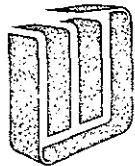


Karen E. Duff
Executive Secretary



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-3(i)

January 31, 1992

To: Board of Directors
From: General Manager
Subject: General Manager's Report for January 1992

OFFICE OF THE GENERAL MANAGER

During the month, my assistants and I participated in the following activities, either singly or with staff as noted.

| METROPOLITAN ATTENDEES | DATE | AGENCY/ORGANIZATION | PURPOSE/TOPIC |
|-----------------------------------|-------|--|---|
| Carl Boronkay | 12/11 | David Kennedy, Dir., DWR | SWP matters |
| | | Lester Snow, Gen. Mgr., SDCWA and Andy Moran, Gen. Mgr., Hetch Hetchy Water & Power, City and County of San Francisco | Discuss Governor's Water Task Force Meeting |
| | 12/12 | Patricia Mulroy, Gen. Mgr., Las Vegas Valley Water Dist.; Tom Clark, Gen. Mgr., Kern County Water Agency, and Bob Will | Western Urban Water Coalition meeting |
| | 12/13 | SDCWA Dinner | Tribute to Paul Engstrand |
| | 12/16 | Assemblyman David Kelley (R) and Chairman Krieger | Discussion of AB 21x to modify MWD Act's purpose and provisions |
| Carl Boronkay and Duane Georgeson | 12/16 | Dr. William J. Miller | Discuss the Three-Way Water Agreement Process |

| METROPOLITAN ATTENDEES | DATE | AGENCY/ORGANIZATION | PURPOSE/TOPIC |
|---|-------|--|---|
| Carl Boronkay, Duane Georgeson, Chairman Krieger, Vice Chairman Garcia, Directors Griffen, Witt, Killefer, Ibbetson, Knauft, Stelle, and Barker | 12/17 | Mike Radon, Pres. of Kern Co. Water Agency (KCWA) Bd.; Henry Garnett, KCWA Director; and other reps. of KCWA | Discuss SWP issues including legislation, Three-Way Agreement Process/ Governor's Water Policy Task Force, etc. |
| Carl Boronkay and staff | 12/17 | Assemblyman Richard Polanco (D) | Discussion of his various MWD criticisms |
| Carl Boronkay | 12/18 | Larry Goldzband, Deputy Cabinet Secretary, Governor's office | Review State water problems |
| | 12/19 | Phillip Williams, Vice Chmn., Times Mirror Co.; & Thomas Maddock, Pres., Boyle Engineering Co. | Briefing on activities of Californians for Water |
| Carl Boronkay and Mike McGuire | 12/20 | Kevin Bacon of Price Waterhouse | Discussion of Manager's Strategic Plan |
| Carl Boronkay and Tim Quinn | 12/26 | Peter Lewis of Blackwell Co. | Potential water marketing |
| Carl Boronkay | 1/2 | Art Littleworth and Greg Wilkinson of Best, Best, and Krieger | Bay/Delta Hearings update |
| Carl Boronkay and Ray Corley | 1/7 | Senator Ruben Ayala (D) | Review water legislation |
| Carl Boronkay | 1/8 | Consultant David Schuster | Seymour Bill, SB 2016 |
| | | Three-Way Steering Committee | Issues review |
| | | Assemblyman Richard Katz (D) | Discussion of AB 2090 (water marketing) |
| | | Consultant to Senator Herschel Rosenthal (D) | Discussion of SB 1270 (PUC jurisdiction) |
| | 1/15 | Charles Shreves, Gen. Mgr., IID, and IID rep. Lloyd Allen | Colorado River matters |

