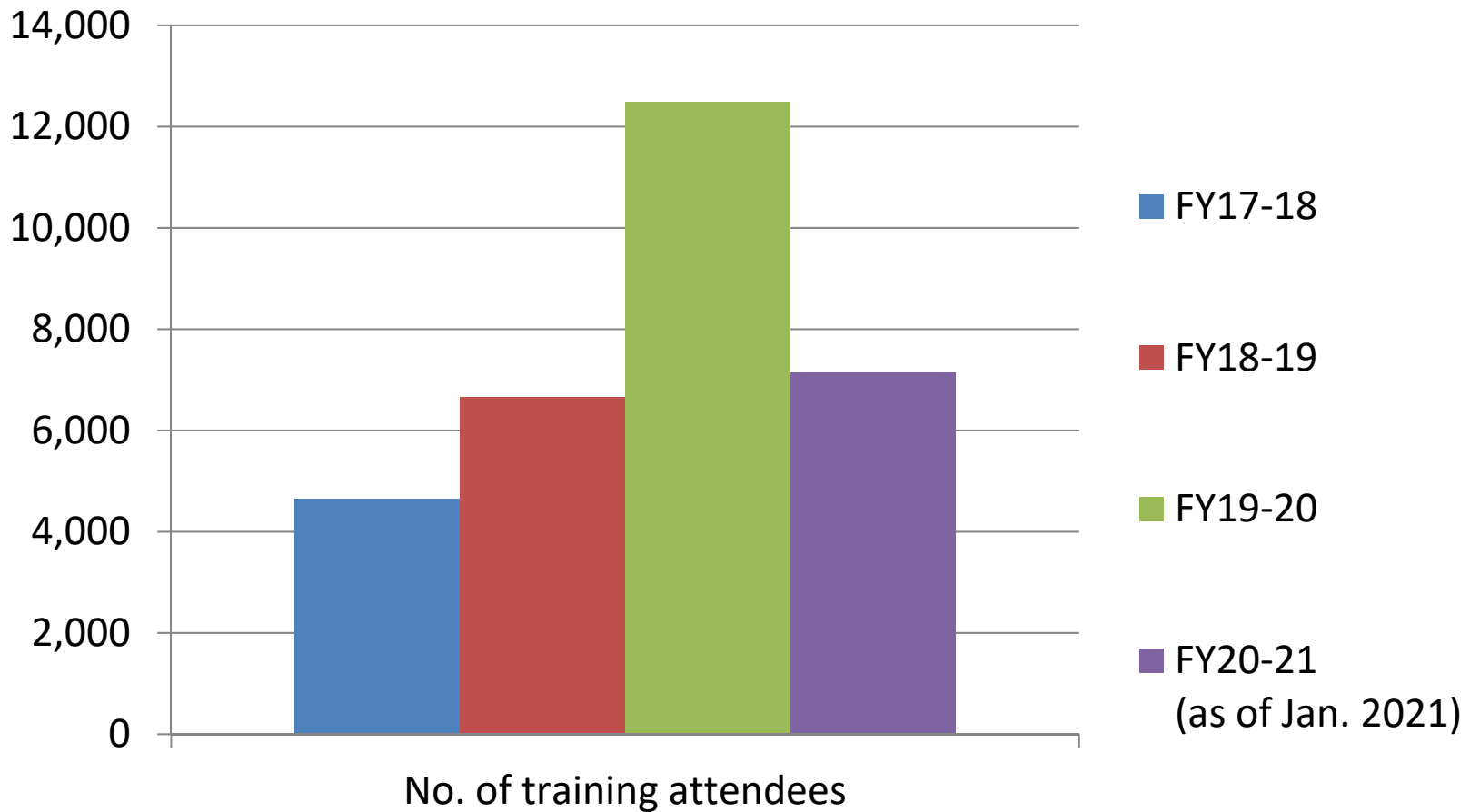
Human Resources - Health Plans

Medical and Dental Plan Enrollees



Human Resources – Employee Development

Training Attendees

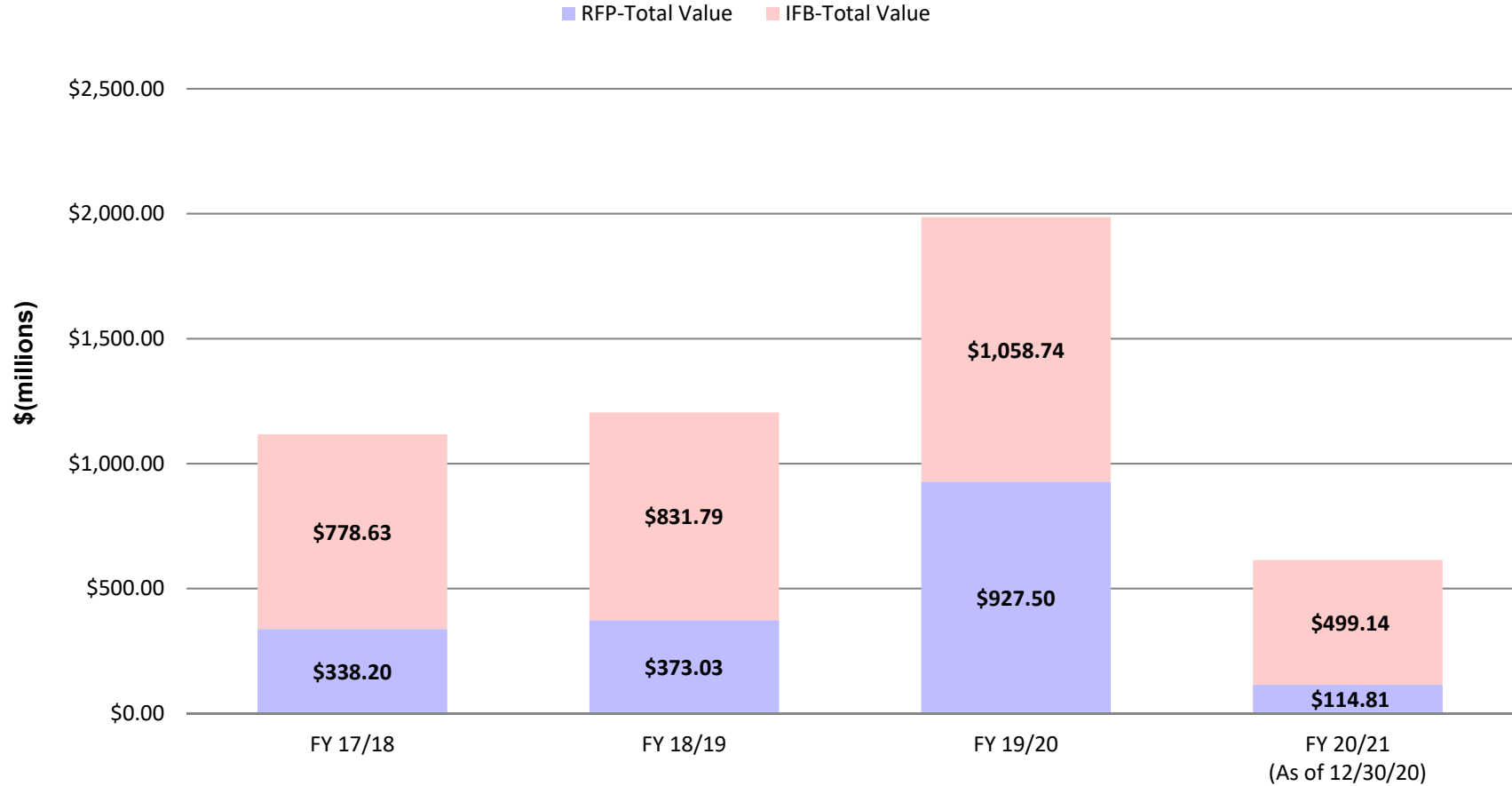


Facilities Services Capital Projects Budget FY 21/22

- JFB reconsolidation, JFB reflecting pool repair, HVAC, and security improvements
