



● **Board of Directors**
Executive Committee

6/8/2010 Board Meeting

6E

Subject

Approve General Manager's Business Plan for fiscal year 2010/11

Description

Based on Metropolitan's approved budget for FY 2010/11, the General Manager submits the annual Business Plan for Metropolitan to the Board of Directors for approval. The following is the Executive Summary of the FY 2010/11 General Manager's Business Plan and provides the key strategies and objectives to be implemented over the next fiscal year. Metropolitan is committed to implement these strategies and objectives to ensure meeting the mission 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.

In this past year, Metropolitan remained resilient in the face of global economic and mounting environmental challenges by maintaining reliable deliveries of high quality water supply for Southern California. Significant accomplishments were made on the Bay-Delta initiative, Metropolitan's financial sustainability, and regional supply and system reliability. Metropolitan was a sponsor and proponent of the historic legislative package for the Sacramento-San Joaquin Delta and statewide water management that was approved by the California Legislature and signed into law in November 2009. Through a comprehensive board review and workshop process, Metropolitan continued to contain capital and operating costs as well as gain cost savings through debt financing and restructuring in order to effectively manage the FY 2010/11 budget and mitigate rate hikes. As a result of these cost control and financing measures, Metropolitan has successfully maintained its high bond ratings (AAA, AAA, AA1) even during the third year of a severe economic downturn. From a supply standpoint, Metropolitan achieved full Colorado River Aqueduct deliveries, for the first time since 2002, and maximized available deliveries from the State Water Project (SWP) under the current fish restrictions through water transfers and exchanges, resulting in the opportunity to increase storage accounts in system reservoirs and groundwater programs. The completion of the Inland Feeder project enhances Metropolitan's system capacity to maximize delivery of available State project water supplies to Diamond Valley Lake (DVL) reservoir. Finally, Metropolitan and its member agencies have achieved higher levels of water use efficiencies through conservation programs and public education as Metropolitan's water demands fell to the lowest level in the past 11 years.

With dedicated effort and collaboration, Metropolitan will continue to meet long-term challenges of a growing population within the service area, increased competition for low-cost water supplies, variable weather conditions, and increased environmental regulations through an updated Integrated Resources Plan, which will be completed in FY 2010/11.

Key areas of focus for FY 2010/11 have been identified and include the following seven strategic priorities:

- *Water Supply Reliability*
- *Bay-Delta Solutions*
- *Financial Strength and Capabilities*
- *Science and Technology Development*
- *Energy Management*

- *High Performance Workplace*
- *Communications*

The strategic priority on Science and Technology Development has been added this year to highlight Metropolitan's ongoing commitment to reliability now and in the future. Science and Technology Development is one of the key areas of focus for the Blue Ribbon Committee (BRC), which was commissioned by the Board in February to facilitate development of a new business model and strategies for the future by providing insight into the global, natural, economic, and demographic changes that our service area will encounter in the future. As recommendations are presented by the BRC and approved to move forward, specific objectives may be added or revised in the business plan during the year.

Metropolitan will also continue to work on core business activities, which include managing water supply, maintaining system reliability, achieving milestones on capital investment plan projects, maintaining water quality, legislative and community relations, human resources excellence, real property management, business processes, and financial management. The detailed Business Plan containing specific actions is available through the Board Executive Secretary's office or Metropolitan's website www.MWDh2o.com.

Strategic Priorities

Water Supply Reliability

Metropolitan will continue to develop and implement proactive plans to provide a high degree of water supply reliability for its service area. This year, the completion of the Integrated Resources Plan (IRP) Update will set the direction for the development of objectives, resource targets, and implementation strategies and programs to manage emerging trends and challenges, including climate change and tightening water quality regulations through 2035. Other major deliverables include developing a long-term conservation strategy to help the region meet legislated water use reduction goals, also known as the "20 percent reduction by 2020" goal; and release of Metropolitan's 2010 Regional Urban Water Management Plan demonstrating the region's supply capabilities over the next 20 years.

Bay-Delta Solutions

Continuing an aggressive pursuit of near- and long-term Bay-Delta solutions in FY 2010/11 will ensure a greater degree of water supply reliability for Metropolitan's SWP supplies. Metropolitan will partner with key parties and complete the Bay-Delta Conservation Plan and draft Environmental Impact Report/Environmental Impact Statement for the Delta Habitat Conservation and Conveyance Program. Staff will also work with resource and regulatory agencies to resolve issues related to the Two-Gates Fish Protection Demonstration Project. Additionally, staff will continue to work with the Department of Water Resources and United States Army Corps of Engineers, and Reclamation Districts to ensure Delta emergency response measures are completed, especially with expedited actions to strengthen levees along the Middle River Pathway.

Financial Strength and Capabilities

This year, Metropolitan will implement the board-adopted two-year water rate structure effective January 2011 and 2012 as well as develop a two-year budget. Metropolitan will also work with the member agencies and the Board on the update to the Long Range Finance Plan. This will address Metropolitan's future capital and operating decisions in terms of finance and provide a road map for Metropolitan to ensure its cost-effective access to capital markets and its ability to finance ongoing future needs such as critical infrastructure and supply investments. Staff will continue to actively manage Metropolitan's short-term investment portfolio to meet ongoing liquidity and investment challenges. Metropolitan will also participate in the review and analysis of proposed changes to pension accounting rules under the Governmental Accounting Standards Board to help mitigate potential impacts on bonding capacity or financial ratios.

Science and Technology Development

Leveraging technological advancements is essential for an organization to remain successful over the long term. Metropolitan has a long history of developing and employing key technological developments, particularly in the areas of water quality and treatment. To meet the business challenges of the future, Metropolitan needs to continue to take a strong leadership role in technological advancements and will focus in the following areas: water treatment and monitoring, energy, water conservation, information, infrastructure assessment, and

rehabilitation technology. These areas have the greatest potential to manage and reduce Metropolitan's operational and infrastructure costs as well as provide business process efficiency and the ability to achieve greater levels of conservation. To enhance technology development, Metropolitan will forge greater partnerships with businesses as well as federal and state departments, and collaborate more with universities and research organizations. Major deliverables include: developing robust analytical methods for pharmaceuticals and personal care products, continuing efforts on unified communication technology, monitoring new developments and identifying opportunities to integrate energy technologies, developing non-destructive internal pipeline monitoring system, and identifying emerging technologies that increase water use efficiency.

Energy Management

Metropolitan's draft Energy Management & Reliability Study was distributed to the Board in January 2010, and staff will continue efforts to finalize those policies for adoption. Staff will seek partnerships and aggressively pursue funding opportunities to continue to implement energy projects. Additionally, Metropolitan will pursue renewal of the Hoover power contract through congressional legislation.

High Performance Workplace

This year's focus will be to continue ensuring that management and human resources practices align with a high performance workplace that delivers outstanding value and cost-effective solutions to our stakeholders. Emphasis will be on deploying effective workforce planning, designing and embedding improved performance management processes to foster high performance standards and creating succession pipelines to ensure staff readiness to support Metropolitan's future work requirements. Key deliverables that support this strategy include revamping the performance management system and total compensation practices, utilizing Voices 2009 High Performance Workplace Survey feedback to make improvements prior to the rollout of Voices 2011 Survey, strengthening positive labor relations to align long-term contract agreements to support high performance and cost-effective management, and continued management forums focused on strategic alignment and management excellence.

Communications

Metropolitan will continue to ensure consistent, clear communications – internally and externally – about its operations, policies and programs. This will be achieved through multiple communication efforts including public education and outreach; advertising programs; and strategic development and management of media and other public information programs. Staff will also develop and expand support for Metropolitan efforts by the labor, business and environmental communities, and other stakeholders and the general public, while also working to increase overall awareness, knowledge and understanding of water issues and solutions.

Core Business Objectives

Water Supply

With the Five-Year Supply Plan in place, Metropolitan will continue to implement short-term actions to augment water supply and demand management to help meet year-to-year challenges. For the long term, Metropolitan will aggressively manage and execute strategies and programs to acquire water supply and implement demand management measures to meet development targets specified by the IRP. This will involve development of annual implementation plans and recommendations for the use of water supply programs under the Water Surplus and Drought Management Plan (WSDM) to address resource and operational objectives. Specific deliverables will also include achieving targeted conservation within budget, managing supply and demands according to the board-approved WSDM, completion of new contracts and/or agreements for new water supply, and effective implementation of the Water Supply Allocation Plan with recommended adjustments for consideration by the Board based on a 12-month review to be completed during the year. Additionally, Metropolitan will continue to operate treatment of contaminated groundwater at the Los Angeles Department of Water and Power's Tujunga Well Field. The operation of the new treatment will add 12 to 18 thousand acre-feet per year of previously unavailable supplies to the region. During the fiscal year, Metropolitan will transition the operation of the facility to Los Angeles Department of Water and Power.

System Reliability

Metropolitan will continue to ensure the capability to deliver and treat supplies from all sources of water available to Metropolitan. This will be achieved with the scheduling and delivery of State Water Project and Colorado River deliveries and water from water banking and exchange programs as well as the acquisition and management of energy required for the Colorado River Aqueduct (CRA). Metropolitan will conduct maintenance and operation activities to ensure distribution system operational functionality and reliability, including 8-pump readiness for the pumping plants and 8-pump flow capacity for the CRA. System maintenance will be performed in a manner that provides the least impact to member agencies while ensuring effective water and power operations through proficient planning and scheduling of shutdowns and facility outages. This year, a total of 14 shutdowns – including major shutdowns for the CRA, Lake Mathews Outlet Tower, and others – are planned for infrastructure repairs and upgrades in close coordination with member agencies.

Emergency management capabilities will continue to be improved through focused training and the effort to upgrade the two-way radio system and the machine and fabrication shops. Tracking systems will be developed and the International Standardization Organization Best Management Practices will be incorporated to ensure compliance with Environmental Health and Safety (EHS) regulations. Metropolitan will also continue to provide EHS training to ensure safe work practices and adherence to environmental and workplace health and safety regulations, while also implementing an EHS scorecard to track facility performance, and provide feedback for any program modifications.

Capital Investment Plan

In response to challenging financial conditions that continue in the new fiscal year, over \$65 million in Capital Investment Plan (CIP) expenditures were deferred. Proposed projects for renewable energy, land development, and automation, as well as demand driven projects such as the Mills Capacity Upgrade and the long-suffering San Diego Pipeline 6 have all been deferred. Additionally, several initial studies to investigate a variety of infrastructure replacement and refurbishment projects were deferred. This effort relied heavily on the annual CIP process, in which each year all new and existing projects are evaluated against an objective set of criteria in order to be prioritized in accordance with Metropolitan's goals of Reliability and Water Quality. Projects are also categorized by the service functions that are the foundation of Metropolitan's cost-of-service including source of supply, conveyance, storage, treatment, distribution, and general. The net result of this analysis is a FY 2010/11 CIP budget of just under \$260 million, the lowest capital budget since FY 2002/03.

