

- **General Manager's December Activity Report**

## **Summary**

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The attached report details the activities of the Office of the General Manager for the month of December 2006. Metropolitan has delivered sufficient water supplies to meet all firm, replenishment and agricultural demands and has achieved full compliance with drinking water quality standards.

This report summarizes the status of Metropolitan's core business in terms of:

- Water Management
- System Operations
- Capital Investment Plan
- Finance
- Business Processes / Operations
- External Affairs
- Workforce
- Business Outreach
- Real Estate Management

## **Attachments**

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General Manager's Monthly Activity Report



## Colorado River

### Reservoir Storage

	12/18/2006 Storage	Percent of Capacity
Lake Powell	12.2 MAF	50 %
Lake Mead	14.1 MAF	55 %

### Agreements to Create Intentionally Created Surplus Water

On December 13, Metropolitan, along with Palo Verde Irrigation District, Coachella Valley Water District, and Imperial Irrigation District formally consented to an agency's ability to store water in Lake Mead under the Intentionally Created Surplus Demonstration Program. Specifically, each agency agreed to not ask Reclamation for permission to divert unused water that is stored under the proposal. Metropolitan and IID entered into agreements with Reclamation earlier this year which allows those agencies to conserve water and store the reduced demand in Lake Mead for later use. The agreement signed this month ensures that no agency would try to intercept any of the stored on-delivery water. The agreement only applies to the two-year Demonstration Program, which concludes at the end of 2007. A similar forbearance agreement will be needed for full implementation of the proposed Lake Mead Intentionally Created Surplus program.

### Metropolitan Executes Plan to Recover Stored Water from Arizona

On December 11, Metropolitan and the Arizona Water Banking Authority agreed on terms that would allow Metropolitan to recover its 81,000 acre-feet of water stored in Arizona in the early 1990s. Metropolitan will recover 15,000 acre-feet in 2007 and similar amounts in subsequent years until all of the water is recovered. Metropolitan incurs no costs for recovering the water, as the costs to pump the water were paid when the water was stored in 1992. Metropolitan will have the water added to its water order in years when the water is recovered.

## State Water Project

	Storage To-Date	Percent of Capacity
Lake Oroville	2.7 MAF	77 %
San Luis Reservoir	1.8 MAF	87 %
San Luis State Share	1.1 MAF	100 %

### Initial Supply Allocation for 2007

On November 30, 2006, the California Department of Water Resources announced its 2007 SWP Initial Allocation of 60 percent of contractor's Table A contract amounts. This is a very high initial allocation that will likely increase as storms in northern California develop.

Outages along the West Branch of the California Aqueduct primarily due to Los Angeles Department of Water and Power's (LADWP) repair and refurbishment activities, have resulted in a significant draw down at Castaic Lake. Because of various circumstances (a fatality during the Castaic Power Plant refurbishment work and the unexpected amount of sediment in Elderberry Forebay that needed to be removed), LADWP has requested the shutdown be extended. Work is scheduled for completion and operations returned to normal on January 8, 2007. Refill of Castaic Lake is planned through early 2007.

## Conservation

### Proposition 13 Weather-Based Irrigation Controller Grant

In December, Metropolitan completed distribution of Proposition 13 grant funds for weather-based irrigation controllers administered by the California Department of Water Resources. Over the last three years, Metropolitan and its member agencies partnered on several implementation approaches including direct installation, exchange events and rebates. More than 4,200 units were distributed for commercial and residential landscapes with a total of 21 member agencies participating in the grant program.

The next steps are to distribute a small amount of units remaining from past events, evaluate controller performance and quantify water savings. Metropolitan will continue to seek grant-funding opportunities to sustain momentum and encourage market development in the landscape sector.



### All American Canal Lining Projects

On December 11, Congress passed H.R. 6111, the Tax Relief and Health Care Act of 2006. The bill in part deals with All American Canal Projects. The bill:

- directs the Secretary of the Interior (Secretary) to carry out the All American Canal Lining Project without delay “notwithstanding any other provision of law;”
- authorizes the Secretary to design and provide for the construction, operation, and maintenance of a water storage facility to reduce nonstorable flows on the Colorado River below Parker Dam that have historically flowed to Mexico in excess of the United States’ treaty obligation (i.e., drop2 storage project); and
- specifies that the Mexican Water Treaty is the “exclusive authority” for considering, analyzing, or addressing impacts occurring outside the boundary of the United States of works constructed, acquired, or used within the United States (Section 397).

