Los Angeles Department of Water & Power

CUSTOMERS FIRST

FY 2022-23 PRELIMINARY BUDGET

Board of Water and Power Commissioners Meeting

March 8, 2022

FY 2022-23 Budget Development Status

The FY 2022-23 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. To be realistic in hiring and plan for related space needs and improvements.

Preliminary Budget Overview

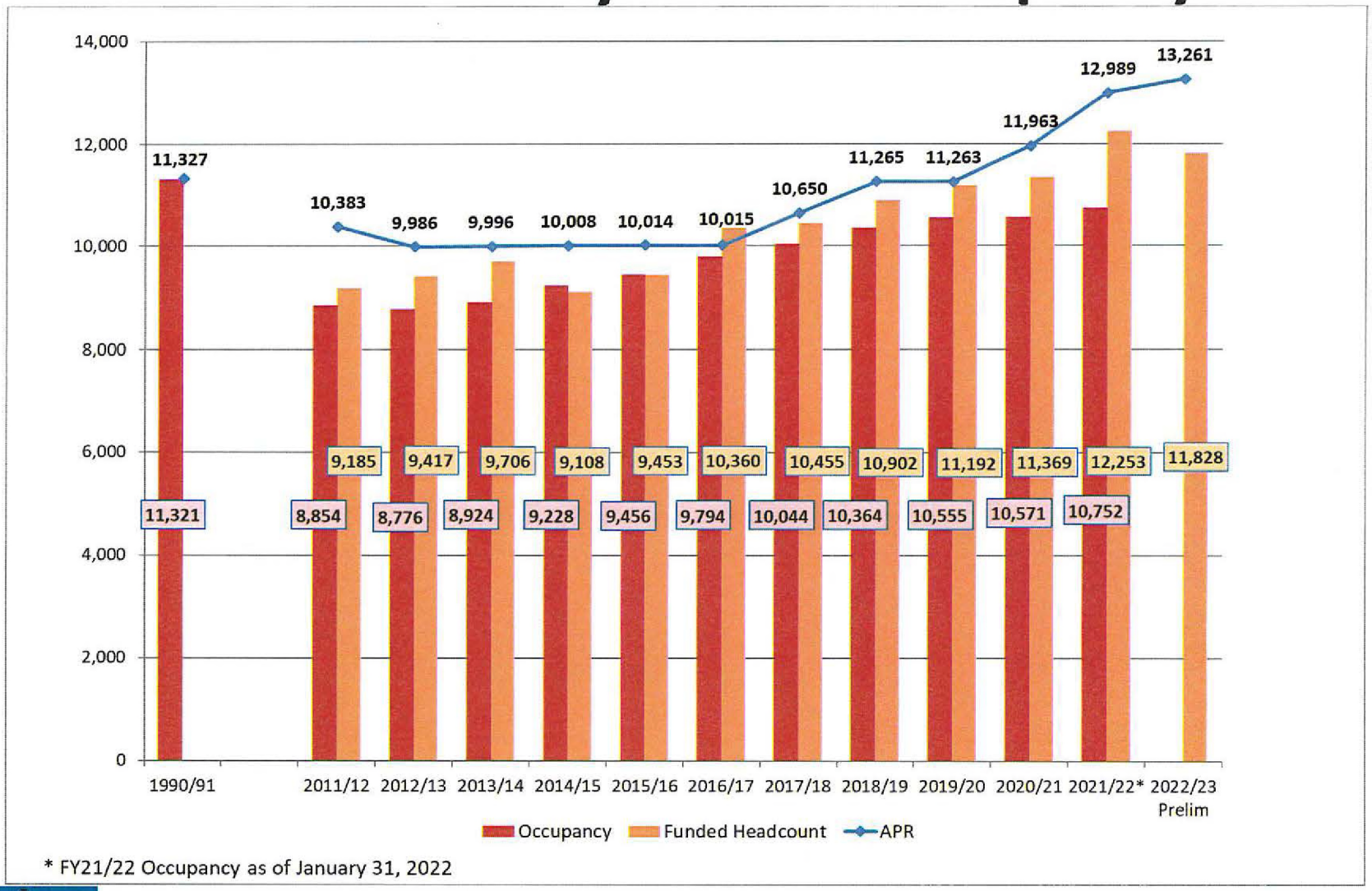
$ in Millions

System/Organization	Sr. AGM/ Direct Reports to GM	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Power System*	Reiko A. Kerr & Brian J. Wilbur	$ 3,278.0	$ 3,639.3	$ 3,399.5	$ 3,528.6	(3.0%)
Water System	Anselmo G. Collins	$ 1,077.0	$ 1,080.2	$ 1,157.4	$ 1,216.8	12.6%
Joint System						
Corporate Services	Andy C. Kendall	511.4	550.3	557.2	636.6	15.7%
External and Regulatory Affairs	Nancy H. Sutley	327.3	452.8	374.8	485.0	7.1%
Information Technology Services	Mark S. Northrup	161.6	234.8	227.6	301.4	28.4%
Office of Diversity, Equity and Inclusion	Monique Earl	8.4	31.6	21.9	31.7	0.3%
Corporate Strategy and Communications	Joseph M. Ramallo	9.5	19.1	15.2	16.1	(15.9%)
Corporate Health and Safety	Nazir Fazli	16.9	16.7	14.5	19.2	15.1%
Chief Financial Officer	Ann M. Santilli	1,522.0	1,742.5	1,557.5	1,554.6	(10.8%)
General Manager and Other Direct Reports **	Martin Adams	37.8	78.1	57.0	64.1	(17.9%)
Joint System -Total		$ 2,595.0	$ 3,126.0	$ 2,825.8	$ 3,108.8	(0.5%)
Total - LADWP		$ 6,950.0	$ 7,845.5	$ 7,382.6	$ 7,854.3	0.1%

*Power System includes Fleet Services

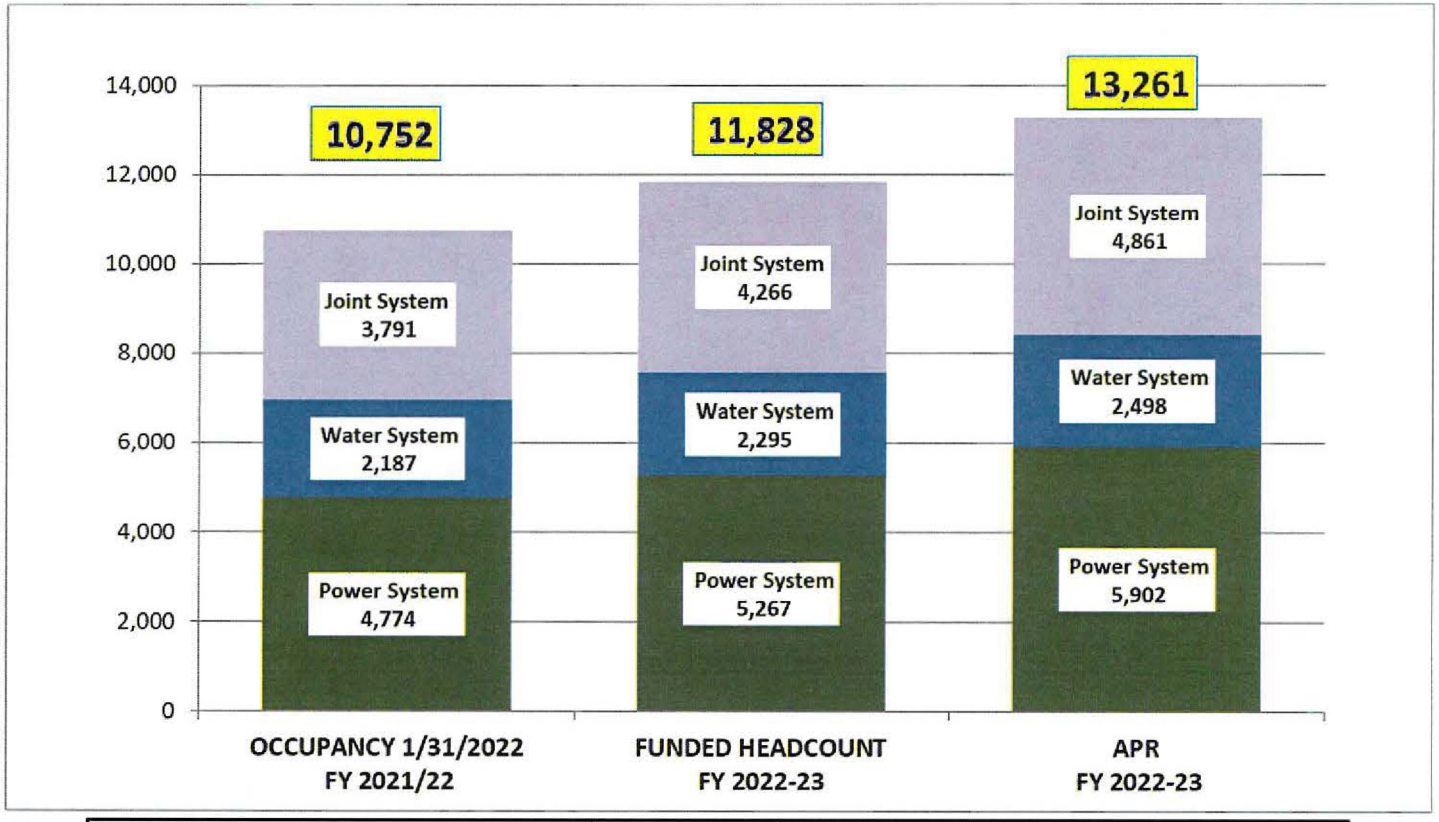
** General Manager Other Direct Reports include Commission Office, Office of City Attorney, Equal Employment Opportunity, and Claims Office

LADWP Preliminary APR & Occupancy Trend



* FY21/22 Occupancy as of January 31, 2022

LADWP Staffing Plan by System
FY 2022-23: Proposed Funding & APR



Total Budget ($ in Millions)	Labor	Overtime	Benefits	Total
Joint System	$ 479.7	$ 53.7	$ 209.7	$ 743.2
Water System	$ 278.5	$ 46.0	$ 122.0	$ 446.4
Power System	$ 725.6	$ 191.8	$ 297.6	$ 1,215.1
Total LADWP	**$ 1,483.9**	**$ 291.5**	**$ 629.3**	**$ 2,404.7**

PRELIMINARY FY 2022-23 BUDGET: New Labor Additions

Transfers from GM Labor Planning Org 05	
Division	**Positions**
Org 08 Supply Chain Services	10
Org 35 Security Services	20
Org 61303 HR Health & Benefit Admin	2
Org 61500 HR Occupational Health Srvcs	1
Org 11 Office of Sustainability	14
Org 36 Real Estate	40
Org 2X Financial Services Organization	23
Org 02 City Attorney	1
Org 04 GM Office	1
Org 65 Equal Employment Opportunity	1
Org 69 Corporate Health & Safety	15
Total Transfers	**128**
Org 05 GM Labor Planning	(128)
Net Change in APR	**0**

New APR Positions	
Division	**Positions**
Org 16 Information Technology Services	90
Org 17 Customer Services Division	173
Org 03 Retirement Office	9
Total New APR	**272**
FY 21/22 Final APR	**12,989**
Proposed FY 22/23 APR	**13,261**

Org 05 GM Labor Planning	
FY 21/22 Final APR - Positions Available for Allocation	181
Transfers to Divisions for FY 22/23 Prelim Budget	(128)
Remaining Positions Available for Allocation to Divisions Based on Operational Needs *	**53**

* GM Labor Planning – 25 positions earmarked for Final Budget (28 positions remaining):
  - Inspector General Office – 8 positions
  - Corporate Facilities Capital Construction - 4 positions
  - Office of Sustainability – 3 positions
  - Diversity Equity & Inclusion HR – 9 positions
  - Corporate Health & Safety – 1 position

FY 2022-23 Preliminary Budget: APR

System/Organization	APR Increase FY 22/23 Prelim	FY 22/23 Proposed Prelim APR	FY 22/23 Funded Headcount	Occupancy 1/31/22
Power System	-	5,902	5,267	4,774
Water System	-	2,498	2,295	2,187
Joint System				
Corporate Services	32	1,267	1,146	1,053
External and Regulatory Affairs	227	1,977	1,728	1,584
Information Technology Services	90	797	677	562
Office of Diversity, Equity, and Inclusion	-	111	101	69
Corporate Strategy and Communications	-	62	59	52
Corporate Health & Safety	16	98	83	75
Chief Financial Officer	23	336	299	260
General Manager and Other Direct Reports [1]	3	82	82	75
General Manager Labor Planning [2]	(128)	53	13	0
Joint System Total	263	4,783	4,188	3,730
Retirement Plan Office	9	78	78	61
Total - LADWP	272	13,261	11,828	10,752

(1) General Manager and Other Direct Reports include Commission Office, General Manager's Office, Inspector General Office, Office of City Attorney, Equal Employment Opportunity, and Claims Office

(2) Positions for labor planning are to be allocated to organizations to meet operational needs at the General Manager's discretion.

