

- **General Manager's 2006/07 Business Plan Semiannual Report**

## **Summary**

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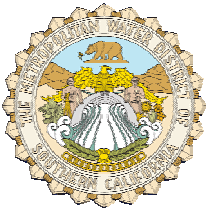
The attached report highlights the activities and achievements of the Office of the General Manager for the first half of Fiscal Year 2006/07. These activities and achievements are aligned with meeting the goals of the General Manager's Business Plan approved by the Board of Directors on June 13, 2006, in support of Metropolitan's mission and policies.

## **Attachment**

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General Manager's FY2006/07 Semiannual Report

# The Metropolitan Water District of Southern California General Manager's FY2006/07 Semiannual Report



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA'S MISSION IS TO PROVIDE OUR CUSTOMERS WITH ADEQUATE AND RELIABLE SUPPLIES OF HIGH-QUALITY WATER TO MEET PRESENT AND FUTURE NEEDS IN AN ENVIRONMENTALLY AND ECONOMICALLY RESPONSIBLE WAY.

The purpose of this report is to demonstrate how Metropolitan has achieved its mission for the first half of Fiscal Year 2006/07. By defining goals, key initiatives, and actions, Metropolitan sets out the direction and means to successfully implement water supply initiatives for long-term reliability and to respond to unexpected operational conditions, immediate system needs, and critical workforce issues. Performance highlights for July 1, 2006—December 31, 2006 are included in this report.

The primary goals for Metropolitan are:



### **Partnerships / Working Relationship**

Promote strong working relationships between the Board, Member Agencies and staff to effectively communicate and represent the region in local and statewide initiatives. In addition, Metropolitan's active participation in key technical and professional associations can help to ensure that Metropolitan's position is well represented in technical and regulatory arenas.



### **Workforce and Asset Management**

Implement a comprehensive evaluation and structuring of workforce/workplace programs. Maintain and improve Metropolitan's real property assets and facilities in a condition needed to support future demands, operational challenges, and business needs.



### **Water Supply and System Reliability**

Under this goal, Metropolitan would take a "total water management" approach to water supply and system reliability by integrating resources management, infrastructure development, system operations, treatment, environmental sustainability, and public policy decisions to determine the most cost-effective and reliable way to provide water for the region over the long-term future.



### **Financial Management**

Prioritize expenditures to maintain and operate existing facilities, provide critical resources under the Integrated Resources Plan, and proceed with future infrastructure improvements under the Capital Investment Plan.

# Partnerships and Working Relationships

## ◆ Board of Directors ◆ Member Agencies

*Board of Directors.* Provide support to the Board of Directors in conducting the business of the Board including the coordination of a variety of administrative functions for the Board of Directors and related committees, Metropolitan staff, member agencies and the general public.

- Continued to address questions and requests from the Board.
- Maintained sound relationships with the Board and its committees by conducting monthly meetings with Committee Chairs to provide updates on key issues and review agendas.
- Conducted 15 Board-sponsored inspection trips.

*Member Agencies.* Communicate and work with Metropolitan's member agencies to assist in coordination and delivery of common water policy themes and actions to assure that Metropolitan is addressing those issues that are most important to its member agencies.

- Coordinated monthly Member Agency Managers meetings as well as meetings with member agency conservation coordinators.
- Held first meeting with member agency public information officers to discuss and coordinate general outreach and communication efforts. One of the specific topics at this first meeting was fluoridation outreach and communication plans.
- Conducted a meeting with member agency water quality managers to discuss system operations planning and water quality changes, including distribution system regulations, taste and odor events, and source water protection.
- Initiated Local Resources Program Task Force Meetings with member agencies to establish steps to develop the next increment of yield under the LRP.