If the President signs the legislation into law, it could provide a basis for lifting the injunction against the All American Canal Lining Project, and dismissing environmental claims in the litigation currently before the Ninth Circuit Court of Appeals.

### Metropolitan Negotiates Water Quality Memorandum of Understanding

Metropolitan has been concerned with potential water quality impacts to Colorado River water by increased return flows from sewer treatment plants due to population growth in the Las Vegas area. Metropolitan, the Nevada Clean Water Coalition and the Southern Nevada Water Authority, have prepared a draft Memorandum of Understanding that would provide for: increased water quality monitoring; enhanced data sharing and reporting; a Metropolitan participation role in the Nevada Clean Water Coalition process; and finally a forum for dispute hearings regarding water quality impacts. The MOU is subject to the approval of the Boards of the involved agencies.

### Greater Los Angeles County Integrated Regional Water Management Plan (IRWMP)

Staff presented information at the public hearing for the adoption of the Greater Los Angeles County Integrated Regional Water Management Plan on December 13, 2006. There are many common objectives between the IRWMP and Metropolitan’s Integrated Resources Plan. Both Plans emphasize achieving high quality water supply to meet the region’s water needs through a diversified portfolio of cost-effective water use efficiency actions, local water development, and management of imported supplies. The IRWMP effort identified over 1,500 local projects from the conceptual level to various stages of planning. These projects will contribute to meeting local resources development targets identified in Metropolitan’s IRP to ensure regional water supply reliability.

Under a \$1.5 million planning grant from Proposition 50, water and wastewater agencies, groundwater managers, watershed groups and other stakeholders developed this IRWMP over the last year. The Los Angeles County Flood Control District chaired the Leadership Committee in administering the planning process. Metropolitan was invited to participate as an ex-officio member of the Leadership Committee to provide technical coordination and regional perspectives.

Staff continues to work with the other regions in Metropolitan’s service area involved in developing IRWMPs.



## Water Demands

Water Sales Cash Year (May-April)

2,130,000 MAF	Current Projection
2,108,000 MAF	Budget Projection
22,000 AF	Difference

## System Operations

For December, State Water Project deliveries are projected to be 129 TAF. If this projection holds, SWP deliveries into Metropolitan's service area would be 1.69 MAF for calendar year 2006, which is the second highest on record, with only 2004 being higher with 1.80 MAF. (in-basin deliveries).

During the fall/winter season, 40 shutdowns of Metropolitan facilities have been scheduled to conduct inspections, repair and rehabilitation of critical infrastructure. These shutdowns include all five treatment plants, the Colorado River Aqueduct, feeders, canals and hydroelectric power plants.

## Power Management

Metropolitan has received additional requests for information on connecting wind and solar generated power facilities to the Colorado River Aqueduct electrical transmission system. Staff continues to work with Southern California Edison and the California Independent System Operator (ISO) to define the CRA transmission capacity available for new facilities and explain to interested parties the process for moving the power into the ISO market.

Metropolitan plans to initially register with the Western Electricity Coordinating Council as a Transmission Operator, Transmission Owner and a Purchasing-Selling Entity of wholesale power. This effort is the result of new regulations required by the national Energy Policy Act of 2005.

Hydroelectric generation was maximized whenever possible during this period generating up to 60 MW during the month of December. Discussions have been initiated with local electric utilities for the sale of energy from nine of Metropolitan's small hydro generation plants. The energy from these plants is presently sold to SCE under a contract that expires in 2008.

## Distribution and Storage (As of 12/18/06)

### Current Storage

Lake Mathews	139,200
Lake Skinner	39,100
DVL	723,800

All replenishment, including SWP water, CRW and blends of the two, remain available subject to system capacity and availability of groundwater spreading facilities. Additional deliveries were made to groundwater conjunctive use storage programs, as shown below:

	Agency	Connection	CFS
<b>Replenishment</b>			
Direct	Central Basin	CenB-28/48	250
	Eastern MWD	EM-14/19	19
	Foothill	FM-01 (Injection)	2
	Inland Empire	CB-11B/13T/14T/15/18/59	108
In-lieu	MWDOC	Various	13
	Los Angeles	LA-16/17/35	25
	West Basin	WB-04	2
	Long Beach	LB-08	17
	Fullerton	F-05/08	14
<b>Conjunctive Use</b>			
Direct	Foothill	FM-01 (Injection)	1
	Inland Empire	CB-11B/13T/14T/15/18/59	89
	Calleguas	CA-02	14
In-lieu	Calleguas	CA-02	7
	MWDOC	CM-8/11/OC-44B	27
	Three Valleys	PM-15	10

## Conveyance and Distribution

Most efforts this month were focused on executing shutdowns (Skinner, Middle Feeder, Upper Feeder) or planning for shutdowns later in the season. This planning for a future shutdown includes the shutdown and dewatering of a major portion of the Foothill Feeder (Jan. 14) to repair weakened sections of pre-stressed concrete cylinder pipe identified in previous inspections.



