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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

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Dawn Chen
EXECUTIVE SECRETARY

April 30, 1996

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

From: General Manager

R. Rudrasa

Submitted by: Liz Rojas, Executive Assistant for
Strategic Policy Development

Liz Rojas

Subject: Proposed General Manager's Work Plan

RECOMMENDATION

The General Manager transmits, for your review and comment, the Proposed General Manager's Work Plan for Fiscal Year 1996-97.

EXECUTIVE SUMMARY

Over the last three years, the General Manager has submitted to the Board of Directors an annual work plan. The intent of the work plan is to delineate new or high profile programs as well as summarize the key core activities the General Manager's Department will be working on during the upcoming fiscal year. Three areas will receive specific attention. They include: rate refinement, cost containment and business opportunity development.

DETAILED REPORT

For fiscal year 1996-97, the work plan is divided into a short list of District Initiatives (Initiatives) and a distilled list of over 450 ongoing District objectives (Core Objectives). The purpose of the initiatives is to focus and highlight the direction or key themes for fiscal year 1996-97. The Core Objectives provide a condensed version of the divisional activities involved in the day-to-day operations of the District.

The initiatives are divided into three focus areas as follows.

I. **Rate Refinement**

Rate refinement efforts will seek to obtain consensus on future water rates and charges and bring alternatives before the Board for deliberation and adoption.

II. **Cost Containment**

The goal of the cost containment efforts are to provide opportunities for reducing the cost of business at Metropolitan thereby reducing pressure on water rates.

III. **Revenue Enhancements**

The purpose for revenue enhancements is to recognize the value-added nature of many of Metropolitan's activities by actively marketing those services to maximize revenues.

Each area pertaining to the District Initiatives has deliverables that will be worked on during the upcoming year as well as a project officer and lead division. (See Section I)

The Core Objectives are directly tied to divisional objectives in the proposed Annual Budget for fiscal year 1996-97. The Core Objectives are sorted into the Strategic Plan's seven guiding principles: Water, Cost, Finance, Facilities, Environment, Workforce and Interdependence. (See Section II)

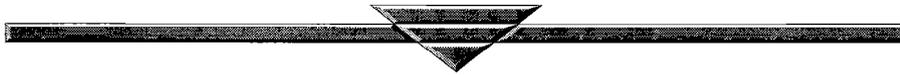
Core Objectives are those activities required to design, construct and maintain the water distribution system. They include functions such as: 1) implementation of the approved projects in the Capital Improvement Program; 2) maintenance of all District facilities; 3) compliance with mandated or approved programs; 4) management of the workforce; and 5) performance of other necessary business practices to assist in the day-to-day operations of the District.

The Board is requested to review and comment on the proposed work plan for fiscal year 1996-97. The General Manager will provide a semi-annual report on the work plan in January and a final report in June 1997. As in past, the final report will also be transmitted to the Special Committee on Department Head Compensation for use as part of the General Manager's annual performance evaluation.

LR:vb

Attachment

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GENERAL MANAGER'S

WORK PLAN FOR

FISCAL YEAR 1996-97



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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SECTION I

**GENERAL MANAGER'S WORK PLAN
FOR FISCAL YEAR 1996-97**

"DISTRICT INITIATIVES"

**GENERAL MANAGER'S WORKPLAN
DISTRICT INITIATIVES FOR FISCAL YEAR 1996-97**

RATE MANAGEMENT

**PROJECT OFFICER/
DIVISION**

I. RATE REFINEMENT

A. Complete rate refinement negotiations and implementation of the agreed upon structure including transition cost mitigation measures, continuing to work with member and subagencies to ensure effective implementation.

T. Quinn/ Office of the General Manager
B. Thomas/Planning and Resources

B. Evaluate alternative wheeling policies for Board consideration.

T. Quinn/ Office of the General Manager
B. Thomas/Planning and Resources

C. Evaluate the scope, timing and financing of water management programs, water transfers, and major capital projects included in the System Overview Study in response to lower revenue targets and reduced water sales projections.

D. Man /Planning and Resources

II. COST CONTAINMENT

A. Develop and implement systems and staffing plans throughout the various divisions to minimize project cost, maximize benefits and consolidate functions.

- Continue to conduct value engineering.
- Continue implementation of the Operations Division Staffing Plan.
- Continue implementation of reorganization of the Finance and Business Services Division.

E. Means/ Office of the General Manager

B. Ensure long-term power supply is available at the most cost-effective price for Metropolitan's system.

- Continue developing a consensus proposal for defederalization of the Power Marketing Administrations in concert with regional Stakeholders.
- Participate in the California Public Utility Commission's implementation process for restructuring the electric utility industry in the State of California, including the possible enactment of legislation
- Participate in the Federal Energy Regulatory Commission's open access transmission process and determine the impact to Metropolitan's transmission lines.

