



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Sustainability, Resilience, and Innovation Group

- **Member Agency Ad Hoc Working Group Update on Business Model**

Summary

This report presents correspondence received from Member Agency Managers outlining a proposed process for an Ad Hoc Working Group to review and recommend refinement of Metropolitan Water District's business model

Purpose

Informational

Attachments

Attachment 1 – Letter re: Business Model Review and Refinement Ad Hoc Working Group Process

Detailed Report

On July 22, 2024, as part of the CAMP4W process, the Board Chair, Board Vice Chair for Finance and Planning, and the Chair of the Subcommittee on Long-Term Regional Planning Process and Business Model (the CAMP4W Task Force Chair) provided guidance to the general managers of Metropolitan's member agencies regarding the process for the business model review. Guidance was shared with the materials for CAMP4W Task Force discussion at the July 24, 2024 Subcommittee meeting.

On August 23, 2024, member agency managers from all 26 member agencies submitted a joint letter in response. Attachment 1 is a copy of the letter received.

BUSINESS MODEL REVIEW AND REFINEMENT AD HOC WORKING GROUP PROCESS



August 19, 2024

Mr. Adán Ortega Jr., Board Chair
 Ms. Gail Goldberg, Board Vice Chair for Finance and Planning
 Mr. Matt Petersen, CAMP4W Task Force Chair
 Mr. Deven Upadhyay, Interim General Manager
 Metropolitan Water District of Southern California
 700 North Alameda Street
 Los Angeles, CA 90012-2944

Subject: BUSINESS MODEL REVIEW AND REFINEMENT AD HOC WORKING GROUP PROCESS

Dear Board Leadership and Interim General Manager Upadhyay,

Thank you for your July 22nd guidance letter regarding the development of a Business Model review and refinement Ad Hoc Working Group as we consider the impacts of climate change on Metropolitan's water supply and operations ***“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.”***

We further appreciate the Board Leadership’s foresight and recognition that as Metropolitan's Member Agency Managers, we have expertise through our direct experience running our respective agencies' day-to-day operations and finances, which offers valued input into the Business Model review and refinement process.

Following the July 24th Subcommittee on Long-Term Regional Planning Processes and Business Modeling CAMP4W Task Force Meeting, we collectively reviewed and discussed your guidance letter and the Ad Hoc Working Group process. As the 26 Metropolitan Member Agency Managers, we propose the following framework for collaboration that includes at least two facilitated “retreats” to discuss and vet major elements of the process (see attached).

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We look forward to embarking on a collaborative effort for review and refinement of the Business Model via the Ad Hoc Working Group and pledge our continued dedication to the success of Metropolitan's initiatives.

Sincerely,

Craig J. Parker, P.E., BCEE
Assistant General Manager, Water Services
Anaheim Public Utilities
City of Anaheim

Shana Epstein
Director of Public Works
City of Beverly Hills

Richard Howard Wilson, P.E.
Assistant General Manager – Water Systems
Burbank Water & Power

Jessica Taylor
Director of Operations
California American Water/City of San Marino

Kristine McCaffrey
General Manager
Calleguas Municipal Water District

Jose Garfias
Interim Water Department General Manager
City of Compton Water Department

Elaine Jeng, P.E.
Interim General Manager
Central Basin Municipal Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Nina Jazmadarian
General Manager
Foothill Municipal Water District

Stephen Bise, P.E., T.E.
Director of Public Works
City of Fullerton

Chisom Obegolu, P.E.
Assistant General Manager – Water Services
Glendale Water & Power

Shivaji Deshmukh, P.E.
General Manager
Inland Empire Utilities Agency

David W. Pedersen, P.E.
General Manager
Las Virgenes Municipal Water District

Chris Garner
General Manager
Long Beach Utilities
City of Long Beach

Anselmo G. Collins, P.E., MBA
Senior Assistant General Manager – Water System
Los Angeles Department of Water and Power

Harvey De La Torre
General Manager
Municipal Water District of Orange County

Stacie N. Takeguchi
Chief Assistant General Manager
Pasadena Water & Power

Dan Denham
General Manager
San Diego County Water Authority

Wendell E. Johnson, P.E.
Director of Public Works
City of San Fernando

Cesar E. Barrera, P.E.
Deputy Public Works Director
Water Resources Manager
City of Santa Ana

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Sunny Wang, P.E.
Water Resources Manager
City of Santa Monica

Andy Darlak
Water Operations Manager
City of Torrance

E.J. Caldwell
General Manager
West Basin Municipal Water District

Matthew H. Litchfield, P.E.
General Manager
Three Valleys Municipal Water District

Tom Love
General Manager
Upper San Gabriel Valley Municipal Water District

Craig Miller
General Manager
Western Municipal Water District

DRAFT FRAMEWORK FOR MWD AND MEMBER AGENCY COLLABORATION ON BUSINESS MODEL REVIEW AND REFINEMENT

August 19, 2024

In response to the July 22nd guidance from Board Leadership, the Metropolitan Water District of Southern California (MWD) and its Member Agencies (MAs) propose to embark on a collaborative effort to review and refine the Business Model via an Ad Hoc Working Group.

The attached flow chart describes the proposed process. Following are the initial logistics for the effort:

- MWD and MA Managers jointly “own” the process, work products, and recommendations of the Ad Hoc Working Group.
- The Ad Hoc Working Group includes all 26 MA Managers and MWD’s General Manager.
- MWD’s General Manager will invite key MWD staff (subject matter experts) to actively participate, as needed.
- The Ad Hoc Working Group will organize at least two facilitated “retreats” to discuss and vet major elements of the process.
- To coordinate the Ad Hoc Group meetings/retreats, a MA Liaison group of MA Managers (four to six) serving on a volunteer basis will assist with the administrative elements of the process. MWD will hire a professional facilitator to support the Ad Hoc Working Group’s retreats. The MA Managers' input will be considered in the selection of the facilitator.
- In preparation for the retreats, the facilitator should have the opportunity to receive input from the MWD General Manager and MA Managers.
- Board Leadership will be provided with an opportunity to address the Ad Hoc Working Group at the onset of the retreats.
- Progress updates will be given by the Ad Hoc Working Group at the Subcommittee on Long-Term Regional Planning Processes and Business Modeling meeting and/or appropriate committee at key milestones.
- The Ad Hoc Working Group's goal is to provide and present a deliverable report to the CAMP4W Task Force by March 31, 2025, with collaborative-based recommendations that can be subsequently considered by the Board.

Proposed Process for MWD Business Model Discussion

August 19, 2024

