

• Chief Executive Officer's September Activity Report

Summary

- Colorado River Matters
- CALFED/Bay-Delta Matters
- Diamond Valley Lake Recreation
- Legislative Activities
- Communications/Outreach

Detailed Report

The following summarizes the activities for the Department of the Chief Executive Officer for the period following the August Board meeting:

COLORADO RIVER

Interstate Drought Management Effort

The Basin states work is continuing on the development of reservoir operating and shortage criteria as part of the overall effort to develop a recommended drought and shortage management and reservoir shortage recovery protocol for the Colorado River. Other items currently being evaluated are potential changes to the conjunctive use of Lake Powell and Lake Mead and measures to reduce Lake Mead releases such as increased Lower Colorado River regulatory storage.

Metropolitan Requests to Recover Water Stored in Arizona

On September 2, Metropolitan sent a letter to the Central Arizona Water Conservation District requesting to recover 40,000 acre-feet (AF) of water previously stored in Arizona for next year. In 1992, Metropolitan entered into a storage agreement with CAWCD and stored 89,000 AF of water in groundwater basins adjacent to the Central Arizona Project, and none of the water has been recovered to date. The 40,000 AF would be added to Metropolitan's approved Colorado River water order in 2005.

Metropolitan Submits 2005 Water Diversion Schedule

On September 8, Metropolitan submitted its schedule of estimated monthly Colorado River diversions for 2005. The schedule includes water to be recovered from Arizona; water from the Palo Verde Irrigation District Water Management Program; water from Metropolitan's conservation program with Imperial Irrigation District; and water wheeled to the San Diego County Water Authority. The initial schedule, which is based on conservative assumptions of California agricultural usage, totals about 656,000 AF. It is anticipated that Metropolitan will actually receive more water than this figure as actual agricultural usage will likely be lower than planned, and such water would flow to Metropolitan under the priority system.

Palo Verde Irrigation District Land Management, Crop Rotation, and Water Supply Program

The program farmer signups started on August 31, 2004, and will extend through November 3, 2004. As of September 28, 2003, landowner participation offers totaling over 30,000 acres have been received and verified. These does not include Metropolitan's 8,988 base acres. The minimum level of 13,250 easement acres specified in the program as a condition precedent for the program to become operative has been reached.

Canal Lining Project Update

R&L Brosamer was chosen by Coachella Valley Water District as the construction contractor for the Coachella Canal Lining Project with a construction bid of \$71.199 million. A notice to proceed with construction is expected to be given on October 4, 2004.

Lower Colorado River Multi-Species Conservation Program (MSCP)

On September 13, 2004, the Secretary of the Interior and MSCP participants from Arizona, California, and Nevada, including Metropolitan, signed a MSCP Memorandum of Agreement to advance the development of the MSCP with the goal of completing the program Record of Decision by the end of this calendar year. This federal/state agencies' partnership will provide for the conservation of 27 species of fish, birds, mammals, reptiles, and plants, and more than 8,000 acres of habitat from Hoover Dam to the Mexican Border. The proposed MSCP provides for 50 years of Endangered Species Act compliance for existing and future Colorado River water and power operations.

Reclamation Hosts Final 2005 Annual Operating Plan Consultation Meeting

Metropolitan staff participated in a September 24 meeting hosted by the Bureau of Reclamation regarding final consultation on the 2005 Annual Operating Plan. Because of the declining level in Lake Mead, the AOP will classify 2005 as a normal year for making water determinations. Under a normal year, no special surplus water would be made available to any Lower Basin State. In 2003 and 2004, special surplus under the Interim Surplus Guidelines was available, but Metropolitan chose to make greater use of its State Water Project and other available supplies to help mitigate drought impacts on the Colorado River.

Salton Sea Restoration Effort

Metropolitan staff continued its participation on the Salton Sea Restoration Advisory Committee assembled by the Secretary for the Resources Agency. Staff attended a meeting of the Advisory Committee held on September 16 and provided technical information to California Department of Water Resources staff and other Advisory committee members regarding development of the restoration plan. At the meeting, the Salton Sea Authority confirmed Ronald J. Enzweiler as its new Executive Director. The State's Resources Agency has been tasked with developing a Salton Sea restoration plan recommendation by December 2006.