| METROPOLITAN ATTENDEES | DATE | AGENCY/ORGANIZATION | PURPOSE/TOPIC |
|--|-------|--|--|
| Carl Boronkay | 1/21 | Tom Clark, Gen. Mgr., Kern County Water Agency | Water marketing |
| Carl Boronkay, Mike McGuire, and staff | 1/22 | Small, Minority, and Women-Owned Businesses | Information symposium for business entrepreneurs |
| Carl Boronkay | 1/22 | Sup. Ben Austin and Joan Wilson Anderson, Chair. & Exec. Dir. So. Calif. Water Committee | Southern California Water Committee activities |
| | | CWRA Admin. Council | Meeting |
| | | Calif. Urban Water Agencies | Organizational activities |
| | | David Kennedy, Dir., DWR | State water matters |
| | | David Schuster | State water matters |
| Dick Balcerzak, Gary Snyder, and staff | 12/19 | Participate with citizens and civic officials at Garvey Cooperative Committee Meeting | Discuss repairs to Garvey Reservoir and to surrounding homes |
| Dick Balcerzak and Tom Drescher | 1/21 | William Von Klug, relocation assistance program consultant | Relocation assistance for homeowners surrounding potential reservoir sites |
| Duane Georgeson | 12/12 | Comr. of Intl. Boundary & Water Comm., Dr. Narendra Gunaji; Comr. of U.S. Bureau of Reclamation, Dennis Underwood; Regnl. Dir. of Lower CO Region, Robert Towles; and reps. from CO River Bd. of CA, Imperial Irrigation Dist., and Coachella Valley Water Dist. | Discuss All American Canal Lining Project -- consultation with Mexico |
| Duane Georgeson and Resources Div. staff | 12/13 | Reps. of U.S. Bureau of Reclamation and CO River Basin State Reps. | Discuss CO River issues |
| Duane Georgeson | 12/16 | Governor Pete Wilson's Water Policy Task Force Public Hearing | Commented on policies to guide water resource management in CA |

| METROPOLITAN ATTENDEES | DATE | AGENCY/ORGANIZATION | PURPOSE/TOPIC |
|--|---------------|---|---|
| Duane Georgeson and SWP/Conservation Div. staff | 12/17 | MWD auditor for the SWP, Joe Richardson | Discuss 1992 SWP billing, the audit, and water bank accounting |
| Duane Georgeson and Chairman Krieger | 12/18 | CA Legislature Assembly Committee on Utilities and Commerce, chaired by Assemblywoman Gwen Moore (D) | Testimony regarding proposed water rate increases |
| Duane Georgeson | 1/9/ & 1/10 | Genl. Mgr. of Las Vegas Valley Water Dist., Patricia Mulroy; Genl. Mgr. of Central Utah Water Conservancy Dist., Donald Christiansen; and consultant Gerald Gilbert | Meet in Washington, D.C. with various representatives regarding proposed Western Urban Water Coalition |
| Mike McGuire, Ron Kennedy, and staff | 1/9-10 | DMR; Deloitte & Touche/ IBM; Anderson | Interviews for Phase Zero consultant |
| Mike McGuire | 1/10 | Century Cable | Interview on water supply situation and water rates |
| Mike McGuire, Gil Ivey, Lauren Brainard, and staff | 1/15, 1/17,22 | JCG Finance Co., Dinwiddie Construction, Great Western Bank | Discuss impact of WCT Building owner's default on loan to bank |
| Mike McGuire | 1/23 | Executive Committee of CA/NV Section AWWA | Discuss section budget and other issues |
| Greg Taylor | 12/10 | Riverside County Habitat Conservation Agency | Stephen's kangaroo rat mitigation to be required for Lake Mathews Detention Basin project |
| | 12/13 | UCLA Public Policy Institute | Possible MWD participation in a mitigation banking conference, to include Eastside Reservoir Project mitigation efforts |
| | 12/18 | Reps. from City of Hemet and Hemet School District | Adequacy of Eastside Reservoir Environmental Impact Report |

| METROPOLITAN ATTENDEES | DATE | AGENCY/ORGANIZATION | PURPOSE/TOPIC |
|------------------------|-------|--|---|
| Greg Taylor | 12/19 | CA State Dept. of Education, Hemet School Dist., and City of Hemet | School siting issues in connection with Eastside Reservoir Project |
| | 12/30 | Riverside Co. Habitat Conservation Agency and Riverside Co. Regional Parks and Open Space District | Develop multi-species preservation plan for Domenigoni, Shipley and Skinner areas for application during construction period for Eastside Rsvr. Project |
| | 1/3 | David Kennedy, Dir., DWR | DWR's role in State Dept. of Education's review of school sites near Domenigoni reservoir site |
| | 1/7 | National Water Resources Assn. 1992 Leadership Forum on the Clean Water Act | Speaker on mitigation and banking efforts in connection with Eastside Reservoir Project |
| | 1/16 | Riverside Co. Supervisor Kay Cenicerros and San Diego Co. Supervisor John MacDonald | Meeting to discuss possible Santa Margarita River Drainage Study |
| | 1/17 | San Diego Water Authority | Mitigation and mitigation banking agreements |
| | 1/21 | Marvin Plenert, Reg. Dir. of U.S. Fish and Wildlife Service | Proposed pre-listing agmt. for species which may be designated as endangered during construction period of Eastside Rsvr. Project |
| | 1/27 | Fred Worthley, Reg. Mgr. of CA Dept. of Fish and Game | Proposed Pre-listing Agmt. for Future Listed Endangered Species in Eastside Rsvr. Project construction site |
| | 1/31 | Solicitor's Office of U.S. Fish and Wildlife Service, and Larry Eng of CA Dept. of Fish and Game | Proposed Pre-listing Agmt. for Endangered Species at Eastside Rsvr. Project site |

OPERATIONS

Water Supply. The eight-pump flow on the Colorado River Aqueduct (CRA) was reduced to a seven-pump flow during the week of January 6 for performance testing of Unit No. 2 at Eagle Mountain.

