



Pathway to the Future

Metropolitan
Business Plan
for FY25-26



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Introduction

Metropolitan's Business Plan for fiscal year (FY) 25-26, Pathway to the Future, identifies priority areas of focus for the coming year and provides an action-based framework to, improve effectiveness, build long-term stability, manage uncertainty and risk, and strengthen the organization's ability to fulfill its mission.

The mission of the Metropolitan Water District of Southern California is 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.

At the same time, our work is focused on critical, daily responsibilities to maintain and manage an extensive infrastructure network and to effectively deliver water to our 26 member agencies through the collective effort and expertise of Metropolitan's nearly 1,900 employees.

The FY25-26 Business Plan compiles the goals of the four Department Heads who report directly to the Metropolitan Board (the General Manager, General Auditor, General Counsel, and Ethics Officer). As detailed in an April 2025 Operating Agreement, the Department Heads are committed to teamwork in implementing the organizational strategy and direction of the Board. The Department Heads act as strategic partners to one another, while also providing independent review and guidance, within their respective authorities identified in the Administrative Code, to protect the interests of Metropolitan, manage risks, increase transparency, and improve organizational effectiveness.

Through mutual support, staff cooperation, and intellectual collaboration, the partnership of the Department Heads increases the value that each individual department brings to the organization.

We also recognize that the Business Plan can only be successful through an open and ongoing collaboration with the Board and Metropolitan's member agencies, as well as the communities that Metropolitan serves.

Metropolitan expects important progress in the coming year, and this Business Plan is a useful reference to the work envisioned. In the face of an expanding landscape of challenges, Metropolitan must remain nimble to adapt and respond to changing conditions and emerging opportunities. Accordingly, this plan remains dynamic. The Department Heads will regularly communicate with and report to the Board in open meetings on the status and progress of the following goals.

General Manager

The General Manager is the chief executive of the District, responsible for setting the strategic course of the district to fulfill board direction and policies; managing urgent and long-term investments in Metropolitan's extensive infrastructure and assets; overseeing the activities of nearly 1,900 staff; maintaining relationships with policy makers, regulators and other partners; and collaborating with Metropolitan's member agencies. Collectively, these activities and investments serve to fulfill Metropolitan's mission.

The General Manager exercises all executive, administrative, and ministerial powers not specifically reserved to the Board, General Counsel, General Auditor, or Ethics Officer, including the power to establish operating policies deemed necessary for the efficient and effective operation of the District.

In the face of today's unprecedented challenges, the General Manager is working with the Board to chart a pathway to the future that better prepares Metropolitan for the coming century. The five strategic priorities that governed the previous year's business plan are still in play, providing important guidance for the District's core functions.

Strategic Priorities Provide Long Term Direction



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

However, there are critical decisions and activities ahead in FY25-26 that warrant heightened focus. They are more specific than the overarching strategic priorities, with outcomes that result in board decisions and action. The General Manager has identified the following nine goals and outcomes for these focus areas.

General Manager

Follow Through on Business Model Refinement Recommendations

1. Propose modification for treated water cost recovery
2. Set frameworks to facilitate member agency exchanges and sales outside the service area
3. Revise reserve policies and sales projections
4. Initiate an Integrated Strategy for Infrastructure Reliability
5. Evaluate other fixed revenue proposals identified by the Financial Sub-Working Group

Develop a Biennial Budget that Meets Metropolitan's Needs

1. Provide transparency and broad engagement to support informed policy making
2. Implement risk-informed capital investment planning to ensure reliable critical infrastructure
3. Maintain strong credit ratings and access to capital markets
4. Maintain financial flexibility and long-term financial sustainability
5. Budget for enhanced mission-critical capabilities

Execute CAMP4W Implementation Strategy to Integrate Climate Adaptation District Wide

1. Assess climate risks and vulnerabilities
2. Set and refine targets and policies
3. Identify climate adaptation strategies
4. Evaluate projects and programs using the CAMP4W assessment criteria
5. Integrate climate considerations and implement adaptation strategies
6. Monitor and report progress

Develop Post-2026 Guidelines and Negotiate Implementation Agreements

1. Provide input that shapes USBR's selected alternative
2. Negotiate implementation agreements that protect and benefit Metropolitan's interests
3. Educate legislators so they will champion the District's interests

Decide on Sites Reservoir and Protect our Bay Delta Interests

1. Bring Sites Reservoir analyses and options to the Board for consideration
2. Maintain and advocate for Metropolitan's interests in Delta Conveyance Project (DCP) planning and associated funding
3. Implement risk reduction strategies to protect Delta assets and minimize supply disruption
4. Advance science and multi-benefit solutions that improve the sustainability of the Delta and inform regulation