With the completion of the Inland Feeder-Arrowhead Tunnels project in 2009, the focus of the CIP will undergo a significant shift to the area of Infrastructure Reliability. Planned expenditures on infrastructure will be coupled with ongoing construction on new ozonation facilities at the Diemer and Weymouth treatment plants, accounting for nearly 85 percent of the FY 2010/11 capital budget. Over \$140 million are planned to be spent on infrastructure related projects including the completion of electrical and power system upgrades at the Weymouth and Diemer water treatment plants, the north access road at the Diemer plant, the chemical tank farm, domestic and fire water system upgrades, and inlet conduit relocation at Weymouth, and continuing efforts to refurbish and upgrade various facilities on the aging CRA. Infrastructure expenditures are expected to grow annually as more facilities reach the end of their service life.

Water Quality

Metropolitan will continue to develop and implement comprehensive programs that protect source water quality, manage water treatment processes, and prepare for future regulations to ensure delivery of water that meets or is better than all water quality regulations and objectives. This effort will be achieved by expansion of source water monitoring of pharmaceuticals and personal care products, clean-up and protection of source waters, pursuing funding opportunities to support alternative treatment technology projects, ongoing quagga mussel control, and studies on emerging contaminants as listed in the Contaminant Candidate List 3. Metropolitan will also prepare the 2011 update to the Colorado River Watershed Sanitary Survey and continue to conduct water quality monitoring, regulatory reporting, and treatment optimization to ensure 100 percent compliance with primary drinking water standards.

Legislative and Community Relations

Metropolitan will continue to develop federal and state legislative strategies consistent with board-adopted policy principles. This will include continued implementation of the board-adopted legislative strategy for 2010, which includes legislation on water conservation, Bay-Delta policies including governance, and continued progress on stakeholder and legislative acceptance of a Bay-Delta solution. Metropolitan will also continue to build relationships with federal, state and local elected officials as well as business and community leaders, and heighten public awareness on water issues, solutions, and conservation.

Human Resources Excellence

Human Resource processes, policies and practices must provide excellent results across many stakeholder groups. This means understanding the different and even competing needs of stakeholders including prospective and current employees, a growing pool of retirees as well as management and regulatory agencies. This year, specific improvements to HR systems and processes to support these groups in a flexible, responsive and cost-effective manner will include developing and implementing the Workforce Planning/Talent Management Framework to proactively identify and fill future labor resource requirements; expanding web-based capabilities for sourcing and recruiting new talent while also broadening diversity outreach efforts; optimizing Human Resources Information Systems and investing in e-learning training solutions that reduce time away from the job as well as expanding cost-effective, just-in-time workforce access to learning and development opportunities. Additional initiatives will improve consistent application of HR policies and practices, align and integrate total compensation, speed up dispute resolution, and realign and optimize the staffing of the HR organization to further enhance HR customer service and support. Key deliverables include implementing effective succession management processes to ensure filling of critical Metropolitan positions; completion of a Total Compensation Plan to ensure Metropolitan can sustain a talented workforce as changing demographics and values increasingly impact our productivity and competitiveness; and introduction of streamlined methods for useful, cost-effective and flexible job evaluations.

Real Property Management

Enhancing revenue generation through real property assets will continue to be an area of emphasis. Staff will be balancing this emphasis with a continuing commitment to core responsibilities that include initiatives in sustainability right-of-way acquisition and protection, and facility services at Metropolitan's Headquarters (HQ) Building, while making improvements related to all of these processes and services. Major deliverables will include maintaining Leadership in Energy and Environmental Design certification for Metropolitan's HQ Building and short-term revenue-enhancing activities focusing on headquarters, telecommunications, and right-of-way leases as well as film permits. It will also include securing a long-term marina operator and an RV Park developer at DVL in an effort to generate revenue and reduce costs. Parallel long-term revenue activities will include pursuing a DVL land plan that is comprised of a clean technology and renewable energy hub. Finally, staff will continue to assess and, where appropriate, market Metropolitan's property holdings that hold promise for future revenues through compatible third party use.

Business Processes

Balancing cost constraints and the highest levels of value for services and products require Metropolitan to continuously assess how it does business, identify best industry practices, and streamline key business processes. An important element of streamlining business processes will be to strategically leverage technology investments. To that end, Metropolitan will begin implementing the newly Updated IT Strategic Plan, which serves as a road map guiding investment and deployment of information technology in the light of business requirements, the need for prudent financial management, and the advent of new technologies. Metropolitan will also implement a new electronic discovery system to streamline managing, cataloging, storing, and retrieving electronically-stored information that are essential for litigation and Public Records Act requests. Other business process improvements will include streamlining the Rideshare transit reimbursement process and fully implementing the new Online Manual System for technical documentation of future water treatment and distribution system operating guidelines.

The organization will also continue to incorporate sustainability into its day-to-day business processes occurring at all levels, for instance, from the use of green products and maintaining a 50 percent reduction in office paper consumption under the Paperwise Program, to ongoing employee education through the regularly published sustainability e-newsletter and annual Spring Green Expo.

Metropolitan's Business Outreach Program for regional, small businesses and veterans will continue to ensure broad participation, competitive costs, and promotion of Southern California business and economic development. This will be achieved by meeting or exceeding the Board's goal of 18 percent of contracting dollars with certified small businesses. Under this program, staff will also continue to facilitate and stimulate economic growth through the development and implementation of strategic partnerships with the private sector, community, local, and national organizations.

Financial Management

In an unprecedented year, Metropolitan will develop a two-year budget starting with FY 2010/11 based on a board-approved two-year rate structure to better align the budget and rate-setting process for better rate and cost certainty. Staff will also continue to record and report financial activity in a timely and transparent manner to the Board and member agencies. In light of ongoing pressures on water rates and financial reserves, cost management will remain a key priority. This will involve effectively managing expenditures, promoting informed fiscal policy decisions, and better integrating performance measurement. One area of focus will include enhancements to the Integrated Budget Management System to improve process efficiency and financial reporting tools. Staff will also continue to maintain internal financial controls as evident by favorable audit findings and facilitated by regular internal assessments to help ensure the highest level of financial integrity.

Business Plan Status Milestones

January 2011 – Completion of Semiannual General Manager's Business Plan Status Report to the Board

July 2011 – Completion of Year-End General Manager's Business Plan Status Report to the Board

Policy

Metropolitan Water District Administrative Code Section 6416: Annual Report to Executive Committee

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Approve the General Manager's Business Plan for FY 2010/11.

Option #2

Redirect the General Manager's Business Plan to accomplish alternative policy goals.

Staff Recommendation

Option #1



Jeffrey Lightlinger
General Manager

5/18/2010
Date

Ref# eo12605788

**General Manager's Business Plan Fiscal Year 2010/11
Summary of Detailed Plan**

Strategic Priorities

Water Supply Reliability:

- Complete the Integrated Resources Plan (IRP) Update and Regional Urban Water Management Plan.
- Develop a new long-term regional conservation strategy to achieve state-mandated per capita water use reductions.
- Support water recycling, groundwater recovery, seawater desalination, and other locally-based projects to develop new water supplies over the next 50 years.
- Develop regional water resource development and conservation initiatives.
- Identify adaptive strategies to address climate change impacts on water supply and quality.

Bay-Delta Solutions:

- Develop near-term Delta measures, compatible with a long-term Delta solution, to improve water supply reliability and water quality, and facilitate protection and enhancement of Delta ecosystems and associated species.
- Develop long-term Delta measures implementing conveyance, source water quality, and Delta ecosystem and species conservation improvements.
- Ensure emergency preparedness.

Financial Strength and Capabilities:

- Work with member agencies and the Board to review Metropolitan's fixed revenue sources.
- Monitor and mitigate external impacts on rates and charges to minimize their variability and recover costs consistent with board policy.
- Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities and ensure cost-effective access to capital markets.
- Manage Metropolitan's investment portfolio to meet ongoing liquidity and investment challenges.
- Provide comments to the Governmental Accounting Standards Board on proposed changes to pension accounting rules to help mitigate potential impacts on bonding capacity or financial ratios.

Science and Technology Development

- Implement water treatment and monitoring.
- Evaluate a range of information technology advancements and implement as necessary to enhance productivity and streamline business processes.

Science and Technology Development – cont.

- Monitor new developments and identify opportunities to integrate energy technology.
- Identify opportunities to implement remote monitoring technologies.
- Develop non-destructive internal pipeline monitoring system.
- Pursue alternative pipeline repair technology for the short and long term.
- Develop strategies to increase knowledge of new and innovative water use efficiency measures.
- Identify emerging technologies that increase water use efficiency.

Energy Management:

- Continue to decrease consumption of nonrenewable energy and fuels.
- Develop and implement power resource management strategies.
- Identify and implement renewable energy projects.
- Manage system power operations.
- Develop and implement power resource strategies to minimize risks.

High Performance Workplace:

- Deploy the StrategicHR Plan.
- Ensure a high performance culture.
- Foster management excellence.
- Develop positive partnerships with labor.
- Ensure Human Resources excellence.

Communications:

- Support board member communications and working relationships with elected officials, other government leaders, and business and community leaders.
- Communicate and work with member agencies to assist in coordination and delivery of common water policy issues and actions to ensure key priorities identified by Metropolitan and its member agencies are addressed.
- Continue to develop and implement public education, outreach and the advertising campaign focusing on extraordinary conservation efforts.
- Continue to develop and manage public information programs to convey Metropolitan's role in water supply, resource planning, water quality protection, conservation, and other water policy issues.

Core Business

Legislative and Community Relations:

- Continue to develop and implement local, state, and federal water policy and legislative strategies consistent with board-adopted policies.
- Strengthen Metropolitan's community outreach efforts.
- Coordinate and communicate day-to-day efforts to maintain and improve: operations and maintenance; source water quality protection and water treatment; infrastructure replacement, refurbishment and development; emergency management; and media communications and community outreach.

Water Supply:

- Implement the Five-Year Water Supply Plan to reliably manage water supplies and demands within the region for the period from 2010 through 2014.
- Implement the board-approved Water Surplus and Drought Management (WSDM) Plan.
- Implement the Water Supply Allocation Plan.
- Protect and make optimal use of Metropolitan's SWP rights and related water transfer, storage and exchange programs.
- Protect and make optimal use of Colorado River supplies programs.
- Manage board-approved water conservation program.
- Manage board-approved policy local resource program for water recycling and groundwater recovery.
- Manage board-approved seawater desalination program.
- Manage in-basin groundwater storage issues.

Water Supply – cont.

- Initiate the System Overview Study to evaluate load area water demands for system enhancements or new facilities.
- Provide water supply, conservation, and demand information to comply with reporting requirements and other Metropolitan functions.