- Pacific Stock Exchange tenant improvements
- 6060 Sepulveda Blvd, Fig Plaza tenant improvements, 1230 W 3rd Street elevator retrofit
- Power, Water, and Joint facilities capital improvement/betterments

Supply Chain Services

SCS-Procurement Transactions Total Value



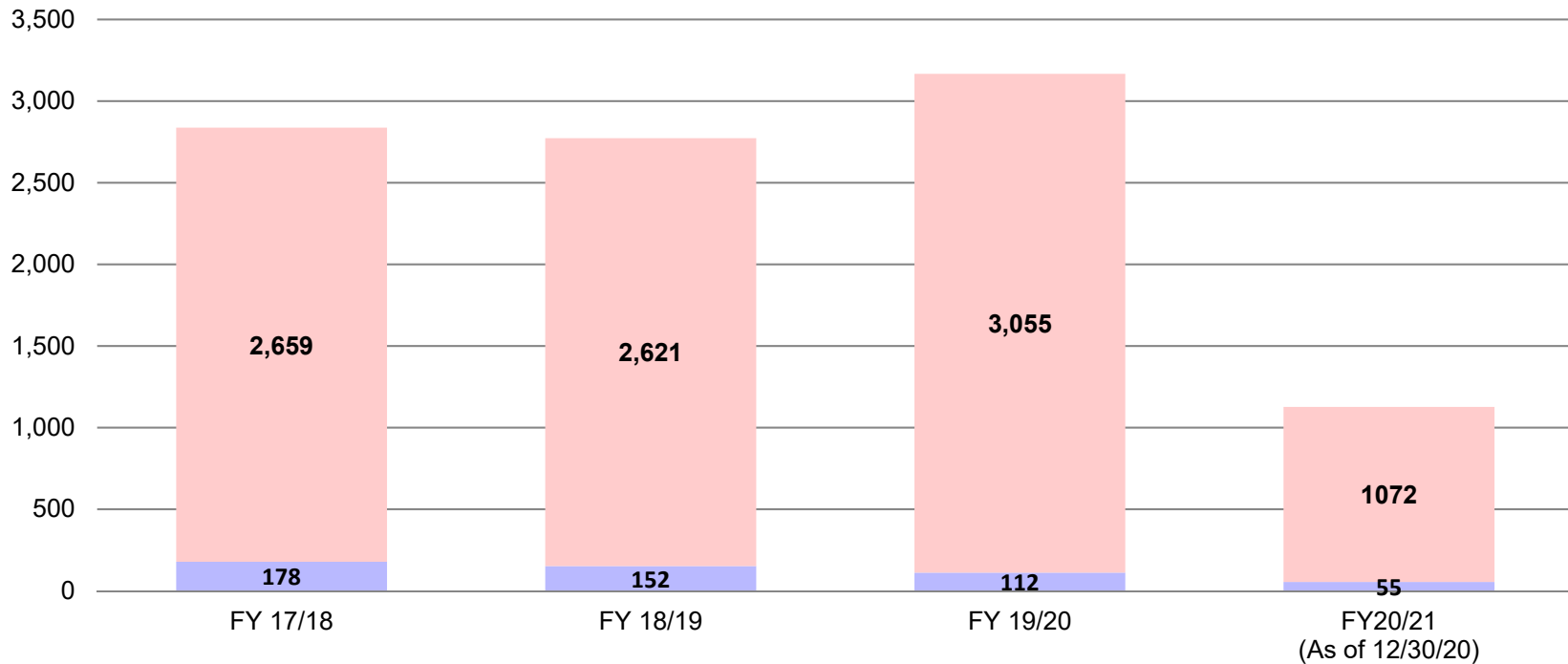
Invitation for Bid (IFB)
Request for Proposal (RFP)