## Treatment Plants

The Skinner plant completed a major shutdown in nine days on December 5, two days earlier than planned. The shutdown activities tied-in Skinner's fourth expansion that will add 110 million gallons per day of additional treatment capacity in summer 2007.

The Weymouth plant successfully completed its first shutdown in 20 years on December 20. The five-day shutdown was critical to prepare the Weymouth plant for the addition of ozone facilities.



**Effluent pipe tie-in of new facilities at Skinner**



**Installation of drop-gate guide at Weymouth**

## System Maintenance / Shutdowns

A major shutdown of the San Diego Canal, several pipelines, and Diamond Valley Lake Forebay, in conjunction with the Skinner plant shutdown, was completed during this period. Work on these facilities included repair of leaks on the Lakeview Pipeline, repair of concrete lining panel sections on the San Diego Canal, and cleaning and maintenance of the DVL Forebay and related facilities. In other parts of the distribution system, inspection of several sections of pre-stressed concrete pipe pipelines was conducted. Work on the Middle Feeder included replacement of a number of small nipples and valves. The gates were removed from the San Gabriel and Eagle Rock Towers on the Upper Feeder (Treated) for repair and inspection.



**San Diego Canal Finish**



## Taste and Odor

There were taste-and-odor incidents along much of the length of the State Water Project resulting in the cumulative buildup of the taste-and-odor compound geosmin to about 10 parts per trillion in Silverwood Lake. This level of geosmin does not affect treated water, and no direct mitigation activities were necessary.

A mat of methylisoborneol (MIB) producing blue-green algae (cyanobacteria) has formed 5 to 30 feet deep around the entire perimeter of Diamond Valley Lake. Due to the large volume of the lake and deep mixing as winter approaches, MIB levels remain relatively low in the open water, not causing a concern at this time. Staff continues to monitor the matter.



**Water Quality Divers Preparing for Dive**



**Diver Collecting Algae Growing at Bottom of Reservoir**

## Colorado River Watershed Sanitary Survey—2006 Update

California's Surface Water Treatment Rule requires that every public water system treating surface water conduct a comprehensive sanitary survey of its watershed(s) every five years. In December, Metropolitan completed the 2005 Update to the Colorado River Watershed Sanitary Survey in accordance with the compliance requirements. The Sanitary Survey describes the watershed and water supply system, identifies potential sources of contamination, summarizes and evaluates source and treated water quality data, evaluates Metropolitan's water treatment plants that treat Colorado River water for their compliance with existing and anticipated regulations, and describes and recommends watershed management activities that will protect and improve source water quality. Metropolitan has assumed the responsibility for completing the Colorado River Sanitary Survey for its member agencies. The 2005 Update includes a watershed sanitary survey of the Colorado River above the Whitsett Intake, the Colorado River Aqueduct, Lake Mathews, Lake Skinner, and Diamond Valley Lake.



**Lake Havasu Sanitary Survey**



## Summary

- Ongoing Contracts - 30 construction contracts and 4 related procurement contracts were ongoing through November. The total bid amount of the 30 construction contracts in progress is over \$1.066 billion.
- November Payments - Over \$44 million in contract payments were made for construction performed in the month of November. Over \$17 million was related to work at the Skinner plant, including the ongoing construction of ozonation facilities, the 110 million-gallon-day Module 7, and the upgraded chemical feed and storage systems. Over \$7 million was related to work at the Diemer plant, including the ongoing construction of the vehicle maintenance center, the plant maintenance facilities, the rehabilitation of the filter surface wash headers, the chemical system upgrade and the south slope stabilization work.
- Major Contracts - The Inland Feeder, Arrowhead East Tunnel advanced 60 feet through December 18 for a total of 16,330 feet, which is 73 percent of the tunnel length. A planned Tunnel Boring Machine screw auger replacement was performed over a five-day period. The TBM became stuck, however, so the contractor began clearing materials around the TBM to free the machine. The Arrowhead West Tunnel continued to experience favorable ground conditions and advanced 465 feet for a total of 8,450 feet, which is 42 percent of the tunnel length.
- Other Contracts - At the Skinner plant, Module 7 construction is 95 percent complete, and ozone facility construction is 40 percent complete. At the Diemer plant, the new plant maintenance facilities are 92 percent complete, the vehicle maintenance facility is 80 percent complete, and the south slope stabilization construction is approximately 23 percent complete with a scheduled completion date of March 2008. Final design of the Diemer ozone facilities is approximately 87 percent complete. Final design of the Weymouth ozone facilities is nearing completion and the project is planned to be advertised for bids in January 2007.