D. Georgeson/
Office of the General Manager

**GENERAL MANAGER'S WORKPLAN
DISTRICT INITIATIVES FOR FISCAL YEAR 1996-97**

RATE MANAGEMENT		PROJECT OFFICER/ DIVISION
C.	Identify and implement best practices by continuing to provide leadership and participate in benchmarking.	K. Wattier /Operations
D.	Establish a District Operating Committee to develop processes to track staffing, budget and review costs and operating policies on a district-wide basis.	E. Means/L. Rojas/Office of the General Manager
E.	Restructure the CIP and O&M budget process, format and management.	F. Horne/E. Means/Office of the General Manager
F.	Evaluate, and if appropriate, sign up for interruptible power contracts to reduce operating costs at the treatment plants.	M. Young/Operations
G.	In cooperation with other State Water Project (SWP) contractors and the Department of Water Resources, facilitate efforts to improve the efficiency with which SWP supplies are delivered; review staffing levels; identify specific cost-saving activities; and cooperatively develop criteria for major equipment replacement/refurbishing.	D. Georgeson/Office of the General Manager
H.	Ensure that financial benefits provided by the Monterey Amendment will become available to Metropolitan through our involvement with other SWP contractors in defending the Amendment from legal challenges put forth by the Planning and Conservation League.	D. Georgeson/Office of the General Manager
I.	Continue to out-source specialized training, engineering work and evaluate opportunities to outsource selected business services. <ul style="list-style-type: none"> • Out-source specialized training such as required to comply with radiation safety, emergency response, cranes, asbestos regulations, medical surveillance/evaluation. • Out-source Engineering work to consultants and temporaries to accomplish goals while maintaining core competencies, minimizing the number of new hires. • Evaluate opportunities to out-source selected business services. 	E. Means/Office of the General Manager

**GENERAL MANAGER'S WORKPLAN
DISTRICT INITIATIVES FOR FISCAL YEAR 1996-97**

RATE MANAGEMENT	PROJECT OFFICER/ DIVISION
III. REVENUE ENHANCEMENTS	
A. Develop new revenue sources.	F. Horne/Office of the General Manager
B. Pursue patents and grants (e.g.: <i>Cryptosporidium</i> analytical method patent).	F. Horne/Office of the General Manager
C. Develop a financial plan for the Desalination project.	G. Snyder/Engineering
D. Develop business opportunities in Corrosion Engineering, Material Testing, Machine Shop, Plant Operations, Water Quality and Training.	F. Horne/Office of the General Manager

SECTION II

**GENERAL MANAGER'S WORK PLAN
FOR FISCAL YEAR 1996-97**

"DISTRICT CORE OBJECTIVES"

**GENERAL MANAGER'S WORKPLAN
DISTRICT CORE OBJECTIVES FOR FISCAL YEAR 1996-97**

GUIDING PRINCIPLE AND OBJECTIVES	PROJECT OFFICER/ DIVISION
I. WATER	
A. Maintain 100% Compliance with all State and Federal Primary Drinking Water Standards, and California Department of Health Services (CDHS) permit requirements for treatment and distribution facilities and monitoring programs.	K. Wattier/Operations, M. Beuhler/Water Quality
B. Continue to develop and implement a comprehensive Source Protection program; including the Cryptosporidium Action Plan, and conduct a new program for pathogen monitoring (including Cryptosporidium, Giardia, and enteric viruses) in Metropolitan's Source waters and reservoirs.	M. Beuhler/Water Quality
C. Comply with the new Information Collection Rule (ICR) for collecting data on disinfection-by-products and pathogens.	M. Beuhler/Water Quality
D. Continue to develop Member Agency conservation credits for conservation projects.	S. Vazquez/PA&C
E. Participate in negotiations to result in a regional water supply solution for Arizona, California and Nevada that would include the implementation of revised operating criteria and banking of water in Lake Mead to ensure dependable, long-term supplies to Colorado River water (1.3 MAF per year).	T. Quinn/Office of the General Manager
F. Evaluate CALFED Bay-Delta alternatives to ensure that viable Bay-Delta long-term solutions are incorporated within the CALFED EIS/EIR process.	F. Horne/ Office of the General Manager
G. <ul style="list-style-type: none"> • Negotiate up to 80,000 acre-feet of contractual groundwater storage capacity with an annual maximum withdrawal capacity of up to 24,600 acre-feet. • Develop principles for contractual groundwater storage programs in Chino Basin and Los Angeles Forebay area of Central Basin. • Renew Cyclical Storage Agreements in Main San Gabriel Basin and Chino Basin. 	D. Man/Planning and Resources
H. Develop the annual water management and operating plan.	J. Malinowski/Operations
I. Negotiate contracts for an additional 75,000 acre-feet of dry-year transfer water supplies from the San Joaquin Valley south of the Delta.	D. Man/Planning and Resources