System Reliability:

- Manage system operations.
- Provide emergency management.
- Provide security management.
- Administer Environmental, Health and Safety programs.
- Develop and maintain highly skilled electrical/mechanical maintenance personnel required to operate the system.

Capital Investment Plan:

- Implement high priority projects to replace or rehabilitate equipment and facilities to ensure reliability of Metropolitan's conveyance and distribution system.
- Implement high priority projects to replace or rehabilitate equipment and facilities to ensure reliability, regulatory compliance, and improve plant operating efficiency.
- Complete major projects identified in the IRP/Integrated Area Studies to ensure reliability of the conveyance and distribution system to meet increasing demands.
- Implement IT Strategic Plan initiatives to improve reliability, security, and efficiency.

Water Quality:

- Protect source water quality.
- Effectively manage water treatment.
- Prepare for future regulations.

Human Resources Excellence:

- Acquire the right talent.
- Manage total compensation.
- Provide proactive employee relations.
- Set high performance standards.
- Foster learning and development.
- Manage succession.
- Manage risk.
- Control Workers' Compensation costs.
- Improve Human Resources Information Systems.

Real Property Management:

- Develop policies, strategies, and actions that enable sustainability in all aspects of real property including development, appraisal, acquisition, and annexation while concurrently improving the planning, management, and administration of internal real property activities.
- Refine and implement strategies to identify and acquire right-of-ways and adjacent properties that are necessary to implement future water infrastructure projects and other real property goals.
- Manage natural resources and related facilities at Diamond Valley Lake (DVL) and Lake Skinner through best management and sustainable practices.
- Develop a new Master Plan for the DVL area utilizing sustainability principles.
- Transition DVL Visitor Center in partnership with private, public, academic, and not-for-profit organizations.
- Through sustainable practices, maintain, operate and manage the HQ facility by responding to the needs of staff, tenants, visitors, and customers.

Business Processes:

- Continue benchmarking assessments and implement appropriate recommendations.
- Continue to implement business improvements to increase organizational efficiency.
- Continue to decrease consumption of nonrenewable, nonrecyclable material and encourage sustainable procurement.
- Fully implement new Online Manual System for technical documentation.
- Continue Metropolitan employee awareness campaign to promote sustainable practices at home and work.
- Maintain an effective Business Outreach Program for regional, small businesses, and veterans to ensure broad participation and competitive costs.

Financial Management:

- Record and report the financial activities of Metropolitan in a timely and transparent manner to the Board and member agencies.
- Effectively manage costs and communicate the results of Metropolitan's budget to meet board policies and objectives.
- Ensure adequate financial controls are utilized.
- Manage investor relations to ensure clear communications, accuracy of information, and integrity.
- Manage and effectively administer rates and charges to recover costs consistent with board policy.



General Manager's Business Plan Fiscal Year 2010/11

Strategic Priorities

1. WATER SUPPLY RELIABILITY

Ensure water supply reliability by incorporating emerging trends and challenges, including climate change, in the near term through adaptive strategies and in the long term through updating the IRP.

PERFORMANCE MEASURES

- **IRP Milestone:** Track progress on completing an updated IRP that ensures reliability for 20 years and incorporates climate change impacts.

<i>Initiative</i>	<i>Actions</i>
a. Complete the Integrated Resources Plan (IRP) Update and Regional Urban Water Management Plan.	<ol style="list-style-type: none"> 1. Complete IRP Update to improve supply reliability for the planning horizon 2035. 2. Complete the Regional Urban Water Management Plan to demonstrate Metropolitan's supply capability through 2035. 3. Communicate IRP resource strategy and approach to stakeholders through public forums, member agency work groups, and board workshops. 4. Develop an action framework to further analyze resource opportunities for seawater desalination, storm water and urban runoff capture, water recycling, and groundwater resources. 5. Quantify risks to supply reliability and identify triggers for adaptive management of resources.
b. Develop a new long-term regional conservation strategy to achieve state-mandated per capita water use reductions.	<ol style="list-style-type: none"> 1. Develop a new plan that: <ol style="list-style-type: none"> a. Links to federal and state programs, standards, and assistance b. Incorporates a role by local communities and water utilities c. Reduces landscape water use d. Embraces new technology e. Motivates property owners to be water-efficient f. Incorporates adaptable implementation features g. Makes efficient and effective use of Metropolitan funds



General Manager’s Business Plan Fiscal Year 2010/11

1. WATER SUPPLY RELIABILITY

Ensure water supply reliability by incorporating emerging trends and challenges, including climate change, in the near term through adaptive strategies and in the long term through updating the IRP.

PERFORMANCE MEASURES

- **IRP Milestone:** Track progress on completing an updated IRP that ensures reliability for 20 years and incorporates climate change impacts.

<i>Initiative</i>	<i>Actions</i>
<p>c. Support water recycling, groundwater recovery, seawater desalination, and other locally-based projects to develop new water supplies over the next 50 years.</p>	<ol style="list-style-type: none"> 1. Support member agency state and federal regulatory permits and lease applications. 2. Collaborate with member agencies and professional associations to identify means of advancing local resource development. 3. Coordinate with member agencies to develop and pursue regulatory and legislative agendas. 4. Develop new partnerships that provide regional water management benefits. 5. Identify entities that would benefit from synergistic actions, forge relationships, and pursue partnering arrangements. 6. In partnership with the Los Angeles County Sanitation District, complete feasibility study of developing a regional water reclamation program to provide Metropolitan’s member agencies with a new supply of highly purified water for groundwater recharge. 7. Assist member agencies in development of seawater desalination.
<p>d. Develop regional water resource development and conservation initiatives.</p>	<ol style="list-style-type: none"> 1. Craft the framework of a regional water development bank and assess potential participation. 2. Work with member agencies and businesses to support regional economy. 3. Analyze benefits, risks, and legal factors.
<p>e. Identify adaptive strategies to address climate change impacts on water supply and quality.</p>	<ol style="list-style-type: none"> 1. Partner with the Water Utility Climate Alliance and other agencies/coalitions to collaborate and exchange information on climate change impact strategies. 2. Quantify and incorporate current research into planning and policies. This includes the following: <ol style="list-style-type: none"> a. Monitor assessments of potential regional and local impacts of climate change processes by state and federal agencies. b. Determine, through the IRP Update process, robust, no-regrets, and economically viable resource options for future use in resource management strategy. c. Support state and federal legislative and funding efforts for climate change research and mitigation strategies.



General Manager's Business Plan Fiscal Year 2010/11

2. BAY-DELTA SOLUTIONS

Ensure near- and long-term reliability of the Delta for fisheries and water supply to protect our State Water Project (SWP) investments.

PERFORMANCE MEASURES

- **Delta Milestone:** Progress in maintaining the completion schedule for the Delta Habitat Conservation Plan that protects endangered species and governs Delta operations, and progress towards achieving short- and long-term Delta solutions.

<i>Initiative</i>	<i>Actions</i>
<p>a. Develop near-term Delta measures, compatible with a long-term Delta solution, to improve water supply reliability and water quality, and facilitate protection and enhancement of Delta ecosystems and associated species.</p>	<ol style="list-style-type: none"> 1. Identify and develop early action habitat restoration projects that will satisfy current obligations, contribute to the Bay-Delta Conservation Plan (BDCP), and address carbon sequestration objectives. 2. Address science, regulatory, and policy strategies to manage non-flow and non-project-related stressors on the Delta ecosystem (e.g., toxic pollutants, invasive species, predation, and impairments to water quality). 3. Work with resource and regulatory agencies to resolve issues related to the Two-Gates Fish Protection Demonstration Project or identify alternative approaches for the project. 4. Provide technical support for litigation related to the OCAP (Operations, Criteria, and Plan) Biological Opinions, other Delta-related litigation actions, and any potential efforts to modify the Biological Opinions. 5. Coordinate with the State Water Contractors (SWC) to participate in State Water Resources Control Board proceedings concerning development of flow criteria for the Delta ecosystem, and proposed revisions to the Water Quality Control Plan for the Bay-Delta. 6. Provide technical support for outreach efforts in support of initiatives.
<p>b. Develop long-term Delta measures implementing conveyance, source water quality, and Delta ecosystem and species conservation improvements.</p>	<ol style="list-style-type: none"> 1. By 2011, complete the Bay-Delta Conservation Plan (BDCP), which is a comprehensive plan to enhance and restore Delta ecosystems and sensitive species and provide long-term endangered species permits to the SWP facilities and operations. 2. Work with the lead agencies to complete the Draft Environmental Impact Report/Environmental Impact Statement for the Delta Habitat Conservation and Conveyance Program, including the BDCP and water conveyance components, by the first half of FY 2010/11. 3. Provide technical support for outreach efforts in support of initiatives.



General Manager's Business Plan Fiscal Year 2010/11

2. BAY-DELTA SOLUTIONS

Ensure near- and long-term reliability of the Delta for fisheries and water supply to protect our State Water Project (SWP) investments.

PERFORMANCE MEASURES

- **Delta Milestone:** Progress in maintaining the completion schedule for the Delta Habitat Conservation Plan that protects endangered species and governs Delta operations, and progress towards achieving short- and long-term Delta solutions.

<i>Initiative</i>	<i>Actions</i>
c. Ensure emergency preparedness.	<ol style="list-style-type: none"> 1. Work with the Department of Water Resources (DWR) and the Army Corps of Engineers (ACOE) to take further steps toward implementing the strategy to ensure emergency response measures for the Delta are completed. <ol style="list-style-type: none"> a. Work with DWR, ACOE, and Reclamation Districts to expedite actions to strengthen levees along the Middle River Pathway.

3. FINANCIAL STRENGTH AND CAPABILITIES

Ensure Metropolitan has cost-effective access to capital markets and ability to finance ongoing future needs.

PERFORMANCE MEASURE

- Maintain or enhance Metropolitan's current bond rating with "AA" or better.
- Reserves balances are within board policy objectives.

<i>Initiative</i>	<i>Actions</i>
a. Work with member agencies and the Board to review Metropolitan's fixed revenue sources.	<ol style="list-style-type: none"> 1. Work with member agencies to complete the update to the Long Range Finance Plan. 2. Identify strategies to generate additional fixed revenues.
b. Monitor and mitigate external impacts on rates and charges to minimize their variability and recover costs consistent with board policy.	<ol style="list-style-type: none"> 1. Conduct outreach with member agency and retail agencies to communicate the need for changes to Metropolitan's base rates and Water Supply Surcharge for the 2012 rate cycle, accounting for the challenges of water supply constraints that may lead to lower water sales and higher supply costs. 2. Analyze and communicate the potential rate impacts of Metropolitan's IRP Update. 3. Manage 2011 rates and charges consistent with board objective of full cost recovery in FY 2010/2011.



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3. FINANCIAL STRENGTH AND CAPABILITIES

Ensure Metropolitan has cost-effective access to capital markets and ability to finance ongoing future needs.