General Manager

Complete EIR and Planning, for Board to Consider Pure Water Southern California

1. Complete EIR analyses and public process
2. Update program cost and staging approach
3. Develop terms for agency and partner participation
4. Prepare for possible implementation through contractor outreach and water quality research
5. Convene Regional Water Reuse Collaborative to identify and launch coordination and integration opportunities

Achieve Equitable Supply Reliability for State Water Project Dependent Areas

1. Execute Board approved supply reliability projects
2. Advance the Foothill Pump Station/Inland Feeder Intertie project
3. Begin phase 3 of the Surface Water Storage Study
4. Evaluate further potential investments toward addressing State Water Project Dependent Areas

Improve the Workplace and Promote START Values

1. Strengthen safety training
2. Expand security capabilities
3. Accelerate recruitments to reduce the vacancy rate
4. Use annual assessments to inform workplace improvement strategies
5. Promote START (Safety, Trust, Accountability, Respect and Teamwork) values

Provide Organizational Stability and Deliver Operational Excellence

1. Maintain excellence in daily operations and reliability
2. Partner with Department Heads to institute a common business plan
3. Strengthen process for director-level complaint response through EEO role in support of board ad hoc committee
4. Support a smooth and efficient transition to the next GM

For further information, contact officeofthegeneralmanager@mwdh2o.com or mschlageter@mwdh2o.com.

General Auditor



The mission of the Office of the General Auditor is to provide independent, professional, and objective assurance and consulting services designed to add value and improve Metropolitan's operations. We help Metropolitan accomplish its objectives by using a proactive and systematic approach to evaluate and recommend improvements to the effectiveness of governance, risk management, and internal control processes.

Five FY25-26 goals are planned and are themed around service, collaboration, continuous improvement, quality, and capability. Each goal has outcomes or specific tasks to be completed in support of the goal.

Support the district mission, governance, risk management, and control by executing risk-based audits and advisory services.

1. Complete all initial carryforward projects.
2. Issue innovative recommendations and solutions to mitigate risk, increase efficiency, and reduce costs.
3. Utilize contracted audits to supplement in-house resource risk coverage.
4. Perform targeted Rapid Reviews to provide swift analysis to the Board and management.
5. Support/facilitate enterprise risk management initiatives and internal control frameworks.

Promote positive change by continuing Board and management collaboration.

1. Act on the department head collaboration workshop series results including the department head operating agreement and Direct Report Team vision scorecard.
2. Facilitate the combined assurance model by working with other district assurance functions and the external auditor.
3. Enable Board education on internal audit topics through Board information items and internal audit publications; perform new Board member orientation to Internal Audit.
4. Complete site visits; participate in available management forums.
5. Provide training opportunities through management meetings and forums.

Seek continuous improvement by pursuing innovative audit means and methods.

1. Establish key performance indicators and add these to quarterly dashboard reporting.
2. Implement artificial intelligence tools and techniques.
3. Expand the use of the data analytics tool and share capabilities with other departments.
4. Enhance TeamMate+ (audit project management system) functionality.
5. Connect with other internal audit functions and professionals.

General Auditor



Ensure quality work and service delivery by conforming to professional internal audit standards.

1. Develop a vision statement, purpose statement, and strategic plan aligned with district objectives.
2. Implement corrective action identified in the GIAS (Global Internal Audit Standards) readiness assessment.
3. Resolve/make significant progress towards 2023 quality assessment conformance gaps.
4. Continue internal quality assessments and report results to the Board.
5. Issue customer service surveys, analyze results, and develop action plans to address themes.

Expand Internal Audit capabilities by deploying people-focused and culture-changing initiatives.

1. Embody Metropolitan's START (safety, trust, accountability, respect, teamwork) values; support standards of conduct initiative and ensure communication of organizational changes to the team.
2. Set customized training plans to include a minimum of 40 hours per fiscal year.
3. Formalize staff specialization in district risk areas.
4. Establish a complete internal career ladder within the department.
5. Encourage professional certification for staff.

For further information, contact General Auditor Scott Suzuki at officeofthegeneralauditor@mwdh2o.com or (213) 217-6528 or Assistant General Auditor Kathryn Andrus at (213) 217-7213.

General Counsel

The mission of the Legal Department is to assist Metropolitan by providing a full range of legal services in a professional, timely, cost effective and creative manner.

The primary role of the Legal Department is to serve as the attorney for Metropolitan; to represent Metropolitan in all actions and proceedings; to serve as the legal advisor to the Board and the Officers of Metropolitan; and to collaborate with and assist the General Manager and the General Manager's staff to achieve the work of Metropolitan in accordance with the goals and priorities established by the General Manager and the Board. Legal's portion of the FY25-2026 Metropolitan Business Plan is based on the existing Strategic Priorities established by the General Manager for the two-year 2024 – 2026 budget cycle

EMPOWER workforce and promote diversity, equity and inclusion.