## Profile on CIP Program

### Weymouth Treatment Plant

Metropolitan's F.E. Weymouth Water Treatment Plant is located in the city of La Verne. The plant is located on a 150-acre site that also contains Metropolitan's Water Quality Laboratory, maintenance shops (machine shop, fabrication shop, coatings shop, etc.), and administrative offices. The Weymouth plant is one of Metropolitan's three "blend" plants (the other two are Diemer and Skinner), meaning that it normally receives a blend of water from the State Water Project and the Colorado River Aqueduct. The plant's design capacity is 520 MGD.

On December 16, 2006, Metropolitan began a five-day shutdown of the Weymouth plant. During the shutdown, maintenance, repairs and additional inspections were performed. A new drop gate guide was installed in an inlet channel to allow future isolation of basins during construction of the Weymouth Oxidation Retrofit Program. The shutdown was completed on schedule.

There are numerous projects underway to maintain reliability and improve the operating efficiency of the Weymouth plant. Recent activities include:

- **La Verne Power System Upgrade Project** – Much of the electrical system at the Weymouth plant dates to the plant's original construction in 1941. In 2004, Metropolitan's Board authorized a study to evaluate the aging electrical infrastructure. The study identified several deficiencies. Preliminary design is complete and a January Board action is planned to authorize final design.
- **Weymouth Perimeter Improvements** – The Weymouth perimeter improvements will be constructed in several phases. Construction for Phase 1 improvements along the west plant boundary is ongoing and is planned to be complete by summer 2007. The second phase, which includes landscaping and perimeter improvements along the north and south plant boundaries, was advertised for bids in December 2006.
- **Junction Structure Seismic Upgrades** – A November Board action authorized final design of this project. Concrete samples were collected during the December plant shutdown and the results will be used to finalize the design of the seismic upgrades to this structure.



## Profile on CIP Program... continued...

### Weymouth Treatment Plant

- **Drop Gates** – Gate guides for a temporary gate to isolate Basins 1–4 from Basins 5–8 were fabricated and installed during the December 16 shutdown. Other gates were inspected during the plant shutdown.
- **Coagulant Tank Farm Modifications** – Final design is 90 percent complete with advertisement for bids anticipated in early 2007.
- **Plant Operations & Maintenance Center** – Final design is 90 percent complete with advertisement for bids anticipated in early 2007.

## Facility Planning

Staff worked with a panel of nationally recognized experts to analyze alternative, plausible planning scenarios that will be compared to the existing planning scenario based on the Southern California Association of Governments (SCAG) and San Diego Association of Governments (SANDAG) 2004 Regional Transportation Plan. Metropolitan uses the SCAG and SANDAG population and demographic projections to plan for future water supply and regional infrastructure needs because they reflect regionally adopted growth plans.

The experts do not predict growth higher than the existing regional plan scenario, and also confirmed the methodology for determining peaking factors. Staff presented these findings to the member agency managers on December 15, 2006. Policy issues were discussed in the areas of facility implementation, conveyance system service connections and nondemand flexibility project.