Supply Chain Services

SCS-Procurement Transactions

■ RFP (Includes Board Awarded and GM Awarded) ■ IFB (Includes Board Awarded and GM Awarded)

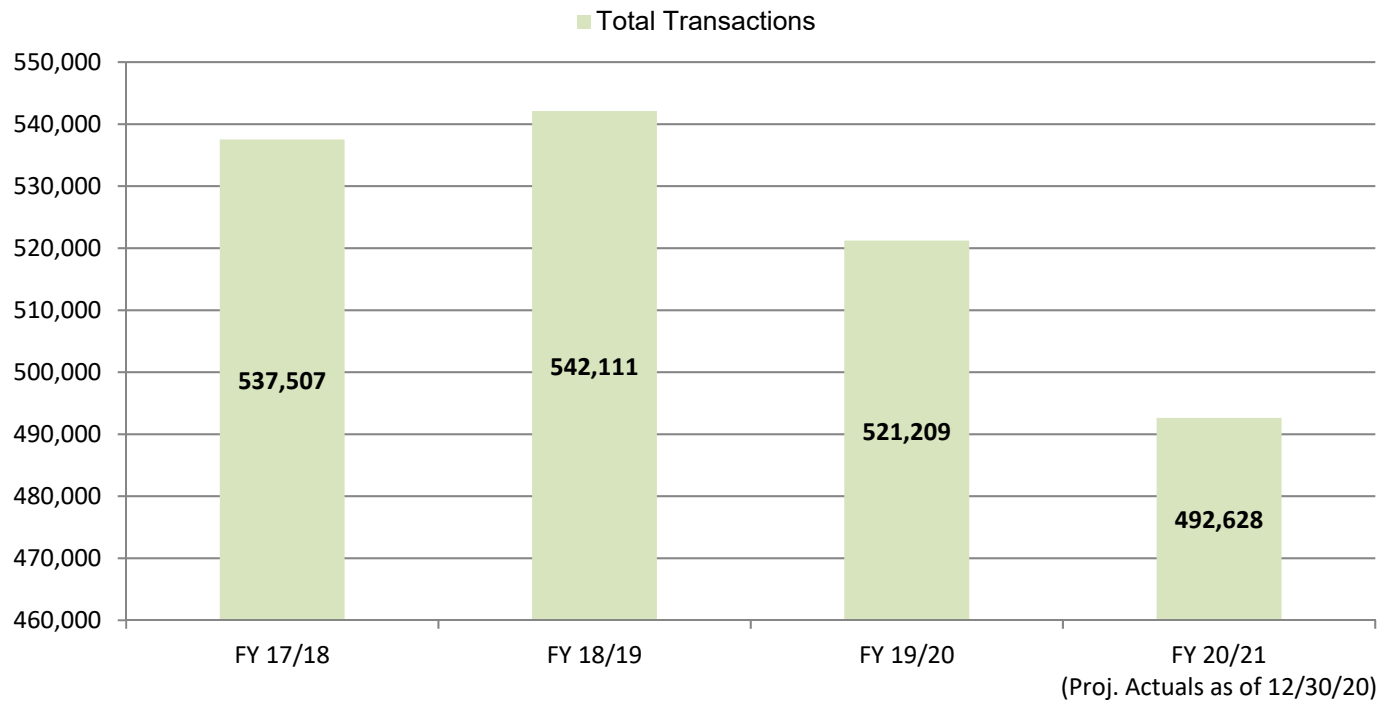


Invitation for Bid (IFB)
Request for Proposal (RFP)



Supply Chain Services

SCS- Material Services (Stores) Transactions



Security Services

Security Services Division encompasses Uniform Security Services (USS), Office of Special Investigations (OSI), Office of Emergency Management (OEM) and Security Planning and Engineering (SPE). Accomplishments from FY 17/18 to date are as follows:

	FY 17/18	FY 18/19	FY 19/20	FY 20/21 (Estimated)
USS Guard Hours	649,294	672,881	747,180	810,792
OSI Investigations	60	53	41	39
OEM Incident Responses	8	5	10	20
OEM Exercises and Drills	19	15	8	10
SPE Construction Work Packages Issued	23	36	28	32

Starting in January 2021, OEM has facilitated free Covid-19 testing for Department employees on a weekly basis. To date, 719 employees have been tested. Currently two locations are conducting testing, the John Ferraro Building and Truesdale, with two additional sites being considered in the future.



