



# Funding Agreement with Department of Water Resources to Support Voluntary Agreement Actions

**Finance/Administration Committee**

October 24, 2023

# Agenda

- Background – Voluntary Agreement Commitments
- Funding Agreement Elements
  - Term of the Agreement
  - Tasks
  - Amount
- Next Steps

# Voluntary Agreement Actions and Funding

- Department of Water Resources (DWR) identified \$13.5 million for the Mokelumne River
- Commitment to Flow and non-Flow Measures
- Non-flow measures are to improve habitat and support the doubling goal of salmon in the Mokelumne River.
- The funding commitments are split between EBMUD and the State
- The agreement will be with DWR and EBMUD. State will fund \$7.5 million towards habitat investments.



# Funding Agreement Tasks

- Floodplain improvement – 25 acres
- Spawning Habitat – 2 new projects and maintain existing restored habitat
- Screen 3 Riparian Diversions
- Monitor the McCormick Williamson Tract floodplain project (DWRs project)



*Gravel placement on the Lower Mokelumne River to improve spawning habitat*

# Total Funding Amount

## Key Takeaways

- EBMUD has committed \$1.5 million over the 8-year term
- Floodplain Habitat - \$4.5 million
- Screens - \$1.5 million
- Spawning Habitat - \$700,000
- MWT monitoring - \$800,000
- Total Funding - \$7.5 million from DWR general fund
- Including our share of \$1.5 million, this agreement fully covers the Mokelumne VA habitat commitments

# Terms of the Agreement

## Key Takeaways

- 8-year term
- Independent of the Voluntary Agreements “no regrets” agreement – as long as we make the habitat improvements we commit to, funding is secured
- Amador Water Agency and North San Joaquin Water Conservation District will also be receiving funding (\$3 million each) for their contributions



# Next Steps

- Board Consideration: November 14, 2023
- Finalize the Agreement with DWR by end of the year