## Stewardship

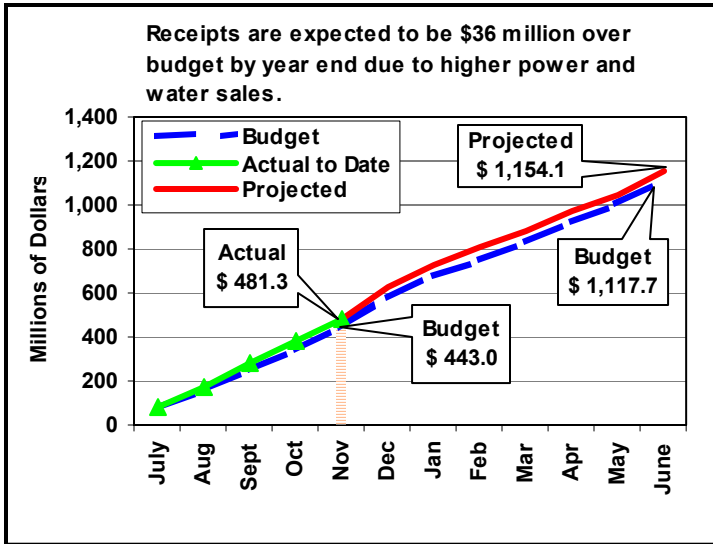
### Energy Management Program

Metropolitan's Energy Management Program is designed to enhance energy efficiency, reduce greenhouse gas emissions and be environmentally conscious. Preparation of an inventory of Metropolitan's greenhouse gas (GHG) emissions was initiated in Spring 2006 and completion is scheduled for December 31, 2006. Once Metropolitan's GHG emissions level has been determined, reduction goals will be established and projects and initiatives identified to reach the reduction goals. Two potential projects that staff is currently investigating are a solar power facility located at the Skinner Water Treatment Plant and replacement of the Yorba Linda Feeder Power Plant turbine. Further, Metropolitan staff is reviewing the more costly renewable projects to find those that can be advanced in the capital improvement program schedule through partnerships with member agencies.