APR Increases from 12,989 to 13,261

FY 2022-23 Preliminary Budget: Exempt Daily Labor & Utility Pre-Craft Trainee

2022-23 Proposed Preliminary Budget ($ in 1,000)			
Organization	Regular Labor	Overtime	Total
76490-PTD DCM Exempt Const	$ 3,423	$ 868	$ 4,291
77402-PCM EC Exempt Daily	16,587	2,538	19,125
77303-PCM GC Exempt Daily	22,237	1,226	23,463
77305-PCM UPCT Exempt	3,731	88	3,819
Total	**$ 45,978**	**$ 4,721**	**$ 50,699**

Power System continues to exercise it's flexibility in hiring exempt substitute positions above and beyond the APR with a labor budget of $50.7 million to meet operational needs and goals. This is factored into the $2.4 billion proposed final labor budget.

Daily Exempt and Utility Pre-Craft Trainee Class Code - Pay Period Ending 1/16/22			
Class Title	Class Code	Organization Code	Number of Employee
CNSTR ELTC DSTRBN MCHC	388	76490	1
CONSTR ELTL MCHC	995	77402	130
CONSTR EQPT OPR	920	77303	13
CONSTR HVY DTY TRK OPR	921	77303	2
CONSTR PWR SHVL OPR	922	77303	1
CONSTR RNFCG STL WKR	935	77303	7
CONSTR STRL WLDR	978	77303	3
CONSTRUCTION ASBESTOS WORKER X	902	77303	34
CONSTRUCTION BOILERMAKER X	904	77303	3
CONSTRUCTION CABINET MAKER X	911	77303	4
CONSTRUCTION CARPENTER X	912	77303	61
CONSTRUCTION CEMENT FINISHER X	915	77303	12
CONSTRUCTION ELECTRICAL HELPER	994	77402	27
CONSTRUCTION ELECTRICAL HELPER	994	76490	47
CONSTRUCTION HELPER X	941	77303	68
CONSTRUCTION IRONWORKER X	932	77303	2
CONSTRUCTION PAINTER X	953	77303	14
CONSTRUCTION PIPEFITTER X	958	77303	18
CONSTRUCTION PLUMBER X	965	77303	4
CONSTRUCTION ROOFER X	972	77303	6
CONSTRUCTION WELDER X	979	77303	7
UTILITY PRE-CRAFT TRAINEE	1110	77305	132
Total for the Pay Period Ending 1/16/22			**596**

POWER SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Power System Organizations
Fleet Services

Power System
Contributing Organizational Budget By Cost Element

POWER SYSTEM

Power System and Fleet Services

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Fuel, Purchased Power, and Emissions	$ 1,530.1	$ 1,500.8	$ 1,629.6	$ 1,497.6	(0.2%)
Labor (Regular and Overtime)	871.6	918.0	868.9	912.7	(1%)
Contracts	439.9	782.0	464.8	613.3	(22%)
Material & Supplies	222.3	189.8	202.9	213.2	12%
Material & Supplies (Fleet Purchases)	59.9	79.1	65.3	113.5	43%
Other *	67.9	63.1	76.8	68.9	9%
Other Direct, Incentives, and Fees	35.3	55.8	45.8	57.6	3%
Joint Owner Contracts	51.0	50.6	45.3	51.7	2%
Total: Power System	**$ 3,278.0**	**$ 3,639.3**	**$ 3,399.5**	**$ 3,528.6**	**(3%)**

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

Power System
Contributing Organizational Budget By Cost Element
- Detail of Major Variances

POWER SYSTEM

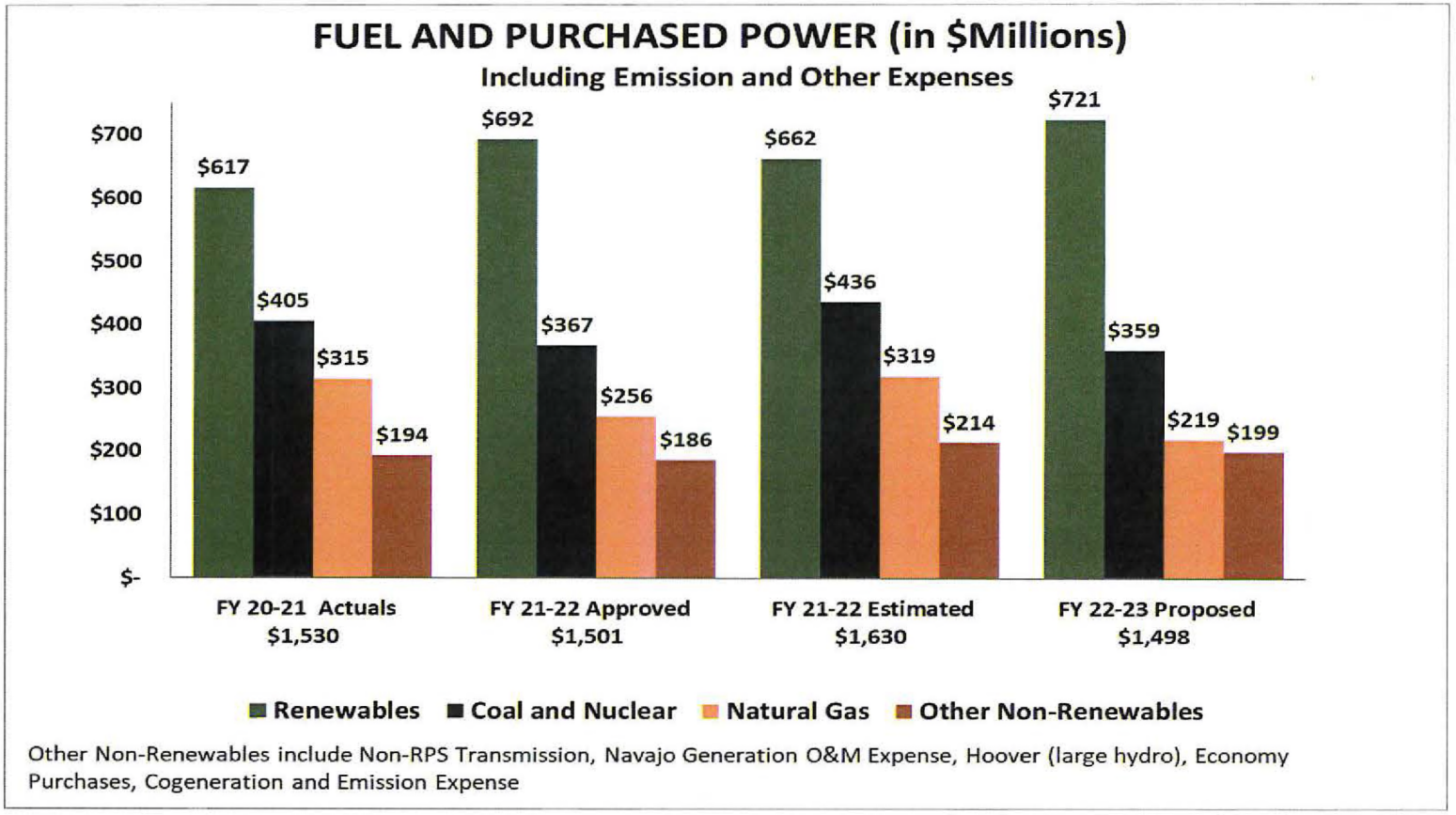
Power System and Fleet Services

$ in Millions

FUNCTIONAL ITEM / JOB DETAIL	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved	
Material & Supplies	**$ 189.8**	**$ 202.9**	**$ 213.2**	**$ 23.4**	**12%**
FI-21143-HAYNES GENERATING STATION ADDITIONS AND BETTERMENTS	1.9	6.3	17.3	15.5	
FI-26105-NEW BUSINESS-REVENUE GENERATION	27.4	32.4	33.3	5.9	
Material & Supplies (Fleet Purchases)	**$ 79.1**	**$ 65.3**	**$ 113.5**	**$ 34.4**	**43%**
FI-28561-FLEET EQUIPMENT REPLACEMENTS AND ADDITIONS	50.6	35.8	83.5	32.9	
Other *	**$ 63.1**	**$ 76.8**	**$ 68.9**	**$ 5.7**	**9%**
CE 38 RENTAL AND LEASES FI-7117116-FLEET OPERATION	30.5	37.4	39.3	8.8	

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

FY 2022-23: Fuel & Purchased Power Trend



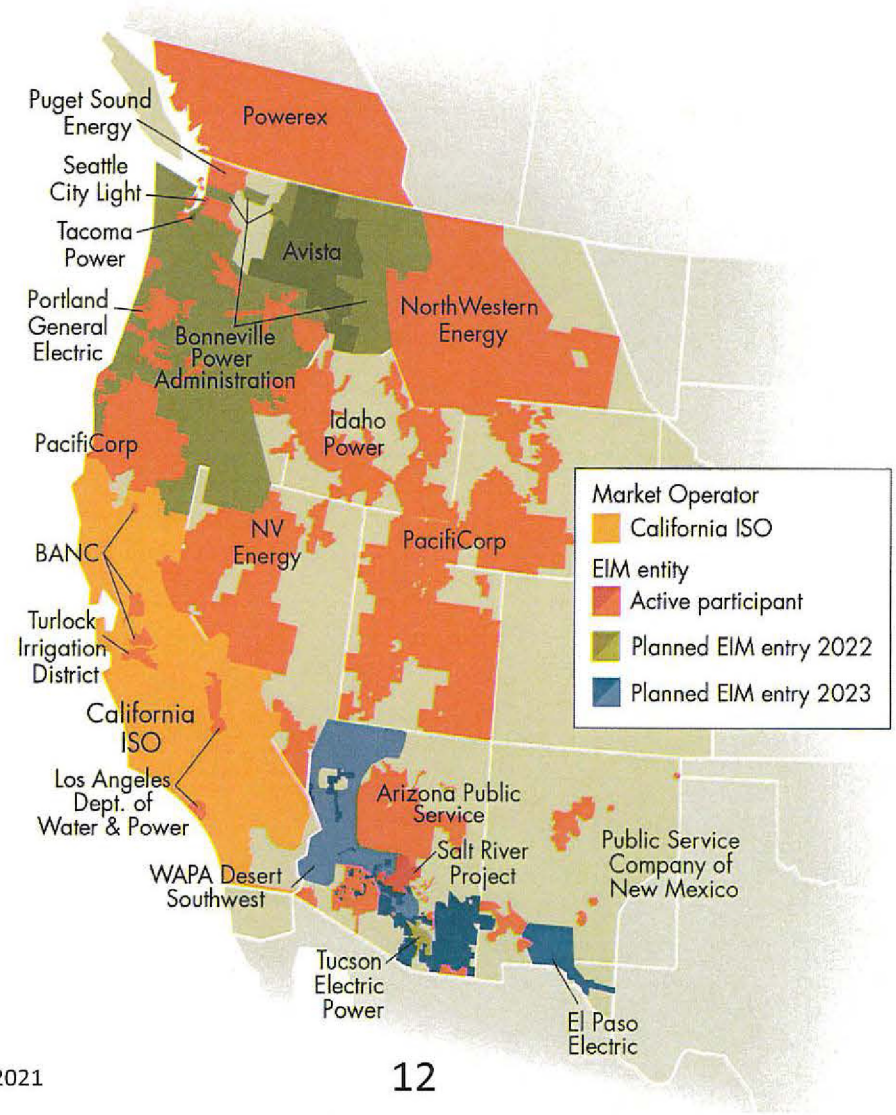
Other Non-Renewables include Non-RPS Transmission, Navajo Generation O&M Expense, Hoover (large hydro), Economy Purchases, Cogeneration and Emission Expense

Supports 44.1% and 46.7% Renewables Portfolio Standard internal Integrated Resource Plan targets for FY21-22 and FY22-23, respectively.