## ◆ Legislative Affairs ◆ Business Partners

- Conducted two successful shutdowns at the Skinner and Weymouth treatment plants. Both shutdowns culminated months of planning and coordination with member agencies.
- Coordinated efforts promoting California Friendly™ Campaign with member agencies including "Straight from the Tap" video broadcasts, radio ads and gardening workshops.
- Completed distribution of \$1.7 million Proposition 13 grant funds for weather-based irrigation controllers administered by the California Department of Water Resources.
- Continued to coordinate with member agencies on program implementation and operations for the groundwater conjunctive use, replenishment, agricultural and supplemental storage programs.
- Executed funding agreements for projects selected under the Enhanced Conservation Program. The program provides funding up to \$250 per acre-foot to develop cost-effective water conservation projects that pilot new creative program approaches to urban water conservation and increase participation in water efficiency measures leading to additional regional water savings.



**Board Room**



**High Efficiency Clothes Washer**



**California Friendly™**

# Partnerships and Working Relationships

- ◆ Board of Directors ◆ **Legislative Affairs**
- ◆ Member Agencies ◆ **Business Partners**

***Legislative Affairs.** Provide leadership and proactively address local, state, and national issues to ensure policy changes are positive and coordinated with member agencies.*

- Continued to meet with staff from Senator Feinstein’s office and various congressional staff to discuss relicensing the permit for the Oroville hydroelectric facility.
- Assisted Friant Water Users Authority with a tour and briefings for several Board members and executive management.
- Met with key administrative officials, including the Deputy Assistant Secretary of the Army for Civil Works, Environmental Protection Agency National Marine Fisheries Services, and Department of Interior to discuss Metropolitan’s concerns about Delta levees, environmental compliance, water export supplies and quality.
- Hosted the Water Education Foundation’s Delta Vision Workshop. The workshop provided insight on a vision for a sustainable management of the Delta in a manner that would continue to provide ecosystem functions and values and economic services vital to all the residents of California.
- Conducted briefings and a tour of Metropolitan facilities for Assistant Interior Secretary for Water and Science Mark Limbaugh, United States Bureau of Reclamation, Regional Director Robert Johnson; and Deputy Commissioner for Intergovernmental and External Affairs Brenda Burman.
- Reviewed and prepared analysis of legislation.

***Business Partners.** Develop and maintain effective working relationships with other public entities, water agencies, business and community partners and the media to advance Metropolitan’s mission.*

- Active participation and leadership roles in numerous business and water organizations.
- Provided 56 sponsorships in six counties for water-related, education outreach programs.
- Facilitated filming of the Inland Feeder Project for a Discovery Channel production and the Colorado River Aqueduct pumps for the History Channel’s “Modern Marvels” show.
- Influenced creation of \$10 million statewide pilot program by California Public Utilities Commission for water / energy efficiency projects.
- Orchestrated the first ever California Construction Expo cosponsored by Metropolitan and other government agencies to increase the number of bidders on public construction projects. There was 250 booths and more than 2,000 attendees.
- Exceeded Metropolitan’s overall goal of 18 percent and achieved 22 percent of contract dollars going to small business enterprises.
- Continued to reach over 12,000 potential vendors and strategic partners through the weekly outreach newsletter “Tap into Opportunities.”
- Conducted “Strategies for Public Sector Contracting” seminars in the region.
- Held strategic planning workshops with Business Builders Network partners to facilitate developing alliances to build on resource sharing, reciprocal certification and cooperative contracting.



Cal Construction Expo



Small Business Administration



Delta Levee

# Water Supply and System Reliability

## ◆Water Supply

### ◆System Reliability

### ◆Capital Investment

### ◆Water Quality

### ◆Energy Management

*Water Supply. Acquire sufficient water supply and demand management resources to satisfy dry-year demands through 2025; or as otherwise established by further Integrated Resources Plan updates.*

