

**Gail Goldberg's "Homework" as Vice Chair of Finance and Planning**  
**The Evolution of MWD's Mission and Financial Model Over Time**  
*Where are we and what do we need to do?*

Year	What Happened?	Why?	Financing Plan/Impact
1928	Legislature created MWD (MWD Act) <sup>1</sup>	<ul style="list-style-type: none"> <li>To provide a supplemental water supply for southern California retail water suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Property taxes, but to shift over time to water sales ("user pays")</li> </ul>
1984	Legislature passed MWD Act §124.5 and §134.5	<ul style="list-style-type: none"> <li>To enforce planned shift of costs to water rates/user pays</li> </ul>	<ul style="list-style-type: none"> <li>Ad valorem taxes limited, fixed charges authorized</li> </ul>
1990's	Drought cutbacks	<ul style="list-style-type: none"> <li>Not enough MWD water to meet demand</li> </ul>	<ul style="list-style-type: none"> <li>MWD and member agencies pursue new water resources</li> </ul>
1994	Independent review by Blue Ribbon Task Force at MWD board request <sup>2</sup>	<ul style="list-style-type: none"> <li>Response to drought impacts and other changed circumstances, including member agency alternatives and need to invest more money for supply</li> </ul>	<ul style="list-style-type: none"> <li>MWD financial model won't work under <i>changed circumstances</i></li> <li>Board must be prepared to make and enforce changes for fiscal sustainability</li> </ul>
1996	Board adopts first IRP (Integrated Resources Plan)	<ul style="list-style-type: none"> <li>To respond to the changed circumstances and plan for a reliable water supply</li> <li>Staff projected average MWD demand at <b>2.8 MAF</b></li> </ul>	<ul style="list-style-type: none"> <li>IRP warned <b><i>fiscal sustainability depends on water sales</i></b></li> <li>Plan said if sales go down, board needs to make changes to ensure fiscal sustainability</li> </ul>
1999	Board adopts Strategic Plan Policy Principles	<ul style="list-style-type: none"> <li>Board must know volume of sales we can count on ("baseline") in a new era and given member agencies have other options</li> </ul>	<ul style="list-style-type: none"> <li>Staff warns board must be ready to take steps to assure fiscal integrity <b><i>if water sales go down</i></b></li> </ul>
2004	IRP update	<ul style="list-style-type: none"> <li>Adds 10% planning buffer</li> </ul>	<ul style="list-style-type: none"> <li>No change in financial plan</li> </ul>
2010	IRP update	<ul style="list-style-type: none"> <li>Increases buffer and adds foundational actions</li> </ul>	<ul style="list-style-type: none"> <li>No change in financial plan</li> </ul>
2011	Blue Ribbon Committee Report	<ul style="list-style-type: none"> <li>Says MWD's value proposition is doing what some member agencies cannot do alone</li> </ul>	<ul style="list-style-type: none"> <li>Recommends board consider changes to both business and rate model</li> </ul>
2015	IRP update	<ul style="list-style-type: none"> <li>Projected 2020 average MWD demand at <b>1.859 MAF, or more than 940,000 AF less than 1996</b></li> </ul>	<ul style="list-style-type: none"> <li>No change in financial plan</li> </ul>
2020	IRP Needs Assessment	<ul style="list-style-type: none"> <li>Change from planning for supply gap to scenario planning</li> <li>"Regional gap" projected at range of <b>1.2 MAF shortage to 1.9 MAF surplus</b></li> </ul>	<ul style="list-style-type: none"> <li>One Water rate structure review planned to set baseline for adaptive management</li> </ul>
2022	Climate Action Plan	<ul style="list-style-type: none"> <li>No change in IRP</li> </ul>	<ul style="list-style-type: none"> <li>No change in financial plan</li> </ul>

<sup>1</sup> Light blue are statutory.

<sup>2</sup> Light green are independent reviews.