Environmental Affairs

- LADWP established a \$10M community emissions reduction program to award grants to non-profit organizations for projects in the Harbor and Valley communities, which have been disproportionately burdened by multiple sources of pollution. These grants will target projects in Council Districts 2, 6, 7, & 15, with the purpose of reducing particulate, nitrogen oxide, and greenhouse gas emissions.
- With proper COVID 19 safety protocols, the cleanup of LADWP's legacy contaminated sites was able to move forward, and additional site investigation work required by regulators will be completed in FY 20-21.
- A comprehensive environmental review and tracking program for all capital projects and maintenance activities will be completed in FY 21-22, which will ensure that environmental approvals are obtained in order to meet regulatory requirements and protect natural resources.
- In FY 21-22, LADWP will work with CARB to maintain an equitable GHG allowance allocation methodology that supports both the State's efforts to reduce GHG emissions while ensuring that LADWP can directly fund our renewable energy, energy efficiency, and electric vehicle programs, which has minimized cost impacts to the ratepayer.

Customer Service Division

Goals and Accomplishments

Group	Accomplishments	Goals
Account Services Unit	<ul style="list-style-type: none"> Completed over 20,000 Field Investigation cases Bill and remediate approximately 38,000 accounts per month Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> Expand billing strategies to reduce rule 17 violations Automate discount application processing Digitize paper applications, incoming correspondence Transition to Finesse/Jabber solution for ASU customer outreach
Customer Contact Center	<ul style="list-style-type: none"> 100% of regular telecommuting employees enabled to work remotely CC&B User Acceptance Testing Modernized Internal Processes Skill Enhancement Training across 6 programs IVR software version upgrade Boost Employee Morale, Perfect Attendance, CS Week 148 employees participated in the LADWP CARES Utility Grant Assistance Program Collaborative Effort Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> Refine Customer Processes More Electronic Forms Continue Skill Enhancement Training Purchase and Deploy Laptops instead of desktops for PC Refresh Smart Grid Pilot and Roll Out Support CC&B Upgrade (UAT, Training, Cutover) New Contact Center Platform Support New Income Qualified Pilot Programs
Customer Program Management	<ul style="list-style-type: none"> Over 100 water leaks verified (Jan 20' – Dec 20') Implemented Virtual Leak Detection Consultations Over 76,000 Customer Touchpoints by the Water Conservation Response Unit (Jan 20' – Dec 20') Nearly \$700 k. of Turf rebate processed (Jan 20' – Dec. 20') Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> More Rebate Programs, SoCalGas company partnership Increase outreach to disadvantaged communities Increase staffing to meet increased customer demand and ensure rebate processing Provide energy audits for customers without access to personal computers Offer Exterior Installations for Commercial Customers while maintaining Department policy of zero in person customer contact

Customer Service Division

Goals and Accomplishments

Group	Accomplishments	Goals
Customer Services Support	<ul style="list-style-type: none"> • Developed model to project Average Speed of Answer (ASA) • Launched seven targeted email campaigns touching over 275,000 customers • Implemented online application for the LADWP CARES Utility Grant Assistance Program • Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> • Arrears analysis and forecasting • Upgrade self-service developer platform • Mobile platform features • CSC appointments for income qualified customers via CustomerConnect • Upgrades to Customer Systems
Employee Development & Support	<ul style="list-style-type: none"> • Over 205 ergonomic equipment provided in Q2 of 20/21 • Developed new guidelines for conducting Worker's Safety Tours during the pandemic. • Provide supervisors with Safety Binders • Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> • Provide safety awareness • Minimize employee injuries • Maintain employee health and safety through wellness programs and employee engagement • Ensure all public-facing employees are knowledgeable about energy/water financial assistance and outreach to income qualified customers
Key Accounts Section	<ul style="list-style-type: none"> • Locate LA Contract Renewed at a lower cost with Spanish Language website included • Created a LADWP Sponsorship Application for External Customers • Created a Frequently Asked Questions Document for the Business Promotion Bill Credit Program • Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> • Continue to provide concierge style service to help and support small businesses • Development and approval of Economic Development rate • Renew expired Interconnection Agreements • Assist with Revenue Collection • Improve internal processes to correct system data