Water storage in the terminal reservoirs is listed below, along with the projected storage by the end of the indicated months. Storage in Lake Mathews as of January 21 was 158,316 acre-feet (AF); in Lake Skinner it was 39,046 AF.

ACTIVE STORAGE IN TERMINAL RESERVOIRS (ACRE-FEET)

| Reservoir | Jan. 1 Storage | Jan. 1 Storage % Of Capacity | Projected Storage By Jan. 31 | Projected Storage By Feb. 29 | Reservoir Capacity (AF) |
|--------------|----------------|------------------------------|------------------------------|------------------------------|-------------------------|
| Lake Mathews | 144,800 | 80% | 150,000 | 150,000 | 182,000 |
| Lake Skinner | 36,550 | 84% | 38,000 | 38,000 | 44,000 |

Active storage in the State Water Project's (SWP) Southern California reservoirs on January 1 totalled 604,240 AF, or 87 percent of capacity. Active storage as of January 21 was 630,849 AF. The individual reservoirs and their respective storage values follow, along with projected storage values for the respective months.

ACTIVE STORAGE IN SWP SOUTHERN CALIFORNIA RESERVOIRS (ACRE-FEET)

| Reservoir | Jan. 1 Storage | Jan. 1 Storage % Of Capacity | Projected Storage by Jan. 31 | Projected Storage by Feb. 29 | Reservoir Capacity (AF) |
|-----------------|----------------|------------------------------|------------------------------|------------------------------|-------------------------|
| Pyramid Lake | 139,500 | 85% | 155,000 | 160,000 | 166,000 |
| Lake Castaic | 276,800 | 91% | 285,000 | 295,000 | 305,000 |
| Silverwood Lake | 67,990 | 92% | 68,000 | 68,000 | 74,000 |
| Lake Perris | 119,950 | 97% | 120,000 | 120,000 | 124,000 |

Metropolitan took delivery of 65,500 AF of State project water (SPW) in December. For the month of January, it was projected that 20,000 AF of SPW would be required to meet Incremental Interruption and Conservation Plan (Stage V) target demands and discretionary pool deliveries. Total deliveries of SPW to Metropolitan in 1991 were 624,000 AF, including State Water Bank (Bank) deliveries of 215,000 AF, and 10,377 AF that was carried over from the 1990 allocation. Metropolitan has requested that 116,000 AF of the 1991 allocation be carried over for delivery in 1992. As of mid-January, approximately 12,000 AF were delivered.

Total San Luis storage as of January 20 was 1,042,700 AF or 51 percent of capacity. The Department of Water Resources' (DWR) share of San Luis storage was 511,000 AF. Storage in Lake Oroville as of January 20 was 1,277,600 AF or 36 percent of capacity. Due to the low run-off amounts in the State watershed, inflow into Oroville has been very low, and the storage level has declined slightly.

System Operations. No SPW is being delivered to the Diemer and Weymouth filtration plants. Lake Skinner contains a six percent blend of SPW. Water sales for December were 163,725 AF, which is 31 percent or 74,702 AF less than the December 1990 record of 238,427 AF.

Hydroelectric Operations. Hydroelectric generation ranged between 40 and 50 megawatts. Total power production in December was 29.8 million Kwh, which is equivalent to the power generated by burning 17.5 thousand barrels of crude oil.

Shutdowns. The shutdown of the East Orange County Feeder No. 2 and that of the Skinner plant to connect the new bypass line were both postponed from original January dates to February.

