

• **CEO/General Manager's November Activity Report**

Summary

- Colorado River
- CALFED/Bay-Delta Matters
- Shutdowns
- Emergency Preparedness/Business Continuity
- Legislative Outreach
- Community Outreach
- Workforce
- Recognition/Awards

Detailed Report

The following details the activities for the Department of the CEO/General Manager for the period following the November Board meeting:

COLORADO RIVER

Development of Shortage Guidelines and Lake Mead Banking Opportunities

Staff participated in a workshop with representatives from Arizona, Nevada and California on November 21-22 to refine components of a Lower Basin states proposal to implement shortage guidelines and new water management actions. The Bureau of Reclamation has set a February 1, 2006, deadline for the Basin states to develop their preferred alternative, if it is to be included and analyzed in the Environmental Impact Study being developed by the Department of Interior. The focus in the Lower Basin workshop was to develop protocols for implementing new water management programs that have been proposed by Nevada and California. Nevada has proposed a number of options for obtaining new water supplies, including pumping northern Nevada groundwater into the Colorado River system for later recovery at Southern Nevada's intake; funding the All-American Canal regulatory reservoirs in exchange for a share of the water saved; and fallowing agricultural land along the Virgin and Muddy Rivers in Nevada in exchange for increased diversions for Las Vegas. California's interests in the workshop were to obtain acknowledgement of its senior priority rights, and to further the development of Lake Mead banking opportunities.

By the end of the workshop, representatives from the three states agreed on principles to advance the proposed water management programs, including banking water in Lake Mead. The states are in the process of refining the details of the proposals, with the goal of having the Lower Basin states formally approve the complete package by the February 1, 2006, deadline. The package of proposals will be discussed among all seven Basin states at a meeting scheduled on December 14 in Las Vegas.

Federal Appropriations

Significant progress was made to secure federal funding for an initiative to improve the regulatory management of water in the Colorado River Lower Basin.

This effort enjoyed the support of the Governors of all seven Basin states, and was one of Dennis Underwood's major policy initiatives. Specifically, under the Energy and Water Development Conference Report, just passed by Congress and sent to the President for his signature, is a provision known as the "Lower Colorado Front Works and Levee Program." This is the line item that has in the

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past been funded at levels of \$500,000 annually to study the feasibility of permanently saving as much as 300,000 acre feet of water per year through the dredging of the lake behind Laguna Dam and through the construction of a regulatory reservoir along the alignment of the All American Canal.

This multi-project concept was originally initiated by Dennis while he was Commissioner of the Bureau of Reclamation, but never received congressional funding until Dennis came to work for Metropolitan about five years ago. Shortly after becoming CEO and General Manager, Dennis successfully worked with House and Senate Leaders, the Commissioners, as well as water managers in Arizona and Nevada, resulting in Congress increasing the funding level from \$500,000 to just over \$4 million in Fiscal Year 2006.

CALFED/BAY-DELTA MATTERS

CALFED Governance & Fiscal Review

Executive staff (Debra Man, Jeff Kightlinger, and Tim Quinn) met with Lester Snow, Director of the California Department of Water Resources, to clarify Metropolitan's position in the CALFED discussions. Metropolitan's position is that beneficiaries pay and the district would be only willing to pay for performance in terms of permanent installation of operable gates, operation of the Banks pumping plant at 8,500 cfs, an acceptable process for a Habitat Conservation Program and scientific research for the Pelagic fish.

Reports were released on the independent governance and fiscal review of CALFED by the Little Hoover Commission, KPMG and the Department of Finance. The Little Hoover Commission recommendations included:

- Replace the California Bay-Delta Authority with a policy team of senior management from state & federal agencies;
- Develop performance-based implementation measures to ensure accountability;
- Refine the Bay-Delta long-term strategy and integrate into a statewide water policy; and
- Provide more public involvement in CALFED.

Bay-Delta Outreach Activities

Over the last few months, a number of Bay-Delta related briefings have taken place, including 52 staff briefings, 82 Director-led briefings to legislators, and just under 100 business organization briefings. These organizations include chambers of commerce and business councils.

CALFED's Regulatory Commitments Negotiations

A proposal by the three fishery agencies (Department of Fish and Game, NOAA Fisheries, United States Fish and Wildlife Service) is currently being discussed. The Governor has set a deadline for these negotiations for early December 2005.

South Delta Improvement Program (SDIP)

The SDIP Draft Environmental Impact Report (DEIR) was released by DWR on November 10. The SDIP includes expansion of the SWP Banks pumping plant to 8,500 cfs, installation of permanent operable barriers, and dredging. Comments are due in 90 days. DWR has scheduled five informational hearings and three public hearings to take testimony. The Southern California hearings are scheduled on:

- Information Hearing: December 14, 2005, 12:30 – 2:30 p.m., Junipero Serra State Building, Carmel Room, 320 W. Fourth Street, Los Angeles
- Public Testimony Hearing: January 24, 2006, 1 – 3 p.m., Junipero Serra State Building, 320 W. Fourth Street, Carmel Room, Los Angeles

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A new Web site dedicated to information about the SDIP is on line and can be found at **www.calwaterfuture.org**. California Water Future is a broad coalition of more than 60 statewide water, agricultural, business, planning organizations, and local government officials supporting the upcoming environmental review process for the SDIP, the next step forward in California's long-term plan to better manage the Bay-Delta's water resources and ecosystem. Metropolitan assisted in the design and posting of this Web site.