Power Accomplishments & Strategic Investments: Western Energy Imbalance Market (EIM)

- LADWP April 1, 2021 Go-Live
  - "LADWP's transition into the EIM was smooth and without significant issues"**
- LADWP Performance for first 9 months:
  - About a 4.6% reduction in LADWP's use of fossil fuel due to EIM participation compared to base schedule dispatch
  - Total net exports of 516,067 MWh to EIM
  - Total net imports of 1,099,427 MWh from EIM
  - LADWP imported from EIM during 62.0% of the hours and exported 37.7% of the hours - 0.3% no transfer

CAISO Reported LADWP Gross Benefits Summary (Millions)	
2021 Q2	$8.54
2021 Q3	$23.57
2021 Q4	$10.60
	$42.71



** CAISO Transition Period Report - LADWP EIM Entity – April 2021

LA100

ACHIEVING 100% RENEWABLE ENERGY IN LOS ANGELES

- **Completed LA100 Study** on March 24, 2021
- **Initiated "LA100 Next Steps"** (formerly "Clean Grid LA Plan") accelerating renewable procurement, transmission development, generation transformation, storage deployment, and DER adoption
- **Kicked off 2022 Strategic Long-Term Resource Plan (SLTRP)** expecting completion in Sept 2022
- **Initiated "LA100 Equity Strategies"** and convened Steering Committee and Advisory Committee
- **Began the Integrated Human Resource Plan (IHRP)** update to determine workforce needs to achieve LA100 goals

LA100 Study

Completed

Unprecedented analysis ID'd multiple paths to achieve 100% target

Considers reliability, equity, sustainability and affordability

- Confirmed 100% by 2035 achievable
- Community & stakeholder input

Common Investments Across All Scenarios



LA100 Equity Strategies

Fall 2021-23

Community-driven, objective to achieve equity

Robust community engagement

Areas of Focus

- Improve air quality
- Solar access
- Energy Efficiency
- Affordable rates
- Demand management
- Debt relief
- EV charging access

2022 SLTRP

Fall 2021-2022 | 2035 & 2045 Targets

Our comprehensive integrated power plan

Recommends path forward to achieve our goals

- Integrates findings of LA100
- Community & stakeholder input
- Prioritizes reliability, resiliency, equity, affordability, sustainability

Considerations

- Workforce
- Building, Operating & Maintaining
- Cost to customers
- Supply Chain Risk
- Implementation and Feasibility

Power Accomplishments & Strategic Investments: Renewables and Reliability

Utility Scale and Local Renewables – Fiscal Year 21/22 Accomplishments

- Initiated 2022 Power Strategic Long-Term Resource Planning process on September 23, 2021 to chart out roadmap to 100% carbon free by 2035
- Red Cloud Wind PPA (331 MW) was placed in-service on December 22, 2021
- Northern Nevada Geothermal Portfolio PPA increased to 127 MW on May 5, 2021
- Reached 550 MW of total installed Local Solar

Utility Scale Resources placed in-service for FY 21/22 to reach RPS goals

Project	Resource	Capacity	RPS %	Annual Cost	COD
Red Cloud Wind	New Mexico Wind	331 MW	6.0%	$57.4 M	Dec 2021
Tungsten Mtn	Nevada Geo	14 MW	0.4%	$6.0 M	Mar 2022

FY 22/23 Goals & Plans

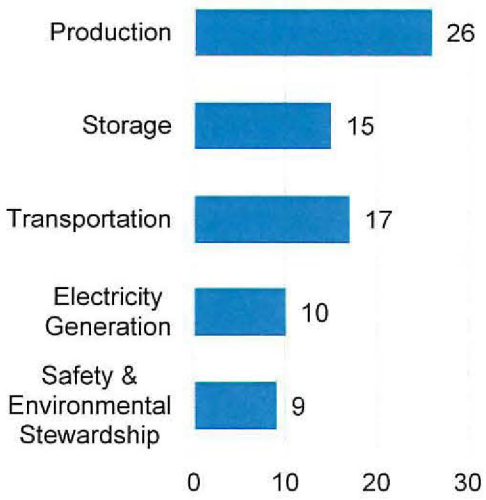
- Conduct PPA negotiations for 675 MW of solar and wind with battery energy storage systems and submit for approval
- Develop and approve 2022 SLTRP and conduct public outreach by September 2022
- Finalize the 2022 Distributed Resource Plan and implement streamlined interconnection review processes
- Complete negotiations and award Phase 2 of Beacon Energy Storage project connected to Beacon Substation
- Award 10 MW of Local Solar with Battery projects thru the FiT+ program
- Complete negotiations and award up to 15 MW of various DER technologies thru a competitive RFP process
- Achieve 75 MW total capacity thru demand response programs for residential and commercial customers
- Evaluate green hydrogen RFI for in-basin generating stations
- Commission additional 38 MW of geothermal resources by December 2022

Power Accomplishments & Strategic Investments: Green Hydrogen Request for Information (RFI)





Potential Clean Hydrogen Hub on West Coast (Source: DOE)



- **RFI Published** – Successfully advertised on August 5, 2021 to better understand potential opportunities for green hydrogen that can support LADWP's carbon-free goals
  - Received 36 submittals from 26 individual companies
  - 22 submittals addressed multiple areas of interest
  - Multi-Divisional and Multi-Discipline Committee of 16 Department Engineers Completed Evaluation and Categorization of all 36 submittals.
  - Further Department Outreach to companies with high potential proposals and Projects
  - Draft Department Report Expected March, 2022

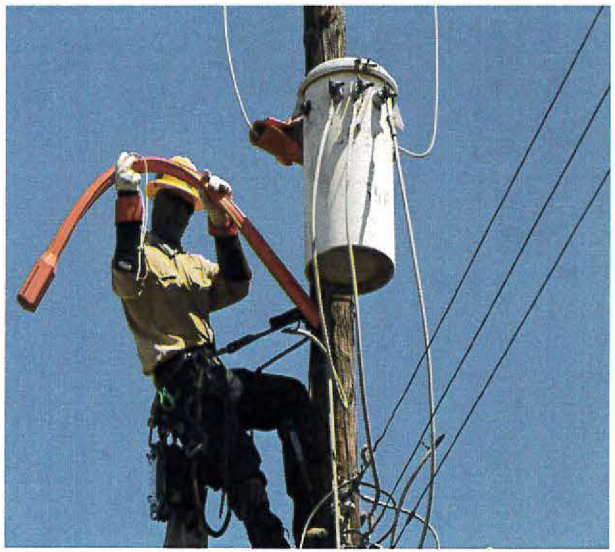
Power System Safety & Training
Hiring Goals for FY 2022-23



- **Electric Distribution Mechanic Trainee Program**
  - 20 new trainees in September 2022 and March 2023
- **Electrical Mechanic Trainee Program**
  - 15 new trainees in October 2022 and February 2023
  - 30 new trainees in June of 2023
- **Electric Station Operator Trainee Program**
  - 17 new trainees in September 2022 and April 2023
- **Electric Meter Setters Trainee Program**
  - 6-9 new trainees May 2023
- **Underground Distribution Construction Mechanic Training Program**
  - 8 new trainees in July 2022 and February 2023

Power System Safety & Training
Hiring & Graduations

Data starting with FY 17/18 to FY 22/23



- **Electric Distribution Mechanic Trainee Program**
  - 241 Hired and 162 Graduated/Projected
- **Electrical Mechanic Trainee Program**
  - 278 Hired and 231 Graduated/Projected
- **Electric Station Operator Trainee Program**
  - 136 Hired and 60 Graduated/Projected
- **Electric Meter Setter Trainee Program**
  - 26 Hired and 18 Graduated/Projected
- **Underground Distribution Construction Mechanic Trainee Program**
  - 36 Hired and 9 Graduated/Projected

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



Wildfire Hardening and Mitigation – PY 22/23

- Poles – 490
- Crossarms – 1,680
- Transformers – 154
- Substation Automation – Situational Awareness and Controls

Accomplishments for FY 20/21 and FY 21/22 Fiscal Year to Date (FYTD)

- Met or exceeded all distribution infrastructure replacement targets for FY 20/21.
- On target for cable replacements, maintenance hole lid restraint installations, pole and cross arm replacements for FYTD 21/22.

Reliability Performance

- LADWP ranked in 1st quartile for SAIFI (outage frequency) and SAIDI (outage duration), and 2nd quartile for CAIDI (outage restoration time) compared to IOUs nationwide according to the 2020 SR3 benchmarking study performed by First Quartile Consulting and Pandora Consulting using data from the Energy Information Administration (EIA).

Impact Statement

- Continued investment in PSRP will enable improved reliability and resilience. Persistent underinvestment reduced PSRP KPIs will negatively impact system reliability and will take years to recover.

Reliability Comparison to Investor-Owned Utilities (2020)

Panel	Count of Utilities
All Investor-Owned	270**
CA Investor-Owned	9**

Comparison to All Investor-Owned Utilities

Reliability Measures - Investor Owned Utilities	LADWP	Mean	Q1	Q2	Q3
SAIFI Ex*	0.69	1.38	0.82	1.06	1.72
SAIFI Inc* →	0.74	1.99	1.07	1.58	2.29
CAIDI Ex*	165.41	144.90	95.22	115.66	163.36
CAIDI Inc* →	188.58	353.48	123.34	204.61	377.04
SAIDI Ex*	114.13	162.07	83.14	115.00	201.62
SAIDI Inc* →	139.55	639.42	150.75	279.98	563.00

Comparison to CA Investor-Owned Utilities

Reliability Measures - CA Investor-Owned Utilities	LADWP	Mean	Q1	Q2	Q3
SAIFI Ex*	0.69	0.98	0.68	0.87	1.07
SAIFI Inc* →	0.74	1.72	0.93	1.34	1.79
CAIDI Ex*	165.41	121.62	104.62	121.01	130.95
CAIDI Inc* →	188.58	201.14	159.19	189.78	237.92
SAIDI Ex*	114.13	120.58	81.01	114.13	134.93
SAIDI Inc* →	139.55	290.67	200.79	242.72	403.38

Source: EIA

Power Accomplishments & Strategic Investments:
Electric Transportation Program



Electric Transportation (EV) Program – FY 2021-22

- Processing $37.8 M in pending rebate applications:
  - 5,520 Commercial Level 2, 440 Residential, and 190 DC Fast Chargers
- $9M – EV infrastructure for LADWP and City Facilities
- $6M – Residential EV Chargers and Used Electric Vehicles

FYTD (21/22) Expenses	$20.9 M	Approximately 20% of the pending $37.8 M are completed projects. The remaining projects are reservation applications at various stages of deployment.
FY (22/23) Estimate	$74.5 M	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: Resource Planning Development & Programs Future Investments – Generating Station & Facilities Engineering





Reliability and Regulatory Compliance in Generating Stations and Power Plants

Reliability Projects

- Castaic Station Service Transformer 2
- Castaic Power Plant Stator Bar Replacement
- Haynes Units 11-16 Generator Step-Up Transformer

Upcoming Overhauls FY 22/23

- Haynes Generating Station Units 8, 9 and 10
- Owens Valley Power Plant Units and LA Aqueduct Units

Valley Generating Station Units 1-4 Demolition

- *Contractor Site Mobilization October, 2022*
- *New Admin/Shop Building Commencement November, 2022 with completion February 2023.*
- *Demolition substantial completion currently scheduled for April, 2025*

Green Hydrogen RFI and Strategy

- Support Department of Energy's *Clean Hydrogen Hub* solicitation
- Further develop strategies for clean, firm capacity in the LA Basin

Fleet Services



Current Year 2021-22 Achievements

- Expanded the Departments Purchasing Power for Capital Equipment through Cooperative and Price & Time Contracts.
- Created and maintained over 28 Equipment Rental Contracts to avoid disruptions in business operations.
- Provided over 93% vehicle and equipment availability.

Fiscal Year 2022-23 Goals

- Support the Mayor's Sustainability Plan; add a minimum of 108 zero emission vehicles.
- Take delivery of, and deploy over 600 new and replacement vehicles across the LADWP service area.
- Complete upgrade of M5 Fleet management database to improve workflow and manage reporting

Fleet Services: FY 2022-23 Major Investments



Major Vehicle/ Equip. Purchases ($79.8 M)

- Aerial Bucker Trucks – 6
- CNG Tree Trimmer Truck – 8
- Patrol Service Trucks – 35
- Heavy Utility Serv Trucks – 110
- Peterbilt Truck – TBD
- Backhoe Trucks – 76
- Hazmat Trucks – 5
- Trailer-Mount'd HVAC Units – 17
- Street Sweepers – 8
- High Reach Aerial Platform – 4
- Cranes – 6
- Construction Equipment TBD



Fleet Aviation ($9 M each)

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



Significant Fleet Managed Contracts ($68.8 M)

- Fuel purchases
- Car and Truck Rentals
- Bare Construction Equipment Rentals
- Fully Operated Equipment Rentals
- Maintenance Parts and Materials

WATER SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Water System Organizations

Water System
Contributing Organizational Budget By Cost Element

WATER SYSTEM

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Contracts	$ 336.6	$ 374.4	$ 382.2	$ 463.4	24%
Labor (Regular and Overtime)	$ 295.1	$ 315.5	$ 300.4	$ 324.5	3%
Purchased Water	$ 296.3	$ 249.8	$ 313.8	$ 275.3	10%
Material & Supplies	$ 96.9	$ 83.2	$ 106.6	$ 92.6	11%
Utility Services	$ 26.8	$ 27.3	$ 27.1	$ 26.3	(4%)
Other Direct, Incentives, and Fees	$ 14.2	$ 18.7	$ 16.9	$ 24.7	32%
Other *	$ 11.2	$ 11.5	$ 10.4	$ 10.1	(12%)
Total: Water System	**$ 1,077.0**	**$ 1,080.2**	**$ 1,157.4**	**$ 1,216.8**	**13%**