CONSTRUCTION AND MAINTENANCE

| SUBJECT | WORK IN PROGRESS/DESCRIPTION | STATUS OR PURPOSE |
|--|---|---|
| CRAPRP Phase VIII | The two remaining performance tests were completed the week of January 6 and the units were released for normal operation | Phase IX work began January 13 |
| Differential relay problem at Hinds Unit No. 6 | Original differential relays were replaced with ones allowing a greater degree of variance, a standard industry practice | Investigation continues to identify and correct this tripping problem's cause |

| SUBJECT | WORK IN PROGRESS/DESCRIPTION | STATUS OR PURPOSE |
|---|--|--|
| Service Connection USG-3 | Enlargement/construction project | Project complete, pending some electrical wiring and instrumentation work |
| Shortage of the 5,000-volt power cable to the Diemer plant | Emergency replacement made; the problem originated with chipping and cracking damage to non-shielded cable | All main power cables at all treatment plants will be tested and replaced as necessary |

Safety and Security. A crime prevention program was presented to 275 Headquarters employees consisting of an overview on reporting crimes, identifying suspects, and identifying resources available from the Los Angeles Police Department's Northeast Division. Also, security technology and the number of security personnel projected for the anticipated move to the WCT Building are being evaluated.

RESOURCES

Water Conservation Agreement with Imperial Irrigation District. Construction of the Z Reservoir and lining of 2.5 miles of lateral canals were completed in December. Automation work associated with operation of the Z Reservoir was scheduled for completion in January. Bid documents were completed for the Plum-Oasis Interceptor reservoir.

All American Canal Lining Project. Negotiations with Imperial Irrigation District were scheduled to resume this month regarding the development of regulatory reservoirs along the All American Canal. Due to funding and U. S. Bureau of Reclamation' (Reclamation) staff shortages, completion of the final EIR/EIS for the canal lining project is projected for February 1993, although an agreement is in progress to shorten the schedule.

Colorado River Water Users' Conservation Plan. In response to on-going drought conditions, plus anticipation of significant reductions of water available to Metropolitan from the SWP, Reclamation requested voluntary cooperation from each of the California agricultural entities using Colorado River water (CRW). Palo Verde Irrigation District, Bard Water District, Quechan Indian Tribe, Imperial, and Coachella Valley Water District (Coachella) were asked to develop contingency plans to conserve additional

water in 1992. Implementation would be requested if CRW use in the states of Arizona, California, and Nevada is forecasted to exceed 7.5 million AF.

Transfer of Funds to Upper Colorado River Basin Fund.

Reclamation plans to continue transferring \$1.5 million per year from the Lower Colorado River Basin Development Fund to the Upper Colorado River Basin Fund. The Colorado River Basin Salinity Control Forum also continued to express its concern about the previous \$10 million transfer of funds, and has suggested further discussion on issues associated with the transfer.

Power Operations. The CRA pumping operation maintained an 8-pump flow during most of December. On December 1 to 2, the pumping operation was reduced to a seven-pump flow to allow performance testing of Unit No. 7 at Gene under the Phase VIII stage of the CRA Pump Rehabilitation Project. From December 3 to 6, the pumping operation was reduced to a six-pump flow to allow separate performance tests on Units Nos. 5 and 7 at Hinds and Unit No. 8 at Iron, also under Phase VIII. During December, 107.4 thousand AF was pumped, and 213.8 million Kwh hours of electrical energy was used. The average pump flow was 7.8-pumps. Projections for January average a 7.6-pump flow with 204 million Kwh of energy pumping approximately 102 thousand AF of CRW. No disturbances or outages were reported.

Energy Operations. Energy purchases supplemental to Hoover and Parker supplies in December totalled \$2.2 million for 128 million kWh. Approximately 46 percent was purchased from the Salt River Project, 27 percent from the Western Area Power Administration's Navajo project under the Western Systems Power Pool, and 12 percent from Tucson Electric Power, with the remaining amounts purchased from Arizona Public Services, DWR, and Edison. Edison's incremental energy rate averaged 24.73 mills/kWh during December, compared to the supplemental energy purchases at an average rate of 16.81 mills/kWh. The supplemental energy purchase from economy energy suppliers resulted in a December cost savings of a little over \$1 million. For the month of January, approximately 125 million kWh of supplemental energy will be needed to meet the projected 7.6-pump flow operation.

Hydroelectric Operations. Total daily power generation ranged from 32.9 to 43.3 megawatts with all plants operational except for Perris, Coyote Creek, and Red Mountain. Total energy generation for December was 29.8 million kWh with a gross revenue of almost \$1.2 million. The projection for the month of January was 32.1 million kWh and \$1.3 million for generation and revenue.

