

The Metropolitan Water District of Southern California General Manager's Monthly Activity Report— October 2009

Dated: October 31, 2009

This report identifies the actions/activities taking place during the month which support the objectives of the General Manager's Fiscal Year 2009/10 Business Plan.

In October, Metropolitan received the Platinum Award for Utility Excellence from the Association of Metropolitan Water Agencies (AMWA), which is an organization of the largest publicly owned drinking water suppliers in the United States. This is the highest award given by AMWA based on an organization's excellence exhibited in ten key areas (e.g., community sustainability, strategic business planning, continual improvement management, operational resiliency, product quality, etc.). AMWA represents the largest publicly owned drinking water systems in the United States and is the nation's only policy-making organization solely for metropolitan drinking water suppliers. This is truly a great honor for Metropolitan to be recognized for this top achievement due to its strong record of effective utility management and further validates its significant contributions to the drinking water industry.



**Water System
Operations**



**Corporate
Resources**

**Water Supply
Conditions Chart**



**Water Resource
Management**



**Business
Outreach**

Finance



**Human
Resources**

**Real Property
Development
&
Management**



**External
Affairs**



WATER SYSTEM OPERATIONS (WSO)

SYSTEM RELIABILITY

SYSTEM OPERATIONS

System operations delivered approximately 155,000 AF of water for October 2009, which is a daily average of 5,000 AF. An additional 4,500 AF was delivered to the Desert Water Agency and Coachella Valley Water District connections, as part of the exchange for their SWP Table A supplies.

In October, 110,000 AF of water from the State Water Project was delivered into the service area to meet about 69 percent of Metropolitan's October deliveries. Operation of the Inland Feeder has continued since the successful September 2009 startup testing of the completed feeder. A total of 29,000 AF of SWP water was delivered into Diamond Valley Lake through the Inland Feeder in October, at flows of up to 630 cfs. These deliveries partially offset water withdrawn from DVL to meet demands during the 24-day shutdown of the Colorado River Aqueduct. Throughout this time, 3 to 4 generators were operational at DVL.

During the month of October, System Operations varied operational flow patterns to maximize power generation opportunities by keeping 12 of the 16 hydroelectric facilities online and generating about 31,000 megawatts for the month.

CONVEYANCE AND DISTRIBUTION

DVL unit numbers 1, 5, and 9 were decommissioned to provide Wadsworth hydroelectric plant the ability to be reclassified as renewable energy for hydroelectric power generation.

SERVICE CONNECTION

The following service connection was authorized for construction during this period:

- EM-14, LakeView Pipeline, estimated cost \$638,900

The following service connections are currently in construction with an anticipated completion date of July 2010:

- EM-24, Perris Valley Pipeline, estimated cost \$923,569
- WR-35, Perris Valley Pipeline, estimated cost \$686,083

The service connection agreements for these two service connections were also executed during this period.

SECURITY

- Special agents provided support to management and field crews throughout Colorado River Aqueduct shutdown activities and oversaw equipment protection after business hours.
- Security investigators developed leads and provided information to a police detective probing reports of a possible hate crime directed at Metropolitan facilities and/or staff.
- Security management gathered and submitted Metropolitan input for the Environmental Protection Agency's second annual security survey for the water sector.
- A special agent provided site support and fielded security questions associated with a neighborhood group visiting a treatment plant in order to better understand how Metropolitan reduces risks associated with handling chemicals vital for disinfection.

ENVIRONMENTAL, HEALTH AND SAFETY

- Staff provided pre-shutdown technical support, CalOSHA consultation coordination, and in-field health and safety technical assistance and air monitoring for the CRA tunnel cleaning shutdown. The project required substantial Environmental Health and Safety Program and Site Support resources and close coordination with the project technical and schedule requirements.
- The final revised Injury and Illness Prevention Plan was completed and readied for signature by the General Manager for district-wide dissemination.
- Discussions continued with the Los Angeles County Department of Health regarding logistics, availability and distribution of H1N1 vaccine to Metropolitan employees.

WATER SYSTEM OPERATIONS (WSO)

SYSTEM RELIABILITY

EMERGENCY MANAGEMENT

- Emergency Management staff received training for operating the Utilities Desk at the State Operations Center in Mather, CA and the Regional Emergency Operations Center located in Los Alamitos.
- The Emergency Coordinator quarterly meeting was hosted by the Jensen water treatment plant. Agenda topics included an orientation and tour of Jensen's Incident Command Center, a presentation on Safety of Dams program, and a discussion on how Safety of Dam staff can support the ICCs during emergency activations.
- Staff attended the Earthquake Research Affiliates meeting at CalTech. Topics covered included recent earthquakes that caused tsunamis in the South Seas and the potential for mudflows this winter in the areas downstream of the Station Fire.
- Staff continued planning an exercise involving Engineering, Construction Services Unit, Maintenance Support Unit, and Western Incident Command Center to test the ability to respond to two simultaneous major pipeline breaks.
- Staff participated in the monthly California Water/Wastewater Agency Response Network State Steering Committee teleconference to review the recent meeting of CalWARN, AZWARN, and NVWARN and to plan the next statewide meeting. Discussion also included the needs for an upgraded website and possible affiliation with the California/Nevada section of American Water Works Association or the possibility of becoming a 501(c)(3) non-profit corporation.

SYSTEM MAINTENANCE / SHUTDOWNS

A 25-day shutdown of the Colorado River Aqueduct began on October 4. Some of the tasks performed were refurbishment of three slide gates at the West Portal of the San Jacinto Tunnel; installation of a new stilling well at the West Portal of the San Jacinto Tunnel; quagga mussel inspection; Southern California Edison electrical upgrades at Hinds pumping plant; tunnel cleaning; CRA panel and curbing replacement work; and cleaning of debris found during inspection of the East San Andreas Siphon.



Tunnel Cleaning Machine inside of the San Jacinto Tunnel



Tunnel Cleaning Machine Brush

WATER SYSTEM OPERATIONS (WSO)

WATER QUALITY

PROTECT SOURCE WATER QUALITY

Taste and odor levels were acceptable in all other source and finished waters.

Levels of 2-methylisoborneol reached as high as 100 parts per trillion (ppt) in Lake Skinner immediately following a copper sulfate treatment on September 29 to control a planktonic blue-green algae. Subsequently, the MIB levels in the lake have continued to decline and are approximately 25 ppt. The Skinner treatment plant is on lake bypass as the MIB levels continue to decrease to an acceptable level.