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

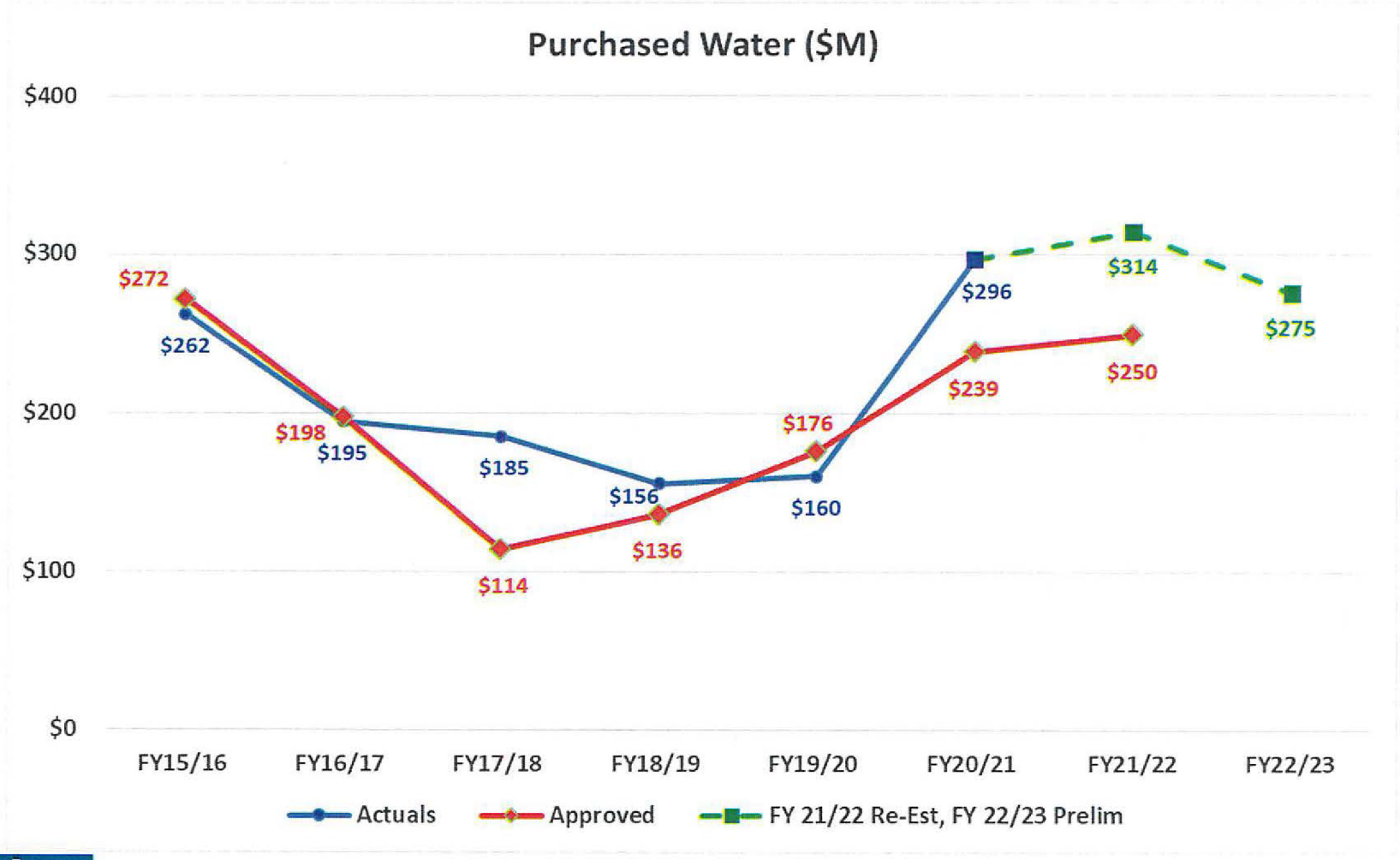
Water System
Contributing Organizational Budget By Cost Element
- Detail of Major Variances

WATER SYSTEM

$ in Millions

FUNCTIONAL ITEM / JOB DETAIL	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved	
Contracts	**$ 374.4**	**$ 382.2**	**$ 463.4**	**$ 89.1**	**24%**
FI-29140-INFRASTRUCTURE RESERVOIR IMPROVEMENTS	1.4	11.0	32.1	30.7	
FI-24318-WATERSHED STORMWATER CAPTURE CAPITAL	11.7	8.4	27.6	15.9	
FI-3212585-WATER QUALITY-GROUNDWATER O&M	0.0	0.4	15.3	15.3	
FI-29130-WATER QUALITY IMPROVEMENT PROJECT RESERVOIR IMPROVEMENTS	1.4	17.9	15.3	13.9	
FI-3052000-WATER RECYCLING O&M FI	4.1	4.6	15.6	11.5	
Material & Supplies	**$ 83.2**	**$ 106.6**	**$ 92.6**	**$ 9.4**	**11%**
FI-3212520-DISTRIBUTION TREATMENT OPERATIONS	6.1	10.1	11.4	5.3	
FI-3212540-FILTER PLANT OPERATIONS	2.8	6.6	7.7	4.9	
Other Direct, Incentives, and Fees	**$ 18.7**	**$ 16.9**	**$ 24.7**	**$ 6.0**	**32%**
FI-3352200-DISTRIBUTION RESERVOIR O&M	-	-	8.9	8.9	
FI-3112200-LA GROUNDWATER PUMP & SOURCE FACILITIES	6.0	2.4	2.8	(3.2)	

FY 2022-23: Purchased Water Trend



WATER SYSTEM
Fiscal Year 2022-23 Investments

- Installation of 200 hydration stations city-wide via City partners to meet goal set by the Mayor's Green New Deal.
- Construction of North Haiwee Dam 2
- Continued construction of the San Fernando Groundwater Basin Remediation Projects
- Execution of the Owens Lake Asset Management Program.
- Continued implementation of a strategic mainline replacement program incorporating the use of earthquake resilient material.

Water Infrastructure



210,000 feet of mainline pipe will be replaced, prioritizing mainlines with the highest risk of failure.

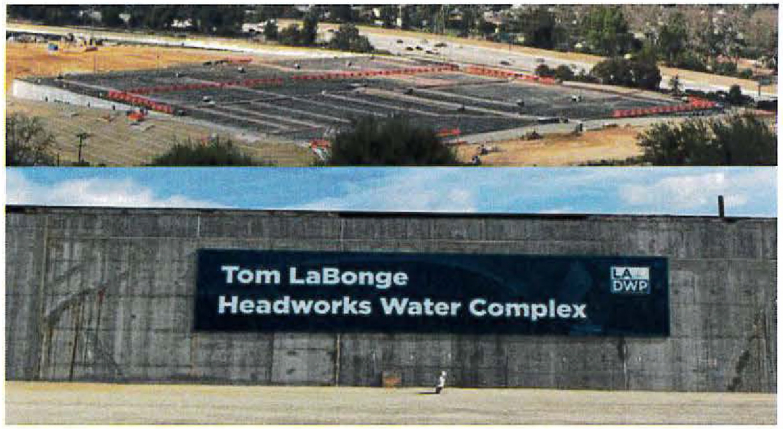


The Coronado Trunk Line Project will install approximately 7,400 feet of 30-inch diameter welded steel pipe to connect the First Street Trunk Line to the Sunset Trunk Line using the open trench method. To date, Trunk Line Construction has installed 6,469 feet of pipe.



Pump performance test at Buena Vista Pump Station to meet the annual goal to replace or rehabilitate twelve pumps/motors per year.

Water Quality



Phase 2, the construction of Headworks Reservoir West was completed. Phase 3 will begin construction of a flow control station on the Headworks Reservoir site to regulate the flow coming from the new RSC Upper Reach into the reservoirs.



The Tujunga Centralized Treatment will address groundwater contamination affecting the Tujunga Well Field and restore beneficial use.



The North Hollywood West Wellhead Treatment will provide remediation treatment to three groundwater wells in the North Hollywood West Well Field. Construction started in August 2017 and is 89% complete.



The North Hollywood Centralized Treatment project is a groundwater treatment facility to treat 38.2 cfs of groundwater for contamination from the Rinaldi Toluca wellfield.

Water Supply

The Tujunga Spreading Grounds Enhancement Project (TSG) began construction in August 2016 and was completed in November 2021.





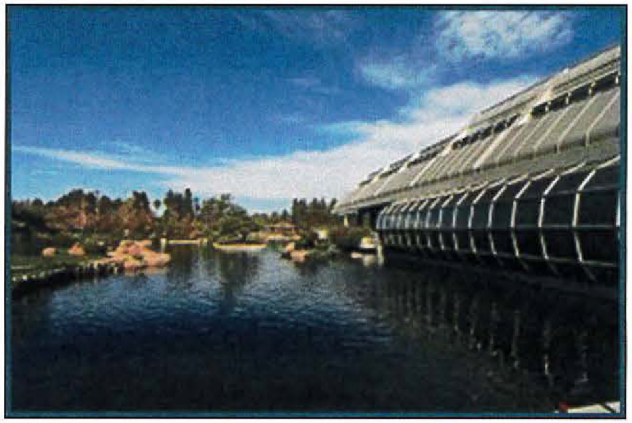


LADWP and Los Angeles Departments of Public Works, Recreation and Parks, are implementing the Stormwater Capture Parks Program to build up to 3,000 acre-feet of stormwater capture capacity at nine parks in the Eastern San Fernando Valley. Construction for the Program will begin in 2022.





Expansion of incentive programs and customer education allows LADWP to continue working towards water conservation and achieving the 2025 target of 103 GPCD.



The Los Angeles Groundwater Replenishment Project will recharge the San Fernando Groundwater Basin with recycled water produced by the Donald C. Tillman Water Reclamation Plant (DCTWRP). LADWP is currently evaluating next steps to move into the design phase.

WATER SYSTEM
Current Year 2021-22 Achievements



- Achieved full Water Quality regulatory compliance
- As of February 2022, performed 45,117 water quality tests
- Took extraordinary operational drought actions to preserve State Water Project supplies; modified operations to maximize demand on Colorado River Aqueduct MWD connections.
- Completed study on useful life of LA Reservoir shade balls and extended the replacement cycle from 10 to 15 years.
- In December 2021, LADWP's 2020 Urban Water Management Plan was found to be consistent with the statutory requirements.

Los Angeles Reservoir UV Treatment Facility

Commissioning activities for the LA Reservoir Ultraviolet Treatment Facility, a 650 million-gallon-per-day treatment plant to meet water quality regulations, were completed on January 31, 2022.







LA DWP

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

CORPORATE SERVICES OFFICER

Human Resources (Employee Health Plans and Services)

Facilities Services and JFB Facilities Mgmt.

Supply Chain Services

Security Services

Labor Relations Office

Joint System: Corporate Services
Contributing Organizational Budget by Cost Element

Corporate Services

Facilities Services, LEED, JFB Facilities Mgmt, Supply Chain Services, Security Services, Labor Relations, and Human Resources (Employee Health Plans and Services)

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Health Care Payment*	$ 346.1	$ 357.0	$ 373.4	$ 411.2	15%
Labor (Regular and Overtime)	$ 129.8	$ 144.0	$ 131.6	$ 137.3	(5%)
Contracts	$ 14.5	$ 27.4	$ 33.8	$ 33.5	22%
Land and Structures**	$ -	$ -	$ -	$ 26.3	>100%
Material & Supplies	$ 11.9	$ 15.0	$ 12.6	$ 21.4	43%
Other ***	$ 9.1	$ 6.8	$ 5.7	$ 6.9	1%
Total: Corporate Services	**$ 511.4**	**$ 550.3**	**$ 557.2**	**$ 636.6**	**16%**

* Health Care Payment estimates include adjustments for estimated staffing increases previously budgeted under Chief Financial Officer.

** Increase in Land and Structures is for building purchase or tenant improvements for a leased building to relocate JFB occupants during the JFB restack.

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

Facilities Services
Capital Projects Budget FY 2022-23

- JFB Reconsolidation Project
- JFB Reflecting Pool Repair, Heating Ventilation Air Conditioning, and Security Improvements
- 6060 Sepulveda Boulevard, 221 North Figueroa Boulevard, and New Facilities Improvements
- Power, Water, and Joint Facilities Capital Improvement/Betterments
- Replacement of Elevators at Multiple Facilities
- Rebuild West Los Angeles, Hoover St, Boylston Facilities
- Build Parking Structures at Main St, Temple St and Artesian St Facilities

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

External and Regulatory Affairs

Office of Sustainability

Customer Services

Meter Services and Field Operations

Real Estate

Joint System: External and Regulatory Affairs Contributing Organizational Budget by Cost Element

External and Regulatory Affairs

Office of Sustainability, Customer Service Division, Meter Services and Operations, and Real Estate

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Contracts	$ 77.6	$ 157.3	$ 110.4	$ 176.4	12%
Labor (Regular and Overtime)	$ 178.7	$ 194.8	$ 186.1	$ 202.3	4%
Other Direct, Incentives, and Fees	$ 51.0	$ 70.2	$ 51.1	$ 69.6	(1%)
Other *	$ 7.8	$ 14.7	$ 12.3	$ 20.3	38%
Material & Supplies	$ 6.4	$ 10.4	$ 9.1	$ 10.8	4%
Postal Services	$ 5.8	$ 5.4	$ 5.9	$ 5.5	2%
Total: External and Regulatory Affairs	**$ 327.3**	**$ 452.8**	**$ 374.8**	**$ 485.0**	**7%**

* Other includes Cost Elements: Transportation, Workers' Comp, Sponsorship/Ads, and Rentals & Leases
Increase in Other expenses mainly relates to rentals and leases.

