



● **Executive Committee**

August 2, 1999

Subject

General Manager's Business Plan

Description

General Manager's Business Plan for the Board's consideration and approval.

Policy

Procedure for Department Head Evaluation and Compensation

Board Options/Fiscal Impacts

Option #1 Approve General Manager's Business Plan

Option #2 Redirection of General Manager's Business Plan

Staff Recommendation

Option #1

The Business Plan (Plan) brings a renewed focus on customer service to our core business, delivering reliable high-quality water at the lowest possible cost. The Plan identifies priorities and expected outcomes and how the General Manager will manage and implement the following: (1) the Metropolitan Reorganization Plan, (2) changes resulting from Metropolitan's Strategic Plan and associated governance, 3) the CALFED Program with objectives of obtaining long-term water quality, reliability, and affordability gains, 4) California's Colorado River 4.4 Plan, 5) completion of the Eastside Reservoir Project on time and within the revised budget, 6) construction of the Inland Feeder on time and within budget, and 7) promoting technology and water transfer initiatives within the Integrated Resources Plan to position Metropolitan to meet the water needs of our service area for the next century. These can all be accomplished while continuing to maintain stable and competitive water rates. The Plan will be reassessed at the end of the calendar year to accommodate the outcome of the Board's Final Strategic Plan.

Embodied in the Plan are new directions in Metropolitan's business management and practices. Most importantly, a key business strategy is to send simple, consistent, and clear messages on Board policies. It also assumes that Metropolitan will operate under a Carver-model type governance process.

The Plan seeks to improve working relations and communications at all levels with member agencies and external interests with whom we do business and share resources. It is also directed at improving internal communications by working to ensure a well-informed organization as to priorities and direction. It will be necessary during these transitions to have more centralized control over operations to prevent misunderstanding in direction.

The Plan is guided by the Board's established goals for a long-term reliable water supply , water quality management, watershed protection, and full environmental compliance at the lowest possible cost. The Plan also assumes Metropolitan's continued obligations to seek the greatest return on investments that are consistent with sound business practices and fiscal policies.

The remainder of the Plan includes a diagram relative to its development and relationships to external and internal considerations. This is followed by a table of priorities, supporting activities, and expected outcomes for the Fiscal Year 1999/00.

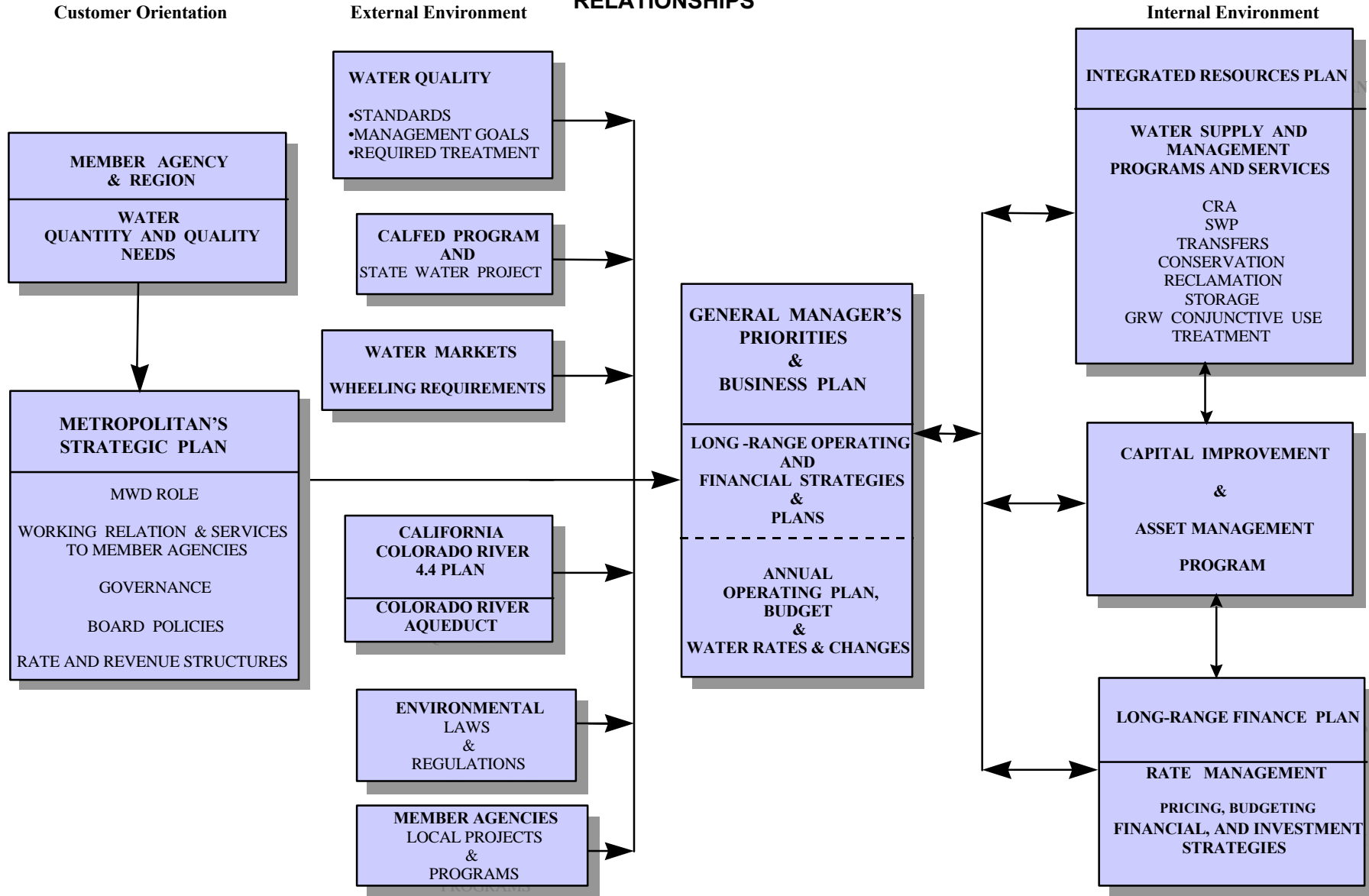
As General Manager, and behalf of all employees of Metropolitan, I am pleased to present the General Manager's Business Plan for the Board's consideration and approval.