- Reviewed and commented on the California Department of Water Resources' Lake Perris Reconnaissance Study.
- Collaborated with energy providers, San Gabriel Rivers and Mountains Conservancy, Los Angeles Department of Public Works, Los Angeles County Sanitation Districts, and Integrated Regional Water Management Plan regions to identify common areas and future potential partnerships to meet IRP goals.
- Developed storage agreement with Western Municipal Water District in Elsinore groundwater basin.
- Issued draft Groundwater Assessment report chapters to member agencies and groundwater basin managers for review and comment. Draft report is being assembled with a regional overview for submission to the Board, member agencies, and groundwater basin managers in the third quarter of this fiscal year.
- Coordinated deliveries to six of the member agencies participating in the groundwater conjunctive use program.
- Ensured progress was being made to improve water quality at Lake Perris by overseeing the completion of preliminary design reports for the water quality improvement program and initiated final design.
- Requested approximately 15,000 acre-feet of water apportioned to but unused by Arizona in 2005 to meet that year's consumptive use which was in excess of California's normal apportionment.

- Managed Colorado River Aqueduct operations in response to fluctuating Colorado River supply forecasts and to implement storage of water in new Lake Mead Banking program.
- Closed escrow on the final three contracts under the Palo Verde Irrigation District land-fallowing program. This marks 100 percent implementation of the PVID program with 91 contracts having closed escrow.
- Staff explored opportunities to develop mutually advantageous water management programs with Kern County Water Agency.
- Staff participated in the process and provided input to the Delta Risk Management Study which looks at sustainability of the Delta and major risks to the Delta resources from floods, seepage, subsidence, and earthquakes.
- Staff worked with DWR to minimize water supply and operational impacts to Metropolitan during significant outages on the State Water Project.



State Water Project



Colorado River Aqueduct



Aquifer Storage and Recovery Well

# Water Supply and System Reliability

- ◆Water Supply
- ◆**System Reliability**
- ◆Capital Investment
- ◆Water Quality
- ◆Energy Management



Skinner Plant Pumps

*System Reliability Maximize effectiveness of maintenance activities and implement replacement and improvement projects to ensure the delivery of water without interruption.*

- Maximized deliveries into Metropolitan's system and maximized Colorado River Aqueduct deliveries by scheduling 50,000 acre-feet in Lake Mead.
- Monitored and repaired infrastructure and appurtenances of the Colorado River Aqueduct to ensure reliability of intake pump plants.
- Continued maintenance and inspection of 308 miles of transmission lines.
- Reviewed and updated the Emergency Response Plan and conducted System Recovery exercises.
- Involved in Western Electricity Coordinating Council and regularly participated in meetings with other agencies to keep abreast of changes that may impact Metropolitan's energy operations.

Achieved milestones on the following systems:

1. Simulation and Modeling Application for Real Time Operations System (SMART-Ops) - formerly named the Real Time Operating System, will develop and implement a hydraulic model that simulates the behavior of Metropolitan's water distribution system, including the Colorado River Aqueduct. SMART Ops will be used for planning the re-routing of water during shutdowns, training new water system operators and analyzing distribution system control options. Staff completed the Rialto Feeder modeling effort, the pilot phase of the project. Quality assurance testing is completed and approved, evaluation

scenarios demonstrated and deployment has been initiated.

2. Automated Meter Reading System (AMR) - is the primary source of data for water billing, providing information on the amount of water delivered to each member agency. There are approximately 480 water meters located throughout Metropolitan's water distribution system. The current AMR system is based on outdated technology that needs to be upgraded to continue functioning properly. For this project, staff developed a full turnkey pilot system of 31 units, which successfully passed factory acceptance testing. This system includes new Remote Terminal units (field computers used to capture and process water flow readings), communications, software and security.
3. Energy Management System Phase II (EMS) - will expand the system so that it can be used to help schedule, manage and account for the power needed to support the Colorado River Aqueduct pumping operation. The EMS for CRA energy consumption was developed and the software is being installed for user testing.



Water flow meter tied into AMR system

# Water Supply and System Reliability

- ◆Water Supply
- ◆System Reliability

## ◆Capital Investment

- ◆Water Quality
- ◆Energy Management



Skinner Plant Expansion

*Capital Investment. Implement board-approved Capital Investment Plan to ensure the quality and reliability of the region's water supply and infrastructure.*

### Skinner Plant Expansion No. 4

This program includes construction of a new 110 million-gallons-a-day water treatment module (Module No. 7) and supporting facilities.

