



Executive Committee

General Manager's Report FY 24-25 Business Plan and Key Areas of Focus

Item 2b

July 23, 2024



Plan submitted per
Admin Code § 6416

Business Plan Implements Strategic Priorities



EMPOWER the workforce and promote diversity, equity, and inclusion



SUSTAIN Metropolitan's mission with a strengthened business model



ADAPT to changing climate and water resources



PROTECT public health, the regional economy, and Metropolitan's assets



PARTNER with interested parties and the communities we serve



Business Plan Implements Strategic Priorities

Builds on Progress of Last Fiscal Year

38 Outcomes

Monthly Reporting

Pathway to the Future



7/23/2024 Executive Committee Meeting 2b Attachment 1, Page 3 of 5

GM BUSINESS PLAN FY 24-25



Strategic Priority #3: Adapt to changing climate and water resources

Goal 3.1 Provide each member agency access to an equivalent level of water supply reliability

Outcomes

- 3.1.1 Develop the Climate Adaptation Master Plan for Water to identify and adaptively manage investments toward supply and system resilience in the face of climate change
- 3.1.2 Complete technical analyses and resource program design improvements, to inform and be informed by CAMP4W and its Time Bound Targets
- 3.1.3 Enhance long-term water supply reliability for the State Water Project dependent areas

Strategic Priorities Update (continued)



Sustain Metropolitan's mission with a strengthened business model



Goal Dashboard

4 of 5 Outcomes completed
1 Outcome in process

Develop revenue and business model options that support the needs of the member agencies as well as Metropolitan's financial sustainability and climate adaptation needs.

Metropolitan convened its second workshop with member agency managers to discuss the treated water surcharge. The next workshop is scheduled for July 18.

Staff worked closely with member agencies and ACWA to engage in state legislative proposals for Low Income Rate Assistance. These proposals ultimately did not garner broad enough consensus to advance this year.

Metropolitan held its second discussion on business model at the CAMP4W Task Force on June 26.

Manage rate pressure on member agencies through attention to programmatic costs, organizational efficiencies, and efforts to secure external funding for projects with broad and multi-purpose benefits.

USBR approved nearly \$200M of our "Bucket 2" application for Inflation Reduction Act funding to conserve Colorado River water, focused on Antelope Valley East-Kern Water Agency High Desert Water Bank and turf removal. We are entering into negotiations on the details of these awards. No timeline yet on when they will be completed.

Metropolitan advocacy continued this month regarding a potential climate bond, to include funding for water resources and infrastructure, which is on the brink of being on the ballot as of this writing, and an update will be brought to the Board in July.



Grant Funding

"Bucket 2" funding awarded for storage and turf removal, worth nearly \$200M



Key Areas of Focus

Provide Organizational Stability, Leadership, and Continuity

- Workforce development and staffing
- Executive team cohesion and effectiveness
- Regular member agency engagement

Fully Incorporate Climate Adaptation into Decision Making

- Prioritize climate adaptation—in analysis and action
- Develop and implement CAMP4W
- Provide best available information for upcoming decisions
- Embark on modern adaptive management





Key Areas of Focus

Strengthen Stability of Bay Delta and Local Relationships

- Continue working with Delta Counties and others toward common interests
- Additional pre-decision planning on infrastructure
- Near- and mid-term efforts to secure resilience

Negotiate Colorado River Agreements and Operating Guidelines

- Short and long term
- California, Lower Basin, and Basin-wide
- Finalize and implement Inflation Reduction Act funding





Key Areas of Focus

Advance the Planning and Agreements for Pure Water Southern California

- Planning
 - PEIR
 - phasing
 - funding strategy
 - potential LA interconnection
- Partnerships
 - agency term sheets
 - Arizona, Nevada, San Gabriel Valley MWD

Achieve Equitable Supply Reliability for State Water Project Dependent Areas

- Follow through on capital projects and August 2022 resolution
- Prioritize storage available to State Water Project dependent areas





Key Areas of Focus

Identify and Implement Business Model Refinements

- Support Task Force and member agency review and deliberations
 - timeframe to allow implementation for next budget/rate cycle

Discuss Settlement in SDCWA/MWD Rate Litigation

Implement Revenue Strategies and Cost Reductions Per Approved Budget

- Biennial budget assumed ~\$156M in additional revenue and cost savings



voters. Under a budget adopted April 6 by the voters, which would be ever larger and thirstier, with more end-users paying water bills. whether to pay more. The choice is whether or not to pay whatever higher rates and taxes we pay will ar



Discussion