Power Contracts. Metropolitan transmitted to Edison its estimated available CRA power resources, CRA energy requirements, and unused energy available to the SWP for calendar years 1992 through 2000. The projected energy requirements assume Metropolitan will be able to divert 1.25 thousand AF in 1992, but will be limited to 608.3 thousand AF for 1993, and 626.1 thousand AF per year for 1994 through 2000. To the extent that additional CRW becomes available, CRA loads would increase proportionately. Metropolitan transmitted to DWR its estimate of CRA power operations for calendar year January 1, 1992 through December 31, 1992, and included the anticipation that no surplus CRA energy will be available to sell to DWR nor will any energy be available for exchange during 1992. However, Metropolitan estimates that approximately 852 million kWh will be required in supplemental purchases for its power operations and that such energy could be purchased from DWR depending upon availability and power marketing conditions existing at the time. Regarding the Etiwanda Power Plant's future sales of hydroelectric energy, a draft report was prepared by a consultant containing a detailed analysis of the proposals which will be utilized to determine which of the eight offers received will be most favorable to Metropolitan's interests for power marketing purposes when the 23.9 MW capacity plant, generating approximately 160 million kWh per year, is constructed and operational.

Water Reclamation Projects. Eight applications are being processed for the Local Projects Program, and a number of amendments to existing joint participation agreements are being executed.

STATE WATER PROJECT AND CONSERVATION

Water Conservation. As required by Assembly Bill 11X, the draft "Drought Contingency Plan to Amend the Regional Urban Water Management Plan for the Metropolitan Water District of Southern California" was completed and presented to the Board for adoption after a public hearing. Workshops were held with member agencies prior to the hearing to assist in local plan development. In a separate matter, requests were received from the City of Santa Monica, Las Virgenes MWD, Los Angeles DWP, and San Diego CWA for continuing Conservation Credit projects.

Water Transfers and Exchanges. The draft EIR/EIS for the Arvin-Edison/Metropolitan Water Storage and Exchange Program has been forwarded to Reclamation for distribution to the public for review, with public hearings scheduled for mid-March.

State Water Project. Metropolitan and several other contractors are task force members to investigate and resolve issues associated with the future of the Los Banos Grandes

Reservoir. Financial considerations have caused many SWP contractors to reconsider participation in the project. In regard to 1992 SWP deliveries, Metropolitan is preparing a response to DWR objecting to the decision to approve a firm 20 percent of contractors' entitlement requests for delivery in 1992, because such allocations are based on requests rather than entitlement. Metropolitan also objected to any use of Southern California storage in determining such allocations.

WATER QUALITY

Oxidation Demonstration Project. The contractor's seven-day startup test of the oxidation demonstration plant was initiated on January 9, with experimentation scheduled for January 27.

Lead and Copper Rule (LCR) Action Plan. Preliminary data from the recent home-tap sampling study indicate that member agencies using 100 percent Metropolitan water will be in compliance with both the lead and copper action levels stated in the LCR. However, results also indicate that member agencies (and possibly Metropolitan) serving over 50,000 people may have to perform corrosion control studies to show that they have optimized their water treatment to minimize lead levels.

ENGINEERING

| SPEC. NO. OR FACILITY | SCOPE/PURPOSE | STATUS |
|----------------------------|---|---|
| Skinner plant | Expand a landfill | Preliminary design continues |
| | Install entrance gate, fencing, and parking lot | Deferred under the Capital Improvement Deferral Program |
| | Install acoustic flowmeters in the outlet conduit to provide accurate flow measurement capabilities | Deferred under the Capital Improvement Deferral Program |
| | Install emergency generator | Consultant design work complete |
| Diemer plant | Relocate entrance gate and security system to prevent unauthorized entry | Deferred under the Capital Improvement Deferral Program |
| La Verne Water Quality Lab | Expansion to accommodate staff increases | Preliminary design continues |

| SPEC. NO. OR FACILITY | SCOPE/PURPOSE | STATUS |
|----------------------------|---|--|
| Weymouth and Diemer plants | Install emergency generators | Consultant design work continues |
| Mills plant | <p>Expansion No. 2 -- expand from 150 mgd to 326 mgd for Riverside Co. growth & State Water Treatment Rule compliance regulations</p> <p>Site development work for Expansion No. 2</p> <p>Construct finished water reservoir under Expansion No. 2</p> <p>Construct two buildings to house water quality monitoring equipment</p> | <p>Final design continues</p> <p>Final design continues</p> <p>Final design continues</p> <p>Preliminary design complete</p> |
| Five filtration plants | <p>Ozonation retrofitting</p> <p>Install ammonia and chlorine analyzers to ensure compliance with SWTR requirements</p> | <p>Preliminary study continues</p> <p>Final design continues</p> |
| All facilities | <p>Chemical Containment Program for reducing risk of chemical releases at Metropolitan facilities</p> <p>Implement procedures and systems for chlorine neutralization and prevention of chlorine release incidents in compliance with Cal/OSHA and Uniform Fire Code requirements</p> | <p>Study complete. Board approval obtained for completing final design and construction of all long-term chemical containment projects.</p> <p>Study continues</p> |
| Domenigoni Reservoir | Storage reservoir construction | Engineering studies continue |
| Garvey Reservoir | <p>Consider disposition and repair work alternatives</p> <p>Environmental Impact Report</p> | <p>Studies continue</p> <p>Responding to public comments on the Draft EIR</p> |