MANAGE WATER TREATMENT

In preparation for a three and one-half month outage to replace the floating cover on the Skinner water treatment plant reservoir, staff began systematically testing operational procedures to minimize the impacts to member agencies.

On October 21, the Energy and Commerce Committee of the U.S. House of Representatives passed the "Drinking Water

System Security Act of 2009." This act, if passed by Congress and signed by the President, would regulate the security of large drinking water facilities and would examine the storage and use of hazardous chemicals such as liquefied chlorine gas. Staff has worked with External Affairs to evaluate the proposed legislation. A number of important changes were incorporated into the version passed on October 21, including a required administrative review of any regulatory decision to require a utility to change the storage or use of hazardous chemicals.

The latest Total Dissolved Solids results from September for Weymouth, Diemer, and Skinner water treatment plants are 531, 549, and 561 mg/L, respectively. Due to limited supplies from the State Water Project, all three plants are currently above the operating goal of 500 mg/L TDS as a running annual average.

PHOTOS—SYSTEM MAINTENANCE / SHUTDOWNS



Colorado River Aqueduct Panel and Curbing replacement



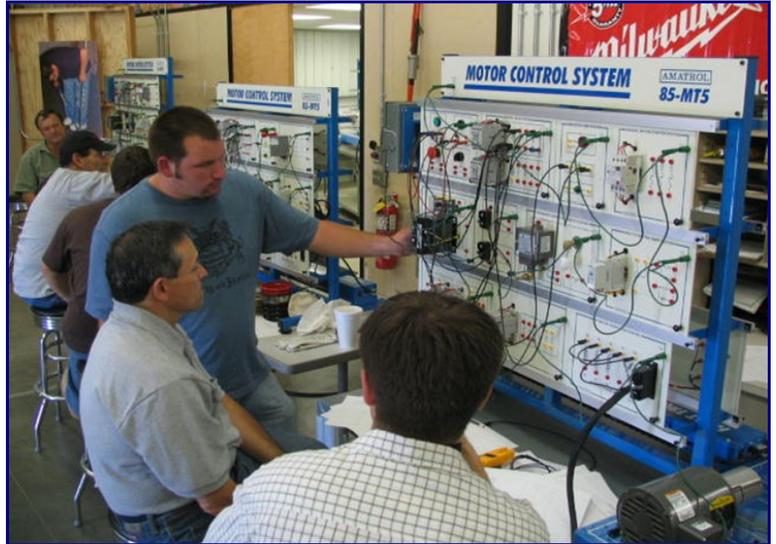
Rehabilitated slide gates at the West Portal of the San Jacinto Tunnel

WATER SYSTEM OPERATIONS (WSO)

TALENT ACQUISITION

WSO APPRENTICESHIP PROGRAM

Program staff have become aware of a number of grant opportunities associated with the federal economic stimulus program. Grant funding is available for training programs related to green energy technology and workforce training for the electric power sector. One grant request has been submitted and another is currently being prepared. If awarded, these grants will provide additional funding to the existing training programs and the possibility for future expansion. Our existing apprenticeship programs already receive a small amount of Related Supplemental Instruction funding from the state which supplements the purchase of training equipment. Due to budget constraints at the state level, RSI funding has recently been reduced by 47 percent.



Training Simulator

WATER SUPPLY RELIABILITY

FIVE-YEAR WATER SUPPLY PLAN

Negotiations with Southern Nevada Water Authority this month have increased the water available under the SNWA Exchange to 60 TAF in 2009. In addition, the California Department of Water Resources reduced Metropolitan's net Drought Water Bank supply by 1 TAF to 29 TAF, based on actual amounts of groundwater pumped by sellers into the Bank. This brings the current estimate of total Five-Year Water Supplies in 2009 to 412 TAF.

Current Storage	10/29/2009	Percent of Capacity
	Storage (AF)	
Lake Mathews	118,400	65%
Lake Skinner	36,000	82%
DVL	347,100	43%
Lake Perris	63,200	48%

Useful information:

AF = acre-foot, the volume of water to cover an acre of land, one-foot deep. Approximately 326,000 gallons of water, serves annual needs of two typical California families.

TAF=thousand acre-feet

CORPORATE RESOURCES (CRG)

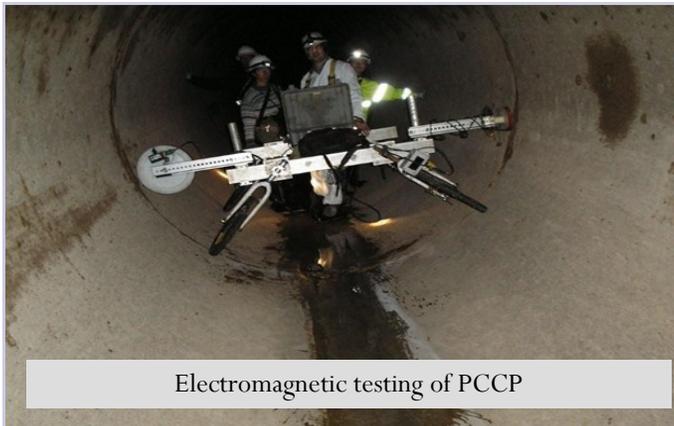
CAPITAL INVESTMENT PLAN

REPLACE / REHABILITATE PROJECTS FOR CONVEYANCE AND DISTRIBUTION SYSTEM

Assess the Condition of Metropolitan's Prestressed Concrete Cylinder Pipe—Metropolitan has over 163 miles of PCCP within the distribution system. This program is being implemented in three phases to assess the condition of PCCP lines utilizing alternate inspection techniques. Phases I and II are complete.

Phase III inspections are 60 percent complete and are scheduled to be completed by June 2011. Staff is reviewing last season's inspection results and inspection reports. Any planned repairs will be submitted to the Capital Investment Plan Team for approval. Staff is planning to inspect eight pipelines during 2009/10 inspection season starting in November 2009.

The program is on schedule to be completed in fiscal year 2010/11 and is within budget.