Levees Program/Delta Risk Management Study

The Department of Water Resources, along with Metropolitan and other stakeholders, are participating in the development of a Delta Risk Management Strategy (DRMS) to address management strategies to minimize threat of and consequences of levee failures in the Delta, and to prioritize and direct funding to minimize water quality/water supply threat to export water supplies.

Federal Energy Regulatory Commission Relicensing

DWR agencies and contractor negotiators have completed negotiations on a proposed settlement for relicensing of power facilities at Oroville Reservoir. Staff will make a full report to the Board at the CALFED committee in December.

SHUTDOWNS

Santa Ana Valley Pipeline

At the November 22 Executive Committee, it was reported that a shutdown was planned for November 26 to install an isolation bulkhead to allow flow from Lake Perris to the Mills treatment plant. The DWR's contractor damaged the Santa Ana Valley Pipeline on November 19 during excavation to install shoring at the northernmost repair site. The pipeline was shut down six days early, on November 20 as a result of the damage. Metropolitan worked with DWR to have their contractors begin work earlier than originally scheduled due to the unexpected early shutdown. The contractors accelerated their work and are expecting to meet the original schedule of 30 days, which called for the work to be complete on or about December 28. The new anticipated completion date is December 21, when the refill of the pipeline is scheduled to commence.

West Valley Number One

On November 29, the West Valley Number One shutdown began and is proceeding on schedule. The scheduled 12-day shutdown is for the replacement of approximately 80 feet of the pipeline at Trammel Lane and to conduct internal inspection of 8.2 miles of the pipeline.

EMERGENCY PREPAREDNESS/BUSINESS CONTINUITY

All managers responsible for critical business functions submitted revised business recovery procedures for inclusion in the Business Continuity Plan. The fourth draft of the Plan will be published for review the first week of December. Staff from throughout the District continue to meet to identify specific recommendations for actions that would improve the overall effectiveness of the District's incident management program. These recommendations will be reviewed with Executive Management in February and presented to the Emergency Preparedness Committee in March.

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LEGISLATIVE OUTREACH

On November 15-17, Metropolitan Executive Legislative Representative Kathy Cole and Principal Legislative Representative Pilar Oñate led a group of key legislative and administration staff on a tour of Metropolitan facilities. The trip included a tour of Hoover Dam and a portion of the Colorado River, the Whitsett Intake Pumping Plant, Diamond Valley Lake and updates on issues such as QSA implementation, the MWD/PVID land management program and Metropolitan's Integrated Resources Plan.

COMMUNITY OUTREACH

The Education Strategic Plan is currently being developed with input from member agency education coordinators and others. The plan will assess how to best expand the District's education programs across the region and among different groups of people. The formal document is circulating for comment with member agency staff and directors. The proposal is scheduled to be presented for consideration at the January 24 Education and Outreach Committee meeting.

The California Building Industry Association (CBIA) is partnering with Metropolitan to establish state standards for water-saving goals in its Green Builder Program. A cornerstone of CBIA's voluntary California Green Builder Program will be the use of several California Friendly water-saving features developed by Metropolitan, including landscaping featuring smart, sustainable design plants that are right for the climate, and state-of-the-art irrigation systems. Homebuilders who install the latest water-saving devices and practices will reduce water use in new homes by at least 12 percent, or about 20,000 gallons annually.

A consumer survey was conducted among 210 shoppers at Armstrong Garden Centers and Home Depot to measure interest in reducing water consumption and determine barriers in reducing water use. The survey found that 80 percent of the respondents do not know how much water their plants need. Eight in ten of those said they would save more water if there was a logo, such as California Friendly, that identified plants, products or services as low water using. Sixty-one percent of those surveyed said the California Friendly logo effectively communicated low water use.

WORKFORCE

The annual service awards luncheon was held on November 16 to recognize employees with 20, 25, 30, 35, and 40 years of service. Forty-six of the eighty-six employees who were eligible to receive an honor attended. Those in attendance had a combined 2,125 years of service.

RECOGNITION/AWARDS

The Public Relations Society of America recently honored Media Services, Education and Graphic Services staff with several of its annual PRism awards. The District received top honors for its' Aqueduct 2004, 75th anniversary edition and a video retrospective of the District's history. Awards were also given for the District's 2004 holiday greeting card, the launch of the Ethics Program, the California Friendly Garden Makeover video and the education group's *Water Times* newspaper. Metropolitan's External Affairs Group was competing against national and international public relations firms, including Hill & Knowlton and Burson-Marsteller.

Metropolitan received an award November 10 from the Black Business Association during its annual Public Utilities Procurement Conference. This award was given to Metropolitan for its commitment to diversity in contracting as well as its ongoing ability of keeping the business community informed through its weekly e-newsletter. Accepting the award for Metropolitan were Directors Willard Murray and Isadore Hall.