| SPEC. NO. OR FACILITY | SCOPE/PURPOSE | STATUS |
|---|---|--|
| Lake Mathews area | Construct bypass canal to reduce pollution at lake and provide emergency delivery capacity to Lower and Upper Feeders | Deferred under the Capital Improvement Deferral Program |
| Rialto Pipeline | Install cathodic protection system | Final design continues |
| Distribution system | Evaluation of water quality data, especially following a major earthquake, under the Emergency Preparedness Action Plan | Deferred under the Capital Improvement Deferral Program |
| Orange Co. Feeder | Relocate for San Joaquin Hills transportation corridor (Reimbursable) | Preliminary design complete -- Board approval obtained to begin final design |
| Etiwanda Power Plant | Construct power plant at Etiwanda Control Structure | Final design continues |
| San Jacinto Tunnel, West Portal | Seismic modifications | Preliminary design continues on second phase |
| All pumping plants, discharge pipelines | Seismic modifications | Consultant study continues |
| All pumping plants, pump buildings | Seismic modifications | Final design continues |
| La Verne facility -- auto repair and utility shop | Seismic modifications | Preliminary design continues |
| Olinda PCS | Vibration monitoring study | Consultant study continues |
| Rio Hondo PCS | Replace metal building | Deferred under the Capital Improvement Deferral Program |
| San Fernando Tunnel | Construct Ser. Con. LA-36 for L.A./Glendale/Burbank (Reimbursable) | Preliminary design complete; waiting for final design deposit |
| West Valley Feeder | Enlarge Ser. Con. CA-2 (Reimbursable) | Final design continues |
| L.A. Headquarters | Replace sunscreens, seismic upgrade, space requirements | On hold pending Board decision of future site location |

| SPEC. NO. OR FACILITY | SCOPE/PURPOSE | STATUS |
|--------------------------------|--|----------------------------|
| Desalination pilot plant study | Demonstration plant 5-mgd capacity concept development | Consultant study continues |
| Spec. 1240A, Jensen Plant | Furnish hydrofoil flocculators | Advertised 1/3/92 |
| Spec. 1241, Mills plant | Install property fencing | Advertised 1/15/92 |
| Spec. 1249, Weymouth plant | Renovate softener building roof | Advertised 12/11/91 |

PLANNING

Residential Landscaping Report. Consultant's final report on residential irrigation indicates that of the 800 households in five study communities within Metropolitan's service area, 60 percent practiced some degree of deficit irrigation, while the remaining 40 percent overwatered.

Drought '91 Water Monitoring. Water conservation savings are estimated for each month in 1990 and 1991. For December 1991, unadjusted water use data from the 24 agencies showed a reduction in retail consumption of about 16.6 percent against December 1990. Monthly average high temperature in December 1990 was 66.9 degrees Fahrenheit (F); in 1991, it was 67.0 degrees F -- 0.1 degree warmer than 1990 and about 0.1 degree warmer than the 30-year average of 66.9 degrees F. The average rainfall in December 1990 was 0.16 of an inch; in December 1991 it was 1.57 of an inch. The 30-year average rainfall for December is 1.76 of an inch. Adjusted for population growth and climate, December 1991 showed a net 12 percent saving relative to 1990 water use, and 13 percent relative to pre-drought 1987 water use.

The cumulative conservation savings estimates for 1991, adjusted for population growth and climate, are a net 9.2 percent saving relative to 1990 water use, and 18.9 percent compared to pre-drought 1987 water use. Within the calendar year, monthly conservation savings relative to 1990 water use, adjusted for population growth and climate, ranged from 4.4 percent in April to 18.2 percent in February. Monthly conservation savings compared to pre-drought 1987 water use ranged from 11.5 percent in January to 15.8 percent in August.