Electromagnetic testing of PCCP

Colorado River Aqueduct Pumping Plant Reliability Program—This program was established to maintain reliability of the Colorado River Aqueduct pumping plants and support facilities. The program currently contains 8 active projects, while 5 have been completed. Recent activities include the following:

- Access Cover Replacement – This project is needed to protect the aqueduct from intrusion of soil and debris, and to prevent unauthorized access. The work involves replacement of 36 deteriorated steel and concrete access covers along the CRA. This work will be performed in conjunction with the Access Cover Replacement contract described above.
- Desert Water Tank Access and Safety Improvements – This project is required to improve access and safety to the

water tanks located in the hills above the pumping plants. Project work involves the improvement of access pathways to the 15 fire, cooling and domestic water tanks which are located in steep terrain, high above each pumping plant. Bids were opened on October 21, 2009 and a request to the Board to award a construction contract is scheduled for December 2009.

- Suction/Discharge Line Expansion Joints – This project will rehabilitate leaking joints on the delivery and suction lines at all five CRA pumping plants. Preliminary design is complete and staff is moving forward with the final design in two phases. Phase 1 will address the leaking joints on the delivery lines. Final design for the Iron Mountain Pumping Plant delivery lines is complete and was advertised for competitive bids in September 2009. A request to the Board to award a construction contract is scheduled for December 2009. Construction for the remaining four pumping plants is scheduled to be completed by April 2014.

Phase 2 of this project will address the leaking joints on the suction lines of each CRA pumping plants, with final design scheduled to be completed by December 2010. The completion date of Phase 1 and 2 work is dependent upon the scheduling of CRA shutdowns.



Corroded Access Cover

CORPORATE RESOURCES (CRG)

CAPITAL INVESTMENT PLAN

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. The program currently contains 36 active projects, while 39 have been completed. Recent activities include the following:

- Middle Feeder Cathodic Protection – This project will install cathodic protection stations along a portion of the Middle Feeder to protect the pipeline from corrosion. The Board awarded a construction contract in October 2009. Construction is scheduled to be completed by July 2010.
- OC-71 Service Connection Fire Repairs – This project will repair fire damage caused by the 2007 wildfires. Construction is 85 percent complete and is scheduled to be completed by November 2009.



Rehabilitation of Fire-Damaged
OC-71 Structure
Before and After



- Lake Skinner Outlet Conduit – This project will repair three distressed PCCP pipe segments on the Lake Skinner Outlet Conduit. Bids were opened on October 29, 2009, and a request to the Board to award a construction contract is scheduled for December 2009.
- Box Springs Feeder Repair – This project will repair four distressed PCCP pipe segments on the Box Springs Feeder. The Board awarded a construction contract in September 2009. Construction is scheduled to be completed by September 2010.
- San Diego Canal Bisulfite Feed System – This project will replace the bisulfite feed system at the San Diego Canal. This system neutralizes chlorine that is added to the San Diego Canal to remove algae. Construction is 10 percent complete and is scheduled to be completed by February 2010.

Weymouth Water Treatment Plant Improvements Program—

This program was initiated to maintain reliability and to improve operating efficiency of the Weymouth plant through specific improvement projects. The program currently contains 30 active projects, while 9 have been completed. Recent activities include the following:

- Weymouth Coagulant Tank Farm – Construction is 53 percent complete and is scheduled to be completed by December 2010.
- Weymouth Electrical Upgrade Project – Final design is complete, and bids were opened on October 8, 2009. A request to the Board to award a construction contract is planned for November 2009.
- Inlet Conduit Relocation and Rapid Mix Project – Metropolitan's Board awarded a construction contract in

August 2009 and the Notice-to-Proceed was issued on September 14, 2009.

- Junction Structure Seismic Upgrades – This project will repair leaky valves and will seismically upgrade the Junction Structure. In July 2009, Metropolitan's Board awarded a procurement contract for the inlet valves. Final design of the seismic upgrades is 99 percent complete and is scheduled to be completed by January 2010.
- Weymouth Reservoir Inlet Gates Replacement – Final design is 50 percent complete and is scheduled to be completed by December 2009.
- Weymouth Filter Rehabilitation – Final design is complete. A request to the Board to award a construction contract is scheduled for February 2010.

CORPORATE RESOURCES (CRG)

STRATEGIC POWER / CARBON REDUCTION PLANNING

On September 10, 17 and 24, Metropolitan made forward energy purchases for Colorado River Aqueduct pumping requirements in calendar years 2009 and 2010. 2009 purchases (November and December only) consisted of approximately 80,000 MWh at a cost of \$2.9 million. 2010 purchases consisted of approximately 230,000 MWh at a cost of \$9.7 million. Purchases included both on and off-peak energy. Payment for the energy is made after confirmation of delivery.

On October 16, the Federal Energy Regulatory Commission formally approved Metropolitan's request to reduce the nameplate generating capacity of the Diamond Valley Lake

power plant. Approval was obtained within eight days of our submittal (probably a record). Metropolitan proposed to remove three of the 12 pump/turbine units from service and lower the generating capacity from 39.6 Megawatts (MW) to 29.7 MW. Metropolitan filed an application with the California Energy Commission on October 22 to certify the DVL power plant as a California renewable generator based on the decision by FERC and the resulting work at the plant, which was completed October 20. California law prevents hydro generators from being certified as renewable if their nameplate capacity exceeds 30 MW. Certification as renewable will increase the revenue Metropolitan receives for DVL generation.

WATER SUPPLY RELIABILITY

WATER CONSERVATION CONTROL MEASURES

- Since the Board authorized an increase to Metropolitan's Conservations Credits Program, and amended a contract with Honeywell International in July 2009, staff has processed approximately \$6.2 million in payments that were accrued against the 2008/09 budget of \$40 million. With these payments, all invoices accrued against the 2008/09 budget have been paid.
- Approximately \$6.8 million of \$14.2 million in backlog has been paid or processed by Metropolitan. Applications for approximately \$5.7 million will be processed once supporting

documentation is provided by customers. Completed applications, supporting documentation, and inspections are being expedited so payments can be released.

- Staff successfully re-activated the regional commercial and residential programs on September 21. Nearly \$1.2 million in commercial rebate reservations were made the first day. Total reported reservations through the third week of October were \$2.8 million. Most reservations were for weather-based irrigation controllers, rotating spray nozzles and high-efficiency toilets.

BUSINESS PROCESSES

BUSINESS IMPROVEMENTS

Conducted Training on Emergency Notification System—In October, as part of continuing efforts to ensure staff are prepared for emergencies, IT conducted training on the Emergency Notification System with Emergency Operation Center and IT logistics staff. The system is used for rapid and efficient delivery of alerts, notifications, reporting instructions and other time-critical communications in the event of an emergency.