General Manager

Date

Attachment

GENERAL MANAGER'S BUSINESS PLAN DEVELOPMENT & RELATIONSHIPS



General Manager's Business Plan	
<i>District Objectives for Fiscal Year 1999/00</i>	
Priorities and Supporting Activities	Expected Outcome
<p>A. Strategic Plan ¾ Provide the Board with the technical tools to adopt a plan that would determine Metropolitan's role and relationship with member agencies and formulate the policy objectives and guidelines for the implementation of a revised rate structure and IRP.</p>	
<p>Evaluate the resources and capital infrastructure investments required to meet water quality and supply reliability goals over the next 50 years.</p> <p>Implement revised pricing and rate management strategies for classes of service in delivering water and in providing supply reliability and quality and to support water management programs, including conservation, recycling and groundwater storage.</p> <p>Provide resources for Board adoption of new governance structure.</p> <p>Facilitate constituent input for member agencies from interested persons/groups.</p> <p>Develop a revised business plan for Board consideration following approval of the Strategic Plan.</p> <p>Long-range Financial Planning</p> <p>Update the guidelines for financing the resources and capital infrastructure investments as required following Board approval of the Strategic Plan.</p>	<p>Updated Integrated Resource Plan</p> <p>Revised Board-approved rate structure</p> <p>Develop and implement the means for a Board appointed officers' linkage, executive limitations and Governance Process.</p> <p>Sensitivity to public information and participation needs.</p> <p>Update business plan and present to Board for approval within 30 days after Board approval of Strategic Plan.</p> <p>Updated Long-Range Finance Plan</p>

General Manager's Business Plan	
<i>District Objectives for Fiscal Year 1999/00</i>	
Priorities and Supporting Activities	Expected Outcome
<p>B. Colorado River ¾ Maintain the availability of a full aqueduct supply which meets, or is superior to, Board approved water quality standards at the lowest possible cost.</p>	<p>Support and implement a Board approved California Colorado river 4.4 Plan.</p> <p>Develop a unified California position and strategy for December 2000 approval of favorable surplus and shortage river operating criteria by Department of Interior.</p> <p>Approval of a favorable year 2000 annual river operating plan by Bureau of Reclamation.</p> <p>Secure approval of \$100 million increase in federal funding authority and adequate annual federal funding of Colorado River salinity control.</p> <p>Seven Basin States adoption and U.S. EPA approval for 1999 review of salinity standard and plan for implementation for salinity control.</p> <p>Complete draft EIS/EIR Lower Colorado River Multi-Species Conservation Program.</p>
<p>Ensure a long-term reliable Aqueduct supply: adequate water quality and watershed protection to protect public health and safety and meet water quality standards and supply management goals; and full environmental compliance.</p>	

General Manager's Business Plan	
<i>District Objectives for Fiscal Year 1999/00</i>	
Priorities and Supporting Activities	Expected Outcome
<p>C. State Project Water/CALFED — long term source protection and water quality and reliability improvement at the lowest possible cost.</p>	
<p>Participate through the CALFED process to secure implementation of specific actions consistent with Board policies to protect existing SWP supply reliability, increase drought-year supplies and improve source water quality.</p>	<p>Implementation of an Environmental Water Account which includes explicit regulatory assurances protecting existing reliability levels for SWP supplies.</p> <p>Establishment of benchmarks for source water quality improvement and implementation of actions to achieve them.</p> <p>Implementation of South-Delta program to increase SWP wet-period pumping capability to 10,300 cfs.</p> <p>Completion of studies and recommendation on amounts of new off-stream surface and groundwater storage capacity required to accomplish CALFED objectives.</p> <p>Completion of local studies directed by the Board in the CALFED policy statement.</p>
<p>D. Business Management/Water Services — Meet customer needs and conduct the District's business, consistent with Board policies, in the most cost-effective and efficient manner with sufficient oversight of activities and expenditures.</p>	
<p>Implement Phases 1, 2 and 3 of the Reorganization Plan.</p>	<p>Implementation of reorganization plan with a cost savings of \$ 15 million.</p>

General Manager's Business Plan	
<i>District Objectives for Fiscal Year 1999/00</i>	
Priorities and Supporting Activities	Expected Outcome
Implement Capital Improvement program within budget objectives and on schedule.	Complete Eastside Reservoir within Board approved budget and maintain Inland Feeder project budget and schedule.
<p>Improve communications to member agencies and key publics</p> <p>Ensure Y2K compliance related to distribution, treatment, and other core business systems.</p>	<p>Increase input, participation and receive feedback from targeted groups.</p> <p>Complete Y2K activities successfully that provide no loss of service of core business systems.</p>