The Skinner plant was shut down for a planned 11-day period to allow contractors to construct tie-ins for the Skinner Oxidation Retrofit Program and Module No. 7 expansion projects, and to repair liner panels on the San Diego Canal.

### Continued to Implement the Chlorine Containment and Handling Facilities

This program includes design and construction of facilities at all five water treatment plants to minimize the possibility of a chlorine leak. Construction continued on Skinner, Jensen and Mills facilities.

### Continued Inland Feeder Construction

Arrowhead East Tunnel—advanced 3,235 feet for a total of 16,339 feet (73 percent).  
Arrowhead West Tunnel—advanced 2,320 feet for a total of 8,450 feet (42 percent).

### Continued the Oxidation Retrofit Program

The program was established to reduce the level of disinfection by-products in the finished water at all five treatment plants in order to meet state and federal drinking water regulations.

### Implemented Water Treatment Plant Improvements Program

These programs were initiated to maintain reliability and to improve operating efficiency at the Water Treatment Plants. During the shutdown at Weymouth, maintenance repairs and additional inspections were performed. A new drop gate guide was installed in the influent to allow future isolation of basins during the construction of Weymouth Oxidation Retrofit Program.

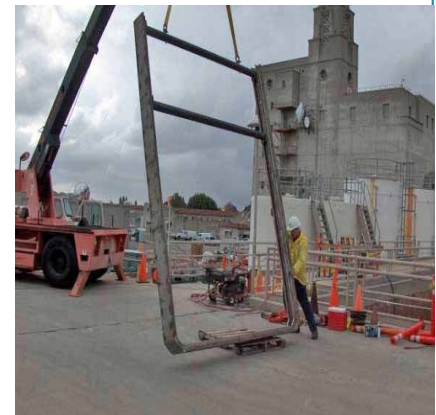
### Continued Conveyance and Distribution System Rehabilitation Program

This program was initiated to maintain reliable deliveries through specific repair and rehabilitation projects on Metropolitan's pipelines, reservoirs, and control structures.

Metropolitan submitted an application to the California Department of Health Services to request \$60 million in Proposition 50 funding for three oxidation retrofits at the Skinner, Weymouth and Diemer plants. The Board adopted resolution 9014 supporting Metropolitan's application for Proposition 50 Safe Drinking Water grant funding.

### Facility Planning

Continued work on the Integrated Area Studies for the Riverside / San Diego and the Central Pool areas. These studies are investigating alternative strategies for meeting future demands in both areas. Staff completed review of demand projection and peaking methodology developed by an expert panel.



Drop Gate Guide at Weymouth

# Water Supply and System Reliability

- ◆ Water Supply
- ◆ System Reliability
- ◆ Capital Investment
- ◆ **Water Quality**
- ◆ **Energy Management**



**Weymouth Filtration Plant**

*Water Quality. Develop and implement comprehensive programs to ensure Metropolitan delivers water that meets or exceeds all water quality regulations and objectives.*

- Continued to maintain record high levels of State Water Project blends due to favorable source water quality conditions and treatment plant performance optimization.
- Prepared the Fluoride Notification Plan for the implementation of fluoride in July 2007.
- Continued to frame updates to current treatment strategies, developed best practices to address current treatment challenges, and anticipated changes in source or operating conditions.
- Met with representatives of the upper and lower basin states to discuss strategies to maximize water user benefits provided by the Colorado River Salinity Control Forum.
- Continued to collect and analyze monthly samples at remediation site, distribution system, treatment plants and reservoirs.
- Continued to work with Nevada Department of Environmental Protection to monitor remediation effort.
- Continued working with upstream stakeholders, agencies and interests

as part of the Perchlorate Action Plan to monitor and maintain perchlorate levels.

- Worked with the California Department of Water Resources on Total Organic Carbon monitoring.
- Received authorization to award contracts for relocation of air-vacuum relief valves along treated water distribution system.

