

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

¹ Light blue are statutory.

² Light green are independent reviews.