LADWP Customer Benefits Programs

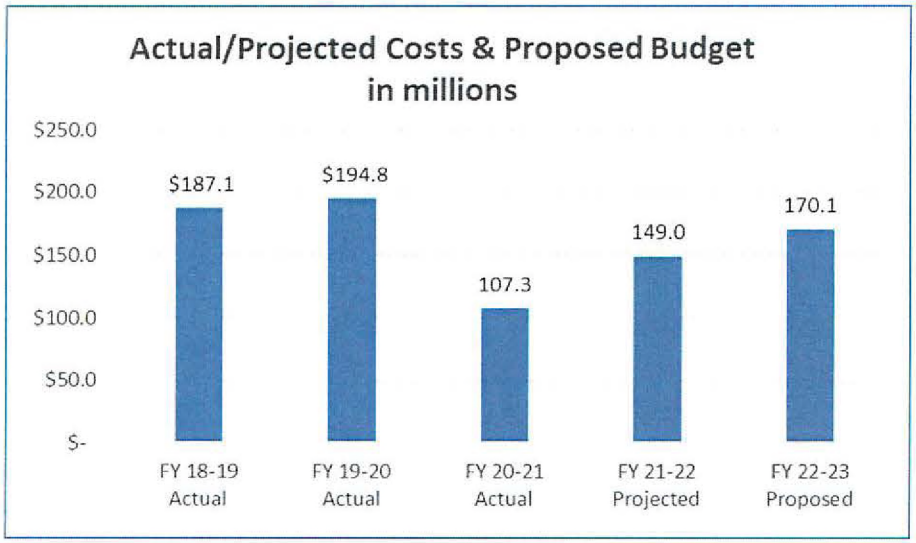
Customer Programs ($ in Millions) [1]	FY 2020-21 Actual	FY 2021-22 Approved	FY 2021-22 Estimated	FY 2022-23 Proposed
Energy Efficiency Program	$ 107	$ 190	$ 149	$ 170
Electric Transportation Program	$ 59	$ 66	$ 57	$ 75
Emission Reduction Grant Program	$ 0	$ 4	$ 2	$ 4
Power System Incentive Program [2]	$ 11	$ 18	$ 13	$ 23
Water Conservation Program	$ 9	$ 18	$ 13	$ 26

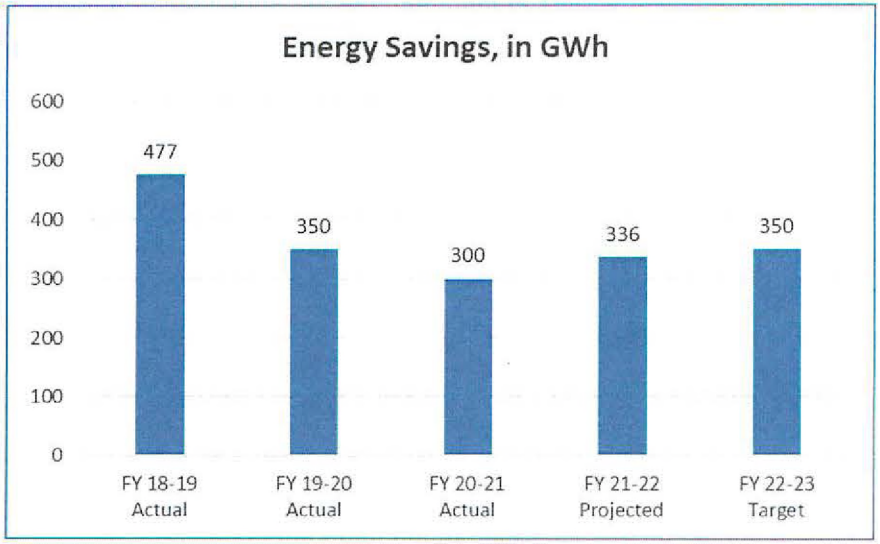
Notes:

1) Data includes O&M, rebates, all other direct, and indirect costs

2) Majority of investments are for Demand Response Program

Energy Efficiency





- LADWP achieved the 2010-2020 EE goals of 15% energy reduction versus baseline by the end of FY 2019-2020. LADWP is on track to achieve another 15% energy reduction by 2030 (SB 350-mandated doubling of EE).
- LADWP is bringing 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, set to launch in the second quarter of 2022.
- LADWP's FY 21-22 EE goal may not be met, due to COVID 19-related program shutdowns. Program activity is still occurring, but several Direct Install programs are still 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.

Customer Experience Organization

Customer Service Division

Meter Services and Field Operations Division

Customer Experience Organization

Customer Service Division – Achievements

Improved effectiveness and ease of access of low-income assistance programs

- Streamlined the EZ Save program to remove participation barriers and enrolled over 14,000 customers in first 3 months
- Launched Customer Consultations service
- Improved program accessibility to all customer segments by expanding channel outreach and multi-language support
- Increased community outreach through partnerships with community and faith-based organizations and key stakeholders

Implemented payment assistance programs

- Obtained approval for and implemented $285 million in California Arrearage Payment Program (CAPP) and California Water and Wastewater Arrearage Payment Program bill relief credits for nearly 300,000 customer accounts
- Integrated with State's Housing is Key Program for timely bill credits
- Implemented a 4-year payment arrangement program

Adapted customer support services and programs to meet customer needs

- Paid out over 22,200 consumer rebate applications (Q1 and Q2 of FY 21/22)
- Implemented online applications for residential EV rebates
- Provided a contactless version of the AC Optimization Program
- Initiated outreach and support services for small and micro business customers

Customer Experience Organization

Customer Service Division – Goals for Fiscal Year 2022-23

Investing in Our Communities

- Expand low-income support and implement active engagement with all customer segments
- Open the new Mission Hills, Watts and San Pedro Customer Service Centers
- Establish Level Pay Monthly Billing Program for residential customers
- Resolve EV and energy efficiency rebate backlog and streamline applications for customer programs

Strengthening Customer Service and Accessibility

- Launch and manage a comprehensive and supportive arrears management program
- Establish contracts for LADWP.com and Customer Contact Center platform replacement
- Increase operational analytics use to improve customer experience and service efficiency

Continuous Innovation Amid Uncertainty

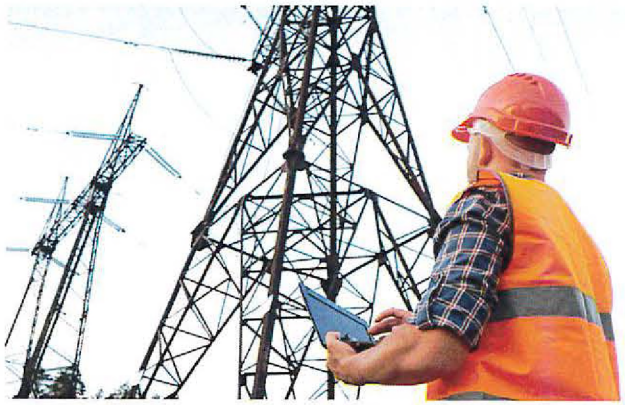
- Prepare customer policy and process transformations in support of the Distributed Automation project
- Re-engineer over 400 customer processes previously mapped for improved effectiveness and efficiency
- Implement the new merchant services infrastructure and expand customer payment options

Customer Experience Organization

Meter Services and Field Operations - Achievements

Updated the Mobile Workforce Management (MWM) system with Version 2.3, which allows field personnel to complete field activities in real time.





Developed and implemented a mobile application, Survey123, in collaboration with the Geographic Information System (GIS) group to help document and track supervisors' visits with employees working in the field. The application provides documentation of completion compliance, allows MSFO to identify areas for improvements, and acknowledges employees who are working safely.

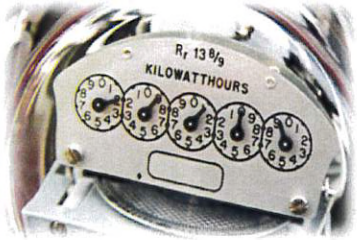
Customer Experience Organization

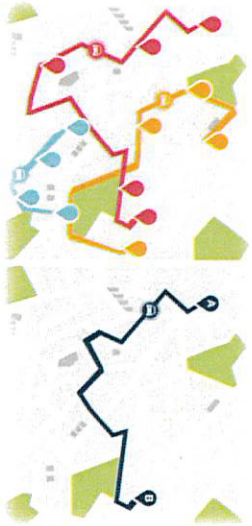
Meter Services and Field Operations - Goals for Fiscal Year 2022-23

Utilize Smart Meter technology to leverage meter reading and field service tasks for timely and accurate data transfer to CCB to enable Customer Service Division for monthly billing and other customer communications; to turn electric meters on and off remotely eliminating truck rolls, potential accidents, and field confrontations.

Replace meter reading handheld devices, and upgrade software to new Smart Meter technology compatible with CCB requirements.

Restructure meter reading routes with a more accurate routing system to maintain acceptable standards for efficiency and accuracy; obtain required updates for MSFO's route optimization software, Route Smart, to ensure compatibility with continued CCB upgrade and GIS mapping tool for the route design team.







Increase meter reading efficiencies and completion rates.

Improve field service and meter reading routing designations.

Continue implementation of quality assurance mechanisms to ensure operational efficiencies and regulatory compliance.

Timely assistance for investigations to address consumption irregularities.

Ensure customer, community, and distribution network safety through timely investigation of unsafe and unauthorized energy connections.

Continue to meet settlement-related Key Performance Indicators.

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Information Technology Services

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

Information Technology Services

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Labor (Regular and Overtime)	$ 77.8	$ 86.6	$ 83.7	$ 100.2	16%
Material & Supplies	40.2	69.7	62.2	81.7	17%
Contracts**	28.6	64.7	67.0	103.3	60%
Other *	15.0	13.8	14.8	16.2	17%
Total: Information Technology Services	**$ 161.6**	**$ 234.8**	**$ 227.6**	**$ 301.4**	**28%**

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

** Increase in Contracts mainly relates to ERP Program, Data Center Support, and Cyber Security contracts.

INFORMATION TECHNOLOGY SERVICES
FY 2022-23 GOALS FOR BUDGET INVESTMENTS

NETWORK
Implement, upgrade, maintain or enhance network systems for Water, Power, and Joint Systems:
- Microwave upgrades throughout the service territory.
- Replacement of antiquated radios and communication devices.
- Extending radio shots to remote locations and facilities.
- Upgrades to cabling and fiber throughout all facilities.
- Continue to build out fiber network.
- Assist with the Distribution Automation program with switches to support required network.
- Increase the bandwidth capability for the Department.
- Improve the network intrusion monitoring capability.
- Continue with upgrades and enhancement to our WAN/LAN.
- Record Center systems upgrades to meet growing needs.

CYBERSECURITY
Collaborate with Water, Power and Joint Systems on:
- Enhancing the cybersecurity visibility across all divisions within LADWP.
- Continued penetration and vulnerability testing for all of LADWP.
- Continued enhancement and monitoring of both the information and operational technology (IT/OT) environments.
- Continue to enhance Email security.
- Continued education of LADWP employees on cybersecurity awareness.



STAFFING & TRAINING
- Continue to focus on trainee and entry level hiring for ITS.
- Planned IT training particularly in the areas of Agile Development, TOGAF and Project Management.

APPLICATIONS
Collaborate with Water, Power and Joint Systems on work in progress in the following areas:
- Continued Enterprise Resource Planning implementation.
- Implement Microsoft M365 - Work Collaboration Management System
- Start Advance Metering Infrastructure.
- Assist with Distribution Automation.
- Implement Level Pay.
- Maximize the Water Trouble Management System.
- Initiate the new LADWP Website Redesign.
- Implement Meter Data Management System.





INFRASTRUCTURE
Implement, upgrade, maintain or enhance infrastructure for Water, Power, and Joint Systems:
- Optimize LADWP Data Centers.
- Virtualize more infrastructure and servers.
- Improve Disaster Recovery resiliency.
- Maximize storage management for the department.
- Continue with server migration and upgrades.
- Optimize Service Desk infrastructure build outs and support.
- Enhance scanning and end point management.
- Support Matrix Water and Power teams.