WATER SUPPLY CONDITIONS

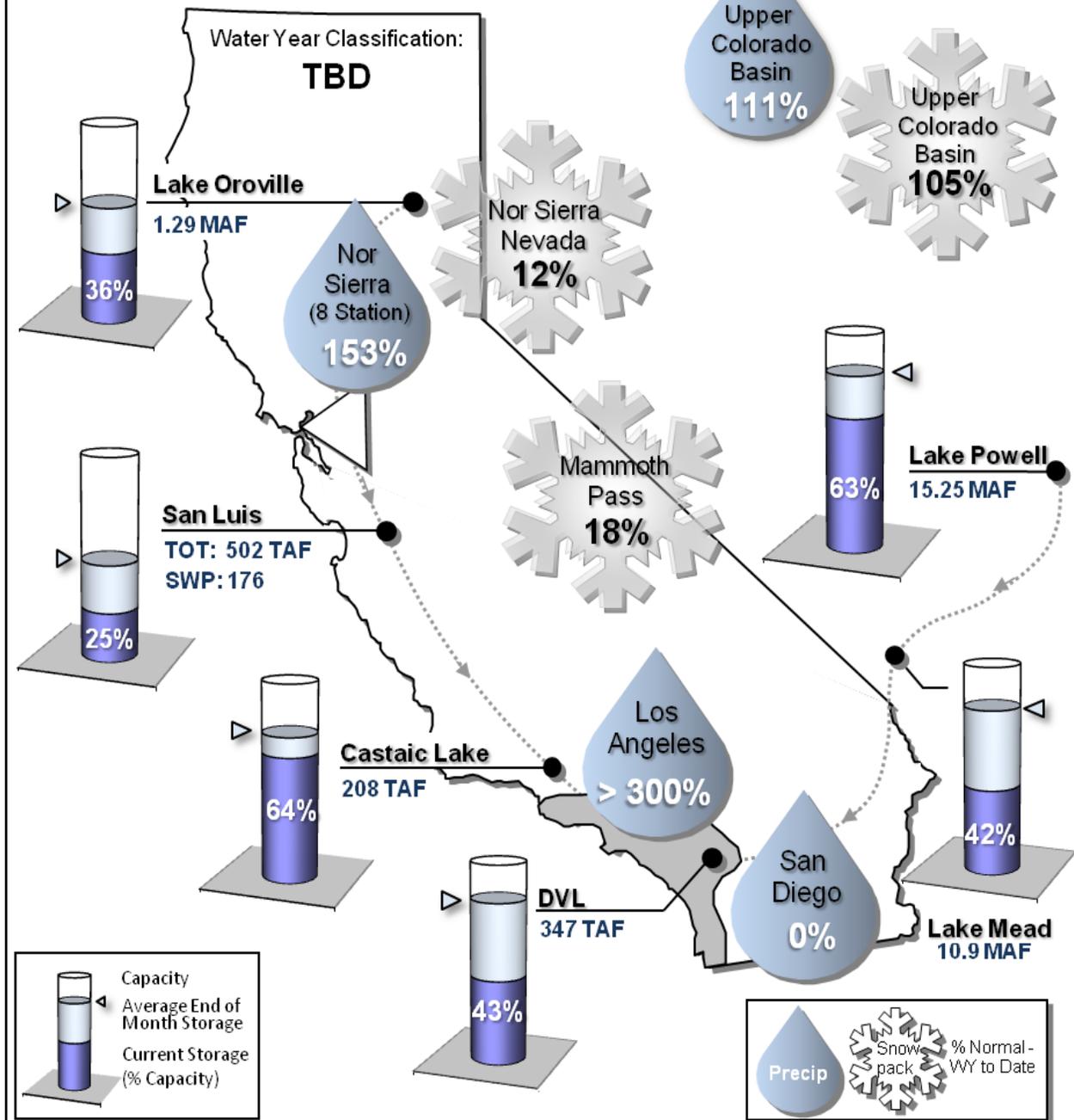
SWP Allocation (2009):

Colorado River Supply Forecast (2009):

40% of Table A Supplies *

88% of full CRA

* Includes CVWD and DWA Table A Supplies



WATER RESOURCE MANAGEMENT (WRM)

WATER SUPPLY RELIABILITY

LONG-TERM REGIONAL CONSERVATION PLAN

Model Water Efficient Ordinance—On October 20, Metropolitan hosted a California Department of Water Resources workshop for municipal planners and water agencies on the new State Model Water Efficient Landscape Ordinance. DWR provided a detailed review of the ordinance and the requirements for local agencies. The ordinance, applicable to new and rehabilitated landscapes, is designed to reduce water use through design, installation, and maintenance. State law requires local agencies, by January 1, 2010, to adopt the State Model Ordinance or a local ordinance that is at least as effective in saving water.

WaterSmart Innovations Conference—Staff presented information on Metropolitan's experience in conservation, including an update on the Smart Irrigation Controller Study at the WaterSmart Innovations Conference held on October 8, in Las Vegas, Nevada. The study was updated from the original report that was presented at this conference last year. Water use data was revised for Northern California's portion of the study and changes were made to the weather data used in the analysis. More than 1,000 people from 42 states and 12 nations attended the conference, including Chairman Brick.

BAY-DELTA SOLUTIONS

STATE WATER PROJECT & TRANSFER EXCHANGE SUPPLIES

2009 Governor's Drought Water Bank—The 2009 Governor's Drought Water Bank purchased approximately 75,000 acre-feet, of which Metropolitan purchased approximately 38,000 acre-feet. Since these supplies incurred both 20 percent Delta carriage losses and three percent California Aqueduct conveyance losses, Metropolitan received approximately 30,000 acre-feet, which were received by Metropolitan by the end of September. In November, staff will provide a board report that will include a review and analysis of the 2009 Drought Water Bank.

WATER SUPPLY

STATE WATER PROJECT

Initial Water Order—Metropolitan submitted its 2010 initial schedule of State Water Project water order to the Department of Water Resources. Under wet conditions, the initial order provides for the delivery of 1.935 million acre-feet into Metropolitan's service area, including 2009 carryover for Metropolitan, Desert Water Agency, and Coachella Valley Water District. Under drier conditions, the initial order provides for a variety of water management actions including the withdrawal of stored groundwater from Metropolitan's Central Valley programs, the movement of transfer water in the summer months, and withdrawal of Metropolitan's remaining balance in its Castaic and Perris flexible storage accounts.