1. Continue to provide legal assistance to HR as requested
2. Participate in the resolution of grievances, PERB claims and other matters by negotiation and other means to achieve settlement and, if the matters do not settle, to represent Metropolitan in any resulting adverse action;
3. Reinitiate training for managers on HR matters;
4. Coordinate with GM staff on safety recommendations and response to safety incidents and notices of violation;
5. Stay current on any regulations and litigation relating to diversity and provide information and guidance, as appropriate to staff of EEO and DEI.

SUSTAIN Metropolitan's mission with a strengthened business model.

1. Continue to collaborate and advise the implementation of the Climate Adaptation Master Plan for Water (CAMP4W) process and the potential impact on Metropolitan's business model;
2. Stay current on changes to grant requirements and collaborate with grant staff to ensure compliance by Metropolitan; and
3. Continue to partner with Finance on budget, rates and charges.

ADAPT to changing climate and water resources.

1. Continue to collaborate with management on Colorado River negotiations and provide legal advice and support for drafting of agreements or representation of Metropolitan in the event of disputes;

General Counsel

2. Continue to actively participate with State Water Contractors and DWR in State Water Project matters to protect permits and Metropolitan's SWP supplies and to facilitate accomplishment of the Board's adopted goals relating to projects and Metropolitan's assets in the Delta;
3. Continue to assist with Bay Delta Science program; and
4. Continue to provide legal support to Pure Water Southern California and potential agreements relating to the implementation of PWSC.

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

1. Continue to collaborate with other managers to identify risks to Metropolitan regarding infrastructure and operations;
2. Assist GM staff with the implementation of priority infrastructure projects;
3. Stay current with changing regulations and case law pertaining to contaminants in public water supplies and continue to collaborate with Water Quality staff and other industry entities to respond to proposed regulations and legislation;
4. Continue to monitor existing litigation relating to PFAS, contaminants and additives to public water supplies including Fluoride; and,
5. Continue to monitor and advise on invasive species, internal and external projects that may impact the water quality of Metropolitan's supplies.

PARTNER with interested parties and the communities we serve.

1. Continue to participate with management in negotiations with tribal entities; and
2. Continue to assist/advise regarding business model implementation.

Goals to provide assistance and information to the Board.

1. Assist Chair and Board with requested changes to the Administrative Code;
2. Provide information and advice to the Board;
3. Advise Board of risks that may impact Metropolitan; and
4. Assist with Board meeting procedures.

General Counsel

Goals to strengthen the Legal Department.

1. Fill vacant position to provide additional legal services internally and more economically;
2. Review outside counsel performance for cost/benefit;
3. Issue RFQs to seek qualified/reasonably priced outside counsel;
4. Increase training of staff;
5. Implement new technologies; and
6. Provide for more staff interaction.

For further information, contact officeofthegeneralcounsel@mwdh2o.com.

Ethics Officer



The Ethics Office promotes the highest standards of government integrity to support Metropolitan's mission through an independent and comprehensive program that enhances trust, transparency, and accountability for the benefit of the workforce and the public it serves. Our vision is to be a leader in governmental ethics with an unparalleled commitment to supporting an ethical organizational culture.

Metropolitan's policy is to "maintain the highest standards of ethics from Metropolitan officials" and "conduct its business with integrity in an honest and ethical manner." The Ethics Office will continue to advance this policy to help maintain public trust in district decisions and initiatives overseen by the General Manager, General Auditor and General Counsel.

Ethics Officer's Integrative Business Plan for FY25/26

The Ethics Office centers around helping Metropolitan foster an integrity-based organizational culture and safeguarding the public's trust through its five core ethics programs: Education, Advice, Compliance, Policy Development, and Investigations.

Continue the initiatives and mandates of its core ethics programs. Specific goals within the core program this fiscal year include:

1. Provide mandatory and supplemental ethics trainings and materials to directors, employees, and other stakeholders in a range of formats
2. Help to ensure that Metropolitan and its officials comply with state ethics laws and Metropolitan ethics policies
3. Advise officials on the ethical obligations of public service and ethics considerations arising in the course of their work
4. Conduct an internal review of Ethics Office policies and procedures
5. Strengthen accountability through objective investigations of potential ethics violations.

Continue special projects to further ensure that Metropolitan officials carry out their governmental duties with the highest ethical standards. The Office will perform the following special projects this fiscal year:

1. Develop and propose for adoption an organizational Code of Conduct
2. Help Metropolitan earn a Transparency Certificate of Excellence distinction
3. Expand outreach efforts through FAQs and live events

Ethics Officer



- 4. Conduct reviews of ethics-related issues and concerns arising in the course of our core programs for the purpose of making recommendations to policies, procedures, or practices to help mitigate ethics risks
- 5. Support the professional development and continuing education of office staff

For further information, contact ethicsoffice@mwdh2o.com.

Pathway to the Future

Metropolitan Business Plan for FY25-26



About Metropolitan

The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies - cities and public water agencies - that serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage and other resource management programs.



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