LA DWP

Note: Not an all inclusive list of programs

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Office of Diversity, Equity and Inclusion

Joint System: Office of Diversity, Equity, and Inclusion Contributing Organizational Budget by Cost Element

Office of Diversity, Equity and Inclusion

Office of Diversity, Equity and Inclusion, and Human Resources (Recruitment, Employee Development, Tuition Reimbursement, and Personnel/Employment Serv

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Labor (Regular and Overtime)	$ 6.6	$ 15.8	$ 12.5	$ 14.9	(6%)
Contracts	$ 1.6	$ 10.8	$ 6.4	$ 11.7	8%
Sponsorships / Ads	$ 0.1	$ 4.2	$ 2.5	$ 4.3	2%
Material & Supplies	$ 0.1	$ 0.6	$ 0.5	$ 0.6	0%
Other *	$ 0.0	$ 0.2	$ 0.1	$ 0.2	0%
Total: Office of Diversity, Equity and Inclusion	**$ 8.4**	**$ 31.6**	**$ 21.9**	**$ 31.7**	**0%**

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

Office of Diversity, Equity, and Inclusion

Fiscal Year 2022-23 Goals:

- Updating LADWP's Strategic Plan to incorporate DEI in to core values and build brand awareness around the reimagined core values; develop Guiding Principles that reflect leadership standards, behaviors and competencies that should be demonstrated in the workplace.
- Creation of the DEI Steering Committee and Task Force to provide feedback to the Office of Diversity, Equity and Inclusion on emerging issues.
- Creation of a DEI Institute through a combination of vendor-provided training and in-house workshops to specifically address LADWP culture. Reach 100% compliance for mandatory training and create an environment that reflects a corporate culture where employees feel seen, heard and valued for their different identities and perspectives.
- Transform online training delivered via Webex to an online training community in Blackboard. Increase employee engagement in this virtual environment that the Department has had to rapidly adapt to and increase participation in all training areas.
- Modernize the current Interview Selection Package (ISP) submission process from manual/paper-centric to using the ISP Tracker Application (App) developed and implemented with ITSD. The Goal is 90% utilization by June 30, 2023 (in light of the special needs of field operations).
- Lead and participate in various efforts to ensure the advancement of matters related to hiring, classifications, etc., that benefit LADWP now and going forward. Continue to attend Strategic Long-Term Resources Plan (SLTRP) Steering Committee meetings, working subcommittees meetings, and periodic meetings with the Mayor's Office and consultants to provide advice and assistance on workforce aspects of the transformation from carbon-based to renewable power generation.
- Establish policies and programs that lead to more diverse and equitable hiring and promotional opportunities, such as mentorship programs, recruitment partnerships, interview preparation assistance and diverse interview panels.
- Support the development of Employee Resource Groups and Professional Resource Groups that promote diversity, equity and inclusion and networking opportunities for employees.
- Work with professional, labor and community-based organizations to expand employment opportunities for underrepresented targeted populations (i.e. women, disabled, veterans, low-income) across all job classes and educate diverse talent on career opportunities and the benefits of working at LADWP.
- Expand marketplace initiatives that improve supplier diversity and community engagement by increasing business partnerships and economic opportunities in underserved communities.

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Corporate Strategy and Communications

Joint System: Corporate Strategy and Communications Contributing Organizational Budget by Cost Element

Corporate Strategy and Communications

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Labor (Regular and Overtime)	$ 6.7	$ 9.2	$ 8.3	$ 9.1	(1%)
Contracts	$ 0.8	$ 4.0	$ 2.4	$ 3.3	(18%)
Sponsorships / Ads	$ 1.4	$ 4.6	$ 3.4	$ 2.2	(52%)
Material & Supplies	$ 0.7	$ 1.1	$ 0.9	$ 1.1	0%
Other *	$ 0.0	$ 0.3	$ 0.2	$ 0.3	0%
Total: Corporate Strategy and Communications	**$ 9.5**	**$ 19.1**	**$ 15.2**	**$ 16.1**	**(16%)**

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

CORPORATE STRATEGY AND COMMUNICATIONS
Fiscal Year 2022-23 GOALS

1. Continue hiring new staff and aligning management and supervisory structure to support significant increase in requests for communications support from Water, Power and Joint Systems

2. Maximize use and reach of *About Your Water*, Board, and LADWP in the Eastern Sierra communications supported micro-websites

3. Focus on improving reach of internal employee communications based on success of COVID-19 employee communications through better use of technology and dedicate additional staff.



JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Corporate Health and Safety

Joint System: Corporate Health and Safety Contributing Organizational Budget by Cost Element

Corporate Health and Safety

Office of Safety, Occupational Health Services, and Workers' Compensation

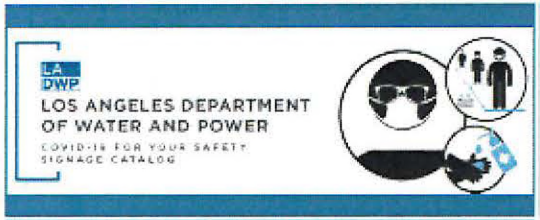
$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Labor (Regular and Overtime)	$ 9.4	$ 10.4	$ 10.0	$ 12.0	15%
Contracts	2.8	5.5	3.6	6.5	18%
Material & Supplies	4.8	0.7	0.8	0.7	0%
Other *	0.0	0.1	0.1	0.1	0%
Total: Corporate Health and Safety	**$ 16.9**	**$ 16.7**	**$ 14.5**	**$ 19.2**	**15%**

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

CORPORATE HEALTH & SAFETY ACCOMPLISHMENTS

COVID-19 Response



The **COVID Task Force** met twice weekly to manage Department COVID response

VACCINATION: Facilitated 30+ events for employees & their families; implemented vaccination tracking per City ordinance
Employees fully vaccinated - 8,500+

TESTING: Facilitated LAFD & onsite events
Tests provided - 11,000+ antigen & PCR
Tests procured - 15,000+ addl. antigen test kits

Facility Inspections conducted (outbreaks): 7

Established biweekly presentations to update Labor partners

Developed Return to Office training

Procured surgical grade masks & provided signage for LA County compliance

Expanded Resource Office staffing to support contact tracing & Paid Administrative Leave

Air Quality & Lab Sampling



Monitoring of fugitive methane emissions at Valley Generating Station

FY21/22 Accomplishments
Procured gas monitoring equipment & provided support to Power System

Worked with Environmental Affairs & AQMD on facility monitoring program

Provided real-time data to the public with over 1,456 air quality studies

Lab Sampling
FY18/19 – 696 tests
FY19/20 – 904 tests
FY20/21 – 882 tests
CY21/22 – 358 tests YTD

Safety Training



Wildfire Protection, Heat Illness, COVID, Asbestos, Lead, Silica, Respiratory Protection, Fall Protection, CPR/First Aid

FY21/22 Accomplishments
Implemented Safety Training Tracking system with IT

Fall Protection – 233 trained

Annual Refresher Course (ARC) – 4,471 trained

Safety & Industrial Hygiene
FY18/19 – 367 classes
FY19/20 – 427 classes
FY20/21 – 398 classes
CY21/22 – 398 classes YTD

Inspections & OSHA Compliance



Continued to manage LADWP's risk with regard to OSHA citations & maintain a field presence to proactively mitigate hazards

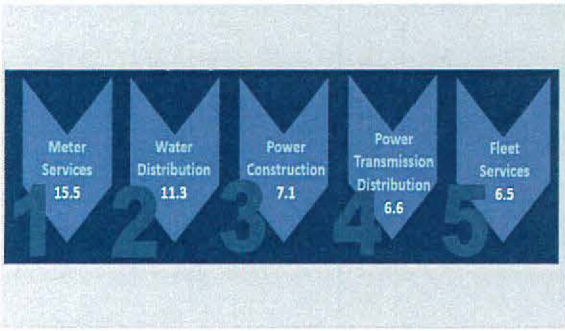
FY21/22 Accomplishments
7 investigations
4 citations
5 appeals

Conducted 33 field inspections

Successful registration with the state of California to perform asbestos work

CORPORATE HEALTH & SAFETY GOALS

Injury Reduction



FY22/23 Goals

Facilitate the reduction of Department injury rates & work with divisions to develop a suite of safety training

Reduce OSHA citations & workers' compensation costs

FY21/22 Accomplishments

Ergonomic assessments: 538

Recordable Cases

FY18/19 – 521
FY19/20 – 591
FY20/21 – 491
CY21/22 – 260 YTD

Strategic Planning: OHS & Work Comp Consolidation



Integrate the newly consolidated Occupational Health Services (OHS) & Workers' Compensation groups with Office of Corporate Health & Safety (as of December 2021)

OHS FY22/23 Goals

Increase the network of Medical Surveillance facilities & remote clinics

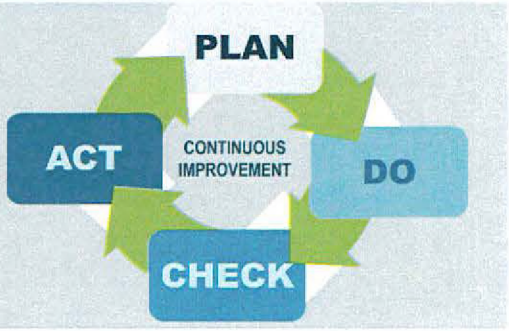
Develop a paperless OHS process

Workers' Compensation FY22/23 Goals

Expand use of current iVOS system for enhanced tracking capabilities

Implement a Direct Deposit system for Workers' Compensation payments

Safety Management System (SMS)



CONTRACTOR SAFETY MANAGEMENT

Implemented Third Party Contractor Safety Administrator to monitor contractor safety records & added safety review to Supply Chain bid process

FY22/23 Goals

Assemble a field investigation team to monitor contractor performance of high risk work in the field

Acquire SMS software platform

Assemble executive committee & implementation team, & appoint manager to oversee SMS performance

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

Chief Financial Officer

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

Chief Financial Officer

$ in Millions

Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Bond Redemption & Interest	$ 968.1	$ 1,025.3	$ 1,016.7	$ 1,107.0	8%
Retirement and Death Benefit	$ 383.8	$ 435.8	$ 344.0	$ 218.2	(50%)
Insurance	$ 68.6	$ 99.8	$ 75.0	$ 91.6	(8%)
Health Care Payment Adjustment*	$ -	$ 45.3	$ -	$ -	(100%)
Contracts	$ 30.0	$ 50.9	$ 45.2	$ 52.0	2%
Labor (Regular and Overtime)	$ 36.4	$ 44.6	$ 41.0	$ 44.2	(1%)
Property Tax	$ 33.0	$ 36.4	$ 32.6	$ 37.4	3%
Material & Supplies	$ 1.2	$ 2.4	$ 1.6	$ 2.3	(4%)
Other **	$ 0.8	$ 1.9	$ 1.4	$ 1.9	0%
Total: Chief Financial Officer	**$ 1,522.0**	**$ 1,742.5**	**$ 1,557.5**	**$ 1,554.6**	**(11%)**

* Health Care Payment Adjustments included in Health Care Payments under Corporate Services - Health Plan Administration

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

JOINT SYSTEM
BUDGET, ACHIEVEMENTS & INVESTMENTS

General Manager Direct Reports

Commission Office

General Manager

Inspector General Office

Equal Employment Opportunity

City Attorney's Office

Claims

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

General Manager and Other Direct Reports

Commission Office, General Manager's Office, General Manager Labor Planning, Equal Employment Opportunity, Office of City Attorney, and Claims

$ in Millions

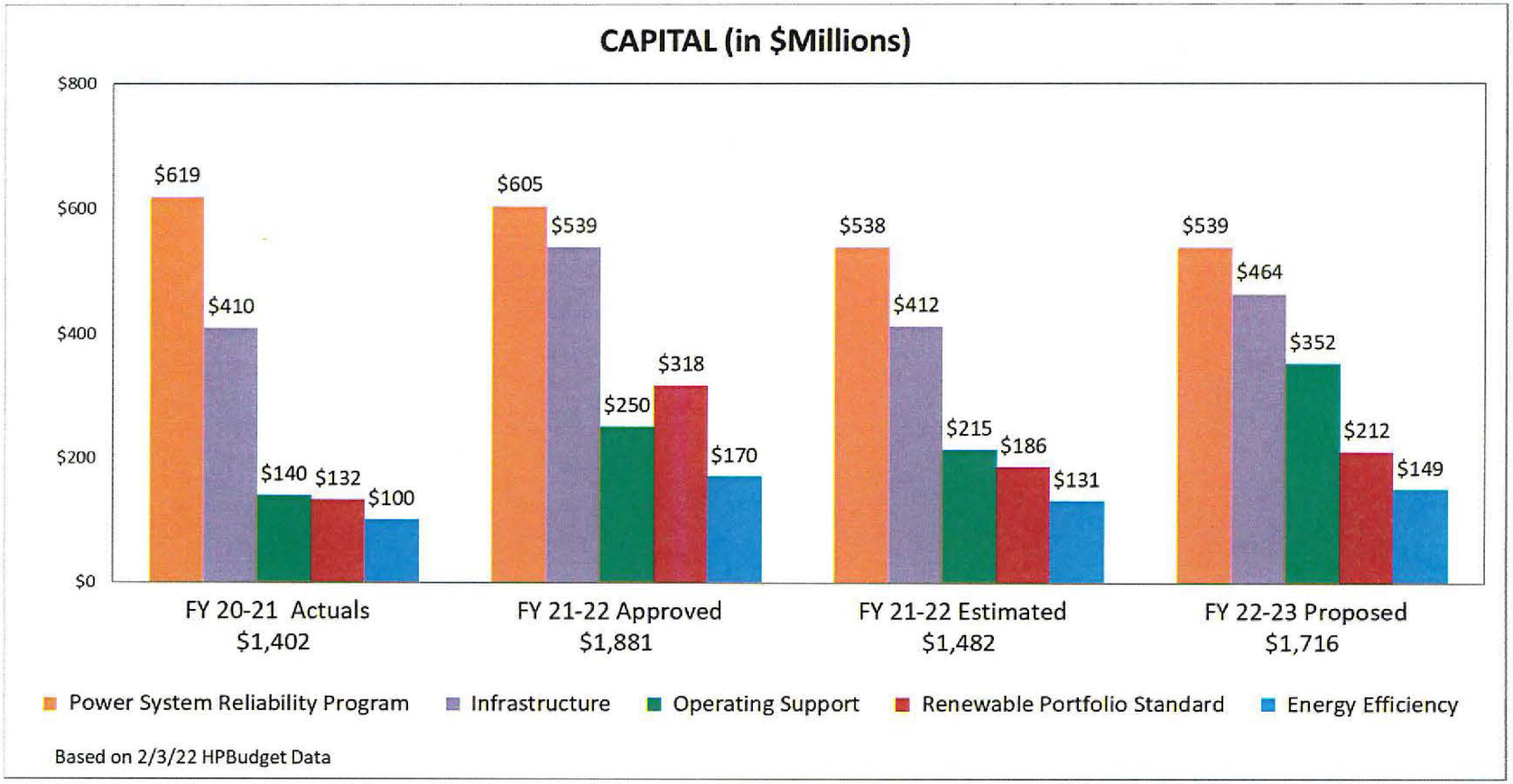
Cost Element	FY 2020/21 Actual	FY 2021/22 Approved	FY 2021/22 Re-Estimate	FY 2022/23 Preliminary Budget	FY2022/23 Prelim vs. FY2021/22 Approved
Contracts	$ 16.9	$ 31.5	$ 27.7	$ 35.2	12%
Labor (Regular and Overtime)	$ 8.8	$ 18.8	$ 10.4	$ 13.4	(29%)
Awards and Damages	$ 10.2	$ 26.0	$ 17.3	$ 13.6	(48%)
Other *	$ 1.5	$ 1.7	$ 1.5	$ 1.8	6%
Material & Supplies	$ 0.4	$ 0.2	$ 0.2	$ 0.2	0%
Total: General Manager and Other Direct Reports	**$ 37.8**	**$ 78.1**	**$ 57.0**	**$ 64.1**	**(18%)**