Metropolitan will monitor water supply conditions, demands, alternative supply sources and system operations over the course of 2010 and make adjustments to the initial order as needed.

COLORADO RIVER

Yuma Desalting Plant Pilot Operation—Metropolitan executed the funding, forbearance, research, environmental monitoring and in-kind services agreements. Five of the six agreements authorized by the Board in September 2009 related to participation in the pilot operation of the Yuma Desalting Plant. The first payment associated with these agreements is

WATER RESOURCE MANAGEMENT (WRM)

WATER SUPPLY

COLORADO RIVER continued....

anticipated in late November 2009. The pilot operation is projected to develop up to 23,200 acre-feet of water supply for Metropolitan's Intentionally Created Surplus account during its one year operation expected to commence in May 2010.

Metropolitan stores SNWA unused apportionment—Southern Nevada Water Authority informed Metropolitan that they desire to make 60,000 AF of unused Nevada basic Colorado River apportionment available for storage by Metropolitan during 2009. SNWA was informed that Metropolitan will divert and store the water during 2009 on the condition that Metropolitan's plan for the creation of Intentionally Created Surplus for 2009 is approved by the Bureau of Reclamation. Staff is currently coordinating the evaluation and approval of Metropolitan's Intentionally Created Surplus creation plan among Reclamation, Arizona, and Nevada.

Colorado River Diversion Request for 2010—On September 17, 2009, Metropolitan transmitted to the Bureau of Reclamation its diversion request for calendar year 2010 in amount of 1.1 million acre-feet. The request incorporates transfers under the Quantification Settlement Agreement programs, Palo Verde Irrigation District following, a fully lined All-American and Coachella Canal, and the creation of additional Intentionally Created Surplus in 2009 for delivery in 2010. On October 9, 2009, Reclamation concluded its reasonable and beneficial use consultations with Metropolitan as required under federal regulation. Reclamation's approval of Metropolitan's diversions for 2010 is anticipated to be received by the end of the calendar year.

BUSINESS OUTREACH

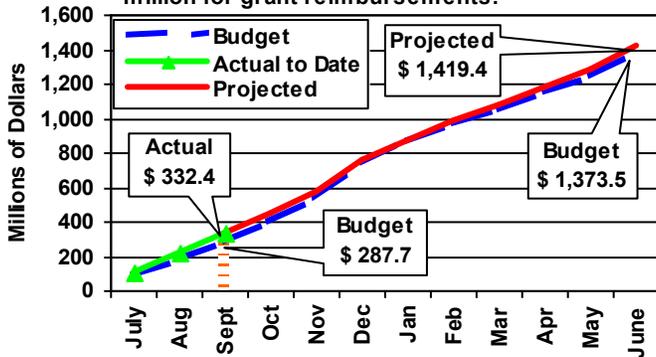
The Business Outreach Program partnered with the San Diego County Water Authority, the State of California Department of General Services, and the Small Business and Disabled Veteran Business Enterprise Collaboration Conference at the 11th Annual Paths to Partnerships Networking Forum in San Diego. Eighty Government Agencies and Resource Partners, including Metropolitan, exhibited at the event. Business Outreach was able to introduce over 1,000 business owners to opportunities at Metropolitan, promoted Metropolitan's water conservation efforts, and encouraged business owners to register as vendors and get Small Business Enterprise Certification in Metropolitan's NETConnect system. Staff also served as a moderator for three panel discussions on the "The Secret to Building Relationships with Public Agencies."

Metropolitan's Business Outreach Program partnered with the Orange County Small Business Development Center to present

two of Metropolitan's Business Development Training Programs, "Successful Strategies for Public Sector Contracting" and "The Procurement Advantage," in Santa Ana. Over 100 businesses participated in the business development trainings. The trainings were developed and taught by the Business Outreach Program to give small businesses tools and tips on how to do business with Metropolitan. Many of the businesses that participated were introduced to Metropolitan at our Connect 2 MET event "Reflections On Leadership."

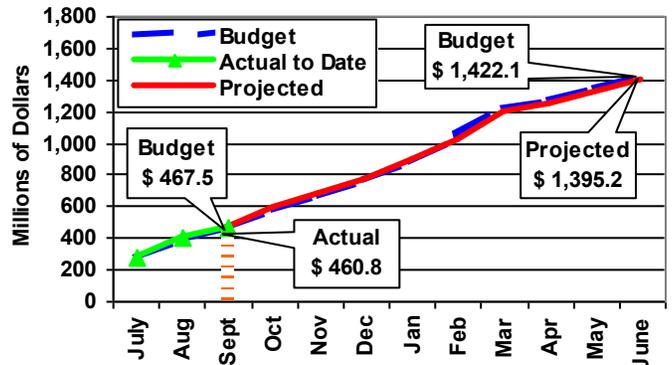
FINANCE as of September 30, 2009

Receipts are expected to be \$46 million over budget by year end, mainly due to higher water sales, wheeling/exchange revenues, and \$14 million for grant reimbursements.



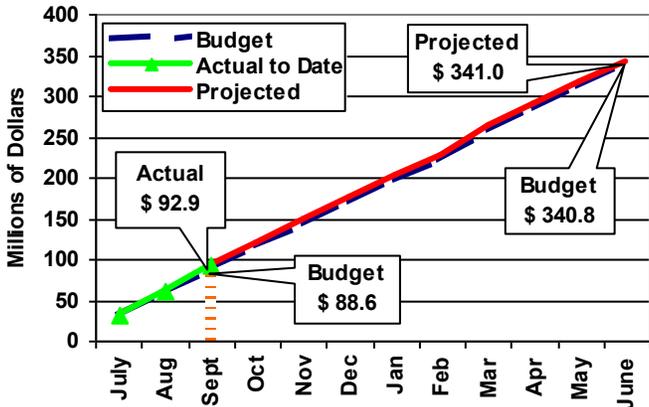
Excludes Bond Construction and Other Trust Funds Activity

Expenditures are expected to be \$27 million under budget by year end, mainly due to lower SWP capital costs.