*Camanche Reservoir with hatchery in foreground.*



# Questions?



Photo: Lower Mokelumne River below Camanche Dam, San Joaquin County







# Key Performance Indicators for Fiscal Year 2023

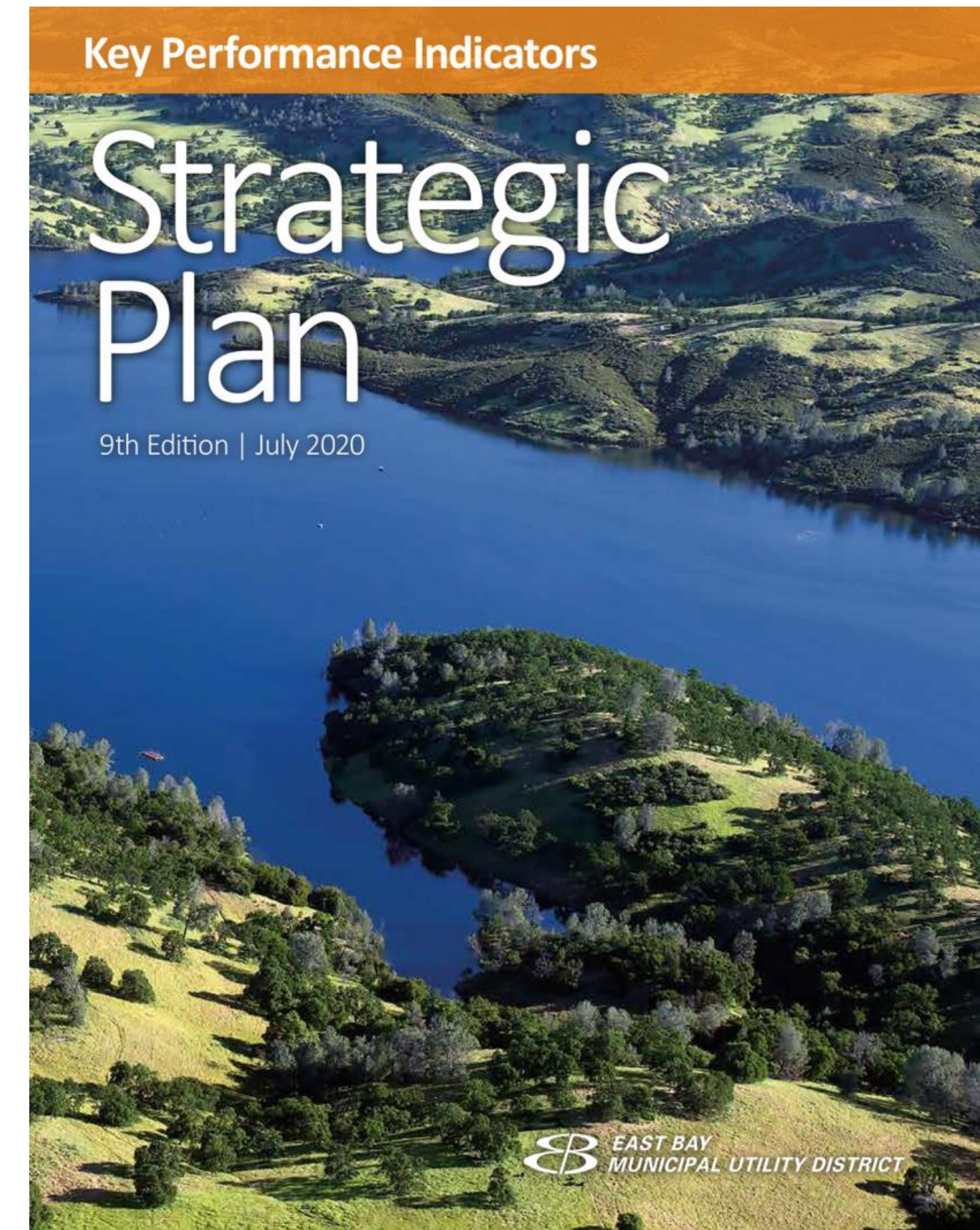
Finance / Administration Committee

October 24, 2023

*FY = Fiscal Year*

# Strategic Plan Goals

- Long-Term Water Supply
- Water Quality and Environmental Protection
- Long-Term Infrastructure Investment
- Long-Term Financial Stability
- Customer and Community Services
- Workforce Planning and Development



# FY 2023 Key Performance Indicator (KPI) Results

- 94 percent met or on track
- 6 KPIs improved from FY 2022
- 16 KPIs covered today, including:
  - Not met
  - Not met, but on track

Symbol	Result	Total
++	Target met	70
+	Target not met, but on track	11
--	Target not met	5
■	Performance measure only	6
Total KPIs for FY 2023		92



# KPIs Trending Up in FY 2023

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Long-Term Water Supply:</b> 20 MGD of recycled water capability by 2040	Various	+	++	+	--	+
<b>Water Quality and Environmental Protection:</b> Pursue large-scale photovoltaic project at the Duffel property located in Orinda	Permitting and Design	n/a	n/a	+	+	++
<b>Long-Term Infrastructure Investment:</b> Percent of water system corrective work order hours classified high priority	≤ 10%	++	++	++	--	++
<b>Long-Term Financial Stability:</b> Water rates as compared to other Bay Area agencies	< median	++	++	+	+	++
<b>Workforce Planning and Development:</b> Percent of performance plans completed on time	> 99%	++	+	++	+	++
<b>Workforce Planning and Development:</b> Percent of performance appraisals completed on time	> 99%	++	++	++	+	++

# Long-Term Water Supply

- 3 out of 6 KPIs are ++ (Met)

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Additional supply by 2040 to provide 85 percent reliability under design drought conditions and diversify through regional partnerships	Various	+	+	+	+	+
20 MGD of recycled water capability by 2040	Various	+	++	+	--	+
Update the Climate Change Monitoring and Response Plan. Explore approaches for how to adapt to potential future conditions and identify "no regrets" infrastructure investment decisions.	Various	n/a	n/a	++	++	+

# Water Quality and Environmental Protection

- 8 out of 10 KPIs are **++ (Met)**

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of water quality goals met	100%	+	+	+	+	+
Number of NPDES and Waste Discharge Permit Notices of violation received	Zero	+	+	+	++	+