Customer Service Division

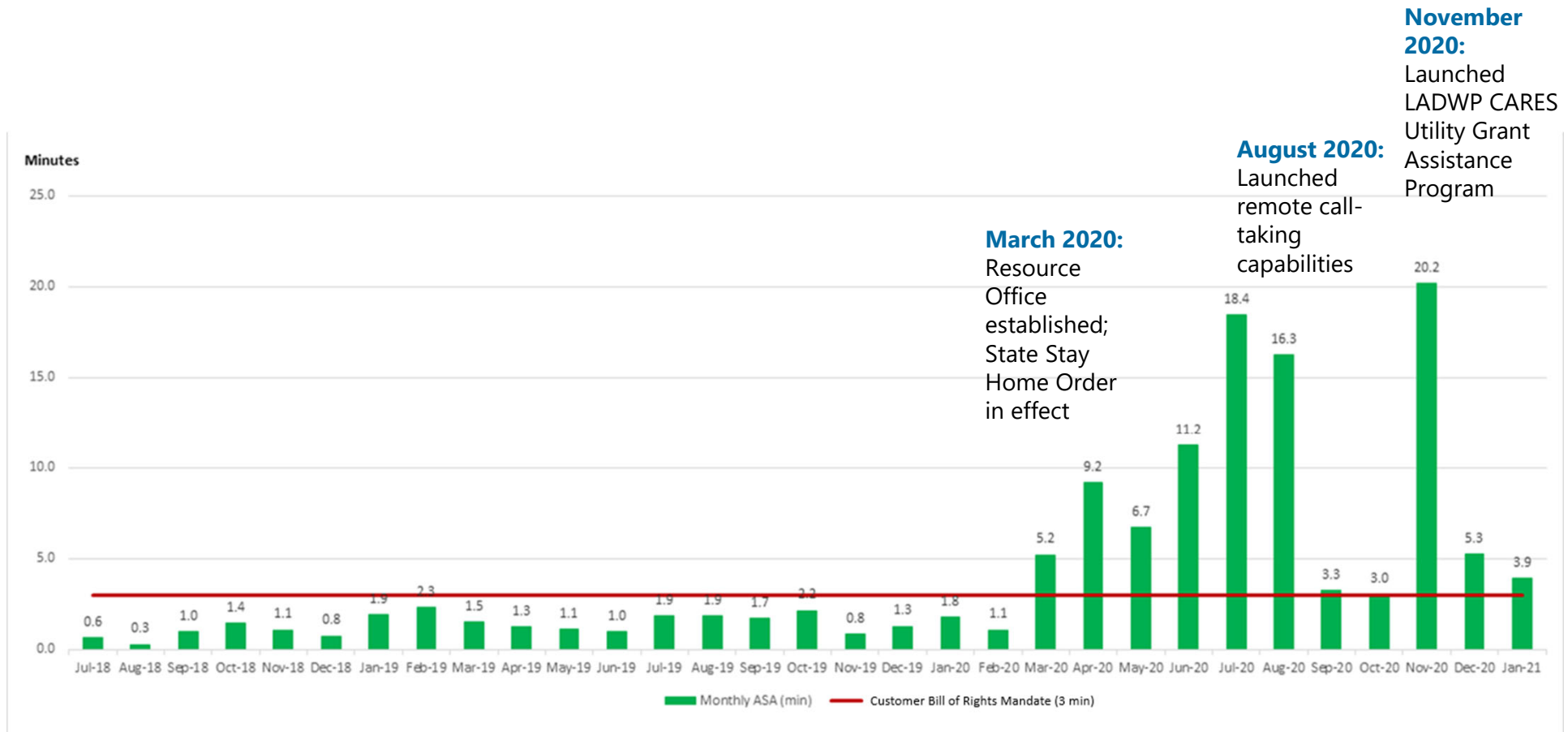
Goals and Accomplishments

Group	Accomplishments	Goals
Low Income Customer Access	<ul style="list-style-type: none"> LADWP CARES Utility Grant Assistance Program Collaborative Effort Collaborated with Community Based Organizations (CBO) to expand customer outreach Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> Los Angeles Utility Bill Assistance Fund Customer Debt Management Efforts Exploring options to expand pay plan enrollment of customers, focusing on low income and/or lifeline customers Options to assist customers with bills and debt management effort for low income customers Expanded monthly billing Automate low-income discount application process
Operational Effectiveness Office	<ul style="list-style-type: none"> Settlement check re-issuance; over 355 customers affected and total 70 checks mailed Settlement KPI tracking and reporting Implement solutions to take calls remotely CARES Check Distribution: Initial Mailing, Return Mail, Check Reissuance. <ul style="list-style-type: none"> Resent 206 checks as of 2/11 210 referrals for Cares Checks Referrals and 71 referrals processed (2/11) Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> Operationalize Quality Assurance (QA) group Review and Enhance CRO processes Create an archive of Letter Templates Work with EDS to established CRO-centric skill enhancement training Develop more automation into CRO business process (CRM, CustomerConnect)
Revenue & Credit Management (Customer Service Centers, Mail Center, and Remittance Processing Center)	<ul style="list-style-type: none"> 41 Revenue Management Staff are enabled to take calls remotely 11 specialized support desks staff received cross training and other skills training Simplified guidelines for processing customer refunds, eliminating backlog (58 in backlog in October 2020, some up to year) Customers made 5,453 CSC appointments via Qmatic (June 2020 to 1st week of Feb. 2020) Security improvements at CSCs Equipped 84 CSC employees with Surface Pros to assist customers remotely Tracks alignment with Customer Bill of Rights 	<ul style="list-style-type: none"> Develop new credit risk strategies and implementation Proactive communication for Missed Payments Renovate Customer Service Centers Increase Manual Collection Pursuit of Delinquent Customers Work with RPA and other CSD sections to implement Unidentified Leak Bill Adjustment



Customer Service Division

Average Call Wait Times



Customer Service Division

Planning and Distributing the LADWP CARES Utility Grant

LADWP & City of LA

\$500 grant money provided as relief assistance for LA City residents who maybe experiencing income loss due to COVID-19 pandemic.

By December 30,2020

Coronavirus Aid, Relief, and Economic Security (CARES) Act – allocated \$50M for LA residents to be released by the deadline date.