CALFED/BAY DELTA MATTERS

CALFED Reauthorization Legislation

On September 15, 2004, the United States Senate passed on a unanimous voice vote, legislation to authorize federal participation in the CALFED Bay-Delta Program. The bill adopts the CALFED Record of Decision as the general framework for moving forward with the Program. It directs the federal agencies to use existing authorities to implement Program elements, including storage, conveyance, water use efficiency, water quality, ecosystem restoration, and others. Further, the bill provides new authorizations totaling \$395 million for additional improvements in Delta conveyance, levees, water quality (including Frank's Tract improvements), the Environmental Water Account, science, and program administration. The Senate bill that passed is almost identical to H.R. 2828 (Pombo/Calvert/ Napolitano), passed by the House in July.

2005 Dry Year Water Purchase Program

Staff continues to work with the Department of Water Resources to develop and implement a 2005 Dry Year Water Purchase Program. Metropolitan is seeking up to 125,000 AF of one-year option agreements under the Program. Initial contract terms have been issued to potential sellers and negotiations have commenced. Staff will seek board authority to pay initial fees required for the Program in October 2004 and will seek final Board approval to execute contracts in December 2004.

Pilot Recirculation

Flow recirculation is being considered as part of the Delta Improvement Package to manage salinity in the Lower San Joaquin River. A Pilot Recirculation Program was conducted during the last two weeks in August, involving diversions from the Central Valley Project's Delta Mendota Canal to the Lower San Joaquin River via the Newman Wasteway. Valuable real-time water quality and water loss information was gathered, which will be helpful in developing long-term recirculation plans. The recirculation flows were approximately 250 cfs and also resulted in significant reductions in salinity concentrations along the Lower San Joaquin River. This also had an incidental water supply benefit to farmers on the Lower San Joaquin who were experiencing minimal river flows for crop irrigation. The program ended on August 31, 2004.

Levees Program

In consultation with CALFED, DWR and the SWP/CVP contractors have agreed to jointly develop an outline of a Delta Levees System Strategic Plan to highlight Delta regions where funding should be directed to minimize the threat of a series of catastrophic levees failures, which could severely threaten Southern California's water supply and water quality. This was prompted by near multiple levee failures resulting from wind, waves and erosion of levees, following the Jones Tract failure earlier this year.

San Joaquin River Water Quality Management Group

Work of this group, composed of various water users and farming interests on the San Joaquin River, continues toward the development of a Salinity Management Plan for the San Joaquin River by December 2004, in accordance with the approved CALFED's Delta Improvements Package. A comprehensive water quality model has recently been updated with the most current CALSIM baseline data to reliably evaluate various flow and salt load management actions, which in combination are expected to meet water quality standards on the San Joaquin River.

South Delta Fish Facilities Forum

A group composed of agency and water user representatives met during August and agreed to formulate a vision of potential near-term facility development and fisheries management actions in the South Delta which could yield significant fisheries benefits, while tackling parallel longer-term science issues related to hydrodynamics and fisheries protection in the south Delta. A policy vision paper will be developed this month to help guide this effort.

DIAMOND VALLEY LAKE RECREATION

Progress continues in the development and construction of recreational facilities at Diamond Valley Lake. Grading for the Valley-Wide Park and Recreation Aquatic Center is progressing and scheduled for completion in January 2005, with grading for the athletic fields following in June. On September 28, the Diamond Valley Lake and Lake Skinner Oversight Subcommittee

approved the preferred East Recreation Lake option; authorized staff to proceed with the RFP for preliminary design on the East Recreation Lake; and directed staff to return with a detailed feasibility study and implementation plan on interim commercial dry storage, the lakeshore trail/high water road, the DVL and Lake Skinner trail, and the east marina docks. Staff continues to meet with city of Hemet officials and Valley-Wide representatives. The pre-bid conference for the Searl Parkway Phase I was held on September 16 and bid submittals are due October 13, with the board letter following in November. The DVL ramp extension notice to proceed was issued on August 23 with construction commencing on September 7, and scheduled for completion in March 2005.