# Long-Term Infrastructure Investment

- 10 out of 14 KPIs are **++ (Met)**

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Number of water system pipeline breaks per 100 miles of pipe	$\leq 20$	--	+	--	--	--
Percent of water system valves exercised	$\geq 10\%$	++	++	++	+	+
Number of concrete digesters and concrete aerated grit tanks rehabilitated	2	n/a	n/a	++	--	--
MWWTP Administrative Facilities Seismic Retrofits	Complete design	n/a	n/a	n/a	n/a	--

# Long-Term Financial Stability

- 17 out of 18 KPIs are **++ (Met)**

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Percent of planned audits completed	100%	+	+	+	+	+

# Customer and Community Services

- 24 out of 28 KPIs are **++ (Met)**

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Consolidate District education resources	Complete	n/a	n/a	+	+	+
Percent of customers rating the District’s services as “Good” or “Excellent”: New Business	≥ 90%	++	++	++	+	+
Percent of customers rating the District’s services as “Good” or “Excellent”: Recreation	≥ 90%	+	++	n/a	n/a	--
Proactively review and update alternative to shut-off program and Customer Assistance Program (CAP)	Implement program	++	++	++	++	+



# Workforce Planning and Development

- 8 out of 10 KPIs are **++ (Met)**

## KPIs On Track or Not Met:

FY 2023 KPI	FY 2023 Target	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Injury and Illness Investigations (PE-020 forms) completed within 10 working days	> 99%	n/a	n/a	--	+	--
Annually implement outreach campaigns on wellness themes	4	++	++	++	++	+



# FY 2025 & FY 2026 KPI Development

- **Fall 2023**
  - Develop KPI Recommendations for FY 2025 & FY 2026
- **Spring 2023**
  - Present Recommendations to the Board
- **July 2024**
  - Begin tracking FY 2025 KPIs



*Photo caption example (Arial 18 pt. italic)*



# Questions?







# Fiscal Year 2023 Audit Preliminary Findings

Finance/Administration Committee

October 24, 2023

# FY 2023 Audit

1. District worked with Lance, Soll & Lunghard, LLP (LSL) on the FY 2023 audit
2. In this first full year in the new financial system, staff and auditor have found instances of internal discrepancies
  - Accounts payable
  - Inventory balance
3. Staff has corrected the errors and will be improving internal processes in FY 2024

# Financial System Replacement Background

- Five years ago, the District identified need to replace financial information systems
- Selected Oracle Cloud Fusion Enterprise Resource Planning
- “Elsie” went live on November 1, 2021
- Brought new best practices to financial operations but introduced some challenges
- Process improvement work is ongoing

# Accounts Payable in Elsie Transition

- Elsie transition brought new processes and challenges to AP
- Three-way matching introduced:
  - Receiving, records, and invoice must match for payment
  - Separates duties
  - Provides internal control benefits
- Initial Go Live period was challenging for staff
- Training and improvements are ongoing

*AP = Accounts Payable*



# Accounts Payable Audit Finding

- During FY 2023
  - June construction contractor payment for \$18M paid (on time) in July
  - Should have been accrued in June
  - Has been corrected with adjustment
- Current AP processes has susceptibility to error
  - High volume of year-end invoices
  - Tight audit turnaround providing little time for review
  - Transition challenges

*M = million*

# Accounts Payable Planned Improvements

- Need to transition from a shared AP inbox to a scalable ticket system
- Tag Processing Application Project
  - Collaboration with departments to develop streamline “tag receipt” receiving system
- Better Internal Pre-Audit Review
  - Designated period after fiscal year-end
  - Analyze July and August invoices for potential accruals
  - Proactively identify potential issues

# Accounts Payable Improved Pre-Audit Review

- Historically District prepares audited financial statements soon after end of fiscal year
- Good for financial transparency
- But provides less time for pre-audit review
- District will designate additional time for pre-audit review
  - Proactively identify and address potential financial reporting issues
  - Example: analyze July and August payments for potential previous FY accruals