*Energy Management. Design and operate Metropolitan's facilities in an energy efficient and cost-effective manner.*

- Completed Metropolitan's initial carbon footprint.
- Joined the California Climate Action Registry.
- Initiated energy efficiency assessments at the Skinner and Weymouth water treatment plants.
- Completed solar power generation study at the Skinner and initiated preliminary design and preparation of environmental documentation for a proposed one-megawatt solar generation facility.
- Participated in California Air Resources Board discussions on implementation of greenhouse gas reduction legislation.
- Continued planning efforts for future wind power feasibility studies at Hinds, Iron Mountain, and Gene pumping plants.
- Initiated assessment of alternative fuels (biodiesel) for Metropolitan's off-road fleet and construction equipment.



**Wind Power**



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



**Ozone**



# Workforce and Asset Management

## ◆Competent and Effective Workforce ◆Asset Management



**Six-Month Probation Completion Celebration**

### Competent and Effective Workforce.

*Provide the workforce with career development and technical training opportunities and tools, including application of advanced technologies, to continually improve workforce skills, competencies, and productivity to improve services to member agencies and other customers.*

- Completed Apprenticeship Program recruitment advertising, application and qualification testing process.
- Completed the Affirmative Action Plan and awaiting Executive Management review.
- Completing final upgrades and testing of METS Training Planner, which will simplify management of training plans for employees.
- Implemented new Training Planner at Jensen and Gene facilities.
- Discussed training solutions for business needs for Engineering, Information Technology and Contracting staff.
- Trained over 300 employees in a range of training topics including Ethics, Technical Writing, Sexual Harassment Prevention, Situational Leadership, Retirement Planning, Preparing for Job Interviews and Dealing with Difficult People.
- Continued efforts to expand career development offerings and develop non-classroom learning solutions.
- Held education fairs for employees with approximately 20 universities and colleges participating.
- Continued to integrate "Exceptional Customer Service" initiative into the organization and current business practice.
- Conducted a leadership forum for line managers and above to enhance their knowledge of internal policies and

procedures, staff recognition techniques, and customer relationships.

- Continued training and organizational effectiveness support for WSO Boot Camp and CRG Leadership Forum efforts.
- Provided one-on-one coaching (management skills development, difficult employee problem solving, and 260 assessment feedback) to 30 managers for a total of 70+ sessions.
- Worked with Information Technology and Engineering to define training requirements and rollouts of Office2007 and Windows Vista.
- Significant progress has been made in the Short-Term Recruitment and Talent Acquisition (STRATA) project. Metropolitan Staff has been working with PeopleFilter Incorporated to customize and implement the hosted website and applicant processing system. The contract recruiter spent two weeks handling a few hard to fill recruitments prior to being assigned other recruitments. The system went "live" the first week of December 2006.
- Developed and produced General Manager's end-of-year video message to employees which also announced launch of the "Ask the GM" communication tool.
- 70 percent of evaluations completed in a timely manner.
- 91 percent of job audits completed within timeframe.
- 87 percent of recruitments were completed within the identified time frame.



**Apprenticeship Program  
Motor Control Training**



**Service Awards Luncheon**

# Workforce and Asset Management

- ◆ **Competent and Effective Workforce**
- ◆ **Asset Management**



## Competent and Effective Workforce.

.....continued.....

- Completed tactical effort measuring compliance of 8 of 13 or 62% of sites within Metropolitan's system regarding Cal OSHA regulations related to health and safety.
- Conducted internal analysis, external analysis and developed framework for a revised employee recognition program. Staff is currently developing program modules to implement later this fiscal year that will "Recognize, Appreciate, and Value Each Other."
- Completed another successful Service Awards event during this time period.

Asset Management. Maintain and improve all of Metropolitan's real property assets and facilities in a condition needed to support future demands, operational challenges, and business needs.