PERFORMANCE MEASURE

- Maintain or enhance Metropolitan's current bond rating with "AA" or better.
- Reserves balances are within board policy objectives.

<i>Initiative</i>	<i>Actions</i>
<p>c. Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities and ensure cost-effective access to capital markets.</p>	<ol style="list-style-type: none"> 1. Maintain long-term bond ratings of "AA" or better. 2. Maintain capital finance plans and issue new debt consistent with CIP, IRP supply investments, and other financing requirements. 3. Work with rating agencies and investors to communicate financial needs and capabilities and ensure cost-effective access to capital markets. 4. Review capital funding alternatives and evaluate market opportunities to refinance and restructure existing debt. 5. Improve and enhance management of the debt financing and swap programs. 6. Monitor financial metrics to ensure adherence to financial goals and policies. 7. Meet the liquidity requirements of expiring standby bond purchase agreements during FY 2010/11.
<p>d. Manage Metropolitan's investment portfolio to meet ongoing liquidity and investment challenges.</p>	<ol style="list-style-type: none"> 1. Manage the short-term investment portfolio to provide enhanced liquidity in support of the self-liquidity program for variable rate debt. 2. Continue to review and improve management of the investment portfolio to minimize Metropolitan's net interest exposure.
<p>e. Provide comments to the Governmental Accounting Standards Board (GASB) on proposed changes to pension accounting rules to help mitigate potential impacts on bonding capacity or financial ratios.</p>	<ol style="list-style-type: none"> 1. Review and analyze GASB's exposure draft on pension accounting expected to be issued in June 2010 to determine if proposed rules have any negative impact on Metropolitan's bonding capacity or financial ratios. 2. Provide comments to GASB for its consideration as part of its deliberation process. Comments should include those aspects on which Metropolitan agrees as well as disagrees.



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4. SCIENCE AND TECHNOLOGY

Ensure Metropolitan's role as a leader in science and technology with areas of focus on water treatment and monitoring, information technology, energy technology, infrastructure reliability technology, and water use efficiency.

PERFORMANCE MEASURE

- Completion of major milestones per board direction
- Successful completion of the contracts with partners in the Innovative Conservation Program

<i>Initiative</i>	<i>Actions</i>
<p>a. Implement water treatment and monitoring.</p>	<ol style="list-style-type: none"> 1. <i>Water quality methods</i> <ol style="list-style-type: none"> a. Work with Water Research Foundation, Southern Nevada Water Authority, and others on developing robust analytical methods for pharmaceuticals and personal care products. b. Continue work on methods to predict formation and control of N-nitrosodimethylamine (NDMA). c. Continue work on methods development for the detection and quantitation of algal toxins, which are included on the Environmental Protection Agency (EPA) Contaminant Candidate List 3 (CCL3). d. Implement analytical methods for low-level determination of perchlorate and bromate. e. Improve screening methods for chemical toxins for emergency response as part of the California Mutual Aid Laboratory Network (CAMAL Net) and the Environmental Response Laboratory Network. f. Implement analytical methods for the analysis of volatile compounds listed in the draft Unregulated Contaminant Monitoring Rule 3 (UCMR3). g. Assess Water Quality Laboratory's Analytical Capability for Emerging Waterborne Pathogens and EPA's Contaminant Candidate List 2. <i>Protection and control technologies: Continue with Phase II of the QMCP</i> <ol style="list-style-type: none"> a. Develop management strategies for quagga mussels in Lakes Mathews, Skinner, Copper Basin and Gene Wash for 2010-11. b. Test trash rack inhibitor attachment materials (Phase II). c. Test chloramines as control option for State project water treatment plants.



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4. SCIENCE AND TECHNOLOGY

Ensure Metropolitan’s role as a leader in science and technology with areas of focus on water treatment and monitoring, information technology, energy technology, infrastructure reliability technology, and water use efficiency.

PERFORMANCE MEASURE

- Completion of major milestones per board direction
- Successful completion of the contracts with partners in the Innovative Conservation Program

<i>Initiative</i>	<i>Actions</i>
<p>a. Implement water treatment and monitoring - continued</p>	<p>3. <i>Treatment technologies</i></p> <ul style="list-style-type: none"> a. Evaluate use of membrane technology to treat agricultural drainage water – deliverables including: (i) water quality characterization of drainage water to assess constituents that may promote potential membrane fouling; and (ii) determine optimal design recovery rate that minimizes brine volume while protecting membranes from excessive fouling. b. Assess application of membrane technology to re-purify wastewater for groundwater recharge – deliverables including: (i) characterization of wastewater, treated water, and brine concentrate; (ii) determine the influence of biological nitrification on microfiltration and reverse osmosis membranes; and (iii) evaluate performance of the studied microfiltration and reverse osmosis membranes. c. Investigate membrane technology to treat brackish agricultural drainage at Yuma Desalting Plant. Deliverables include: (i) investigate the ability to operate the current facility at up to 33 percent of its design capacity; and (ii) evaluate existing facilities with regard to pre-treatment and membrane treatment processes to reliably produce desalted water for the long-term viability of the current operations.



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4. SCIENCE AND TECHNOLOGY

Ensure Metropolitan's role as a leader in science and technology with areas of focus on water treatment and monitoring, information technology, energy technology, infrastructure reliability technology, and water use efficiency.

PERFORMANCE MEASURE

- Completion of major milestones per board direction
- Successful completion of the contracts with partners in the Innovative Conservation Program

<i>Initiative</i>	<i>Actions</i>
<p>b. Evaluate a range of information technology advancements and implement as necessary to enhance productivity and streamline business processes.</p>	<ol style="list-style-type: none"> 1. <i>Cloud Computing</i> - Conduct alternative analysis (e.g. evaluate cloud computing technology option) for projects, as appropriate. 2. <i>Mobile Technology</i> <ol style="list-style-type: none"> a. Evaluate desktop virtualization technology and its appropriateness for Metropolitan. b. Continue to support WSO's Mobile Technology Initiative to streamline maintenance management operations. 3. <i>Communication</i> <ol style="list-style-type: none"> a. Initiate final design for the Two-Way Radio System Upgrade. b. Continue to assess and implement new communication and collaboration technologies as appropriate that enhance productivity and streamline business processes.
<p>c. Monitor new developments and identify opportunities to integrate energy technology for higher efficiencies and reduced costs of operation.</p>	<p>Monitor new developments in technologies and innovations and identify opportunities to integrate the following:</p> <ol style="list-style-type: none"> 1. Renewable energy - including advancements in wind, solar, and hydroelectric generation; decentralization of energy supplies; and smart grid technologies; 2. New energy efficiency technology; 3. Energy storage technologies - including batteries, grid storage, and demand shifting; 4. Advancements in fuel cell technologies; and 5. End-use energy efficiency, specifically focused on developing new water supplies and water/energy nexus.



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4. SCIENCE AND TECHNOLOGY

Ensure Metropolitan's role as a leader in science and technology with areas of focus on water treatment and monitoring, information technology, energy technology, infrastructure reliability technology, and water use efficiency.

PERFORMANCE MEASURE

- Completion of major milestones per board direction
- Successful completion of the contracts with partners in the Innovative Conservation Program

<i>Initiative</i>	<i>Actions</i>
d. Identify opportunities to implement remote monitoring technologies to enhance cost-effective infrastructure protection efforts.	<ol style="list-style-type: none"> 1. Identify and install remote monitoring on non-pipeline cathodic protection systems. 2. Identify and install remote monitoring on non-cathodic protection corrosion control equipment. 3. Identify and/or develop enhanced field instruments to better interface with remote monitoring equipment during pipeline condition assessment field activities.
e. Develop non-destructive internal pipeline monitoring system.	<ol style="list-style-type: none"> 1. Continue to monitor and inspect Metropolitan's distribution pipelines using best available approaches and technologies. 2. Continue to participate in industry advancements for non-destructive evaluation of prestressed concrete cylinder pipe and other pipeline types. 3. Identify, evaluate and test minimally invasive internal pipeline monitoring (MIIPM) technologies. i.e. acoustic monitoring, Sahara, Echo Logics, "smart ball" technologies to reduce costs associated with shutdowns, pumping and dewatering. 4. Implement most efficiently applicable MIIPM technologies to supplement present internal monitoring tools to reduce requirements for shutdowns and permit monitoring throughout the year vs. seasonal. 5. Continue to evaluate best approach for utilizing Remote Field Transformer Coupling pipe crawler and pipe swimmer to reduce costs associated with pumping and dewatering.
f. Pursue alternative pipeline repair technology for the short and long term.	<ol style="list-style-type: none"> 1. Continue to monitor and participate in industry advancements for the repair and rehabilitation of an aging infrastructure. 2. Continue to develop carbon fiber as a long-term solution for repair and strengthening of Metropolitan's prestressed concrete cylinder pipe. 3. Continue to identify and test value-driven pipeline lining and coating materials for use in Metropolitan's aging water treatment, conveyance and distribution systems.



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4. SCIENCE AND TECHNOLOGY

Ensure Metropolitan’s role as a leader in science and technology with areas of focus on water treatment and monitoring, information technology, energy technology, infrastructure reliability technology, and water use efficiency.

PERFORMANCE MEASURE

- Completion of major milestones per board direction
- Successful completion of the contracts with partners in the Innovative Conservation Program

<i>Initiative</i>	<i>Actions</i>
g. Develop strategies to increase knowledge of new and innovative water use efficiency measures for residential and commercial end users.	<ol style="list-style-type: none"> 1. Share information on new technologies through periodic conservation forums with member agencies and retail agencies. 2. Develop partnerships with retailers to help educate consumers on the benefits of appliances and devices that reduce water use.
h. Identify emerging technologies that increase water use efficiency.	<ol style="list-style-type: none"> 1. Support the completion of research projects through the Innovative Conservation Program. 2. Maintain partnerships with outside agencies and organizations focused on research and validation of new water efficient devices. Use these partnerships to identify new technologies that can be incorporated into conservation efforts by Metropolitan and other regional agencies.



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5. ENERGY MANAGEMENT

Develop cost-effective programs, projects and initiatives to control operational costs, move Metropolitan towards energy independence, and reduce Metropolitan's carbon footprint.