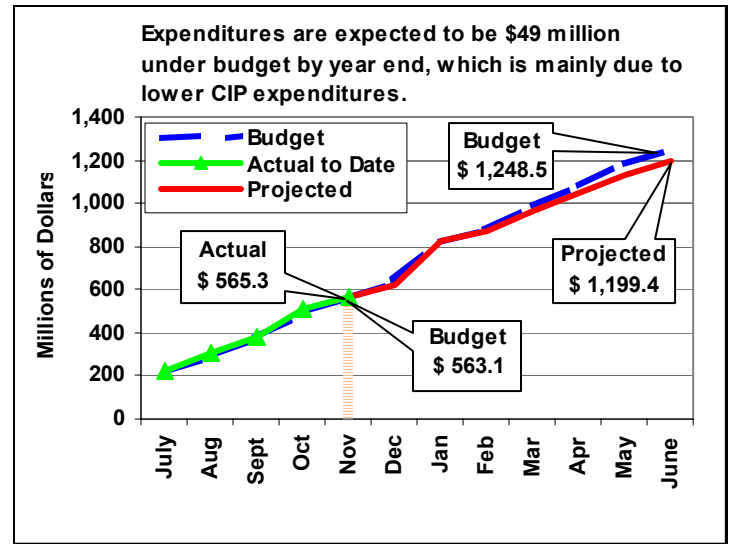




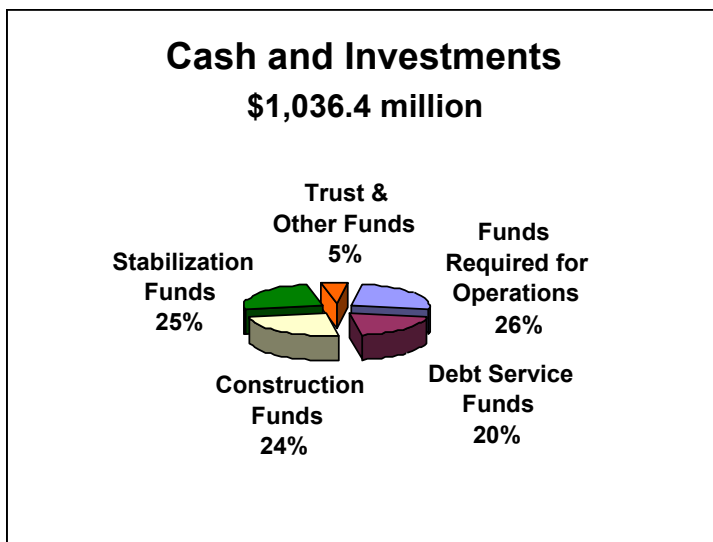
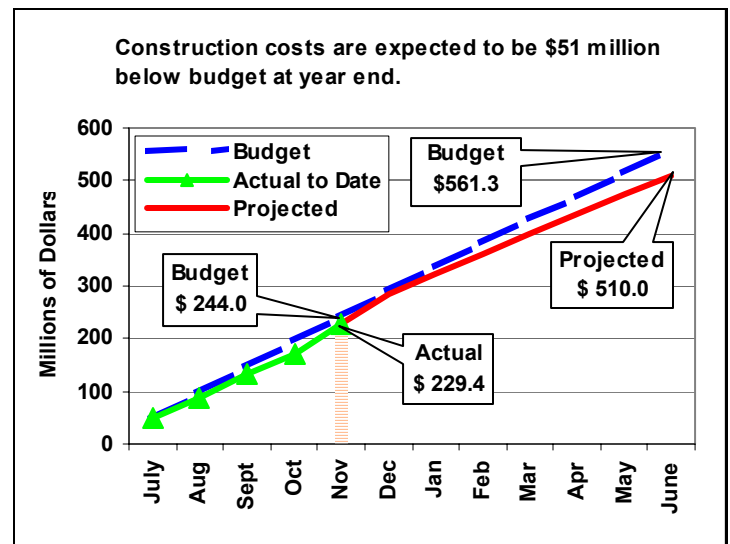
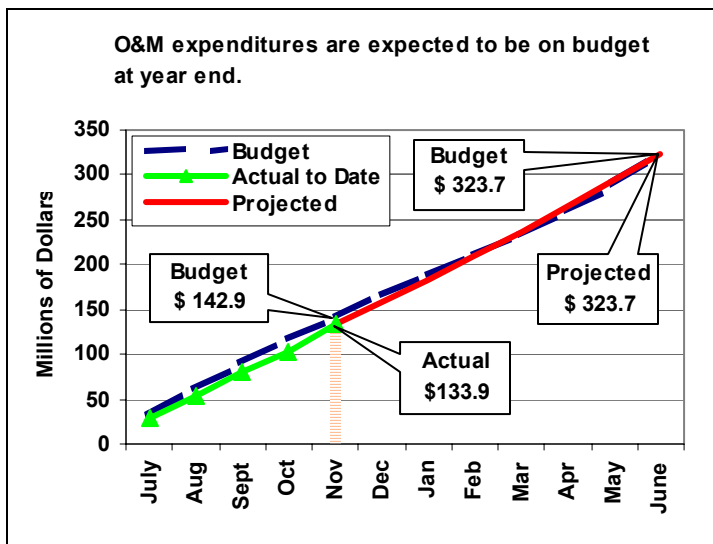
As of November 30, 2006



Excludes Bond Construction and Other Trust Funds Activity



Excludes Bond Construction and Other Trust Funds Activity



### Summary Financial Statistics

	Target	Actual
Fixed Charge Coverage	1.20 x	1.11 x
Revenue Debt Service Coverage	2.00 x	1.67 x
Revenue Bond Debt / Equity Ratio	100.0%	67.4%

#### Credit Ratings

	Target	Actual
- Moody's Investors Service	Aa2	Aa2
- Fitch Ratings	AA	AA+
- Standard & Poor's	AA	AA+



# Business Processes/ Operations

## Information Technology

- **Completed Pilot System Factory Acceptance Testing for the Automated Meter Reading (AMR) Upgrade Project**  
 The Automated Meter Reading System is the primary source of data for water billing, providing information on the amount of water delivered to each member agency. In December, as part of the AMR Upgrade project, a full turnkey pilot system of 31 units was successfully tested at the vendor's facility. This system includes new Remote Terminal units (field computers used to capture and process water flow readings), communications, software and security. Subsequent to this milestone, installation of these items into Metropolitan's field locations for live system testing has also commenced.
- **Deployed IT Security Software**  
 A new software product was successfully deployed that is used by IT security personnel to create, delete, enable, disable, and modify users' access rights for selected computer applications. The objective of this new security software is to provide an improved means for ensuring that all computer users have the appropriate level of access to the network and applications needed to perform their jobs.
- **Completed Network Equipment Upgrade at Diamond Valley Lake**  
 Staff completed cutover to the new hardware (i.e., network routers and switches) at Diamond Valley Lake as part of the Phase One - IT Network Upgrade project. The new network equipment, which inter-connects all computers at a given facility, will provide improved networking speed for computer users and ensures a high level of reliability for Metropolitan's local area networks. With the completion of the DVL upgrade, this completes the milestone for upgrading the local area network equipment at all Metropolitan field sites.
- **Conducted IT Disaster Recovery Exercise**  
 Staff conducted and completed an Information Technology Disaster Recovery Exercise as part of ongoing effort to test and exercise IT recovery procedures. The scope of this exercise focused on key business systems such as financial (Oracle), human resources (PeopleSoft), and timekeeping (WorkTech) systems. Recent modifications were made to these systems so the test exercised the updated procedures to validate their accuracy and verified that the system/data could still be recovered properly.