Eastside Reservoir. A draft, prelisting, multi-species habitat conservation plan (HCP) for seven species found in the Domenigoni Valley, and which are likely to receive federal endangered species status during the next few years, was prepared in conjunction with the U.S. Fish and Wildlife Service. Negotiations are in progress with the Pechanga Indian Reservation to develop a consulting agreement for Native American monitors of cultural resources work.

Foothill Feeder Area Study. As requested by the Board, work was started on the Foothill Feeder Area Study to investigate the potential for expanding surface and groundwater storage within Metropolitan's Central Service Area, along with enhancing the reliability of meeting existing and projected demands.

Perris Intertie. This project has been delayed pending further review.

Coachella Canal Lining Project. Due to budget constraints, Reclamation ceased preparation of the draft EIR/EIS for the project. Metropolitan and Coachella have reached agreement on additional funding in order to resume work on the project. The agreement is presently under review by Reclamation and, if approved, work will resume this winter.

Garvey Reservoir. Additional analysis is being performed to satisfy the public that the reservoir embankment is seismically stable, and the final EIR will be presented to the Board this Spring.

INFORMATION SYSTEMS

Telecommunications. Installation of the Computer Branch Exchange (CBX) system for the anticipated occupancy of the WCT Building was scheduled in three phases to begin in early February. This consists of upgrading the Headquarters PhoneMail system, upgrading the CBX at Headquarters and at Pasadena, and installation of an additional node at the WCT Building. At the Mills plant, construction of the communications room was completed to provide necessary space to accommodate the microwave radios to be installed in February.

ADMINISTRATIVE SERVICES

Purchasing and Stores. Purchase orders and agreements totalling \$3.46 million were issued, and Central Stores' inventory was valued at \$8.4 million, an increase of \$242 thousand from the

previous month. The Purchasing Procurement Hotline was implemented to allow vendors to call directly to Purchasing to request information or assistance.

Headquarters Services. A Request for Proposals for food management and vending services for the anticipated WCT Building occupancy needs was issued in December. Six food service firms submitted proposals which are presently under review by staff. Coordination plans are also in progress for installation of voice and data transmission equipment, also at the WCT Building.

Fleet Management. Metropolitan's Trip Reduction Plan for the Headquarters facility was approved January 8 by the South Coast Air Quality Management District, as submitted in August 1991 with an average vehicle ridership of 1.39, an increase from 1.23 over the prior year. Participation in the VanPool Program has increased since implementation of the 36/44 workweek schedule, and each van now averages 12 to 13 participants per pool.

PERSONNEL

Employee Relations. The 36/44 alternate workweek schedule was implemented at the beginning of the month, following resolution of concerns about van pools and various work group schedules.

| LIABILITY CLAIMS/WORKERS' COMPENSATION CASES | |
|---|--------------|
| Liability or property claims | 15 incidents |
| Property damage or bodily injury from third parties | 8 claims |
| District-initiated small claims court actions | 0 claims |
| Claims against the District by the third party | 0 claims |
| Workers' Compensation: Claims received during current reporting period | 13 claims |
| Fiscal year to date total: No-lost-time cases = 55 Lost-time cases = 42 First aid = 14 | 111 claims |

Computer Resources. An applicant tracking and referral system called Sigma IV was implemented and training begun for appropriate staff. The system is primarily for use by Recruitment

and Selection personnel for tracking purposes, data collection, organization of policies and procedures, report generation, and letters and forms generation.

Miscellaneous. The partial hiring freeze that was begun October 11, 1991 is still in effect. A total of 850 resumes and applications were received during the month.

RIGHT OF WAY AND LAND

Eastside Reservoir/Domenigoni Site. Escrows closed during the month for four parcels, escrows were opened for two parcels, and negotiations are continuing for the additional six parcels that have been appraised.

Annexations. Two requests for reaffirmation of formal approval for concurrent annexations to Eastern Municipal Water District and Metropolitan, and one request for formal approval were approved at the January Board meeting. Annexation charges computed for the 658.14 acre annexations total \$491,666.

PUBLIC AFFAIRS

Media. Media interest continued to center on the District's expected water rate increase and alternatives for its \$50 million firm revenue charge. Other issues of media interest included the drought and recent storms, the Garvey Reservoir project, the toilet retrofit program with the City of Los Angeles, Metropolitan's desalination studies and reclamation efforts, and the Skinner plant expansion.

