

City of Los Angeles Wastewater Program Best Practice Study – Phase I Report

A. Introduction

The City of Los Angeles wastewater system serves over four million people in the City and 29 contract cities. It is comprised of more than 6,500 miles of sewer pipelines and four wastewater treatment plants that can process approximately 550 million gallons of flow each day. During the past couple of years, each of the thirteen divisions of the Bureau of Sanitation has been working collectively in their daily operations as well as their strategic planning for the future wastewater system challenges facing Los Angeles. The Bureau has adopted the following goals and objectives for the Wastewater Program:

To protect public and employee health and safety;

- No overflows or diversions
- No permit or regulatory violations
- Protection of the environment by identifying and meeting sewerage system needs with due consideration to impacts on the air, land and water; and
- Maximization of reuse and conservation of resources, including biosolids, digester gas and water.

To support the broader set of adopted goals and objectives, The Bureau has been taking efficiency improvement initiatives to reduce overall cost in order to avoid rate increases for Los Angeles' residents and businesses. As a part of the efficiency improvement effort, Black & Veatch (B&V) was selected to conduct a Best Practice Study of the entire Wastewater Program. Key objectives of this Study is to:

- Determine the appropriateness and efficiency of the Wastewater Program organization structure and identify overlapping, conflicting and/or omitted responsibilities, authorities and resources.
- Specifically identify opportunities to reduce costs and improve efficiency and effectiveness.
- Assess management, administrative and decision-making processes and procedures and identify the most appropriate structure to foster communication, effectiveness, creativity, flexibility and accountability.

B. Phase I Scope of Work

The Phase I scope of work was designed to establish an overall project communication plan and to develop a thorough understanding of the Wastewater Program's goals and

objectives concerning wastewater collection, treatment, and disposal practices; its relationships with industry and wholesale customers; recent changes in operations and any planned changes to the existing system that will affect operation. Specific tasks of Phase I included:

Project Organization Meetings

Conducted kick-off meetings with Wastewater Program personnel to review and finalize project approach, project roles and responsibilities, progress reporting procedures, schedules of project deliverables, and administrative issues.

Data Collection

Data and documents through Data Request, site-visits and on-site interviews with staff and managers, “open-mike” sessions, and WebPages/Intranet communications.

- 1. Data Request** – Forwarded a Data Request to Wastewater Program management prior to the project kick-off meeting so that data and documents including organization charts, operation and business statistics, policies and procedures which provided initial insights to the Program’s management practices and quality of service delivery could be collected at the beginning of the project.
- 2. Management Interviews** – Conducted interviews with the management team and selected staff to understand the Program’s goals and objectives, policies and procedures, employee communication, organization structures, and performance improvement opportunities.
- 3. Stakeholder Interviews** – Conducted interviews with stakeholder representatives such as regulators, elected officials, customers, financial community, and contractors to gain insights to the Program’s organizational strengths and weaknesses.
- 4. Site-Visits and Interviews** – Conducted site-visits and on-site interviews with operation staff and supervisors at the four treatment plants, as well as various City departments and Agencies involved in the wastewater operation, maintenance, support, and capital program planning and implementation. Obtained oral and written comments that provide in-depth information regarding work place safety, training, purchasing procedure, asset management procedures, information technology, and Program related support services.
- 5. Meetings with Recognized Employee Organizations** - Conducted “open-mike” sessions with Recognized Employee Organizations to ensure that each and every employee has the opportunity to express their concerns and provide oral or written input into the process
- 6. Best Practice Workshop** – Conducted best practice workshops with related personnel and project team members. Topics included:

- Introduction to Best Practices/Benchmarking
 - Terminology – Performance Measures, Explanatory Factors, Best Practice Providers, etc.
 - Activity Based Costing
 - Typical Findings
 - Process to be used for LA
 - Discussion of the Best Practices Survey
- 7. Project Communications** – Set up WebPages, hot-line, and E-mail to provide a free flow of information for all Program employees, project staff, and project management.
- 8. Evaluation of Factors Unique to the City** – Identified major laws and regulations governing the Program, instances of non-compliance, causes for the instances and subsequent corrective action. Analyzed instances of non-compliance and other deficiencies for patterns indicating weaknesses of key management processes to identify more detailed review.