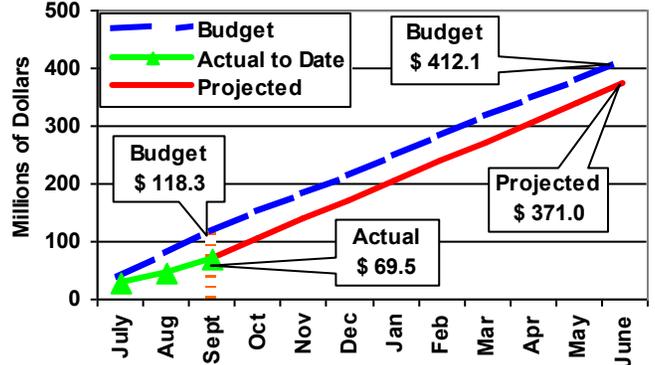


Excludes Bond Construction and Other Trust Funds Activity

O&M expenditures are expected to be on budget at year end.

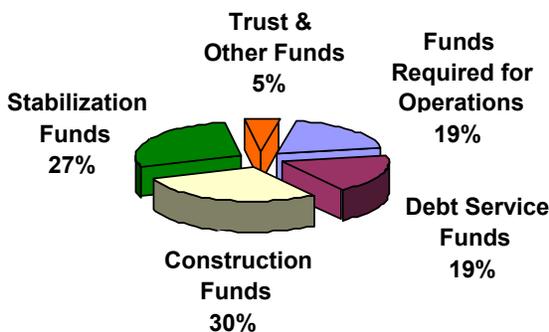


Construction costs are expected to be \$41 million under budget by year end due to scheduling changes and the deferral of land purchases associated with future treatment projects.



Cash and Investments

\$ 1,170.1 million



Summary Financial Statistics

	Target	Actual
Fixed Charge Coverage	≥ 1.20 x	1.17 x
Revenue Debt Service Coverage	> 2.00 x	1.66 x
Revenue Bond Debt / Equity Ratio	< 100.0%	72.9%

Credit Ratings

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

HUMAN RESOURCES (HR)

HUMAN RESOURCES EXCELLENCE

WORKFORCE PLANNING AND SUCCESSION

Participated in Career/Job Fairs at University of Southern California, California State Polytechnic University, Pomona, and California State University, Dominguez Hills to promote and market Metropolitan's Internship Program and Assistant Controller job opening.

TALENT MANAGEMENT

Staff facilitated five Education Fairs with the participation of approximately 20 colleges and universities at Headquarters, La Verne, Mills, Skinner and Jensen, to promote development opportunities through the tuition reimbursement program.

TOTAL COMPENSATION

- Conducted Open Enrollment site visits at all 15 locations, meeting with approximately 515 employees for one-on-one consultations on health, voluntary and retirement benefits.
- Conducted a Stepping Into Retirement workshop at Headquarters on October 21 for approximately 50 participants.
- Hosted the Fall 2009 Service Awards Luncheon at Pomona Valley Mining Company for 170 people on October 21 to honor 51 Service Award Recipients with 20+ Years of Service and to recognize 10 Apprentice graduates.
- Continued to work with AFSCME and management on the AFSCME Classification Study to finalize revised job descriptions. A total of 156 of the AFSCME job description revisions have been completed.

EMPLOYEE RELATIONS

Delivered nine sessions of the "Reasonable Suspicion Training" for managers at various facilities. The training was developed collaboratively with the Legal Department, Ethics Office and Security Unit and delivered by our Employee Assistance Program and Employee Relations staff.

LEARNING AND DEVELOPMENT

- Provided face-to-face coaching and consultation for seven established managers. Continuing to administer external coaching administration of 14 engagements, including oversight, ongoing updates and conferences with coaches.
- A total of 15 onsite classes were delivered during the month, including classes in Active Listening, Conflict Resolution, and Meetings and Group Facilitation.

RISK MANAGEMENT

Completed 52 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.

Completed 71 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.

WORKERS' COMPENSATION

- Conducted initial investigations on 13 injury incidents.
- Submitted 6 new claims to Metropolitan's workers' compensation claim administrator.
- Settlement was negotiated in 3 claims and 15 claim files were closed.
- Conducted medical surveillance evaluations at three facilities (Gene, Eagle Mountain and Iron Mountain) and arranged 15 medical evaluations.
- Coordinated random drug/alcohol testing at one facility.
- Addressed three accommodation issues.
- Seasonal flu shots were given at 8 facilities.

REAL PROPERTY DEVELOPMENT & MANAGEMENT (RPDM)

PROPERTY FOR FUTURE WATER INFRASTRUCTURE AND OTHER REAL PROPERTY GOALS

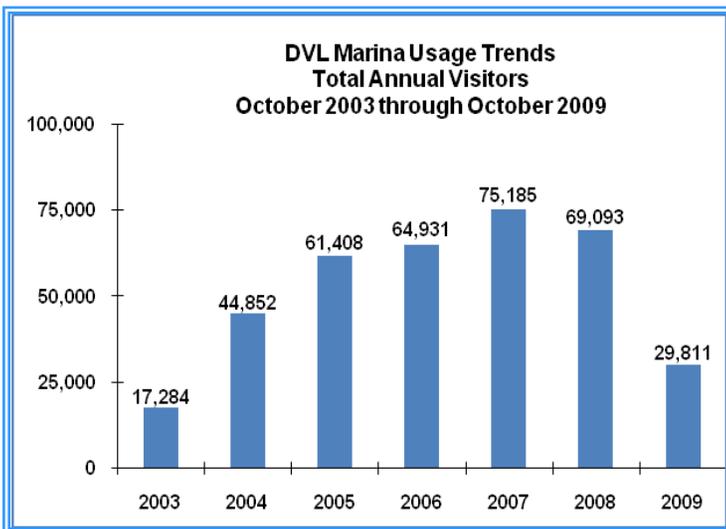
- An entry permit was issued to San Dimas Rodeo, Inc. to allow parking of vehicles and trailers. The use included a site for a Los Angeles County Sheriff's Department satellite command center. The permit helps to support the annual Western Days Rodeo event located near the F.E. Weymouth Water Treatment Plant.
- An entry permit was issued to Southern California Gas Company allowing access onto a portion of the Colorado River Aqueduct right-of-way to conduct non-invasive construction activities and staging for materials, light-load vehicles and equipment in conjunction with the Gas Company's maintenance of natural gas transmission pipelines located on land adjacent to Metropolitan's property. A restricted appraisal report was completed for a 2.81-acre parcel of land, owned by Shell Western E & P, Inc., for potential acquisition by Metropolitan for mitigation purposes in connection with the Diemer North Access Road Project.