PERFORMANCE MEASURE

- Board adoption of Energy Management Policies
- Completion of major milestones per board direction

<i>Initiative</i>	<i>Actions</i>
a. Continue to decrease consumption of nonrenewable energy and fuels.	1. Continue to measure and report on Metropolitan's carbon footprint, including preparation, auditing, and certification of the 2009 carbon footprint; and reporting emissions to the Air Resources Board and the California Climate Action Registry.
b. Develop and implement power resource management strategies to control energy costs, minimize regulatory risks, and support state greenhouse gas reduction goals.	1. Conduct assessment of energy management strategies for the SWP. This will include: <ol style="list-style-type: none"> a. Development of a long-term SWP Strategic Energy Plan. b. DWR's participation with the Northern California Power Agency in development of a new natural gas-fired power plant in northern California. c. Development of a SWP strategy for reducing greenhouse gas emissions. 2. Complete Energy Management & Reliability Study and develop Energy Management Master Plan, outlining strategic goals for the next 20 years. 3. Evaluate existing contracts for adverse regulations impacting the sale of energy from Metropolitan's Phase I, Etiwanda and Diamond Valley Lake hydrogenerators and negotiate new contracts or regulations, if appropriate. 4. Review strategies and develop policy on other's use of or impact on the Colorado River Aqueduct electrical transmission system. 5. Maintain Metropolitan's compliance with federally mandated electric reliability standards. 6. Participation Agreement signed between DWR and other participants on a new natural-gas-fueled power generator. 7. Analyze and develop strategies to respond to proposed and approved legislation and regulations that may impact Metropolitan's power operations and infrastructure 8. Pursue renewal of the Hoover power contract through congressional legislation. 9. Continue development of Climate Change Action Plan to respond to new regulations and legislation.



General Manager's Business Plan Fiscal Year 2010/11

5. ENERGY MANAGEMENT

Develop cost-effective programs, projects and initiatives to control operational costs, move Metropolitan towards energy independence, and reduce Metropolitan's carbon footprint.

PERFORMANCE MEASURE

- Board adoption of Energy Management Policies
- Completion of major milestones per board direction

<i>Initiative</i>	<i>Actions</i>
c. Identify and implement renewable energy projects.	<ol style="list-style-type: none"> 1. Pursue cost-competitive Power Purchases Agreements (PPA's) for the two-megawatt solar energy facility at the Weymouth plant to meet on-peak energy use. 2. Pursue agreements to achieve 100 percent renewable hydroelectric power use at the Diemer plant. 3. Develop strategy for implementation of an additional 7 megawatts of solar facilities at Metropolitan's treatment plants. 4. Initiate development of partnerships with various agencies (e.g., Metropolitan Transportation Authority, Los Angeles Department of Water and Power, etc.) to install solar facilities at Metropolitan's Headquarters and other viable locations. 5. Continue to evaluate wind power potential at additional Colorado River Aqueduct (CRA) sites. 6. Establish partnership with the Southern California Public Power Authority to develop additional cost-effective renewable energy sources for the CRA.
d. Manage system power operations.	<ol style="list-style-type: none"> 1. Acquire and manage necessary energy to pump allocated water through the CRA. 2. Maintain Metropolitan's compliance with federally mandated electric reliability standards. 3. Pursue contractual modifications to obtain increased savings or revenue from energy produced at Metropolitan's existing small hydrogenerators. 4. Review strategies and develop policies regarding requests from other parties to use or interconnect to Metropolitan's CRA electric transmission system. 5. Analyze and develop strategies to respond to proposed and approved legislation and regulations that may impact Metropolitan's power operations, infrastructure or costs.



General Manager's Business Plan Fiscal Year 2010/11

5. ENERGY MANAGEMENT

Develop cost-effective programs, projects and initiatives to control operational costs, move Metropolitan towards energy independence, and reduce Metropolitan's carbon footprint.

PERFORMANCE MEASURE

- Board adoption of Energy Management Policies
- Completion of major milestones per board direction

<i>Initiative</i>	<i>Actions</i>
e. Develop and implement power resource strategies to minimize risks.	<ol style="list-style-type: none"> 1. Evaluate partnerships and other opportunities for the acquisition of new energy resources to meet CRA power requirements 2. Coordinate actions with other, existing Hoover power contractors to achieve passage of the Hoover Power Allocation Act of 2009. 3. Continue coordinated efforts with other SWP contractors and DWR staff to manage SWP energy costs and reduce energy related risks.



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6. HIGH PERFORMANCE WORKPLACE

Ensure Metropolitan is a high performance workplace with excellent leadership and management practices that engage employees; ensure alignment with Metropolitan's business goals; provide the right talent and skills for the future; and where employees and cost-effective processes and programs deliver outstanding value and customer support.

PERFORMANCE MEASURES

- Completion of labor negotiations
- Ratings on High Performance Workplace Survey
- Percent of critical positions with development pipelines in place

<i>Initiative</i>	<i>Actions</i>
a. Deploy the StrategicHR Plan.	<ol style="list-style-type: none"> 1. Align Human Resources (HR) efforts to Metropolitan business needs. 2. Continue the implementation of the HR Vision and StrategicHR Plan. 3. Utilize the High Performance Workplace framework throughout Metropolitan.
b. Ensure a high performance culture.	<ol style="list-style-type: none"> 1. Use the Voices 2009 High Performance Workplace Survey feedback to make improvements and establish plans for follow-up Voices 2011 Survey. 2. Establish fully competent performance as the accepted standard of performance and communicate expected competencies, behaviors and processes to improve workforce accountabilities and engagement. 3. Revamp the Performance Management System and compensation practices to be consistent with the standards of a high performance workplace. 4. Establish core competencies, implement a comprehensive leadership and management development program, and deploy a proactive workforce planning process and succession pipelines. 5. Establish and support a company-wide continuous improvement strategy.
c. Foster management excellence.	<ol style="list-style-type: none"> 1. Conduct an annual or bi-annual Management Forum with all managers to align expectations, reinforce desired culture, and provide optimized tools to drive managerial excellence and best practices in the effective management of our people. 2. Define and incorporate best practice leadership principles and management accountabilities to support a high performance workplace. 3. Evaluate and improve the quality and strategic alignment of our management development, management practices, systems and processes, organization structures, and management evaluation.



General Manager's Business Plan Fiscal Year 2010/11

6. HIGH PERFORMANCE WORKPLACE

Ensure Metropolitan is a high performance workplace with excellent leadership and management practices that engage employees; ensure alignment with Metropolitan's business goals; provide the right talent and skills for the future; and where employees and cost-effective processes and programs deliver outstanding value and customer support.

PERFORMANCE MEASURES

- Completion of labor negotiations
- Ratings on High Performance Workplace Survey
- Percent of critical positions with development pipelines in place

<i>Initiative</i>	<i>Actions</i>
d. Develop positive partnerships with labor.	<ol style="list-style-type: none"> 1. Continue interest-based partnering with bargaining units and concentrate on long-term contract agreements which integrate effective cost controls. 2. Continue to clarify roles of Employee Relations and Labor Relations. 3. Continue the "One-Face to the Bargaining Units" philosophy.
e. Ensure Human Resources excellence.	<ol style="list-style-type: none"> 1. Implement improved HR programs that reflect best practices, a performance-based orientation, a consistent philosophy, and which yield improvements in overall HR cost structures. 2. Redesign and streamline HR processes, practices and policies to enhance consistency, flexibility and cost-effectiveness. 3. Expand implementation of the HR Generalist structure to enhance customer support. 4. Raise HR caliber, professionalism and customer focus. 5. Assess optimal staffing levels within HR across Metropolitan. 6. Improve regulatory and legal compliance of HR practices. 7. Conduct HR customer assessments to determine effectiveness and responsiveness of HR support to customer segments. 8. Define improved HR metrics, targets and dashboards.



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7. COMMUNICATIONS

Ensure consistent, clear communications (internally and externally) about Metropolitan's operations, policies and programs through multi-communication efforts.

PERFORMANCE MEASURES

- Increase public and media awareness

<i>Initiative</i>	<i>Actions</i>
a. Support Board member communications and working relationships with elected officials, other government leaders, and business and community leaders.	<ol style="list-style-type: none"> 1. Conduct briefings and presentations visits with legislators, other government leaders and stakeholders. 2. Conduct inspections of Metropolitan facilities and statewide water systems. 3. Provide primary support to the Communications and Legislation Committee. 4. Draft editorials and opinion pieces for submission to newspapers and online publications by Directors and Executive Management.
b. Communicate and work with member agencies to assist in coordination and delivery of common water policy issues and actions to ensure key priorities identified by Metropolitan and its member agencies are addressed.	<ol style="list-style-type: none"> 1. Develop and coordinate legislative strategy to promote Metropolitan's federal and state policy initiatives. 2. Develop and coordinate education, community and media outreach efforts with member agencies related to board-adopted policies and programs.
c. Continue to develop and implement public education, outreach and the advertising campaign focusing on extraordinary conservation efforts.	<ol style="list-style-type: none"> 1. Develop and implement FY 2010/2011 advertising campaign. 2. Develop and implement FY 2010/2011 K-12 education curriculum.
d. Continue to develop and manage public information programs to convey Metropolitan's role in water supply, resource planning, water quality protection, conservation, and other water policy issues.	<ol style="list-style-type: none"> 1. Communicate water supply, resource planning and other key programs and projects to stakeholder groups, the community-at-large and the news media. 2. Maintain and expand partnerships with water agency, business, environmental, agricultural and other interests on water programs and initiatives in support of Metropolitan's policies.



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Core Business

8. LEGISLATIVE AND COMMUNITY RELATIONS		PERFORMANCE MEASURES
Develop federal and state legislative strategies consistent with board-adopted policy principles.		<ul style="list-style-type: none"> ▪ Implement legislative strategy. ▪ Education awareness and customer satisfaction. ▪ Member agency service satisfaction index.
<i>Initiative</i>	<i>Actions</i>	
a. Continue to develop and implement local, state, and federal water policy and legislative strategies consistent with board-adopted policies.	<ol style="list-style-type: none"> 1. Analyze legislative proposals and provide recommendations to Executive Management and Board of Directors. 2. Inform legislators and stakeholders about effects of legislative proposals on Metropolitan. 3. Conduct briefings, presentations and facility visits with legislators, other government leaders and stakeholders. 4. Secure support of legislators and stakeholders for Metropolitan's positions on issues of high importance. 5. Strengthen communication between Metropolitan Directors and elected officials. 	
b. Strengthen Metropolitan's community outreach efforts.	<ol style="list-style-type: none"> 1. Manage California Friendly Landscape Training Program. 2. Manage Community Partnering Program. 3. Manage education programs, including outreach to all member agencies, education community, and others. 4. Develop and maintain relationships with the news media. 5. Provide technical information to the news media. 	
c. Coordinate and communicate day-to-day efforts to maintain and improve: operations and maintenance; source water quality protection and water treatment; infrastructure replacement, refurbishment and development; emergency management; and media communications and community outreach.	<ol style="list-style-type: none"> 1. Develop communication plans and provide outreach support for Metropolitan operations, including shutdowns, routine and urgent maintenance and repair, water supply, water quality and delivery, and minimize impacts to member agencies. 2. Develop and implement community and notification plans regarding new and expanding facility operations. 	



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9. WATER SUPPLY

Manage and execute water supply management strategies and programs to acquire water supply and demand management resources to meet development targets specified by the IRP.

PERFORMANCE MEASURES

- **Five-Year Initiative:** Implement Five-Year Water Supply Plan.
- **IRP Target Tracking:** Track progress in identifying projects and programs eligible to meet IRP targets to maintain supply reliability and system capacity.