Government Relations. Matters of interest to government officials and representatives during the month included transfer of agricultural water to urban areas, possible modifications of provisions of the Endangered Species Act, water supply issues, the listing of the Delta smelt as a threatened species, Garvey Reservoir, water rate increase proposals, and the parcel tax issue.

FINANCE

1992-93 Water Rates. In written communication to the Water Problems Committee, recommended water rates were presented for 1992-93, based on 2.0 million AF and a net water revenue requirement of \$549.9 million as set by the Finance and Insurance Committee in December. Further recommendation was that the noninterruptible rate increase by \$47/AF; the seasonal storage rate by \$38/AF; the treatment surcharge by \$14/AF; and the seasonal

treatment surcharge by \$11/AF. A rate for the interruptible class of service has not been recommended. The Water Problems Committee scheduled a public hearing for February 18, 1992 at 10 a.m., at which interested parties may present their views regarding the recommended rates.

1992-93 Annual Budget. Division, branch, and section managers were notified of corporate objectives for the coming year, and were provided detailed guidelines for preparing the 1992-93 annual budget in accordance with the five-point cost reduction program implemented in October 1991. This program will be the basis for developing O&M budget proposals for the next fiscal year.

Revenue Design Study. Proposals were received from eight firms in response to a request for proposals to perform a revenue design study. The successful bidder is anticipated to begin work in early February.

Firm Revenue Sources. In conjunction with the Water Standby/Availability of Service Charge Study, the consultant is collecting data on all property within the District's service area and preparing an engineering report to identify benefits associated with proposed parcel charges. A resolution of intention will be presented to the Board in February.

Commercial Paper Program. Rates as low as 2.5 percent were achieved in rollovers of the outstanding paper during the month. For budget purposes, a rate of 5.0 percent had been assumed. The debt service savings will reduce the required draw on reserves to balance the 1991-92 budget.

DWR Debt Management. Metropolitan provided information as requested to agencies assigning ratings to DWR's refunding bonds, and was later advised that DWR would maintain its double-A ratings. The financial condition of Metropolitan is a major factor in the rating process of DWR's bonds. The sale was very successful with an average rate of about 6.37 percent. The savings to Metropolitan are being determined and will be reported as soon as the analysis is completed. Some of the savings will result in a project interest rate adjustment (an up-front cash payment to Metropolitan), and other savings will be spread over time with lower payments required of Metropolitan each January and July.

Environmental Compliance

Remediation Reports. Bioremediation of the contaminated soil from a gasoline spill at Hinds began in December. The Riverside County Environmental Health Department was notified

describing the bioremediation plan and the results of the post-excavation soil sampling. At the Skinner plant, following initial remediation efforts, mercury at meter site WR-25 was visually apparent and additional cleanup activities were scheduled during January.

Hazardous Materials and Waste Issues. Information was provided to the California Highway Patrol about chlorine transportation practices, and clarification of State enforcement of new transportation regulations was received. An asbestos abatement operation successfully removed transit asbestos roofing material in the pool area at Hinds, with contractor activities supervised and air samples taken.

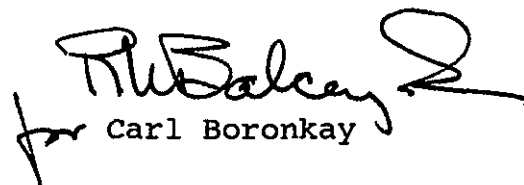
Industrial Hygiene. Burned-out fluorescent lights at Lake Mathews will be accumulated for transport to an off-site mercury recycler because Metropolitan does not have the necessary Treatment, Storage, Disposal Facility permit required from the State Department of Health Services.

Toxic Pollutants Amendment to the Clean Water Act. In coordination with the Water Quality Division, comments were submitted to the EPA regarding the amendments to the Water Quality Standards Regulation establishing the Numeric Criteria for Priority Toxic Pollutants. The criteria promulgated within proposed rule making are necessary to bring all states into compliance with the Clean Water Act.

Permits and Agency Reports. Three pressure vessel permits were obtained for Lake Mathews, and work is in progress for four additional permits for the Mathews, Diemer, Skinner and Jensen facilities.

Extremely hazardous waste permit applications were submitted to the California Department of Toxic Substance Control for the disposal of metallic mercury wastes from various facilities and PCBs from desert facilities.

Water and Wastewater. Application was filed with the California Waste Exchange to locate potential users for the water treatment plant (alum) sludge. Staff is also conducting further research on potential beneficial uses of the sludge. At Mills, Metropolitan received permission from the County of Riverside for landfill disposal of sludge from the filtration plant.


for Carl Boronkay