OPERATE HEADQUARTERS FACILITY

- The University of Southern California Marching Band was granted permission to hold a pep rally in Metropolitan's courtyard. This is an annual event. This year the USC train travelled to Eugene, Oregon, for the USC versus University of Oregon football game.
- A one-day entry permit was granted to Universal Network Television, LLC, to use a portion of the courtyard patio at the Headquarters Building. Universal Network Television filmed scenes for its television series Monk.
- A four-day entry permit was granted to Twentieth Century Fox Television, LLC, to use portions of the contactor 1 tunnel and ozone basement at the Joseph Jensen Water Treatment Plant. Twentieth Century Fox Television filmed scenes for the television series Dollhouse.
- A one-day parking entry permit was granted to Elizabeth Gerber. This allowed temporary parking at 700 North Alameda Street for an event held at Union Station.

RECREATIONAL FACILITIES DVL AND SKINNER

Grand Pacific Contractors has completed 76 percent of the Diamond Valley Lake boat ramp extension. The contractor is ahead of schedule with 70 of the 99 panels poured. The three-lane lower section is 100 percent complete. Reopening of the ramp to private boat launches is anticipated in February 2010.



Note: Boat launch ramp is closed to private launches.
2009 usage represents January through October period.



Diamond Valley Lake Boat Ramp Extension
Work in Progress

EXTERNAL AFFAIRS (EA)

LEGISLATIVE AND COMMUNITY RELATIONS

WATER POLICY AND LEGISLATIVE STRATEGIES

State Legislative Update (as of October 26, 2009)

Metropolitan-Sponsored Measures

Governor Schwarzenegger signed four of the five Metropolitan-sponsored bills into law. Three of the four measures provide tools for maximizing available water supplies: AB 474 (Blumenfield, D-Van Nuys), which authorizes the use of voluntary tax assessments for financing water use efficiency improvements on residential and commercial property; AB 1061 (Lieu, D-Torrance), which clarifies that common interest developments must adhere to the same locally adopted water conservation ordinances or restrictions as the surrounding community; and, SB 407 (Padilla, D-Sylmar), which will require the retrofit of inefficient indoor plumbing fixtures for residential and commercial properties by specified dates. Also this year, Metropolitan was one of four sponsors on AB 1366 by Assembly Member Mike Feuer (D-Los Angeles). This measure reflects a two-year effort to address controls for salinity inputs into community wastewater systems due to residential self-regenerating water softeners.

2009 was a challenging year for the Legislature due to the extraordinary budget deficit facing the state and the declining economic climate. A record low number of bills were passed and signed. All in all, 704 bills were passed by the Legislature this year. The Governor signed 478 measures and 229 were vetoed.

Delta Legislation Update (as of October 26, 2009)

- Legislators continue to craft a legislative package to address Delta restoration, water infrastructure finance and statewide water management problems. On October 12, Governor Arnold Schwarzenegger called for a special legislative session of the Legislature to respond to the water crisis facing the state.
- On October 23, after soliciting feedback from stakeholders from the urban, agricultural, environmental and business communities over the past several months, Senate President pro Tempore Darrell Steinberg (D-Sacramento) introduced SBX 7 1, a legislative framework to create a streamlined government structure to manage the Delta estuary, to build major new infrastructure to improve deliveries and restore thousands of acres of habitat in the Delta.

Local Government Update

- During October, Metropolitan received copies of more than 30 letters that were sent to State Legislators in support of the Delta Legislative package, calling on the Governor to declare a Special Session on Water. In addition, ongoing outreach efforts by the government relations team generated several multi-stakeholder coalition letters and resulted in the Building Industry Association of Southern California issuing an “American Dream Team Alert,” which reportedly generated between 250-300 letters to the Legislature urging action on a comprehensive Delta legislative package this year.
- Staff helped coordinate, and Metropolitan sponsored, several Delta outreach and education events during October, including the Southern California Water Committee Silver Jubilee event, featuring Governor Arnold Schwarzenegger; the 2009 Temecula Legislative Summit, featuring Assemblyman Jefferies, Tim Quinn and Dan Walters; the Building Industry Legal Defense Foundation Legal Conference on water supply reliability, featuring Senator Florez, the General Manager, the Valley Industry Commerce Association annual Business Outlook conference, and the Irwindale Chamber of Commerce Legislative Breakfast, featuring Assemblyman Hernandez. In addition, staff provided Delta Water Supply Reliability presentations to the following organizations: Irvine Chamber Government Affairs Committee, Santa Fe Springs Chamber Government Affairs Committee, El Monte / South El Monte Chamber Legislative Committee, San Gabriel Valley Legislative Coalition of Chambers and Kiwanis Club of Glendora/La Verne. In all, Metropolitan outreached to more than 1,000 people with these various Delta/Water Supply Outreach presentations. Several directors were in attendance at these various events.

COMMUNITY OUTREACH

- Twenty-two California Friendly Landscape Training Program classes were held for more than 700 landscapers and homeowners.
- Staffed booths for the Upper San Gabriel Valley MWD’s Water Fest in Arcadia and Senator Pavley’s Greening Forum in Santa Monica.
- The 16th annual Diamond Valley Lake Field Trip Education Program began on October 14. Six field trips were

EXTERNAL AFFAIRS (EA)

LEGISLATIVE AND COMMUNITY RELATIONS

COMMUNITY OUTREACH continued....

conducted with a total of more than 200 students, grades 4-5. Additionally, nearly 90 students toured the Visitor Center in conjunction with the Western Science Center's outreach program.

- Staff interfaced with more than 1,500 K-12 science teachers regarding Metropolitan's education programs and our new web site at the annual California Science Teacher Association Conference. Staff also participated in two water education workshops for elementary and middle school teachers.
- Classroom presentations were made at the Norma Coomb's Alternative School in Pasadena. Also, at the Westridge School for Girls in Pasadena, staff conducted water issues/conservation activities for middle school Environmental Science students.

