



**Blue Ribbon Review Committee**

# **Review Blue Ribbon Report Recommendations**

**September 27, 2011**

# Blue Ribbon Report Background

- Blue Ribbon Committee established in 2009
  - 27 experts representing diverse fields
- Mission: recommend new business models and strategies for MWD
- Focused on key areas with a horizon of 2060
  - New water options, energy, economic development, financial sustainability, workforce, communications
- Blue Ribbon Report presented to MWD Board in April 2011

# The BRC Recommended Next Steps In Six Business Elements

1. Customer Demand
2. Diversified water portfolio and investments
3. Provider of integrated water services
4. Finances and pricing
5. Governance and operations
6. Leadership in technology and workforce development

# Customer Demand

*“Helping customers become wise water users”*

- Evaluate selected demand-management programs to assess efficacy
- Implement proactive communication strategies to improve understanding of the value of water and new actions to manage demand
- Expand education through long-term campaigns targeting youth over the span of a generation to increase knowledge and support workforce development

# Diversified Water Portfolio, Investments

*“Security through diversity”*

- Endorse MWD’s continued lead role in development of the BDCP and related processes
- Support collaborative efforts to use California’s full share of Colorado River water
- Evaluate the LRP’s benefits and costs relative to alternative approaches for encouraging regional investments in local supplies

# Diversified Water Portfolio, Investments

*Cont'd*

- Consider co-development of unsubsidized pilot projects demonstrating the viability of medium-scale local supply development
- Accelerate cost/benefit assessments of expanding small, distributed surface storage and expanded groundwater storage

# Diversified Water Portfolio, Investments

*Cont'd*

- Invest in new out-of-basin agricultural water sources and conservation
- Develop strategy for exploiting MWD's energy resources through partnerships and funding opportunities for energy efficiency, energy reliability, and greenhouse-gas emission reductions

# Provider of Integrated Water Services

*“A grid for water”*

- Identify potential major elements of a more regionally connected system and identify gaps in regional conveyance and storage capacity
  - Include review of previous studies of groundwater storage-system potential
- Expand planning partners to include wastewater, flood control, and other agencies

# Provider of Integrated Water Services

*Cont'd*

- Build capabilities to analyze the economics of integrated water-resource planning and management for the region
- Evaluate potential benefits, costs, and constraints for water trading among members, including implementation of several pilot projects

# Finances and Pricing

*“Conserve and sustain”*

- Develop an adaptive long-range financial plan as a complement to the IRP
- Initiate process to review the current pricing structure and evaluate sustainability of options under different scenarios
- Review all major cost components and apply value-engineering principles to the process of identifying opportunities for cost savings

# Governance and Operations

- Initiate an external review of governance structure
- Begin a process to consider changes to MWD's existing vision and mission statements

# Technology, Workforce Development

*“Catalyst for innovation”*

- Brand MWD as a global leader on efficient and innovative water management and technologies
- Consider opportunities to foster a water service and technology innovation region
- Begin strategic planning process to assess needs and actions to shape a workforce that meets the needs of new MWD business model

# Committee Schedule

- Meeting 2 – Oct. 25
  - Discuss actions, processes, timeframes for BRC next steps
- Meeting 3 – Nov. 8
  - Continue discussion on next steps
  - Review initial draft report
- Meeting 4 – Dec. 13
  - Review final draft report

# Open Discussion

## Blue Ribbon Report Recommendations