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

Inspector General Office
Fiscal Year 2022-23 Goals

- To conduct and supervise audits, reviews and analyses relating to the programs, operations and contracts of the LADWP;
- To receive and investigate complaints from any source and proactively conduct investigations concerning alleged abuse, fraud or waste of LADWP resources and/or misconduct by LADWP contractors or personnel;
- To provide leadership and coordination in recommending policies or remedial actions to correct deficiencies and promote economy, efficiency and effectiveness of LADWP programs and operations including:
  - Identifying systemic issues and systemic steps that can be taken to reduce fraudulent, wasteful or unethical activities and recommend remedies in situations where apparent unethical, wasteful or fraudulent behavior has been found;
  - Ensuring compliance with Los Angeles City Ethics Commission policies and procedures for financial disclosure of personnel involved in procurement or contracting decisions, and developing a system to enhance such policies and procedures where appropriate; and
  - Coordinating with appropriate offices and agencies when criminal behavior is suspected.
- To provide independent analyses, evaluations and appraisals of LADWP's performance effectiveness, the accuracy of its information systems, the economic and efficient utilization of its resources, and the adequacy of its internal controls;
- To report expeditiously to appropriate local, state, and/or federal prosecutorial and investigative agencies whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.
- To prepare a semi-annual report of investigations, audits and other Inspector General actions and coordinate with the LADWP's Communications, Marketing and Public Affairs office to facilitate dissemination, public outreach and engagement efforts.

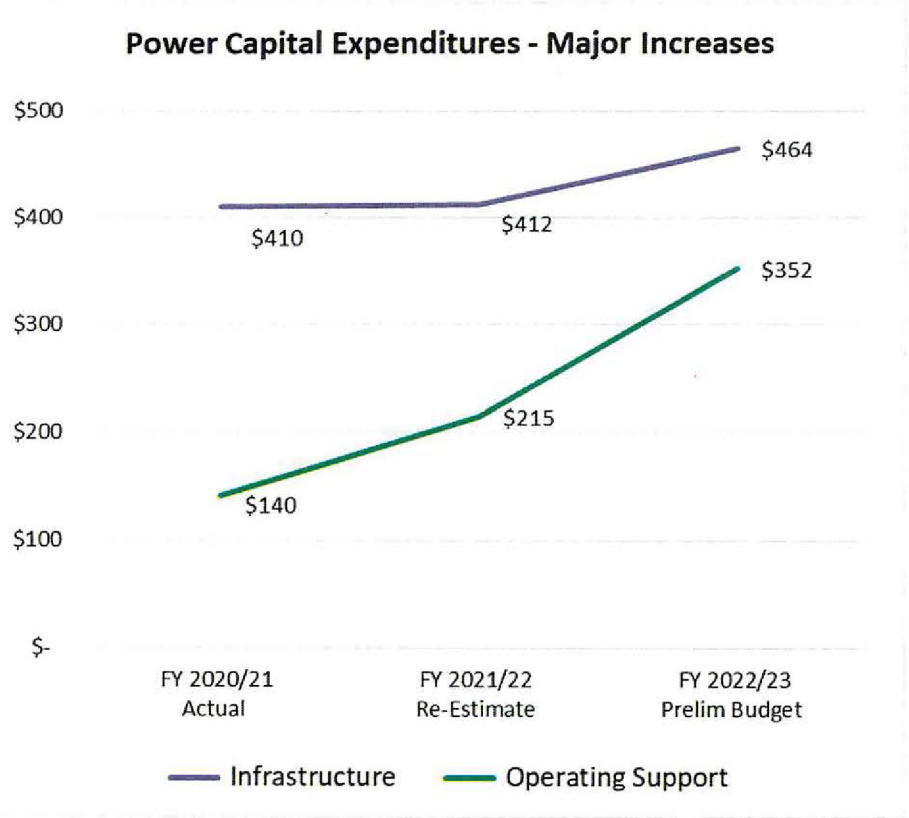
Power Revenue Fund:
FY 2022-23: Capital Expenditures Trend



Major FY 22/23 Rate Metrics Goals:

- 3,500 Pole Replacements, 12,000 Crossarm Replacements, and 1,150 Transformer Replacements

Power Revenue Fund:
FY 2022-23: Capital Expenditures



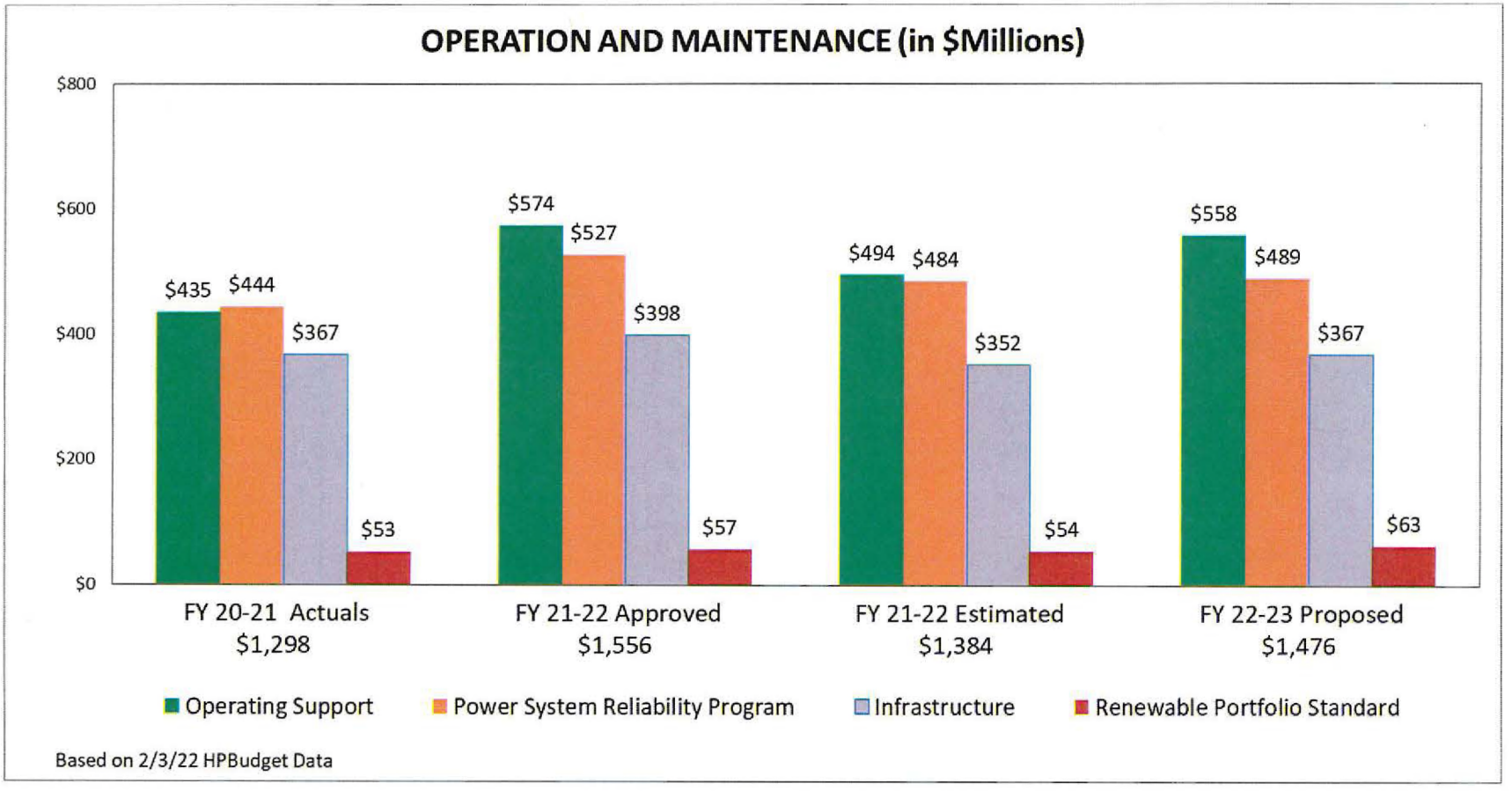
Infrastructure Major Investments:

- Inter-Agency & Customer Initiatives
  - Construction of RS-X to Serve LAX
  - Design Replace & Relocation of Distribution Facilities per Customer Needs
  - City Driven Replacement & Relocation of DWP Facilities
- Valley Generating Station Additions and Betterments
- General Facility Improvements-Power Construction & Maintenance

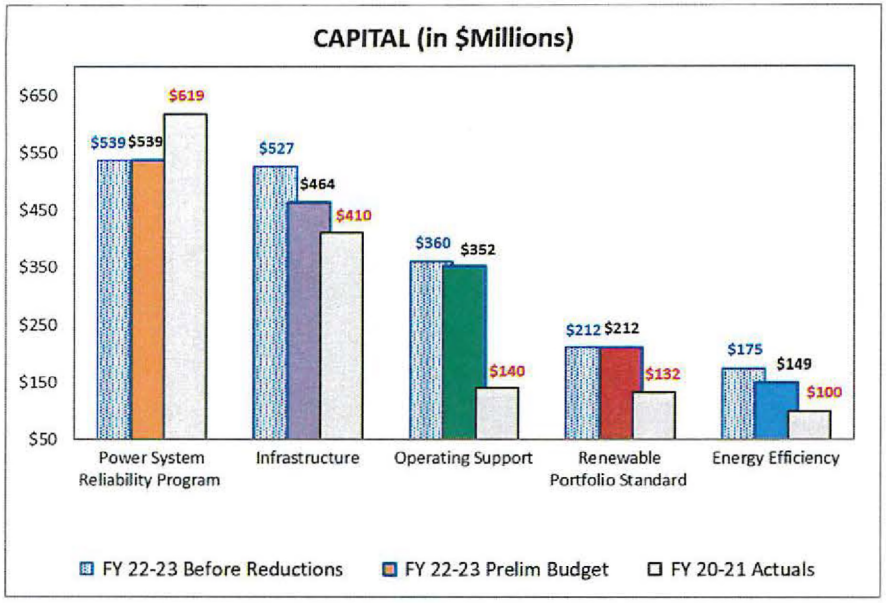
Operating Support Major Investments:

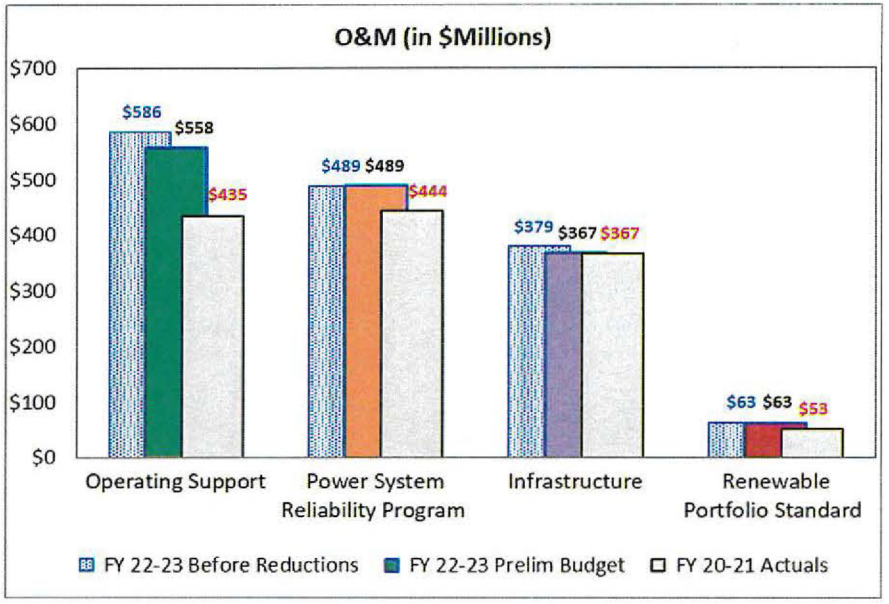
- Power's Share of Fleet Capital
- Revenue and Credit Management Capital
  - CSD Customer Service Center Capital Upgrades
- Energy Storage-LA Zoo
- JFB Modifications and Furniture (Power)
- Non-JFB Joint Facilities (Power)