# Inventory Accounting Finding

- Inconsistencies were found between inventory records and the general ledger
- Legacy system integration was primary factor
- Additionally, have found potential for data entry errors within and outside of Finance (e.g., yards)
- Identified need for enhancements in process and coordination



# Inventory Accounting Improvement Plans

- Eliminate current discrepancy with detailed internal audit of existing physical inventory
  - One-time adjustments will be made to align records
- Implement procedures to keep District-wide physical inventories and balance sheet in sync
  - Ongoing account reconciliation
  - Periodic internal inventory audits

## Next Steps

- Improvement efforts will be ongoing
- FY 2023 audited financial statements will be presented at the November 28, 2023 Finance/Administration Committee meeting
- Update on status of process improvements in early 2024

# Questions?





# Applicant Process Improvements Update

Finance/Administration Committee

October 24, 2023



# Agenda

- Background
- Applicant Project Process Improvement Workshop
- Workshop Outcomes
- Next Steps



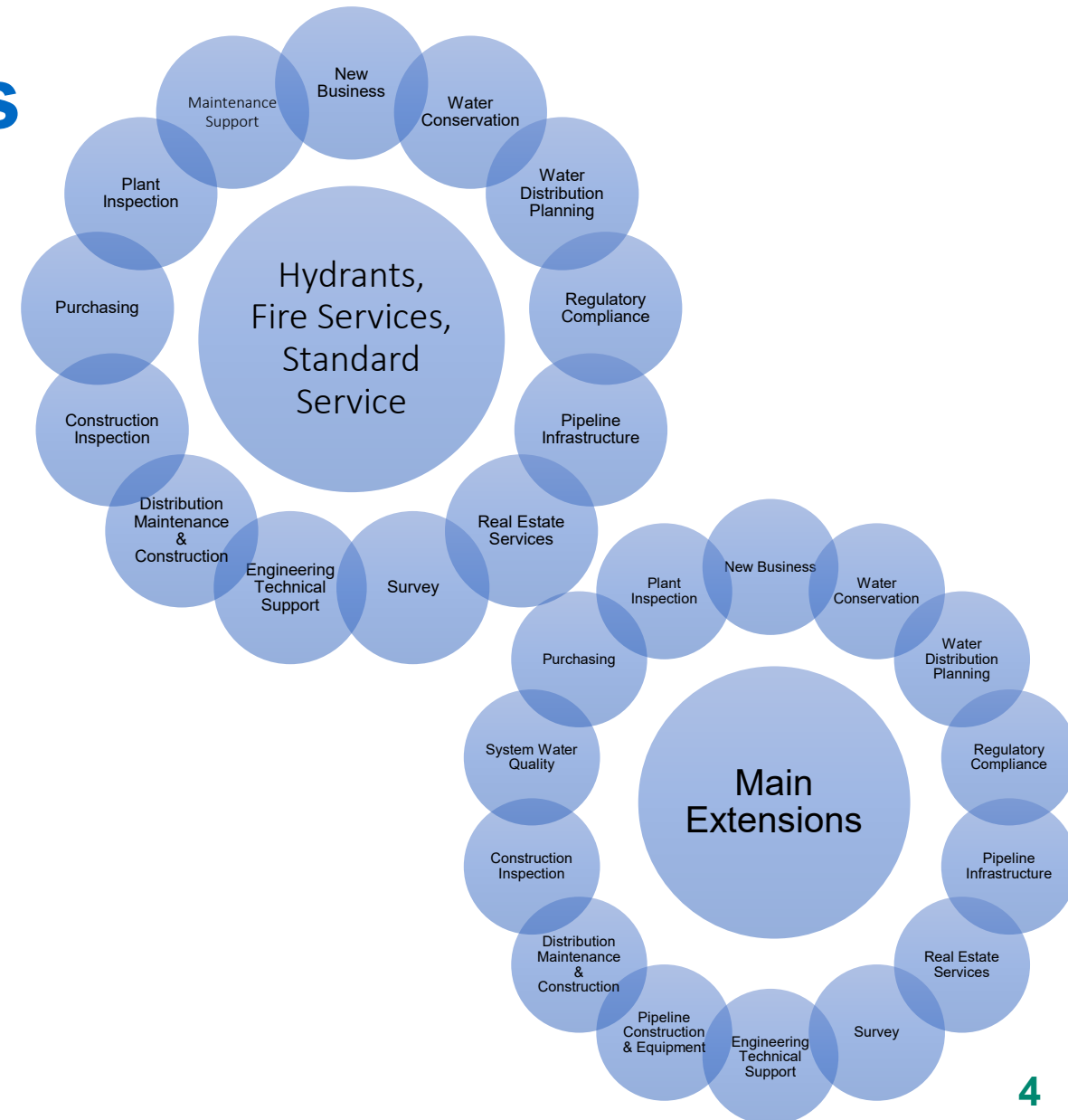
*People participating in the workshop*

# Background

- High demand for new water services highlighted the need to reduce the time to process applications
- Development community feedback from December 2022 Forum
  - Reduce overall project timeline
  - Simplify the application process
  - Allow applicants to perform portions of the work
  - Update metering requirements
  - Keep costs low

# Applicant Project Process Improvement Workshop

- Conducted internal workshop to address feedback from development community
- Reviewed applicant project processes (water main extensions, hydrants, fire services, and small services)





# Workshop Outcomes

- Applicant Project Process:
  - Identified nine areas for process improvement
  - Each area is assigned to a group of subject matter experts
  - Groups are tasked with improving each area
- Applicant Project Information Systems:
  - Identified five areas for system improvement
  - Each area is assigned to a group of subject matter experts
  - Groups are tasked with improving information systems to reduce processing timeline

# Applicant Project Process Improvements

Priority Areas	Goals	Impacts/Benefits	Estimated Completion
Regulations Governing Water Service	<ul style="list-style-type: none"><li>• Revise regulations to increase clarity and support new development trends</li><li>• Expand conditional services</li></ul>	<ul style="list-style-type: none"><li>• Decrease processing time and lower cost for small subdivisions</li><li>• Reduce maintenance activities in congested areas</li><li>• Estimated time savings up to 16 weeks</li></ul>	July 2024