LEGISLATIVE ACTIVITIES

Federal

At the request of Metropolitan and several of its member agencies, Senator Diane Feinstein (D-CA) successfully secured from the Senate Appropriations Committee nearly \$1 million in earmarked funds in FY 2005 for Southern California perchlorate remediation efforts. Under the Senate markup bill, Metropolitan will receive a \$500,000 U.S. Environmental Protection Agency grant for a study of the effectiveness of biological treatment for the removal of perchlorate from groundwater and a \$200,000 grant under a State and Tribal Assistance program for the city of Ontario final design for wellhead treatment for perchlorate and nitrate.

State

On September 21, the Governor signed into law SB 1155 (Machado). The bill requires the DWR to develop and implement a program to meet all existing water quality standards and objectives for which the SWP has responsibility. Late session amendments to SB 1155, negotiated by the Association of California Water Agencies and Metropolitan, moved Metropolitan to support the final version of the bill. Especially when considered in the context of the CALFED program – which seeks to improve water supply reliability, ecosystem improvements, levee integrity and water quality, among other goals – the program that SB 1155 requires will provide assurance to in-Delta users that water quality standards and objectives will be maintained, while also allowing for continued work by CALFED on water supply reliability and quality improvements. This measure would provide direction to DWR to ensure development and implementation of a program to be funded as part of SWP operations.

The Governor signed AB 2528 (Lowenthal). The measure, which was sponsored by Metropolitan and several member agencies, clarifies existing statutory drinking water quality terminology and would modify and update existing contaminant notification requirements.

As of publication time, the Governor had not signed AB 2572 (Kehoe) – a bill that would require all urban water suppliers, by January 1, 2025, to install water meters on all municipal and industrial services, and, by January 1, 2010, to bill volumetrically based on those meters. The measure was sponsored by the San Diego County Water Authority and supported by Metropolitan. His deadline for signing legislation was September 30.

The Governor signed AB 2717 (Laird) – a measure that declares the Legislature's intent that the California Urban Water Conservation Council convene a stakeholders workgroup to evaluate and recommend proposals for improving the efficiency of water use in new and existing urban irrigated landscapes. The bill was sponsored by the San Diego County Water Authority and supported by Metropolitan.

Regional

Staff met with Dennis Washburn, newly elected President for Los Angeles County Division of League of Cities, to coordinate the development of a comprehensive legislative agenda that included water, and to introduce Metropolitan's California Friendly Program to city officials. As a follow-up, Washburn invited staff to attend two key meetings held during the League of Cities' Annual Convention in Long Beach. The first meeting involved all Los Angeles County councils of government, the second involved representatives from all 88 cities in the county.

On September 28, staff attended a water forum organized by the Governmental Affairs Committee of the Southern Regional Association of Realtors (SRAR), which represents more than 9,000 Realtors in the San Fernando and Santa Clarita Valleys. Staff has initiated discussions with SRAR on how to elevate water on its legislative agenda. Staff is also exploring ways in which to educate realtors on Metropolitan's water policies and conservation programs.

On September 30, Metropolitan sponsored and staff attended a reception for elected officials held by the Association of Water Agencies of Ventura County at the Ronald Reagan Library.

In late September, staff attended a conference held by the California Contract Cities Association. The group's executive director, Sam Olivito, attended a Metropolitan Inspection Trip for Central Basin in February and requested that the second day of the conference focus on the importance of water.

COMMUNICATIONS/OUTREACH

Staff secured Home Depot as an additional retail partner for the outdoor water conservation campaign. Joining Armstrong Garden Centers in the campaign, 108 Home Depot stores in Southern California will soon feature California Friendly signage and low-water using plant selections. In addition, specialty food chains such as Gelson's and Whole Food Markets are participating by distributing plants and educational information about native and California Friendly plants. The conservation advertising campaign recorded more than 74 million impressions in September, mostly through radio advertisements. There were more than 57,000 visitors to the bewaterwise.com Web site since advertising began in late August.

Staff secured KB Homes as the first homebuilder to officially embrace California Friendly landscapes when the company delivered its new construction plans to the city of Temecula for approval. Staff also is finalizing participation in the model home conservation program with Lewis Homes and their merchant builders for a housing community within the Inland Empire Utilities Agency service area.

Metropolitan received a \$50,000 matching grant from the U.S. Bureau of Reclamation for the planned World Water Forum in October. Marcia Brewster, United Nations Director of the Decade of Fresh Water, was confirmed as a keynote speaker.



Ronald R. Gastelum
Chief Executive Officer

10/6/04
Date