Power Revenue Fund:
FY 2022-23: O&M Expenditures Trend



Power Revenue Fund:
FY 2022-23: Reduced Estimates to Remain within Approved Rates





Total Capital Reductions - $97M

Infrastructure - $63M
- Castaic Power Plant Removal and Disposal of Spoil Pile -$40M
- Valley Generating Station-Demolish Old Units - $20M
- AMR Meter Installation - $3M

Energy Efficiency - $26M
- Energy Efficiency Programs - $26M

Operating Support - $8M
- Customer Relationship Management - $4.3M
- Enterprise IT Security Program-Annual Security Assessments - $3.4M

Total O&M Reductions - $40M

Operating Support - $28M
- Power Direct Legal Services -$13M
- Insurance Premium Cost-Power System -$12M
- CSD Mail Center O&M -$2M
- CSD Customer Service Support-Self-Service O&M -$1M

Infrastructure $12M
- Sylmar West Clean Up -Building and Soil -$7M
- Distribution Planning Activities - $5M

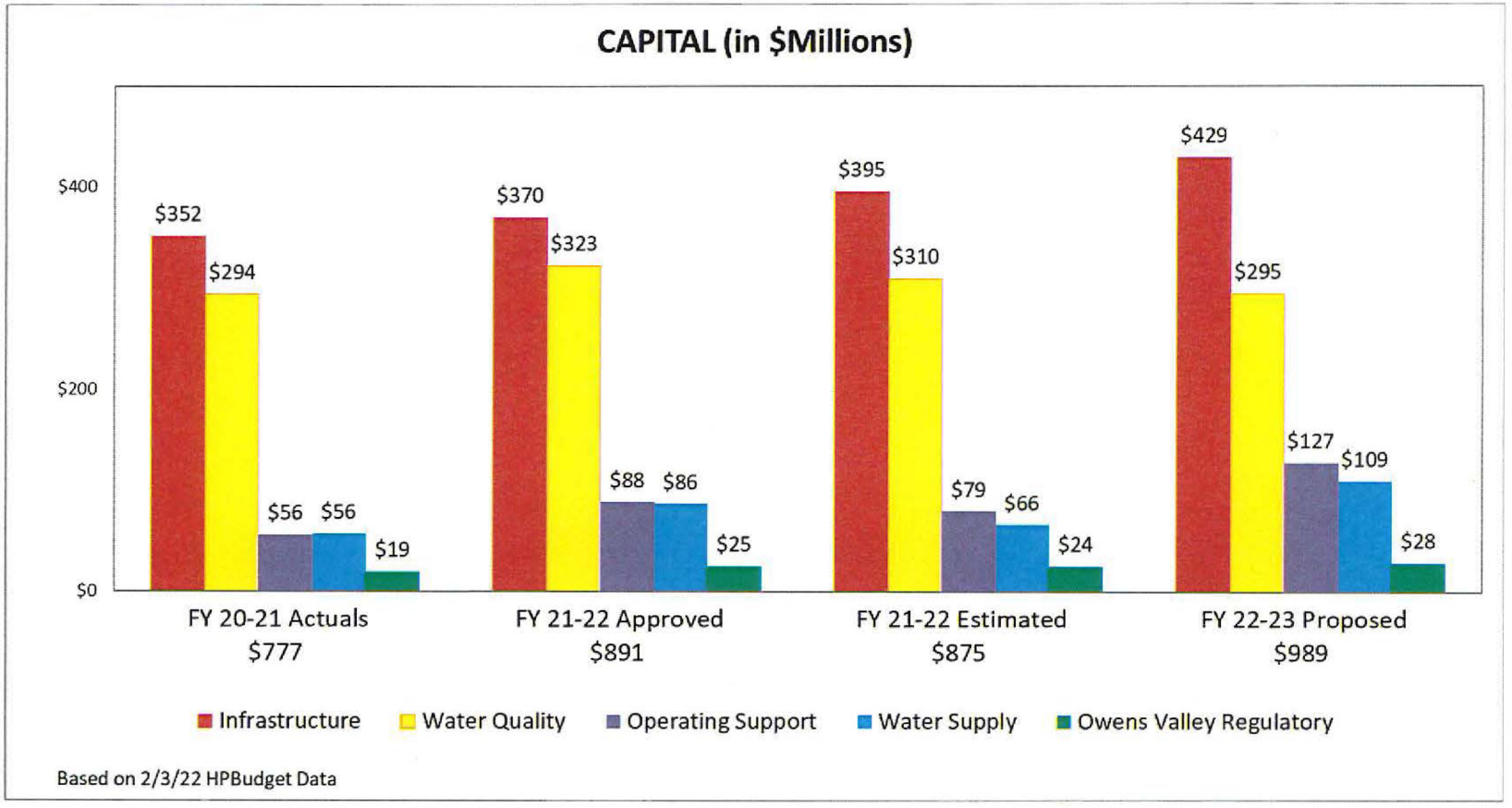
Power Revenue Fund
Financial Plan Summary

$ in Millions	FY 2021-22 Approved	FY 2021-22 Re-Estimated	FY 2022-23 Prelim
RETAIL SALES (GWh)	20,932	21,363	20,681
REVENUE REQUIREMENT	$ 4,379	$ 4,451	$ 4,367
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	$ 574	$ 494	$ 558
- POWER SYSTEM RELIABILITY PROGRAM	527	484	489
- INFRASTRUCTURE	398	352	367
- RENEWABLE PORTFOLIO STANDARD	57	54	63
TOTAL OPERATION & MAINTENANCE EXPENSE	$ 1,556	$ 1,384	$ 1,476
FUEL, PURCHASED POWER, AND EMISSIONS	1,501	1,630	1,498
DEPRECIATION, PROPERTY TAX AND OTHER	774	735	799
TOTAL OPERATING EXPENSE	$ 3,830	$ 3,749	$ 3,773
OTHER INCOME/EXPENSE (incl. Debt Exp. and City Transfer)	$ 389	$ 421	$ 367
CHANGE IN NET POSITION	$ 160	$ 280	$ 227
SYSTEM AVERAGE RATE (cts/kWh)	20.4	20.6	20.4
TOTAL BORROWING[1]	$ 1,298	$ 1,298	$ -

Notes:

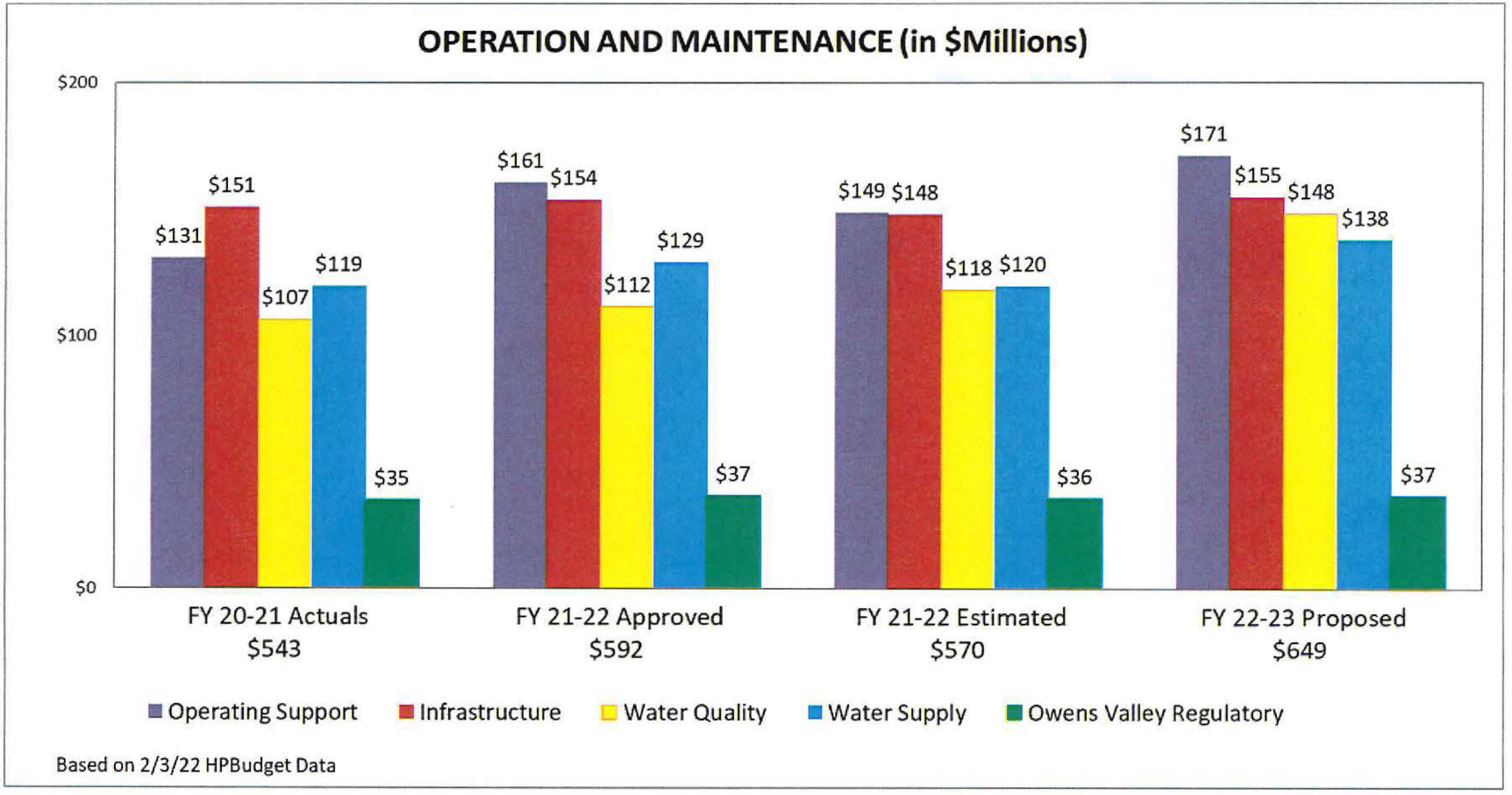
1. Total Borrowing includes only new bond proceeds and related premiums / discounts for capital investments.

Water Revenue Fund:
FY 2022-23: Capital Expenditures Trend



For FY 2022/23, the goal is to achieve 210,000 feet of mainline replacements and 11,515 feet of trunk line replacements.

Water Revenue Fund:
FY 2022-23: O&M Expenditures Trend



Water Revenue Fund
Financial Plan Summary

$ in Millions	FY 2021-22 Approved	FY 2021-22 Re-Estimated	FY 2022-23 Prelim
SALES (Million HCF)	195.8	195.1	199.0
REVENUE REQUIREMENT	$ 1,532	$ 1,533	$ 1,597
OPERATING EXPENSE			
OPERATION & MAINTENANCE EXPENSE			
- OPERATING SUPPORT	$ 161	$ 149	$ 171
- INFRASTRUCTURE	154	148	155
- WATER QUALITY	112	118	148
- WATER SUPPLY	129	120	138
- OWENS VALLEY	37	36	37
TOTAL OPERATION & MAINTENANCE EXPENSE	$ 592	$ 570	$ 649
PURCHASED WATER	250	314	275
DEPRECIATION, PROPERTY TAX AND OTHER	248	240	261
TOTAL OPERATING EXPENSE	$ 1,089	$ 1,123	$ 1,185
OTHER INCOME/EXPENSE (incl. Debt Exp.)	$ 169	$ 75	$ 67
CHANGE IN NET POSITION	$ 274	$ 334	$ 344
SYSTEM AVERAGE RATE ($/HCF)	7.44	7.70	7.87
TOTAL BORROWING [1]	$ 484	$ 331	$ 428

Notes:

1. Total Borrowing includes new bond proceeds and related premiums / discounts for capital investments, as well as state loan proceeds.

Next Steps

- Request approval of the Preliminary FY 2022-23 Budget package transmittal to the Council for informational purposes, on March 8, 2022

- Work with Board Office to meet the submittal of the final budget package within Department timelines

- Request the Final Budget approval and transmittal to the Council, including presentation on May 10, 2022

- Forward Final Budget to the Mayor, City Council, and other relevant stakeholders no later than May 31, 2022

LA DWP Los Angeles Department of Water & Power

CUSTOMERS FIRST