Water Conservation Review	<ul style="list-style-type: none"><li>• Eliminate review of water fixtures specifications sheets</li></ul>	<ul style="list-style-type: none"><li>• Eliminate redundant review</li><li>• Decrease applicant's time filling out an application</li><li>• Estimated time savings of four hours</li></ul>	Completed

# Applicant Project Process Improvements

Priority Areas	Goals	Impacts/Benefits	Estimated Completion
Private Fire Hydrant Modeling	<ul style="list-style-type: none"> <li>Eliminate modeling of customers' side of private fire systems for new private fire hydrants</li> </ul>	<ul style="list-style-type: none"> <li>Reduce processing time</li> <li>Estimated time savings up to eight weeks</li> </ul>	January 2024
Main Extensions	<ul style="list-style-type: none"> <li>Pilot new administrative process to reduce internal handoffs</li> <li>Explore opportunity for applicant to perform dry work in select circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Reduce processing time</li> <li>Improve customer satisfaction</li> <li>Estimated time savings up to 14 weeks</li> </ul>	July 2024
Actual Cost	<ul style="list-style-type: none"> <li>Reduce number of actual cost projects</li> </ul>	<ul style="list-style-type: none"> <li>Decrease time to process actual costs</li> <li>Estimated time savings up to eight weeks</li> </ul>	July 2024

# Applicant Project Process Improvements

Priority Areas	Goals	Impacts/Benefits	Estimated Completion
Encroachment permit process	<ul style="list-style-type: none"> <li>Explore benefits of consolidating all encroachment permits to one workgroup</li> </ul>	<ul style="list-style-type: none"> <li>Reduce time to process permits</li> <li>Estimated time savings up to eight weeks</li> </ul>	November 2024
Hydrant/Fire Service/ Dual Service Form	<ul style="list-style-type: none"> <li>Investigate ways to improve process with obtaining information from local Fire Marshals for fire flow requirements</li> </ul>	<ul style="list-style-type: none"> <li>Potential reduction in timing for applicant when applying for a new water service</li> <li>Estimated time savings up to eight weeks</li> </ul>	October 2024
System Capacity Charges	<ul style="list-style-type: none"> <li>Identify ways to improve clarity in how SCC and SCC credit are calculated</li> </ul>	<ul style="list-style-type: none"> <li>Assist applicants in budgeting for projects</li> </ul>	Next SCC Study
Customer Service	<ul style="list-style-type: none"> <li>Add staff to improve processing time</li> </ul>	<ul style="list-style-type: none"> <li>Reduced processing time by 10 weeks</li> </ul>	Completed