Applications Received
81,907

Application Details

- Took 6 weeks to develop (fastest)
- Online form ONLY
- Open from 11/2 thru 11/22
- Involved CSD, MSFO, FSO, CPA, and IT
- Completed multi-channel customer outreach
- \$500 check good for 180 days

Qualifications

- Active residential account
- LA City resident
- Financially impacted by COVID-19 pandemic



Customer Service Division

Planning and Distributing the LADWP CARES Utility Grant

Program Results & Highlights

67,315 Checks Issued

\$33,657,500 Relief Assistance sent to qualified LA City residents

9,171 Non-selected Applicants

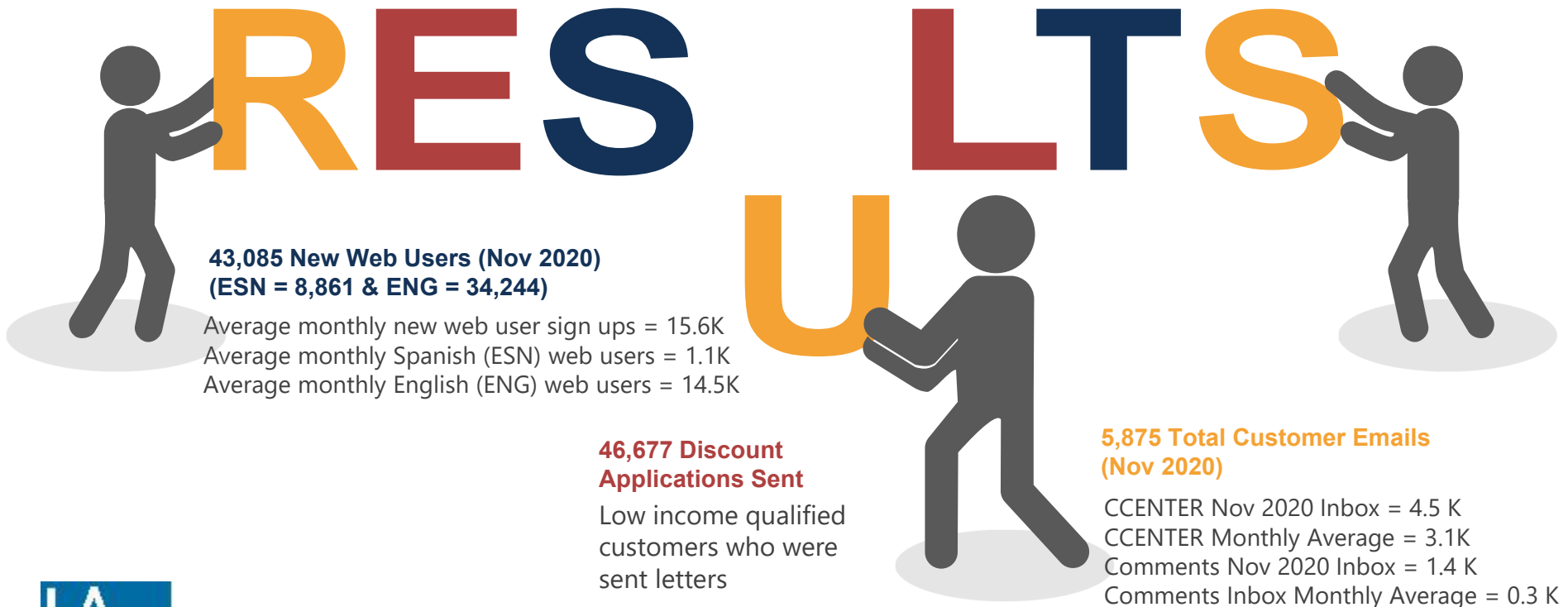
About 39% (3,633) were contacted to help resubmit applications

Improved File Upload for ALL Online Applications

Stable file upload process for customers for all online applications

More Stable Website

Increased web servers, storage, and login sessions



Customer Service Division

Low Income Customer Access



Expanding Enrollment in Low Income Discounts

- As of January 2021, over 123,000 participants enrolled, a 8.5% increase from the start of the fiscal year



Expand low-income outreach

- Streamline and automate discount enrollment process
- Experian Data
- Utilize Community Based Organizations
- Revamp Funding Initiative