<i>Initiative</i>	<i>Actions</i>
<p>a. Implement the Five-Year Water Supply Plan to reliably manage water supplies and demands within the region for the period from 2010 through 2014 under continued dry conditions and court-ordered State Water Project (SWP) delivery restrictions.</p>	<ol style="list-style-type: none"> 1. Continue to develop and implement the 0.4 to 1.5 MAF per year of potential resources and actions identified in the Five-Year Water Supply Plan in the areas of Conservation, Colorado River Transactions, Near-Term Delta Actions, SWP Transactions, Groundwater Recovery and Local Resources. Implementation actions include: <ol style="list-style-type: none"> a. Continue activity to develop and implement new water supplies and actions until longer term improvements from the IRP can be implemented. b. Complete environmental review and seek board approval of an agreement with Semitropic Water Storage District to build a reverse osmosis treatment system for agricultural drainage water. This includes three major activities, which are complete groundwater characterization work, develop documents to prepare environmental permits, and refine the facility design. c. Implement a production well to extract approximately 100,000 AF of previously stored water from the Hayfield groundwater basin to augment CRA supplies. d. Evaluate, with member agencies, the feasibility of recovering additional groundwater supplies in Southern California. 2. Continue to work with the Water Surplus and Drought Management (WSDM) Team, program partners, and the Board to optimize the use of existing and new resources.
<p>b. Implement the board-approved Water Surplus and Drought Management (WSDM) Plan.</p>	<ol style="list-style-type: none"> 1. Communicate updated water supply and demand conditions for member agencies and Board. 2. Manage supply and demands with WSO according to WSDM Plan. 3. Review and recommend changes to the WSDM Plan as necessary.
<p>c. Implement the Water Supply Allocation Plan (WSAP).</p>	<ol style="list-style-type: none"> 1. Monitor water purchases by member agencies and assess the adequacy of WSAP level. 2. Complete the 12-month review of the WSAP and recommend revisions for board consideration as needed.



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9. WATER SUPPLY

Manage and execute water supply management strategies and programs to acquire water supply and demand management resources to meet development targets specified by the IRP.

PERFORMANCE MEASURES

- **Five-Year Initiative:** Implement Five-Year Water Supply Plan.
- **IRP Target Tracking:** Track progress in identifying projects and programs eligible to meet IRP targets to maintain supply reliability and system capacity.

<i>Initiative</i>	<i>Actions</i>
d. Protect and make optimal use of Metropolitan's SWP rights and related water transfer, storage and exchange programs.	<ol style="list-style-type: none"> 1. Ensure reliable and cost-efficient SWP water deliveries. 2. Optimize use of existing water transfer, storage and exchange programs and ensure compliance with contract terms. 3. Minimize impacts of San Joaquin Valley groundwater transfers through the California Aqueduct. 4. Develop new cost-efficient agreements to improve supply. 5. Maintain and develop partnerships with Central Valley entities and other state water contractors to secure water transfer supplies as needed. 6. Administer the Municipal Water Quality Investigation Program with Department of Water Resources and other SWP contractors to support drinking water functions.
e. Protect and make optimal use of Colorado River supplies programs including diversion rights and related water related transfer, storage and exchange programs.	<ol style="list-style-type: none"> 1. Ensure reliable and cost-efficient Colorado River water deliveries. 2. Optimize use of existing Colorado River programs and ensure compliance with contract terms. 3. Work with other basin interests in comprehensive study to identify new supply solutions. 4. Develop new cost-efficient agreements that improve supply. 5. Support legal office regarding Quantification Settlement Agreement litigation.
f. Manage board-approved water conservation program.	<ol style="list-style-type: none"> 1. Achieve targeted conservation within budget and with increased emphasis on non-incentive savings through codes, standards, and public ethic. 2. Develop and implement selective advertising and outreach campaigns to support greater residential and commercial efficiencies in harmony with conservation budget. 3. Obtain and utilize assistance of U.S. Bureau of Reclamation in identifying cost-effective conservation approaches. 4. Support adoption of ordinances, regulations, standards, rate structures, etc., that advance water conservation. 5. Participate in the California Urban Water Conservation Council to create statewide expectations.



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9. WATER SUPPLY

Manage and execute water supply management strategies and programs to acquire water supply and demand management resources to meet development targets specified by the IRP.

PERFORMANCE MEASURES

- **Five-Year Initiative:** Implement Five-Year Water Supply Plan.
- **IRP Target Tracking:** Track progress in identifying projects and programs eligible to meet IRP targets to maintain supply reliability and system capacity.

<i>Initiative</i>	<i>Actions</i>
g. Manage board-approved policy local resource program for water recycling and groundwater recovery.	<ol style="list-style-type: none"> 1. Ensure contract terms are in compliance. 2. Assess new project proposals and recommend new agreements for board consideration.
h. Manage board-approved seawater desalination program.	<ol style="list-style-type: none"> 1. Ensure contract terms are in compliance. 2. Work with interested member agencies in monitoring technological and regulatory changes.
i. Manage in-basin groundwater storage issues.	<ol style="list-style-type: none"> 1. Work with Water System Operations to effect the call and storage of the existing groundwater conjunctive use program. 2. Develop strategies and identify pilot projects to enhance replenishment with imported, recycled, and storm water. 3. Provide legislative review and support on groundwater issues.
j. Initiate the System Overview Study to evaluate load area water demands for system enhancements or new facilities based on the IRP.	<ol style="list-style-type: none"> 1. Evaluate load area water demands incorporating local resources development by member agencies and various regional local resource and water conservation alternatives.
k. Provide water supply, conservation, and demand information to comply with reporting requirements and other Metropolitan functions.	<ol style="list-style-type: none"> 1. Complete state-required report to the legislature on Metropolitan's achievements in water conservation, water recycling, and groundwater recharge (SB 60 report). 2. Complete Bureau of Reclamation Part 417 M & I report to demonstrate water use efficiency for Colorado River diversions. 3. Provide annual planning assumptions documentation and sales forecasts for CFO's revenue requirement and budget analysis.



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10. SYSTEM RELIABILITY

Operate and maintain the system in an effective and efficient manner to ensure reliable delivery of water supplies.

PERFORMANCE MEASURES

- Unplanned outages resulting in disruption of services = 0
- Meet all scheduled water deliveries = 100%

<i>Initiative</i>	<i>Actions</i>
<p>a. Manage system operations.</p>	<ol style="list-style-type: none"> 1. Ensure system capability to deliver and treat supplies from the SWP, CRA, 10 Metropolitan reservoirs, (including DVL), and 15 groundwater storage programs in Central and Southern California to meet regional water demands: <ol style="list-style-type: none"> a. Schedule and deliver SWP and Colorado River supplies allocated to Metropolitan. b. Deliver up to 100,000 acre-feet of water from Central Valley Banking Programs through the SWP system. c. Call up to 50,000 acre-feet of return deliveries from 5 groundwater conjunctive use storage programs. d. Deliver available water transfers and exchanges through the SWP and CRA systems. e. Manage the water quality of deliveries from supply sources. 2. Perform maintenance activities to ensure reliable and effective water and power operations. <ol style="list-style-type: none"> a. Implement inspection, servicing, and repair programs established for: <ol style="list-style-type: none"> i. 242 miles of CRA ii. Over 830 miles of distribution system tunnels and pipelines, and over 4,000 distribution system structures iii. 5 treatment plants iv. 16 hydropower plants v. 450 miles of power transmission lines vi. 10 reservoirs vii. Over 120,000 pieces of equipment b. Provide pipe and valve fabrication for urgent repairs of distribution facilities for Metropolitan, member agencies, and DWR. c. Complete 14 planned major shutdowns for infrastructure repairs and upgrades in coordination with member agencies. Major shutdowns include the CRA (February 2011), Lake Mathews Outlet Tower, including the Upper and Lower Feeder, the Sepulveda feeder for the San Diego freeway modification, and the Weymouth and Diemer Plant for Ozone work. 3. Work with Member Agencies to implement and monitor the reduction in the Interim Agricultural Water Program that began on January 1, 2008 and continues into calendar year 2010.



General Manager's Business Plan Fiscal Year 2010/11

10. SYSTEM RELIABILITY	Operate and maintain the system in an effective and efficient manner to ensure reliable delivery of water supplies.	PERFORMANCE MEASURES <ul style="list-style-type: none"> ▪ Unplanned outages resulting in disruption of services = 0 ▪ Meet all scheduled water deliveries = 100%
b. Provide emergency management.	<ol style="list-style-type: none"> 1. Deliver emergency management training focused on on-site operations and control of the distribution system, emergency communications, chemical facility security and safety, water quality issues, and emergency operations center (EOC) functions. Maintain emergency readiness including updating of plans and organizations. 2. Conduct regular exercises to ensure the ability to recover critical IT systems during an emergency. 	
c. Provide security management.	<ol style="list-style-type: none"> 1. Continue to provide regular security patrols of CRA, water treatment plants, and the distribution system. 2. Maintain enterprise-wide access control and surveillance system to protect critical infrastructure sites, and add or modify components to keep pace with plant growth and construction. 3. Provide security enhancements for chemical facilities in response to or anticipation of new regulatory mandates. 	
d. Administer Environmental, Health and Safety (EHS) programs.	<ol style="list-style-type: none"> 1. Provide EHS training to managers and employees to improve compliance and performance. 2. Develop a compliance assurance program to monitor the effectiveness of EHS programs and procedures. 3. Meet all regulatory compliance requirements in a timely manner. 4. Implement an EHS score card to track facility performance, and provide feedback to guide program modifications and changes. 	
e. Develop and maintain highly skilled electrical and mechanical maintenance personnel required to operate Metropolitan's system.	<ol style="list-style-type: none"> 1. Recruit and begin training 17 new apprentices in the mechanical and electrical trades. 2. Establish and maintain a candidate eligibility list for future apprenticeship classes. 3. Utilize standardized skills and knowledge testing for journey level recruitment in the mechanical and electrical trades. 4. Provide safety and technical training for existing trade employees utilizing Apprenticeship Program resources. 	