II. COST	
A. Produce monthly budget vs. actual cost reports within 10 working days after the end of the month and recommend corrective action.	A. Christovale/Finance and Business Services
B. Implement Business Resumption Plan and conduct a validation exercise.	B. Becker/Finance and Business Services
III. FINANCE	
A. Improve CIP cost projections.	G. Snyder/Engineering
B. Ramp up commercial paper program and conduct revenue bond and commercial paper sales as necessary to provide funding for the CIP.	B. Becker/Finance and Business Services
C. Explore alternative financing for the CIP.	Bert Becker/Finance and Business Services
D. Conduct Peer Review of Metropolitan's financial policies and strategies.	Bert Becker/ Finance and Business Services
E. Coordinate demographic and economic data updates with member agencies for consistency in order to formalize the estimation and distribution of water sales forecasts.	D. Man/Planning and Resources
F. Develop consensus position with Member Agencies on preferred rate and charge alternatives and decision packages for use in public forums and with legislators.	D. Man/Planning and Resources
IV. FACILITIES	
A. Track and meet the budget and schedule objectives of the Eastside Reservoir Project.	G. Snyder/Engineering
B. Track and meet the budget and schedule objectives of the Union Station Headquarters Building.	G. Ivey/Office of the General Manager
C. Evaluate the impact of Colorado River and State Project water blends in Metropolitan's system on local supplies, local regional facilities and costs.	D. Man/Planning and Resources
D. Develop specific asset management strategies which support the overall business strategy of the District; integrate asset management activities across divisions; develop information systems which support asset management activities; and seek additional opportunities for revenue generation from the District's assets.	G. Ivey/Office of the General Manager

V. ENVIRONMENT		
A.	Continue developing a Lower Colorado River Multi-Species Conservation Program to address the needs of threatened and endangered species and improve the reliability of Colorado River supplies.	D. Man/Planning and Resources
B.	Design new water quality unit for secondary science classes.	S. Vazquez/PA&C
C.	Implement programs to provide a safe and healthful work environment and facilitate compliance with applicable health, safety, hazardous materials, air quality and wastewater statutes and regulations.	R. Soltz/Environmental Compliance
D.	Identify, communicate and provide services to address environmental, safety and health statutes and regulations that affect Metropolitan and its Member Agencies.	R. Soltz/Environmental Compliance
VI. WORKFORCE		
A.	Evaluate and assess the organizational structure of the Public Affairs and Conservation Division.	J. Wodraska/Office of the General Manager
B.	Develop and implement PeopleSoft Training and Development module pilot for tracking training activities and employee progress toward completing training program goals; Benefit Administration module of PeopleSoft for tracking key data on benefit plans (including COBRA compliance) and automation of enrollment; Staffing and Planning module of PeopleSoft to identify qualifications and skills, develop automated interview schedules, and further automate the recruitment and selection process. Prepare and deliver training on a variety of topics related to human resource systems.	I. Birch/Human Resources
C.	Evaluate impact of two percent at 55 and develop proactive staffing/succession plans for critical personnel leaving the workforce in 1998.	I. Birch/Human Resources
D.	Continue implementing identified practices that expand MBE/WBE/OBE contracting opportunities and ensure that established goals are met.	L. Rojas/Office of the General Manager
E.	Continue to promote the hiring of women and minorities through practices that expand pools of qualified candidates for available District positions and continue to foster a non-discriminatory work environment.	I. Birch/Human Resources L. Rojas/Office of the General Manager

VII. INTERDEPENDENCE	
A. Expand current IRP Workgroup focus to include overall policy planning issues related to resource development.	D. Man/Planning and Resources
B. Develop, coordinate and disseminate information to the Board members, Member Agencies and the public on the strategic Colorado River matters as well as the San Diego Proposal.	G. Ivey/Office of the General Manager
C. Expand District presence on WorldWide Web Site.	R. Gomperz/PA&C
D. Assist in the implementation of the Advocacy Action Plan for the Bay-Delta by serving as active participants on the Bay-Delta External Relations Team.	S. Vazquez/PA&C
E. Conduct and evaluate a Consumer Satisfaction Program with Member Agencies, focusing on efforts to assess and improve consumer satisfaction with water quality.	M. Beuhler/Water Quality
F. Continue to carefully review State and Federal legislation that may impact Metropolitan and to prepare strategies for response.	R. Corley/B. Hiltcher/ Office of the General Manager
G. Implement programs to assist Member Agencies to achieve savings from economics of scale of JIT contracts.	B. Becker/Finance and Business Services
H. Conduct a Blue Ribbon review of the Water Quality Division's programs assessing the overall needs of Metropolitan, Member and Subagencies, including compliance monitoring and future opportunities, operational assistance, fee for service, and Member Agency training and assistance.	M. Beuhler/Water Quality