## Security

Metropolitan special agents, working in close concert with sheriff's investigators, assisted law enforcement in breaking a ring of thieves responsible for stealing copper grounding from numerous electrical towers in Metropolitan's desert region. Security and Water System Operations staff further assisted authorities with evidence collection and preparation of loss estimates to support prosecution of the thieves.



Metropolitan Towers in the Desert

## Emergency Management

Emergency Coordinators from the Emergency Operations Center and all Metropolitan Incident Command Centers met at La Verne to review lessons learned in completing a record year of emergency exercises and workshops, including 77 separate exercises for over 2,500 hours of training. Coordinators are planning to increase the scope and complexity of emergency exercises for 2007.



## Federal Legislative Update

Nov. 30: Metropolitan staff and Director Bill Wright joined the Torrance Area Chamber of Commerce and the South Bay Area of Chamber of Commerce in honoring Congresswoman Jane Harman at their annual State of the Region Luncheon.

Dec. 1: Chairman Timothy Brick and Metropolitan staff, met with Congresswoman Grace Napolitano and her staff to review and discuss water policy issues.

The U.S. Senate gave final approval to Senator Pete Domenici's Rural Water Supply Act (S.895), which was co-sponsored by Senator Jeff Bingaman. The bill directs the U.S. Department of the Interior, through the Bureau of Reclamation, to establish a program to plan, design and construct rural water supply projects. The bill authorizes \$15 million a year (2007-2016) for planning new water delivery infrastructure and would establish a loan guarantee program within the Bureau of Reclamation to help communities finance new water projects and pay for maintenance on existing water systems.

## State Legislative Update

Anticipated legislative action and discussion includes implementation of AB 32, the global warming bill enacted in 2006 as well as the anticipated introduction of bills involving Delta sustainability, such as SB 27 introduced by Sen. Simitian (D-Palo Alto) and a myriad of bills examining land use in flood plains.

On December 21, Senate President pro Tem Don Perata (D-Oakland) announced the committee chairs, including:

Budget: Senator Denise Ducheny

Sub-committee on Resources: Environmental Protection and Energy- Senator Alan Lowenthal

Energy, Utilities and Communications: Senator Christine Kehoe

Environmental Quality: Senator Joe Simitian

Local Government: Senator Gloria Negrete-McLeod

Natural Resources and Water: Senator Darrell Steinberg

Assembly chairs and vice chairs, respectively, for the 2007/08 session include:

Assembly Water, Parks and Wildlife Committee:  
Assemblywoman Lois Wolk (D-Davis) and  
Assemblyman Bill Maze (R-Visalia)

Assembly Local Government Committee:  
Assemblywoman Anna Caballero (D-San Benito)  
and Assemblyman Guy Houston (R-San Ramon)

## Education

Dec. 5: 36 student artists were honored at Metropolitan's Headquarters at Union Station along with member and retail agencies that participated in the selection of posters in Metropolitan's annual water poster contest. More than 125 students, parents, teachers, principals and agency representatives/managers attended the event.

Dec. 9 and 16: More than 750 students from 43 high school teams participated in boat building workshops for Solar Cup 2007. Twelve member agencies have teams who will be represented at the 2007 Solar Cup race on May 18 – 20, 2007. The total number of teams for the upcoming Solar Cup is 43. This is the greatest number of schools and teams in the six years of this event. The boat-building sessions generated news media coverage on KFWB news radio, as well as the Chinese Daily News and Singh Tao Press.

## Media

Media Services/Press Office coordinated messages and public outreach strategies with member agencies and retailers affected by the shut downs of the Weymouth treatment plant. Metropolitan issued a press release on the call for voluntary conservation in areas that faced potential supply situations during the shutdowns. Stories ran in the Los Angeles Times, San Gabriel Valley Tribune, Glendale News Press, City New Service and KNX 1070 radio and conveyed the conservation message. In addition, a press release was issued to signal the early end to a shutdown of the Skinner treatment plant.

KNBC Channel 4 News and Inland Empire News Radio, a National Public Radio affiliate, reported on a Metropolitan news release about the success of Metropolitan and local water agencies in introducing cutting-edge sprinkler controller that significantly reduces water use. The coverage centered on the pilot program by Metropolitan and the Family of Southern California Water Agencies to upgrade more than 5,000 homes and businesses in six Southland counties over the past two years to water-saving, "smart" sprinkler controllers.