- Developed a tentative schedule for Board review and discussion of various policies including Acquisition, Annexation, Property Management, Disposition/Surplus.
- Continued involvement in long-term water system operations planning.
- Finalized the outline and approach for the trained observer right-of-way assessment program in order to ensure protection policies and procedures.
- Processed annexation requests in a timely manner.
- Continued work on a comprehensive lease inspection program including geographical assignments for staff.
- Developed an Acquisition Database which is being tested. The new system will enhance the documentation, workflow, and speed of information for acquisition.
- Initiated a review of the applicability of Geographic Information System and

the mapping systems recently made available on the Intranet to improve several future information management plans.

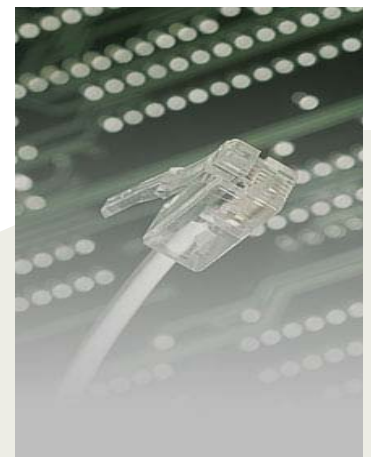
- Completed Searl Parkway Phase I (landscape) and II (roadway and utilities) for Diamond Valley Lake recreation facilities.
- Initiated field activities for new security projects, including comprehensive entry control study to produce enterprise-wide standards.
- Reviewed contracts to ensure appropriate terms and insurance requirements are identified.
- Deployed Information Technology Security Software. The objective of this 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.
- Deployed new Anti-SPAM software to protect against potentially harmful email messages.
- Completed an Information Technology Disaster Recovery Exercise. The focus was on key business systems.
- Completed Local Area Network upgrade at Union Station and field sites including router and switches.
- Completed deployment of new voice mail system to replace the 16-year-old system.



**Aerial Map for Property Acquisition**



**Anti-Spam Controls**



**Telephone Network Upgrades**

# Business Processes

**Business Processes.** Implement business process improvements to increase organizational efficiencies and manage the organization to achieve budget objectives.

- Completed a benchmarking study to analyze the efficiency of Metropolitan's Information Technology operations and maintenance costs, staffing and service levels. The summary results indicate that Metropolitan's IT spending is 21 percent lower than peers.
- Honored with Environmental Protection Agency 2006 Energy Star Award for optimizing energy performance at the Union Station building.
- Completed a best practices benchmarking effort regarding the development of operations and maintenance manuals.
- Published a business services newsletter to inform employees about new and revised services, procedures and programs.
- Conducted a warehouse benchmarking study to determine how other organizations used technology to improve warehouse operations and assess the viability of using such strategies at Metropolitan.
- Provided customers with automatic procurement updates.

- Promoted cost-effective purchasing which resulted in \$1.1 million saved during the first half of FY2006/07. This is a result of effective contract negotiating, piggybacking, competitive bid process, and leveraged volume through master agreements.
- Continued to develop Internet-based programs to increase cost-efficiency and streamline its normal business processes.
- Continued to work on establishing contracts for fleet parts and supplies.
- Completed an online fleet service customer satisfaction survey which will be distributed in the third quarter of this fiscal year.

**Business Services Section Update!**

**Services & Programs**  
**Expediting Program for Inventory Items**  
 An Expediting Program has just been implemented to promote the timely receipt of inventory items into Metropolitan's warehouses. Vendors are now contacted immediately whenever an inventory shipment is not received by the due date. Also, stakeholders have assistance in resolving vendor-related issues for delay shipments. For more details on the program, contact the VILBos at extension 75647 or Vera Buschhoff at extension 75625.

**Get Help with Vendor Problems**  
 Contracting Services has implemented a process for aiding when a vendor is unable to make business go smoothly for you. If you experience a contract vendor related problem, simply fill out the Supplier Reaction Form located in the EForm directory and email it to dmorris@metro.net. The completed form will be reviewed and will allow MWD to potentially provide vendor performance and will allow MWD to potentially provide vendors with assistance from being on a delinquent contract. If you would like more information about the type of issues we can assist you with, please contact Dennis at extension 77602.