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11. CAPITAL INVESTMENT PLAN		PERFORMANCE MEASURES
Implement board-approved Capital Investment Plan (CIP) to ensure the quality and reliability of the region's water supply and infrastructure.		<ul style="list-style-type: none"> ▪ Implement CIP within 95% of construction schedules.
Initiative	Actions	
<p>a. Implement high priority projects to replace or rehabilitate equipment and facilities to ensure reliability of Metropolitan's conveyance and distribution system.</p>	<ol style="list-style-type: none"> 1. Complete pipe fabrication for Phase 4 of the Box Springs Feeder. 2. Complete final design of the Upper Feeder Service Connections Rehabilitation. 3. Complete seismic study of the Sepulveda Canyon Control Facility. 4. Complete construction of 75 sites under Phase III and advertise construction of 65 sites under Phase IV for the Treated Water Cross Connection Prevention Program. 5. Complete the following activities for the CRA Conveyance and Reliability Program: <ol style="list-style-type: none"> a. Complete final design of Dam Sluiceways. b. Complete construction of the Fault Current Protection Upgrades. c. Complete final design and equipment procurement for the Hinds Pumping Plant Standby Generator Replacement. d. Complete procurement of aqueduct isolation gate and preliminary design for the Intake Power Line Relocation. e. Complete preliminary design of Service Connection DW-CV-2T. 	
<p>b. Implement high priority projects to replace or rehabilitate equipment and facilities to ensure reliability, regulatory compliance, and improve the operating efficiency of Metropolitan's water treatment plants.</p>	<ol style="list-style-type: none"> 1. <i>Diemer ORP</i> – Continue construction activities of the ozone facilities. 2. <i>Diemer Plant</i> – Continue construction of the electrical improvements for Phase I and complete construction contract for the North Access Road. 3. <i>Weymouth ORP</i> – Complete construction of the inlet conduit relocation and complete final design of the ozone facilities. 4. <i>Weymouth Plant</i> – Complete construction of the junction structures seismic upgrades, coagulant tank farms modifications, rapid mix systems upgrades; and continue construction activities of electrical upgrades. 	



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11. CAPITAL INVESTMENT PLAN		PERFORMANCE MEASURES
Implement board-approved Capital Investment Plan (CIP) to ensure the quality and reliability of the region's water supply and infrastructure.		<ul style="list-style-type: none"> Implement CIP within 95% of construction schedules.
Initiative	Actions	
c. Complete major projects identified in the IRP and Integrated Area Studies to ensure reliability of the conveyance and distribution system to meet increasing demands.	<ol style="list-style-type: none"> <i>Perris Valley Pipeline</i> – Continue construction of the South Reach. <i>West Valley Feeder No. 1</i> – Complete final design of valve structure modifications on West Valley Feeder No. 1 as a part of the second stage of a three-stage program to rehabilitate and upgrade the pipeline to continue to deliver treated water to Metropolitan's member agencies. 	
d. Implement IT Strategic Plan initiatives to improve reliability, security, and efficiency.	<ol style="list-style-type: none"> Complete the Microwave Upgrade as part of the Phase II IT Network Upgrade project to enhance system reliability and increase the capacity of Metropolitan's wide area network. Award a contract and begin the replacement of telephone system infrastructure and components. Implement the Water Quality Monitoring and Rapid Event Detection System according to plan to provide real-time analysis of water quality information and help ensure water quality reliability. Initiate the Wadsworth Pumping Plant Controls upgrade to enhance system reliability of the SCADA system at DVL. Initiate the Unix Server Upgrade to ensure continued reliability of servers that host the large enterprise applications/data (e.g., PeopleSoft Human Resources/Payroll, Oracle Financials, Maximo Maintenance Management, etc.) critical to Metropolitan's business operations. 	



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12. WATER QUALITY

Develop and implement comprehensive programs to ensure Metropolitan delivers water that meets or exceeds all water quality regulations and objectives.

PERFORMANCE MEASURES

- Compliance with primary drinking water quality standards = 100%
- System-wide Total Dissolved Solids Goal \leq 500mg/L

<i>Initiative</i>	<i>Actions</i>
<p>a. Protect source water quality.</p>	<ol style="list-style-type: none"> 1. Continue source water monitoring of Colorado River and advocate remediation efforts for: uranium, perchlorate, and chromium 6. 2. Expand assessment program for pharmaceuticals and personal care products by continuing semi-annual monitoring (in source and finished water), and participating in joint studies with the Southern Nevada Water Authority and Water Research Foundation on analytical methods development, and on designing appropriate watershed monitoring programs. 3. Continue to track and monitor water quality and related actions in the Sacramento – San Joaquin Delta region. 4. Continue to monitor local watershed developments and advocate for measures to protect source waters. 5. Pursue funding opportunities to support: (a) alternative treatment technology projects, (b) enhanced method detection of chemicals and microorganisms; and (c) quagga mussel control methods. 6. Continue investigation of the impacts on SWP drinking water quality of operational changes and physical modifications resulting from actual or proposed Delta solutions to issues such as the pelagic organism decline and salmon and smelt biological opinions using the forecasting tools being developed at DWR and within Metropolitan. 7. Continue to implement actions described in the Quagga Mussel Control Program including: <ol style="list-style-type: none"> a. Partner with federal, state and local agencies to evaluate and develop quagga mussel control strategies. b. Conduct studies to evaluate and develop: <ul style="list-style-type: none"> -improved monitoring and detection tools -attachment deterring coatings -disinfectants -lake management strategies 8. Prepare the 2011 update to the Colorado River Watershed Sanitary Survey, and participate with DWR and State Water Contractors on the development of the SWP Watershed Sanitary Survey update.



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PERFORMANCE MEASURES

- Compliance with primary drinking water quality standards = 100%
- System-wide Total Dissolved Solids Goal $\leq 500\text{mg/L}$

<i>Initiative</i>	<i>Actions</i>
<p>b. Effectively manage water treatment.</p>	<ol style="list-style-type: none"> 1. Conduct water quality monitoring, regulatory reporting, and treatment optimization to ensure 100% compliance with primary drinking water standards. 2. Collect over 50,000 water quality samples for microbiological and chemical analyses resulting in approximately 350,000 test results. 3. Conduct water quality applied research in the areas of disinfection by-products, quantification of endocrine disruptors and pharmaceuticals and personal care products, detection of pathogens in source and treated water, early detection of cyanobacterial toxins, and quagga mussel detection and treatment methods. 4. Support study on water repurification and seawater desalination projects. 5. Continue to implement interim treatment strategies prior to completion of ozone at Diemer and Weymouth plants. 6. Manage salinity within constraints of water quality performance and source water availability. 7. Track and reduce number of reportable chemical releases at water treatment plants. 8. Benchmark ozone production efficiency to reduce power costs as appropriate. 9. Conduct full-scale testing of new bromate control methods to reduce chemical costs.
<p>c. Prepare for future regulations.</p>	<ol style="list-style-type: none"> 1. Conduct studies to address: minimizing formation of current and emerging disinfection by-products; treatment options for pharmaceuticals and personal care products, and quantitation of chemicals listed on the Contaminant Candidate List 3 (CCL3) 2. Participate in technical advisory workgroups to provide input to regulators regarding: the EPA 6-Year Review process for currently regulated constituents, the selection of constituents for required monitoring as part of the Unregulated Contaminant Monitoring Rule 3, and the CCL3 review



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13. HUMAN RESOURCES EXCELLENCE

Ensure Human Resources processes attract, hire and develop the right people with the right skills at the right time, enable cost-effective workforce management, and provide the workforce with career development and training opportunities and tools to continually improve workforce skills, competencies, productivity and customer support.

PERFORMANCE MEASURES

- HR Customer Satisfaction
- Establish and meet expectations set by the Operations and Personnel Committee

<i>Initiative</i>	<i>Actions</i>
a. Acquire the right talent.	<ol style="list-style-type: none"> 1. Develop and implement the Workforce Planning and Talent Management Framework to proactively identify and fill future labor resource requirements. 2. Continue to expand web-based staffing and diversity outreach capabilities while also reducing time and cost to recruit. 3. Optimize recruitment strategies for hard-to-fill positions. 4. Promote equal employment opportunities and update Affirmative Action Plan. 5. Ensure up-to-date job descriptions and deploy a new, streamlined job evaluation process.
b. Manage total compensation.	<ol style="list-style-type: none"> 1. Implement a Total Compensation strategy that ensures Metropolitan can competitively sustain a talented workforce. 2. Design an effective Executive and Unrepresented Total Compensation Strategy. 3. Develop and enhance recognition and reward practices to encourage desired performance. 4. Recommend cost containment opportunities for Benefits administration.
c. Provide proactive employee relations.	<ol style="list-style-type: none"> 1. Enhance Employee Relations support to proactively respond and quickly and effectively resolve employee issues while also educating management on MOUs and Legal and MOU compliance. 2. Maintain a timely, effective and efficient resolution of grievances and PERB charges. 3. Enhance timely and consistent communication of new HR practices, MOU changes and recommended management practices. 4. Recommend and implement bargaining-unit realignment.
d. Set high performance standards.	<ol style="list-style-type: none"> 1. Ensure on-time completion of performance evaluations and effective use of the new performance management system. 2. Improve processes for addressing low performance. 3. Implement enhanced approaches to recognizing and rewarding outstanding performance.



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PERFORMANCE MEASURES

- HR Customer Satisfaction
- Establish and meet expectations set by the Operations and Personnel Committee

<i>Initiative</i>	<i>Actions</i>
e. Foster learning and development.	<ol style="list-style-type: none"> 1. Deliver Leadership and Management Development training to foster effective people management as a core competency for managers. 2. Provide management and employees with tools for effective individual development planning. 3. Enhance financial acumen with a training curriculum that fosters business and financial understanding of Metropolitan's current and future business issues. 4. Expand management and career development opportunities through online training to improve workforce skills, competencies and productivity. 5. Continue to invest in cost-effective learning and development opportunities in computer, business, collaboration and productivity-related training.
f. Manage succession.	<ol style="list-style-type: none"> 1. Develop a succession management process to ensure strategic replacement candidates. 2. Develop a workforce plan to identify potential skill and talent gaps for critical Metropolitan positions. 3. Invest in the cost-effective development pipelines to ready internal staff to fill future skill gaps and job openings. 4. Expand support of internship, mentoring and other innovative programs that enhance readiness to fill future positions.
g. Manage risk.	<ol style="list-style-type: none"> 1. Minimize contract risk exposure and control claims costs.
h. Control Workers' Compensation costs.	<ol style="list-style-type: none"> 1. Continue efforts to contain medical and Workers' Compensation costs.



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PERFORMANCE MEASURES

- HR Customer Satisfaction
- Establish and meet expectations set by the Operations and Personnel Committee

i. Improve Human Resources Information Systems (HRIS).

1. Continue to optimize HRIS to reduce costs, enhance administrative support with fewer staff and provide value-added reporting to customers.
2. Ensure HR Data Integrity.
3. Design and implement a comprehensive HR Portal.
4. Implement staff assessment for HRIS competencies and skills.



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14. REAL PROPERTY MANAGEMENT

Maintain and improve all of Metropolitan’s real property assets and facilities in a condition needed to support future demands, operational challenges, and business needs.

PERFORMANCE MEASURES

- Number of existing leases and new leases negotiated at or above Fair Market Value (FMV)
- Amount of lease revenue generated at, above or below fair market value
- Total revenue generated from all real property activities including but not limited to permits, licenses, leases, easements or other use fees, excluding water system operations.