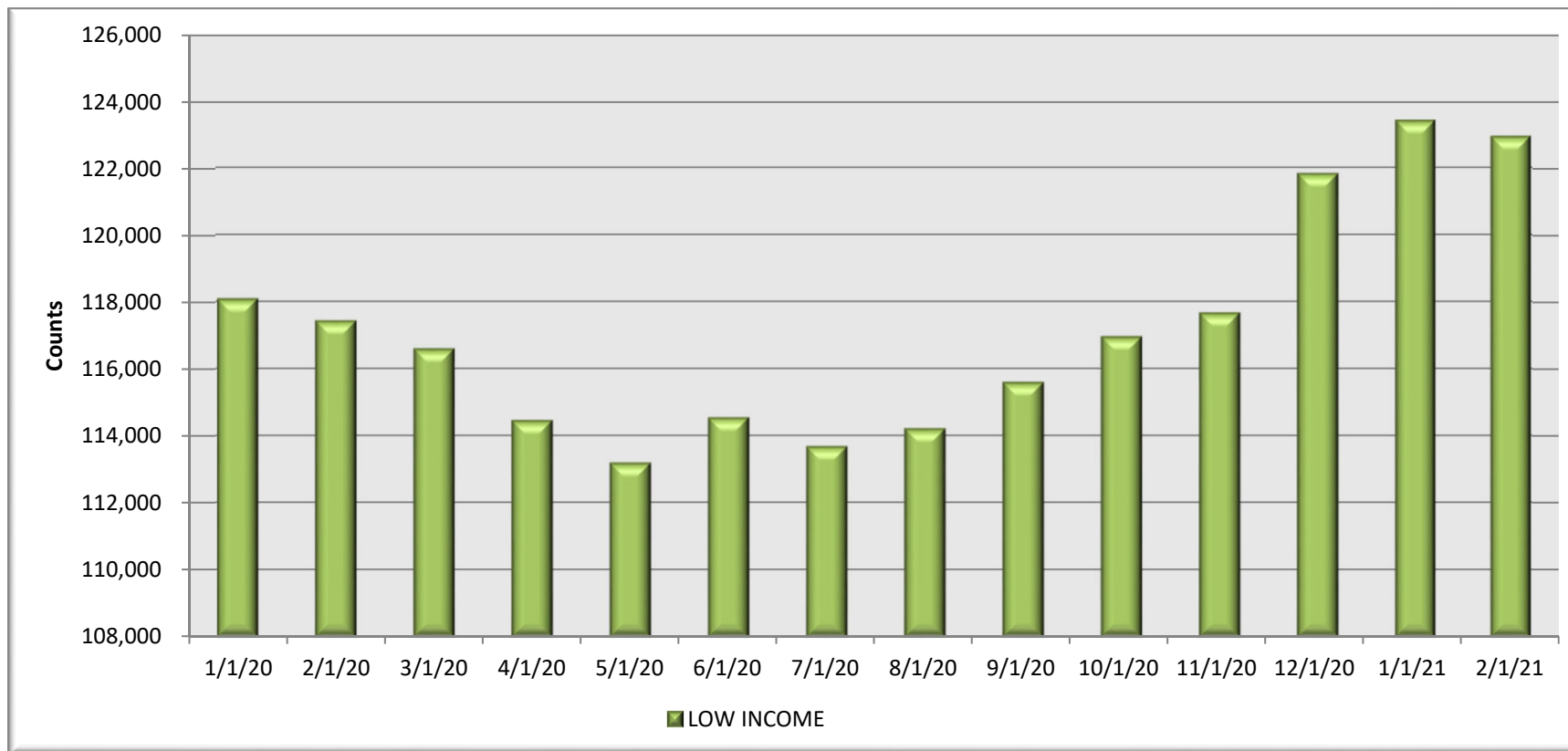


Customer Debt Management Program

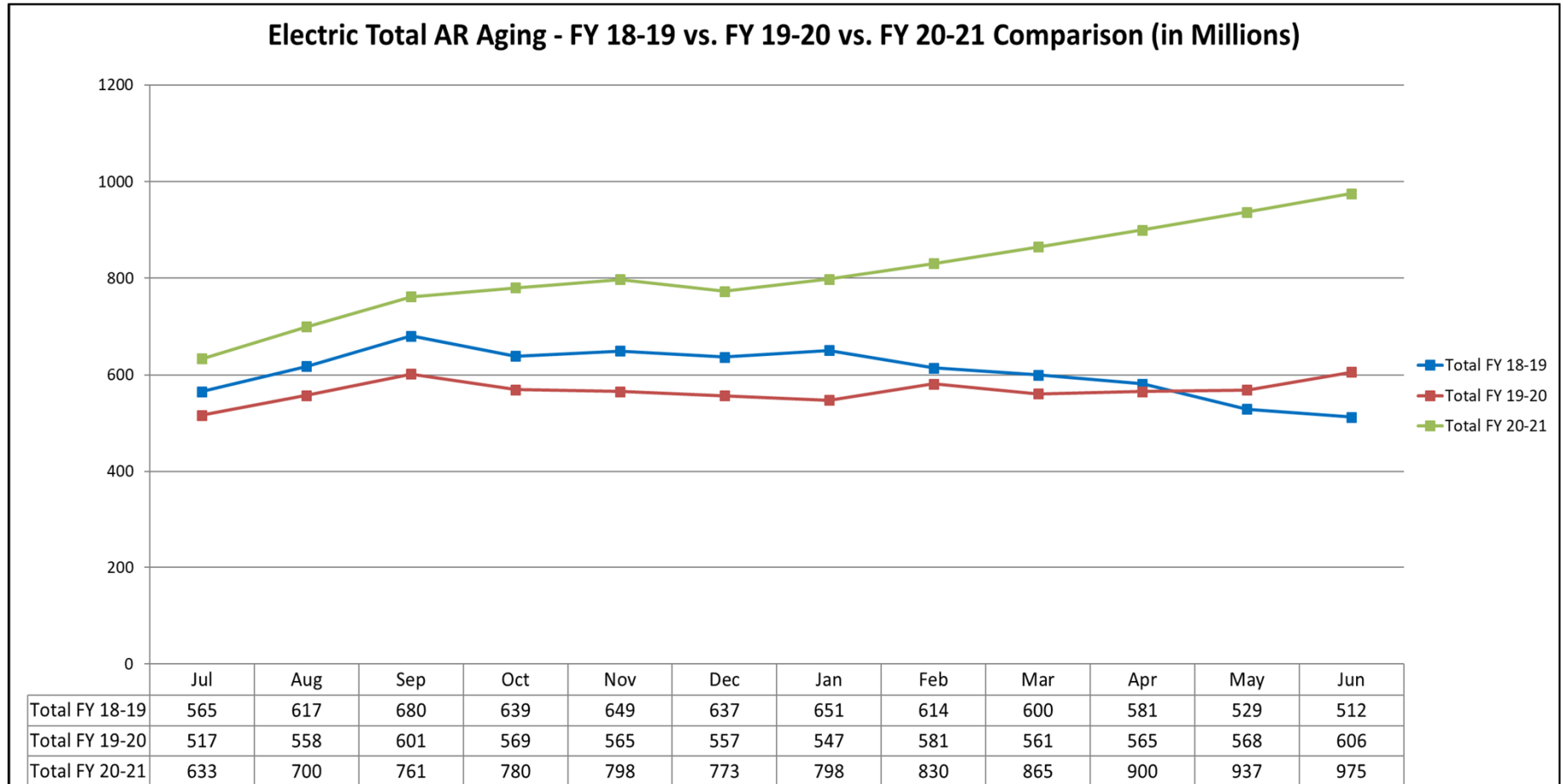
- Identify low-income customers for pilot program offering tailored payment options (Pending Board Approval and operational feasibility)
- Review options to assist income qualifying customers behind on their bills