**Improvements**  
**Elimination of P-Card 80% Threshold Rule**  
 Under the P-Card program, there are two types of spending limit rules. The 80% rule for each P-Card holder is a single purchase limit and monthly limit.

**Online Warehouse**  
 "Your MWD Depot"  
 Inventory - New Inventory Receipts  
 Inventory - Cycle Counting Procedures  
 Inventory - Location  
 Contract - Supplier Personal Purchase  
 EAO  
 Inventory - Replenishment Form  
 Inventory - Replenishment Contract Details  
 (Upload/View)

**Search HWDepot sub-area!**

Item #      Keyword

Search:

Go Find It    Start Over    Search Tips

QuickSearch by Category:  -> All Items    Submit

**The Online Warehouse (HWDepot)**  
 The HWDepot helps users search for inventory items that are currently on hand in Metropolitan warehouses or are currently on contracts. All items found in search results have on-hand quantities or are on contracts. Detailed item information shows warehouse locations, quantities and unit costs. If the item is currently on a contract, the supplier name and blanket order number will be displayed.

**What it doesn't do:**  
 HWDepot can only return information for items that are currently on hand in Metropolitan warehouses or are currently on contracts. It will not display information for items that are not currently on-hand or are on contracts.

**QuickSearch by Category**  
 You may view all inventory items in a category by using the "QuickSearch by Category" button. If the item is not on hand or on a contract, to use the QuickSearch by Category click on the drop-down bar, select a category and submit. Note that when you select the category you may print the page using the button on the upper right.



Information Technology



Fleet

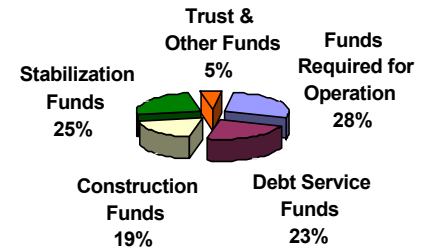
# Financial Clarity and Integrity

## Capital Market

## Water Rates

### Cash and Investments

\$1,082.0 million



**Financial Clarity and Integrity.** Assure member agencies, rating agencies, the legislature, and the public that Metropolitan is effectively managing the public's finances through consistent, clear, and timely financial policies and reporting.

- Received the Government Finance Officers Association Award of Excellence for financial reporting.
- Tracked Operations and Maintenance costs via Enterprise Reporting System and provided variance explanations on a monthly basis.
- Reviewed the significant issue regarding accounting practices for the State Water Project with new external auditor.
- Continued to manage Metropolitan's water resources in a cost-effective manner.
- Budgeted for 74 programs through the first half of FY 2006/07 to be underway at a projected expenditure of approximately \$290M. Actual costs were approximately \$259M. The primary contributors to the variance are due to Perris Valley Pipeline—the initial project delivery plan and associated cash flow, call for a design-build approach. This approach was terminated. The revised design-bid-build approach will result in a restructured delivery date and cash flow. The other reason is Skinner Oxidation Retrofit Program. In order to expedite construction of the Ozone and plant expansion, the work is being performed under multiple contracts. As a result of the complexity associated with the cash flow of multiple contracts, the original timing of expenditures was aggressive, leading to the current under run.

**Capital Market.** Ensure that Metropolitan continues to have access to capital markets at cost-effective rates.

- Managed net interest rate exposure (impact of change in interest rates on Metropolitan's investment portfolio and variable rate debt program) variability to within board-approved parameters.
- Completed revenue bond refunding. Estimated Net Present Value savings of \$2 million.
- Achieved long-term bond ratings of AA+ (S&P), AA+ (Fitch) and Aa2 (Moody's).
- Completed all transactions accurately, efficiently, and within investor community expectations.

**Water Rates.** Manage costs to ensure reliable, quality water service at the lowest possible rates.

- Planned draws from Water Rate Stabilization Fund plus annual revenues covered costs are more favorable than budgeted.
- Executed contract with consultant to update the Water Information System.

