

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 16, 1992

To: Board of Directors (Executive Committee--Information)

From: General Manager

Subject: Status of the Strategic Planning Study

Report

The Board of Directors recently adopted a set of goals and objectives to carry out the District's Mission Statement "to provide adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way."

For the last three months, Metropolitan's Management has been engaged in the first phase of a Strategic Planning Study which will provide a road map for implementing those goals and objectives. One purpose of the Strategic Planning Study is to develop objectives and action plans by which the District's performance can be measured. Another purpose is to develop a common understanding by all Management of the goals, objectives and the relationship of each Division's activities in support of that plan. Another is to develop service and productivity standards to ensure fiscal discipline and to allocate tight resources.

The first phase of the study has consisted of:

1. Kick-Off Session in October that involved the Assistant General Managers, the Division Managers and their Assistants, and the consulting team. The team consists of Paul Brown of Camp, Dresser & McKee; Jack Wells of Ernst & Young; and Larry Taylor of Creighton Group.
2. A two-day Foundation Conference in early November resulted in the development of seven guiding principles on which Management could build their development of objectives. During November, Management affirmed the guiding principles (Attachment A) and aligned them with the Board-adopted goals. Each of the guiding

principles was related to two or more of the Board's goals. (Attachment B shows the relationship.)

3. Upon adoption of the guiding principles, staff formed three project teams to conduct situational analysis and to develop draft objectives. In December, staff completed an initial situational analysis that focused on the internal strengths of the organization and areas for improvement, external opportunities and threats, customer needs for member agencies and the public, Metropolitan's changing competitive environment, and market segmentation.

4. In January, Management will be working with the consultants to refine the situational analysis and develop draft objectives. Following this work, most likely in late February, staff will bring the draft objectives to the Board and member agencies for comment, review, and dialogue. Following that effort, the Management group and the consultants will finalize their objectives and bring them forward to the Board for concurrence. Staff is attempting to integrate the work that has been done or is under way in such efforts as the Strategic Resources Assessment.

The Strategic Planning Study has brought Metropolitan's top Management from all three Departments and all Divisions together in a dialogue on the challenges facing the agency and will forge agreement on implementation objectives that are time specific and measurable. Our working sessions have produced spirited discussions and lead to a new understanding of how each part of the agency fits together to achieve the Board's mission and goals.

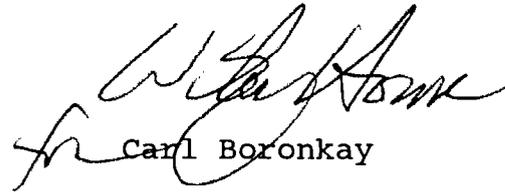
Following the adoption of the Strategic Planning Study, each Division will align its current strategic action plans to be consistent with the agency's Strategic Plan. It is also anticipated the objectives and action plans developed in this process will be integrated into the annual budget and performance reporting process.

Board Committee Assignment

This letter is referred for information to the Executive Committee because of the lead role it played in development of the recently adopted goals and objectives.

Recommendation

For information only.



Carl Boronkay

AEB:ng

Attachments

A. Mission Statement:

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way.

B. Guiding Principles:

1. Water

Metropolitan is dedicated to the development and management of sufficient and wholesome water in an innovative and cost-effective manner that will sustain the economy and quality of life in Southern California.

2. Finance

Metropolitan is committed to the development and responsible stewardship of financial resources to meet our customers' needs in an efficient, effective, and equitable manner.

3. Facilities

Metropolitan will plan and construct high-quality facilities and operate and maintain them in a manner that ensures reliability, safety, and security.

4. Workforce

Because a dedicated, diverse workforce of staff, vendors, and consultants is Metropolitan's most valuable asset, Metropolitan is committed to providing a work environment that fosters empowerment and accountability, performance and career enhancement, well-being and mutual respect.

5. Environment

Metropolitan will integrate environmental values and awareness in its decision-making to foster innovative and practical solutions to in all its activities.

6. Customers

Metropolitan is committed to understanding the water-related needs of our member agencies, their sub-agencies, and the public; and to addressing those needs in a cooperative, fiscally responsible, and equitable manner.

7. Cost Effectiveness

Metropolitan will conduct its business with an unwavering commitment to providing value to its customers in a cost-effective manner.

12/16/92