- On October 20, members of the Los Angeles' Granada Hills North Neighborhood Council Public Safety Committee were briefed at the Jensen treatment plant regarding the use of chlorine in the treatment process. Water System Operations Section Manager Brad Coffey and Jensen Plant Manager David Dean provided a tour of the chlorine containment facilities and explained the safety and operational procedures for protecting employees and the public from the potential accidental release of chlorine gas.
- Metropolitan engineering and construction staff met with the Riverside Fire Department to discuss repair work and potential impacts of a pipeline repair project scheduled for the Box Springs feeder immediately adjacent to a fire station on Sycamore Canyon Boulevard. The repair is scheduled for February 8-13, 2010, with several of these days slated for round-the-clock construction work.

COMMUNICATIONS

SUPPORT BOARD WITH COMMUNICATIONS AND WORKING RELATIONSHIPS

Support Board members' communication and working relationships with elected officials, other government leaders, and business and community leaders with the following actions:

- Staff coordinated 22 in-district Delta briefings between Metropolitan directors and state Legislators, including Senators Benoit, Dutton, Lowenthal and Walters and Assemblymembers Blumenfield, Carter, Cook, Eng, Feuer, Hernandez, Jeffries, Krekorian, Lowenthal, Miller, Nestande, Oropeza, Portantino, Silva, Smyth, Solorio, Strickland and Van Tran. In addition, Delta briefings for Senators Padilla and Liu and Assemblymembers Fuentes and Harkey were provided in Sacramento at the request of the legislators.
- Staff worked with Chairman Brick to schedule and attend meetings with Majority and Minority Staff of the Senate Environment and Public Works Committee, as well as the Senate Committee on Energy and Natural Resources on the Chairman's recent trip to Washington, D.C. These meetings were conducted to promote Metropolitan's legislative priorities currently pending in the Senate.
- Staff worked with Director Dan Griset on his recent trip to Washington, D.C. to participate in meetings with staff of

Senator Boxer and Senator Feinstein to discuss the need for federal authorizing legislation to provide for a new long-term contract for the use of hydro-power generated at Hoover Dam.

COORDINATION OF COMMON WATER POLICY ISSUES AND ACTIONS

Communicate and work with member agencies to assist in coordination and delivery of common water policy issues and actions to ensure key priorities identified by Metropolitan and its member agencies are addressed with the following actions.

- Staff convened an annual planning meeting with the Member Agency Legislative Coordinators to review 2009 accomplishments and prepare for the 2010 Legislative Session. A primary objective of the meeting was to obtain preliminary feedback on Metropolitan's draft legislative proposals for 2010 and to consider strategic priorities for the coming year.
- Staff coordinated executive staff's monthly meeting with the member agency managers where current water supply conditions and issues related to the cost of service, water exchange and connection programs and the conservation program long-term approaches were discussed.

EXTERNAL AFFAIRS (EA)

COMMUNICATIONS

PUBLIC EDUCATION / ADVERTISING CONSERVATION EFFORTS

Continue to develop and implement public education, outreach and the advertising campaign focusing on extraordinary conservation efforts:

- Staff arranged for the use of Metropolitan’s conservation ads and/or Metropolitan’s seal in several publications including: the Urban Water Institute, Inc.’s web site, the Valley Industry & Commerce Association’s Business Forecast Conference event program, the Southern California Water Committee’s event program, TreePeople’s electronic billboard at its Under the Harvest Moon event and the U.S. Green Building Council’s event journal.
- Staff met with KBHome staff to discuss the possibility of KBHome incorporating the California Friendly Model Home program into their new “One Series” projects in San Diego County. Additionally, staff briefed the project manager on the California Friendly Production Rebate programs available for home builders and developers within Metropolitan’s service area and provided an update on Delta regulatory and environmental matters impacting water supplies for Southern California and the state.
- Staff, working with Fraser Communications, produced vignettes featuring local weathercasters, which aired on six broadcast stations through October 30, addressing the on-going importance of water conservation.
- Online advertising of conservation tips and water supply gauge continued through September, through banner ads, paid search and social marketing sites such as Facebook and YouTube.

PUBLIC INFORMATION PROGRAMS

Continue to develop and manage public information programs to convey Metropolitan’s role in water supply, resource planning, water quality protection, conservation and other water policy issues through the following activities:

- Staff coordinated and conducted several inspection trips of DVL for various groups, including:
 - * Members of the Day Trippers group from San Diego;
 - * Members of the Riverside County Grand Jury. Western MWD and Eastern MWD also participated in the tour;

- * City of Riverside Freedom Village residents;

- * Eric Alvarez, Public Information Officer for DWR.

- Arranged an interview with Assistant General Manager Roger Patterson and Orange County Register Washington Bureau Chief Dena Bunis for a story about the Endangered Species Act and impacts on pumping in the Sacramento-San Joaquin Delta.
- Facilitated interview with General Manager Jeff Kightlinger and a reporter for Capitol Public Radio in Sacramento to discuss the pending Delta legislative package.
- Coordinated interview with Chairman Timothy Brick and senior editor of Climate Change Business Journal for a story about future potential impacts of climate change on water supplies.
- Arranged an interview with a reporter for The Economist and GM Kightlinger for an article about California’s ongoing water challenges and problems.
- Facilitated interview with a reporter from Metro Investment Report and GM Kightlinger to discuss regional Southern California water policy.
- Issued press release on completion of the Inland Feeder, describing its construction history and impact on Metropolitan’s future storage capability.
- Coordinated story and photos of the completed Inland Feeder by a reporter from the Riverside Press-Enterprise.
- Set up an interview of GM Kightlinger by a reporter for the Sacramento Bee for an article about the pending Delta legislative package.
- Issued press release recognizing award-winning, landmark accord along the lower Yuba River involving a partnership between Metropolitan and 18 other agencies and stakeholders. The agreement was recognized for its ecosystem and watershed stewardship by the 2009 Governor’s Environmental and Economic Leadership Award.

The Metropolitan Water District of Southern California

700 No. Alameda Street
Los Angeles, CA 90012
General No.: 213 217-6000

General Manager: Jeffrey Kightlinger
Office of the GM No.: 213 217-6139
E-Mail:
OfficeoftheGeneralManager2@mwdh2o.com



Metropolitan's Mission is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

About Metropolitan

The Metropolitan Water District of Southern California is a consortium of 26 cities and water districts that provides drinking water to nearly 19 million people in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura Counties.

www.MWDH2O.com
www.BeWaterWise.com



Weymouth Water Treatment Plant Improvements Program
Polymer Tank Farm Looking East