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# OFFICE OF THE GENERAL MANAGER

The Office of the General Manager manages and administers all Metropolitan activities except those functions specifically delegated by statutes and Board order to the General Counsel, General Auditor, or Ethics Officer.

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## PROGRAMS

The Office of the General Manager provides overall leadership and management of Metropolitan’s mission. This includes the management of all matters pertaining to the business of the Board and research on actions and policies of the Board by staff for directors, member agencies, and the public.

The General Manager’s Business Plan outlines the strategic priorities that this office will focus on for the period covered by the biennial budget.

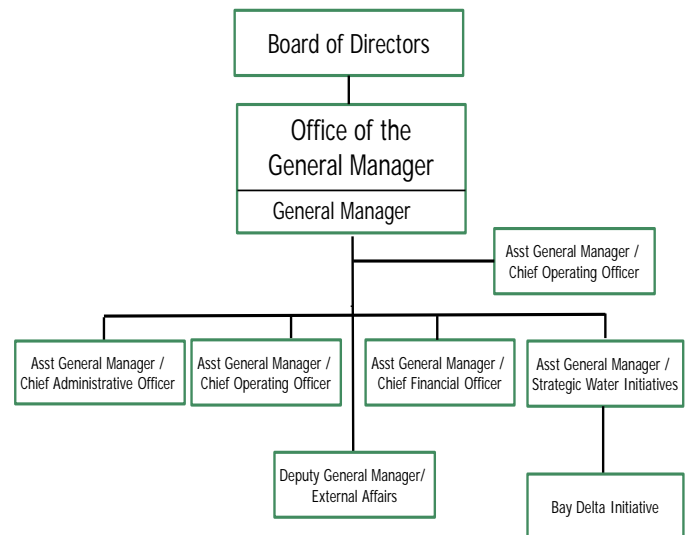
The Office of the General Manager accomplishes its mission through the following programs or sections:

**Office of the General Manager** is responsible for the management and administration of Metropolitan’s activities including the management of all matters pertaining to the business of the Board and research on actions and policies of the Board by staff for directors, member agencies, and the public.

**Bay Delta Initiatives** organization was created in recognition of the increased importance of the Bay Delta to Southern California’s long-term reliability goals and opportunities available to advance the long-term needs of the Bay Delta. This organization spearheads efforts necessary to ensure a stable water supply from key sources in an environmentally responsible manner.

**Board of Directors** provides policy and direction as the governing body of the Metropolitan Water District. The Board Support

Team provides administrative support to the business of the Board. The Inspection Trip Team conducts field inspection trips to Metropolitan and related facilities for the purpose of providing business and community leaders with firsthand knowledge of Metropolitan’s operations.



## GOALS AND OBJECTIVES

For FY 2014/15 and FY 2015/16, the General Manager's Business Plan outlines five strategic priorities to support Metropolitan's mission.

### Strategic Priority #1: Complete the Bay Delta Conservation Plan (BDCP) and the associated Environmental Impact Report/Statement

During Fiscal Year 2014/15, the goal will be to complete the environmental documentation and necessary financing agreements so that Metropolitan's Board of Directors can make a sound business decision on participation in and implementation of a BDCP.

Interim steps in this process that will be completed during this time period include organizing and developing procedures and structures to handle the mechanics and logistics of managing a mega-construction project including but not limited to: establishing and staffing a construction office; developing appropriate specifications for equipment procurement, design and construction; establishing procedures for land acquisition and habitat development; creating approaches for interim and long-term project financing; and preparing all necessary permitting documentation.

In addition, staff will continue near-term efforts to provide greater reliability of State Water Project supplies. These actions include identifying and pursuing early-action habitat projects that satisfy current permit obligations that will also be compatible with the BDCP. Staff will also pursue implementation of new management techniques for species in the Delta including development of new models for species life cycles, turbidity monitoring and other approaches all designed to lead to better management of water supplies while enhancing protection for endangered species.

Finally, staff will work on implementation of the Delta Flood Emergency Preparedness, Response Recovery Plan in the event of a catastrophic interruption of water supplies due to earthquake or flood damage.

### Strategic Priority #2: Develop Water Supplies and Manager Water Reserves

Staff will work closely with the Board to manage Metropolitan's water supply reserves in the face of the unprecedented drought conditions in California and throughout the Southwest. The actions will include implementation of storage withdrawals, coordination of deliveries with the member agencies, close monitoring of drought conditions and possible allocation actions as part of the Water Surplus and Drought Management plan, and targeted outreach on conversation efforts.

### Strategic Priority #3: Educate the Public and Stakeholders on Critical Water Supply Conditions and Critical Water Management Decisions.