C. Phase I Approaches

The following tasks and activities were performed to meet the project objectives set forth in the scope of work of Phase I:

1. Data and Documents Collection

Before the kick-off of project organization meetings, a data request was prepared and forwarded to the Bureau of Sanitation requesting information providing the consultants some insights to the Wastewater Program's policies, procedures, and management practices. The following data and documents were collected and provided by the Bureau at the project organization meetings:

- Organization charter, pertinent laws, statutes, and policies.
- Detailed organization charts
- Goals, objectives, and mission statements
- Staffing levels by division
- Job descriptions and salary data
- Benefits data and personnel policies
- Wastewater system characterization, maps, and flow statistics
- Sewer construction fund budget
- Wastewater program strategic plan
- Detailed Wastewater Program Fund Expenditures

2. Project Organization Meetings

With Project Steering Committee – Judy Wilson, Anne Giagni, Bee Campbell, John Crosse, Dee Carey, Ted Rogers, Kent Carlson

With key staff and managers of the Wastewater Program – *See attached list of attendees*
With Union Representatives

The project team reviewed and finalized project approach, project roles and responsibilities, progress reporting procedures, schedules of project deliverables, and other administrative issues.

3. Site-Visits and On-Site Interview

More than 14 site-visits and on-site interviews were conducted with staff and managers at the following locations:

- Hyperion Treatment Plant
- Terminal Island Treatment Plant
- Tillman Water Reclamation Plant
- Glendale Water Reclamation Plant
- Wastewater Collection Systems Division
- Support divisions of the Bureau of Sanitation
- Bureau of Accounting
- Bureau of Engineering
- Controller's office – accounting and cost allocation
- General Service Department – fleet service and materials management
- Related City support departments and agencies – central services
- Los Angeles Department of Water and Power (LADWP or DWP)

These site-visits and on-site interviews provided valuable data and information about the operations of the Wastewater System (including operation and maintenance, CIP, and support from other City departments) that are essential to reaching conclusions regarding strengths and weaknesses of the System.

4. Management Interviews

Judy Wilson
John Cross
Department of Public Works

Factors unique to the City of Los Angeles were discussed and evaluated during these interviews.

5. Stakeholders Meetings

A total of 14 meetings were conducted with stakeholders of the wastewater program. Stakeholders attending the meetings were representatives from the following organizations:

- Public Resources Advisory Group, the financial advisor for the Wastewater Program's bond financing
- Southern California Air Quality Management District
- Los Angeles Regional Water Quality Control Board
- U.S. Environmental Protection Agency
- Apartment Owners Association
- Los Angeles County Sanitation District
- City of Los Angeles Board of Public Works
- Alliance of Publicly Owned Treatment Works
- Heal the Bay
- Friends of the Los Angeles River
- Surf Riders
- Los Angeles San Gabriel Rivers Watershed Council

Representatives from these organizations expressed their concerns and made various suggestions for improvement in the following areas:

- Management decision-making process
- Communications between the City's departments and agencies
- Sewer charge rates evaluation
- Water recycle and reclamation
- Effectiveness of the City's policies and procedures

6. Open-Mike Sessions

Four open-mike sessions were conducted with operation and maintenance and collection employees. These sessions provided first-hand information regarding employees' concern with plant efficiency, job training, work place safety, procurement cycles, information technology, and management practices, etc.

7. WebPages/Hotline/E-mail

WebPages, hotline, and E-mail address dedicated to the Best Practice Study have been set up to facilitate free flow of information, employee inputs, and project status reporting. *See attached WebPage print-out.*

8. Best Practice Workshops

Two best practice workshop sessions were held with the Project Steering Committee and selected staff and managers of the Wastewater Program. (*See attached Best Practice Workshop Presentation Package*).

D. Phase I Accomplishments Overview

Phase I Tasks per Work Plan	Phase I Tasks Completion Status
Project Organizations Meetings	Completed
Data Collection	Completed
Management Interviews	Completed
Stakeholders Interviews	Completed
Site-Visits and On-Site Interviews	Completed
Open-Mike Sessions	Completed
Evaluation of Factors Unique to LA	Completed
Project Communication (WebPages/Hotline/E-mail Set-Up)	Completed
Best Practice Workshop	Completed

E. Next Step

Based on the information and data collected during the Phase I, the consultant will conduct a detailed review of key operation, business, and management processes in each section of the Wastewater System to assess efficiency and effectiveness of System operations. Key tasks include:

1. Best Practice/Benchmarking/Performance Measures Survey

A survey document, modeled after the survey developed for the Water Environment Research Foundation (WERF), will be prepared to obtain information required for a Best Practice Analysis.

2. In the Field Assessments

In the field assessments will be conducted at the four wastewater treatment plants, as well as support bureaus, departments, and agencies to verify information obtained through survey and interviews.

3. Benchmark Survey

Based on the results of Phase I, the best practice survey, and in the field assessments, the project team will identify areas to be benchmarked through a targeted survey of systems of similar size and circumstance.

4. Phase II Report

The Phase II report will summarize the findings of Phase I and II. The report will consist of:

- Stakeholder Analysis
- A summary of Practices identified at the various work units
- Selected Benchmark Information
- A summary of easily implementable changes