Customer Service Division

Low Income Discount Program Enrollment Totals by Month



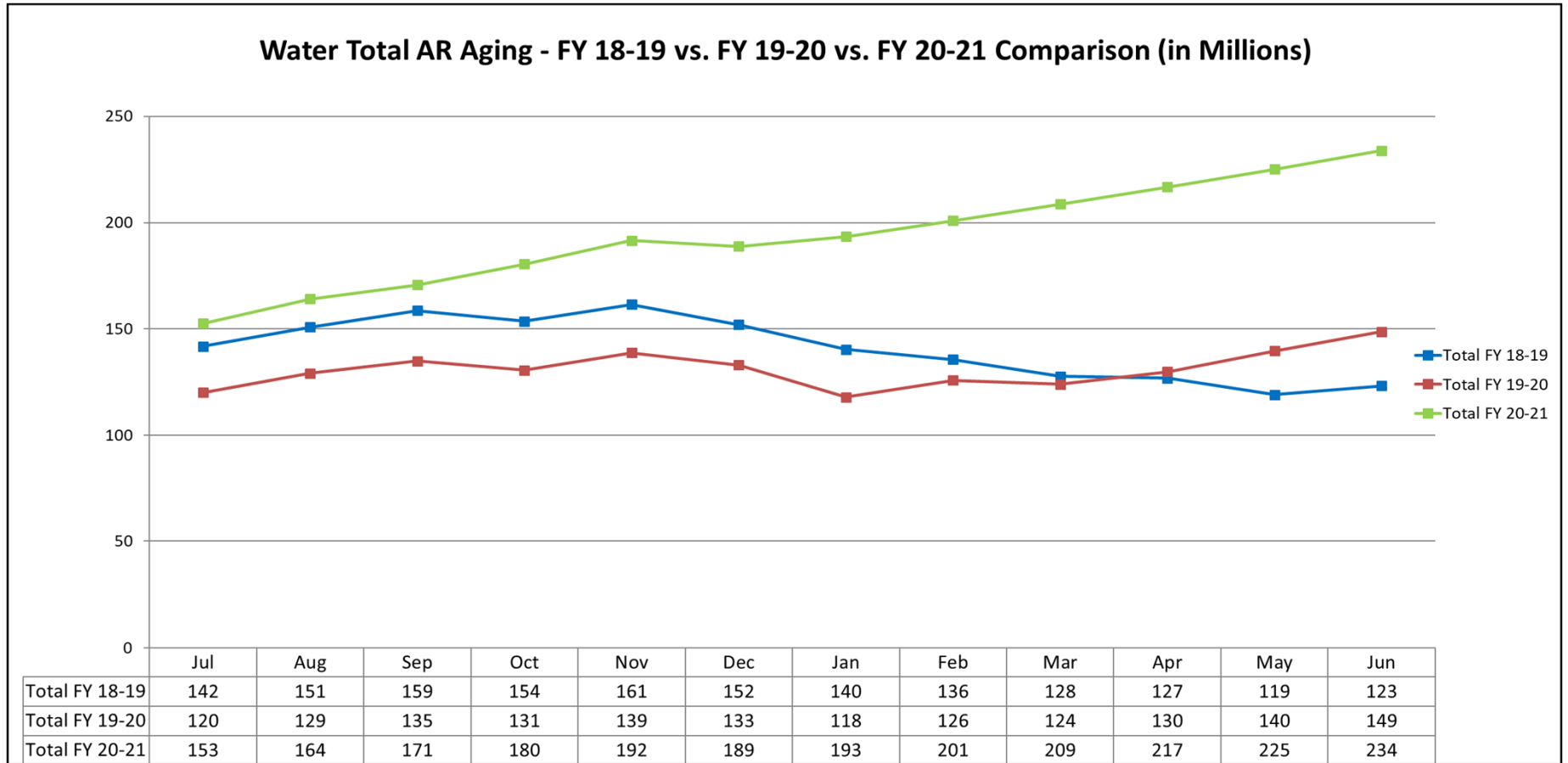
Power AR Trend Analysis



* February to June 2021 AR balance was projected by using a fixed 7-month average 4.10%.



Water AR Trend Analysis



*February to June 2021 AR balance was projected by using a fixed 7-month average 3.87%.



CUSTOMERS FIRST