The coming two years will be momentous years for the water industry in California. The current drought gripping California has caused unprecedented water conditions for much of California and led to dramatic response at the state and federal level. These conditions are likely to deepen at least through 2014 if not beyond. Additionally, indications are that key decisions may occur on a Bay Delta plan, a potential water bond, significant legislative proposals for statewide action and key Colorado River milestones. It will be essential to fully engage the public and key stakeholders in Metropolitan's service area and statewide on the importance of these issues, as decisions made over the next two years will be felt for a generation.

### Strategic Priority #4: Employee Development

The proposed budget calls for Metropolitan to cease its managed attrition that has shrunk Metropolitan from 2,400 full-time employee positions to a current workforce of approximately 1,750. Recruitment activity will be expanded to fully replace all retirements and actually add some positions to bring the work force to 1,830 positions over the next two years. Increase employee cross-training and employee development efforts will be needed to meet the

challenge of increased retirements brought about by an aging workforce.

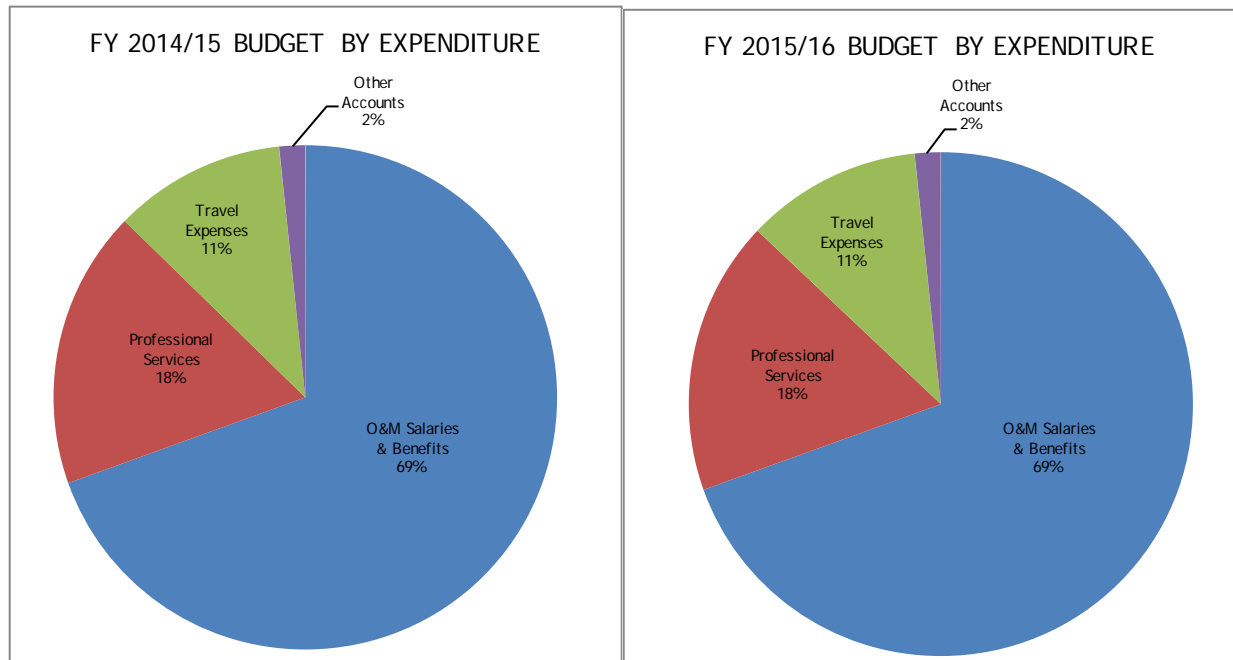
### Strategic Priority #5: Local Projects and Integrated Resources Plan Updates

Staff intends to review its Local Resources Program and conservation rebate programs during this drought period to review what new actions might be appropriate, learn from this experience as to how to improve our programs and work with the public and member agencies on expanding conservation efforts. Metropolitan's IRP was adopted in 2010 and will be updated in 2015 along with the state required Regional Urban Water Management Plan.