During the month, Metropolitan was specifically called out in more than 17 news stories, including a story about Metropolitan signing a conjunctive use agreement with Western Municipal Water District and the Elsinore Valley Municipal Water District.



## Community Outreach & Other Events

Dec. 1 and 8: Metropolitan was recognized for its City Makeover Program contributions to two program recipients during dedication ceremonies of their water-wise gardens: Santiago Canyon College, which was attended by Chairman Brick; and Pierce College in Van Nuys, where the botanical garden was highlighted in a Daily News article.

Dec. 11: Victor Goochey, division president for John Laing Homes, testified at Metropolitan's public hearing on achievements in water conservation regarding the positive benefits of his company utilizing Metropolitan's "California Friendly" home program at its development in Sun City. Goochey also outlined the company's commitment to install weather-based irrigation controllers and high-efficiency toilets in all of the homes in the development – a first for Metropolitan's production rebate program.

Dec. 13: Chairman Brick, Palo Verde Irrigation District Chair Jill Johnson and other board members and staff of the two agencies attended a dinner at the Colorado River Users Conference in Las Vegas. The dinner serves as an opportunity to discuss objectives of Metropolitan's Palo Verde Land Management, Crop Rotation and Water Supply program.

## Briefings and Tours

Dec. 11 – 12: Staff conducted outreach to about 200 residents in Eagle Rock, Pasadena and La Verne regarding the Weymouth Treatment Plant shutdown scheduled for December.

Dec. 12: Staff provided a tour of Diamond Valley Lake for Hemet community leaders and the state Parks Department.

Dec. 19: Staff gave a presentation on the Arrowhead Tunnel project to the San Bernardino Rotary Club.

## Training

New employees who completed probation went on an inspection tour of the Colorado River Aqueduct system.

## Cost Containment

Interviews and selection process was completed for acquiring a consultant for the Cost Containment Committee, which will review options to manage Metropolitan's health care costs and other benefit costs.

## Apprenticeship Program

Update on the 2006/2007 Apprentice Recruitment - The qualifying examination was administered to the applicants for the 30 apprentice positions recruited last month. A team of recruitment staff from the Human Resources Section in conjunction with members of the Security and Emergency Management Unit and the Union Station and Gene Camp Security Officers successfully conducted and coordinated the testing process to over 600 applicants. Those applicants who successfully pass the exam will move forward to the formal panel interview process scheduled to take place throughout the month of January 2007.



Shaft Drive Alignment Practical Exam



Business Outreach

Real Estate Management

Business Outreach

Dec. 18: The Business Outreach Manager attended the Construction Industry Coalition for Water Quality (CICWQ) board meeting. The Southern California Contractors Association is a founding member of the CICWQ, which is currently working to shape the regulations proposed by the state and regional water quality control boards.

Dec. 20: Staff met with the Director of the Los Angeles Minority Business Opportunity Center to discuss future partnering opportunities. They have agreed to assist Metropolitan with developing new business leads and increasing the number of bidders in all contracting areas. Over the next six months staff is going to focus efforts on Metropolitan's Capital Investment Plan projects.

Leases, Licenses and Entry Permits

Metropolitan issued an entry permit to provide access to Southern California Gas Company to install a medium-sized gas line in the city of Redlands. Along the San Diego Pipeline Nos. 4 and 5, an entry permit was issued to complete local infrastructure repairs.

Real Estate Activities

- The sale was completed of the single-family residence (19835 Gavilan Road near Lake Mathews) previously designated as surplus.
- Staff is analyzing the post-wildfire environment following the Esperanza fire and will review hill slope and stream channel conditions to determine further actions. The wildfire occurred near Metropolitan-owned property (650+ acres) at Potrero Creek in the city of Beaumont.
- Staff is updating internal procedures to meet with the requirements of two eminent domain reform bills (SB 1210 and SB 1650) that were signed into law by California Governor Schwarzenegger. These two bills become effective January 1, 2007 and apply to pending and future acquisitions of real property through eminent domain.

Diamond Valley Lake Recreation Construction Progress

- The Searl Parkway, Phase 2, utility and road improvement is approximately 90 percent complete and completion is scheduled for January 2007.

**DVL Marina Usage Trends**  
**Previous 24 Months**  
**January 2005 through December 2006**