<i>Initiative</i>	<i>Actions</i>
<p>a. Develop policies, strategies, and actions that enable sustainability in all aspects of real property including development, revenue optimization, appraisal, acquisition and annexation while concurrently improving the planning, management, and administration of internal real property activities.</p>	<ol style="list-style-type: none"> 1. Assess and plan for more sustainable and revenue generating endeavors, such as solar power generation and clean tech manufacturing development, utilizing right-of-ways and other large tracts of Metropolitan land. 2. Continually evaluate real property holdings for future operational uses, development, surplus, or other disposition. 3. Market and facilitate appropriate future third-party uses of Metropolitan’s real property where appropriate and compatible with water system operations and maintenance. 4. Create a living legacy of sustainable development that is revenue-producing and related to our core mission. 5. Develop new or revise policies for board consideration regarding varied aspects of property management and development. 6. Identify and pursue opportunities to further enhance revenue generating activities within the key processes of leasing, permitting, development, and special events. 7. Continue to manage film production operations in an unobtrusive manner, protecting Metropolitan’s assets and generating sufficient revenues to protect internal costs of such operations. 8. Streamline and improve administrative controls to improve customer service and satisfaction; shorten cycle times; and reduce process steps through the cooperation with other workgroups and teams.



General Manager's Business Plan Fiscal Year 2010/11

14. REAL PROPERTY MANAGEMENT

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PERFORMANCE MEASURES

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- Amount of lease revenue generated at, above or below fair market value
- Total revenue generated from all real property activities including but not limited to permits, licenses, leases, easements or other use fees, excluding water system operations.

<i>Initiative</i>	<i>Actions</i>
b. Refine and implement strategies to identify and acquire right-of-ways and adjacent properties that are necessary to implement future water infrastructure projects and other real property goals.	<ol style="list-style-type: none"> 1. Evaluate real property holdings and right-of-way needs on an ongoing basis for future operational or other mission-related purposes. 2. Develop a Real Estate Acquisition Plan for anticipated Capital Investment Projects (CIP), including the Bay-Delta and Lower Colorado River initiatives. 3. Continue to work closely with Water System Operations and Corporate Resources to acquire required properties in a timely fashion for approved projects. 4. Provide timely and effective responses to member agencies requests for annexations.
c. Manage natural resources and related facilities at Diamond Valley Lake and Lake Skinner through best management and sustainable practices to effectively protect water quality.	<ol style="list-style-type: none"> 1. Secure a long-term marina operator and an RV Park developer at DVL through RFQ/RFP process. 2. Provide safe and enjoyable public recreation activities, while attempting to recover concessionaire costs through visitor revenues and remain within the stated O&M budget. 3. Ensure no adverse impact on water quality. 4. Continue to effectively manage the boat inspection programs at both DVL and Lake Skinner to eliminate the transportation of quagga mussels.
d. Develop a new Master Plan for the Diamond Valley Lake area utilizing sustainability principles.	<ol style="list-style-type: none"> 1. Refine the plan for DVL properties, obtain board concurrence with the approach, and identify partners, including the City of Hemet for plan implementation. 2. Work with the City of Hemet to secure entitlements for development of the East Property and North Property.



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14. REAL PROPERTY MANAGEMENT

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- Amount of lease revenue generated at, above or below fair market value
- Total revenue generated from all real property activities including but not limited to permits, licenses, leases, easements or other use fees, excluding water system operations.

<i>Initiative</i>	<i>Actions</i>
<p>e. Transition the Diamond Valley Lake Visitor Center in partnership with private, public, academic, and not-for-profit organizations.</p>	<ol style="list-style-type: none"> 1. Continue to manage in a cost-effective manner Metropolitan’s DVL Visitor Center operations and adjacent real property holdings, including facility management consistent with Metropolitan and Leadership in Energy and Environmental Design (LEED) standards. 2. Identify and pursue possible partners, uses, and funding for the Visitor Center in order to develop and implement educational program(s) that embody sustainability principles and further Metropolitan’s educational goals.
<p>f. Through sustainable practices, maintain, operate and manage the Headquarters facility by effectively anticipating and responding to the needs of Metropolitan staff, tenants, visitors and customers.</p>	<ol style="list-style-type: none"> 1. Operate Headquarters facility in an energy efficient and sustainable manner without diminishing the quality of work being accomplished or the comfort of staff, tenants or visitors. 2. Design and implement projects of remodeling, renovation, maintenance and landscaping for optimal energy and water conservation, lowest lifecycle operating costs, and in concert with the principles of effective and sustainable facility management. 3. Strive to maintain LEED certification, and for a second time participate in the Building Owners and Managers Association Building of the Year Program for the Headquarters facility. 4. Continue to develop and improve the Incident Command Center (ICC) operations and Fire and Safety Training to ensure building occupant well-being during emergencies. 5. Closely monitor contract for cafeteria services to ensure high levels of service, food safety and quality. Monitoring and management to include recycling/trash management.



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15. BUSINESS PROCESSES		PERFORMANCE MEASURE
Implement business process improvements to increase organizational efficiencies and manage the organization to achieve budget objectives.		<ul style="list-style-type: none"> ▪ Department O&M costs ≤ board-approved budgets
<i>Initiative</i>	<i>Actions</i>	
a. Continue benchmarking assessments and implement appropriate recommendations.	<ol style="list-style-type: none"> 1. Continue to conduct annual multi-agency performance benchmarking workshops to identify project-planning Best Management Practices. 2. Continue regular Member Agency Information Technology Manager meetings and quarterly Member Agency Engineering Manager meetings to share and exchange common technical related issues among agencies. 	
b. Continue to implement business improvements to increase organizational efficiency.	<ol style="list-style-type: none"> 1. Complete the automated E-Discovery project to reduce legal risk, effort, time and costs associated with discovery of electronically-stored information and enhance legal compliance efforts. 2. Continue to support IT business case analyses to identify IT projects that deliver demonstrable savings and then perform post-implementation results analyses. 3. Streamline the Rideshare transit reimbursement process to reduce the amount of time required for staff and employees involved in the monthly voucher distribution. 4. Research and implement a streamlined process for training new and existing Oracle users throughout Metropolitan. 5. Develop elective courses for Metropolitan Agreement Administrators to further enhance their skills in effective contract management. 	
c. Continue to decrease consumption of nonrenewable, nonrecyclable material and encourage sustainable procurement.	<ol style="list-style-type: none"> 1. Maintain a 50% reduction in office paper consumption based on the 2007 usage baseline. 	
d. Fully implement new Online Manual System (OMS) for technical documentation.	<ol style="list-style-type: none"> 1. Following completion of a successful pilot program, fully implement new OMS for future water treatment and distribution system operating guidelines. 	



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15. BUSINESS PROCESSES		PERFORMANCE MEASURE
Implement business process improvements to increase organizational efficiencies and manage the organization to achieve budget objectives.		<ul style="list-style-type: none"> ▪ Department O&M costs ≤ board-approved budgets
<i>Initiative</i>	<i>Actions</i>	
<p>e. Maintain an effective Business Outreach Program for regional, small businesses, and veterans to ensure broad participation and competitive costs.</p>	<ol style="list-style-type: none"> 1. Promote best business practices to include sustainability business development strategies to achieve board-approved percentages. 2. Promote a streamlined and uniform SBE Certification Program with public agency partners to increase access to government opportunities. 3. Broaden the Vendor Development Program throughout the region to cultivate a qualified and competent pool of bidders. 4. Collaborate and partner with member agencies to educate business constituents and support Metropolitan and Member Agency mission. 5. Enhance relationships with regional construction trade and professional associations to address reliability, sustainability and aging infrastructure concerns. 6. Develop effective working relationships through implementing an Internal Business Outreach Awareness Campaign. 7. Monitor and report on total SBE/DVBE contract spend utilizing the Contract Compliance Accountability Program (CCAP) to ensure vendors and staff comply with board-approved SBE/DVBE policy. 	



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16. FINANCIAL MANAGEMENT

Assure member agencies, rating agencies, the Legislature and the public that Metropolitan is effectively managing the public's finances through consistent, clear, and timely financial policies and reporting.

PERFORMANCE MEASURES

- Debt Service Coverage ≥ 2.0
- Fixed Charge Ratio ≥ 1.2
- Significant external audit findings = 0

<i>Initiatives</i>	<i>Actions</i>
a. Record and report the financial activities of Metropolitan in a timely and transparent manner to the Board and member agencies.	<ol style="list-style-type: none"> 1. Distribute financial reports in a timely manner and receive positive feedback from the Board and member agencies. 2. Maintain excellence and transparency of financial accounting. 3. Manage financial reporting and complete annual review of financial reports with no significant issues or audit exceptions.
b. Effectively manage costs and communicate the results of Metropolitan's budget to meet board policies and objectives.	<ol style="list-style-type: none"> 1. Monitor and enforce Metropolitan's combined annual operating and capital budgets and ensure compliance with board policies and objectives. 2. Produce timely variance reports on a quarterly basis. 3. Enhance monitoring of the annual Operating budget by incorporating appropriate and regular management reviews and variance explanations down to the team level. 4. Minimize State Water Contract cost increases by influencing DWR's strategic financial decisions. 5. Enhance the Integrated Budget Management System to improve process efficiency and incorporate easier more graphically-based reporting tools. 6. Develop multi-year budget beginning with FY 2010/11 to better align the budget and rate-setting process with member agency desires for better rate and cost certainty. 7. Develop a budget consistent with GFOA guidelines and receive the Award of Excellence for budgeting.
c. Ensure adequate financial controls are utilized.	<ol style="list-style-type: none"> 1. Review and update documentation and assessment of internal controls over financial reporting and convey to the Board the effectiveness of such control system. 2. Facilitate annual review of financial reports. 3. Receive favorable audit findings



General Manager's Business Plan Fiscal Year 2010/11

16. FINANCIAL MANAGEMENT

Assure member agencies, rating agencies, the Legislature and the public that Metropolitan is effectively managing the public's finances through consistent, clear, and timely financial policies and reporting.

PERFORMANCE MEASURES

- Debt Service Coverage \geq 2.0
- Fixed Charge Ratio \geq 1.2
- Significant external audit findings = 0

<i>Initiatives</i>	<i>Actions</i>
d. Manage investor relations to ensure clear communications, accuracy of information, and integrity.	<ol style="list-style-type: none"> 1. Complete all transactions accurately, efficiently and within investor community expectations. 2. Consider developing a specific website (linked to Metropolitan's website) for use by bond investors to improve and enhance the marketing of Metropolitan's bonds.
e. Manage and effectively administer rates and charges to recover costs consistent with board policy.	<ol style="list-style-type: none"> 1. Determine the financial impacts of OPEB funding obligations and formulate appropriate financing alternatives for board consideration. 2. Ensure that revenues and reserves are sufficient to recover costs through long-term forecasting, analysis, and financial management. 3. Complete development of FY 2011/12 charges (RTS, Capacity Charge, Standby Charge) necessary to support the 2011/12 rates action.