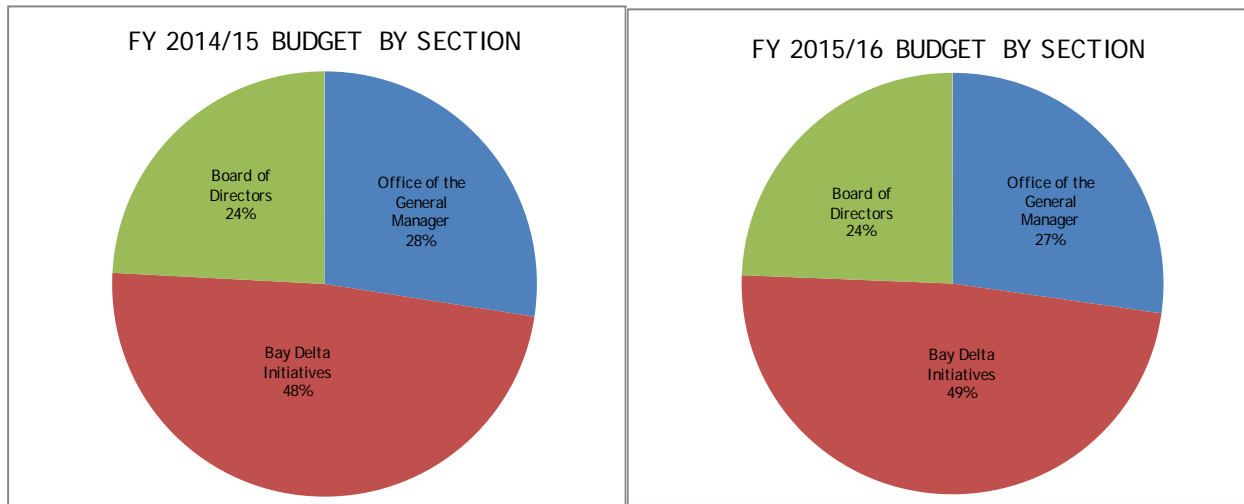
## O&M Financial Summary

	2012/13 Actual	2013/14 Budget	2014/15 Budget	Change from 2013/14	2015/16 Budget	Change from 2014/15
Total Salaries and Benefits	8,051,600	8,878,400	10,063,000	1,184,600	10,197,900	134,900
<i>Direct charges to Capital</i>	0	(215,200)	0	215,200	0	0
<b>O&amp;M Salaries &amp; Benefits</b>	8,051,600	8,663,200	10,063,000	1,399,800	10,197,900	134,900
% Change		7.6%		16.2%		1.3%
Professional Services	1,971,600	2,580,000	2,580,000	0	2,580,000	0
Travel Expenses	1,335,500	1,228,600	1,598,400	369,800	1,654,200	55,800
Other Accounts	355,400	382,300	241,000	(141,300)	244,500	3,500
<b>Total O&amp;M</b>	<b>11,714,100</b>	<b>12,854,100</b>	<b>14,482,400</b>	<b>1,628,300</b>	<b>14,676,600</b>	<b>194,200</b>
% Change		9.7%		12.7%		1.3%
Operating Equipment	25,200	0	0	0	0	0
<b>Total O&amp;M and Operating Equipment</b>	<b>11,739,300</b>	<b>12,854,100</b>	<b>14,482,400</b>	<b>1,628,300</b>	<b>14,676,600</b>	<b>194,200</b>
% Change		9.5%		12.7%		1.3%

Note – Totals may not foot due to rounding.



## O&M BUDGET BY SECTION



	2013/14	2014/15	Change from	2015/16	Change from	Personnel Budget		
	Budget	Budget	2013/14	Budget	2014/15	13/14	14/15	15/16
Office of the General Manager	3,454,600	3,974,800	520,200	4,000,100	25,300	13	13	13
Bay Delta Initiatives	6,197,900	7,009,500	811,600	7,100,300	90,800	17	19	19
Board of Directors	3,201,600	3,498,200	296,600	3,576,200	78,000	10	10	10
<b>Total O&amp;M</b>	<b>12,854,100</b>	<b>14,482,400</b>	<b>1,628,300</b>	<b>14,676,600</b>	<b>194,200</b>	<b>40</b>	<b>42</b>	<b>42</b>

Note - Totals may not foot due to rounding.

## Personnel Summary

	2012/13	2013/14	2014/15	Change from	2015/16	Change from
	Actual	Budget	Budget	2013/14	Budget	2014/15
Regular	36	40	41	1	41	0
O&M	36	39	41	2	41	0
Capital	0	1	0	(1)	0	0
Temporary	1	1	1	1	1	0
O&M	1	1	1	1	1	0
Capital	0	0	0	0	0	0
<b>Total Personnel</b>	<b>37</b>	<b>41</b>	<b>42</b>	<b>1</b>	<b>42</b>	<b>0</b>
O&M	37	40	42	2	42	0
Capital	0	1	0	(1)	0	0

Note - Totals may not foot due to rounding.

## SIGNIFICANT BUDGET ISSUES

The Office of the General Manager's biennial budget is \$14.5 million in FY 2014/15 and \$0.9 million in FY 2015/16 or an increase of 12.7% and 1.3% respectively from the prior budget years. The increase is due primarily to three factors:

- The addition of one regular position to support Bay Delta Initiatives and the Bay Delta Conservation Plan (BDCP).
- Salaries and Benefits costs were also impacted by merit increases for qualified employees and an increase in retirement-related benefits costs.
- Additional travel costs to respond to and promote key initiatives, notably those related to the Bay Delta and Colorado River supplies.

The following are the significant changes by budget year.

### FY 2014/15

Personnel-related issues

Professional Services

Other

### FY 2015/16

Personnel-related issues

Professional Services

Other