# Applicant Project Information System Improvements

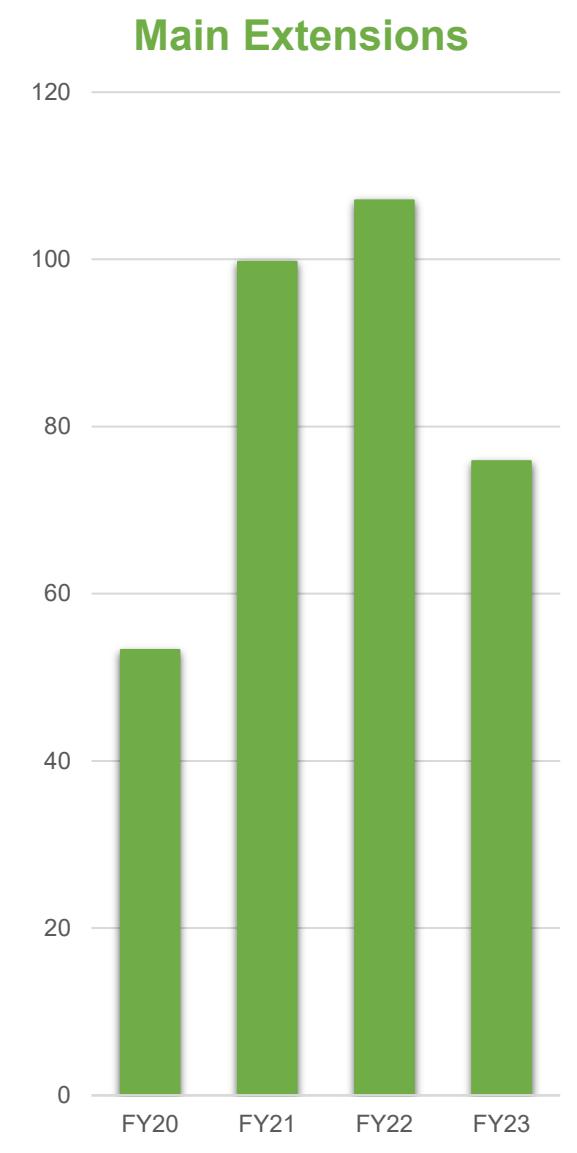
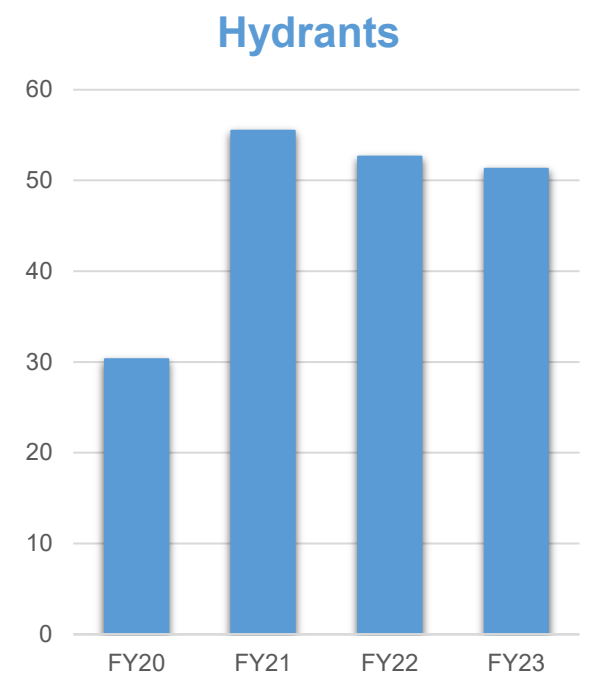
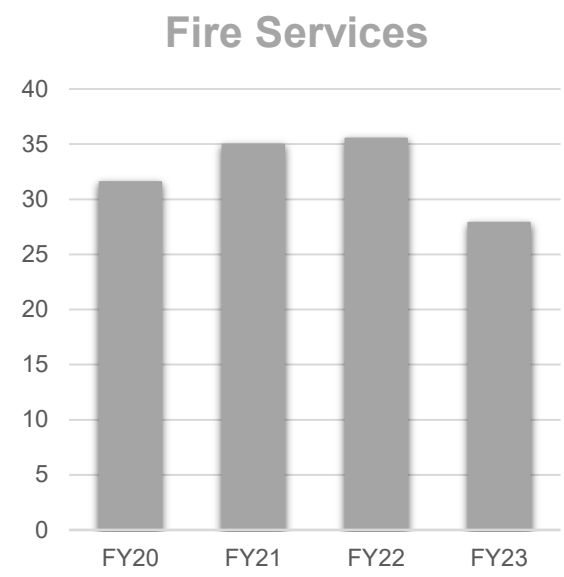
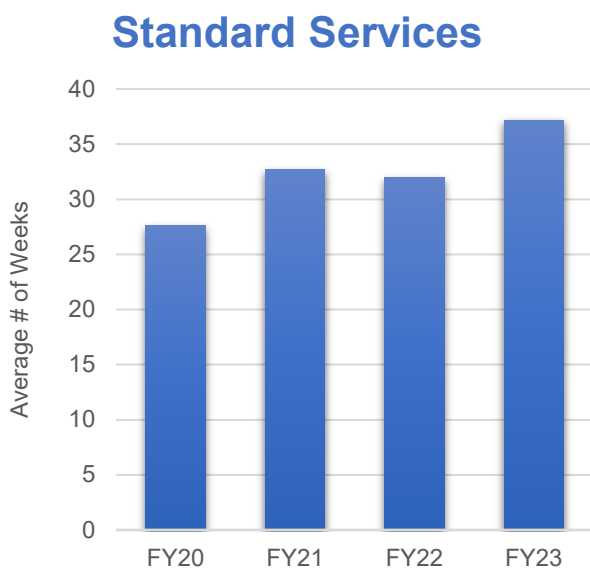
Priority Areas	Goals	Impacts/Benefits	Estimated Completion
Websites	<ul style="list-style-type: none"><li>• Improve navigation for new applications within <a href="http://www.ebmud.com">www.ebmud.com</a></li><li>• Update New Business Office information pages to improve clarity</li></ul>	<ul style="list-style-type: none"><li>• Improve customer experience</li></ul>	September 2024
Online Water Service Application	<ul style="list-style-type: none"><li>• Improve customer interface, adding guidance when filling out an application</li></ul>	<ul style="list-style-type: none"><li>• Improve customer experience</li><li>• Estimated time savings up to four hours</li></ul>	September 2024

## Applicant Project Information System Improvements, Cont.

Priority Areas	Goals	Impacts/Benefits	Estimated Completion
General Work Order System	<ul style="list-style-type: none"><li>Replace General Work Order system</li></ul>	<ul style="list-style-type: none"><li>Improve internal process</li></ul>	2027
Infrastructure Tracker Project	<ul style="list-style-type: none"><li>Improve user interface, reduce data entry, update for better workflow management</li></ul>	<ul style="list-style-type: none"><li>Free up staff resource to support other application reviews</li></ul>	TBD
Reduce Duplicate Data Entry	<ul style="list-style-type: none"><li>Identify all systems utilized in processing an application and eliminate data duplication</li></ul>	<ul style="list-style-type: none"><li>Improve efficiency</li></ul>	TBD

# Observed Trends

- Implemented improvements resulted in overall time savings
- Further time savings expected after all priority areas are implemented



## Next Steps

- Continue to implement recommendations to reduce overall timeline
- Periodically get feedback from development community through forums and surveys



# Questions?

