

July 31, 2011

# THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA



## GENERAL MANAGER'S MONTHLY ACTIVITY REPORT

THIS REPORT IDENTIFIES THE ACTIONS/ACTIVITIES TAKING PLACE DURING THE MONTH THAT SUPPORT THE OBJECTIVES OF THE GENERAL MANAGER'S FISCAL YEAR 2011/12 BUSINESS PLAN.

### CONTENTS

FINANCIAL	2
BAY-DELTA INITIATIVES	3
WATER SYSTEM OPERATIONS	4-7
WATER SUPPLY CONDITIONS	8
WATER RESOURCE MANAGEMENT	9-10
ENGINEERING SERVICES	10-12
BUSINESS TECHNOLOGY	13-15
HUMAN RESOURCES	15-16
EXTERNAL AFFAIRS	16-18
REAL PROPERTY DEVELOPMENT AND MANAGEMENT	18-19

### General Manager's Business Plan Fiscal Year 2011/12

**BOARD ACTION**

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**• Board of Directors  
Executive Committee**

---

7/12/2011 Board Meeting 6E

---

**Subject**  
Approve General Manager's Business Plan for fiscal year 2011/12

---

**Description**  
Metropolitan's General Manager annually submits a business plan to the Board of Directors for approval. The attached business plan, which is based on the fiscal year 2011/12 approved budget, delineates Metropolitan's strategic priorities and core business objectives to be pursued during the year. It is designed to be a fluid work plan whose goal is to carry out Metropolitan's mission of providing 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.

*As fiscal year 2010/11 ends with improved water supply conditions throughout the region, there are many*

### Metropolitan's Strategic Priorities and Core Business

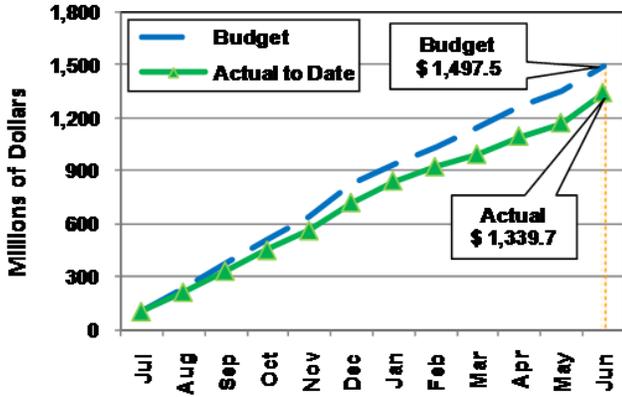
**Strategic Priority #1**  
Manage Budget and Finances

**Strategic Priority #2**  
Rebuild Water Storage Accounts

**Strategic Priority #3**  
Continue Progress on Bay-Delta Conservation Plan

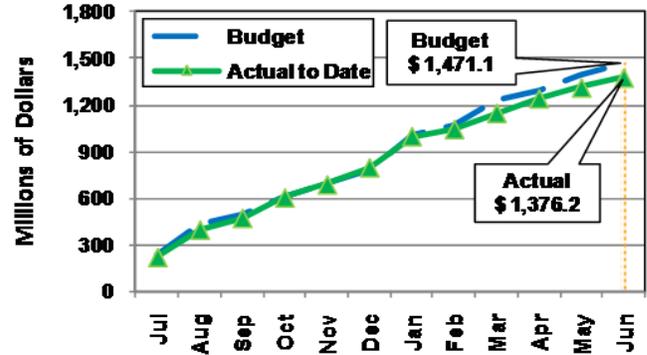
FINANCE as of June 30, 2011

Receipts are \$158 million under budget at year end, mainly due to lower water sales.



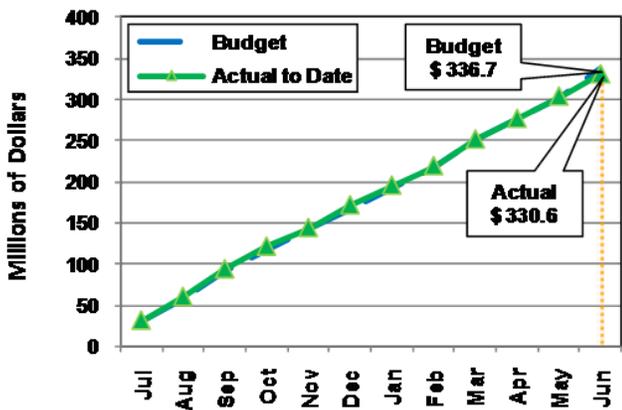
Excludes Bond Construction and Other Trust Funds Activity

Expenditures are \$95 million under budget at year end, mainly due to lower PAYGO capital expenditures, CRA power costs and lower debt service on Metropolitan bonds.

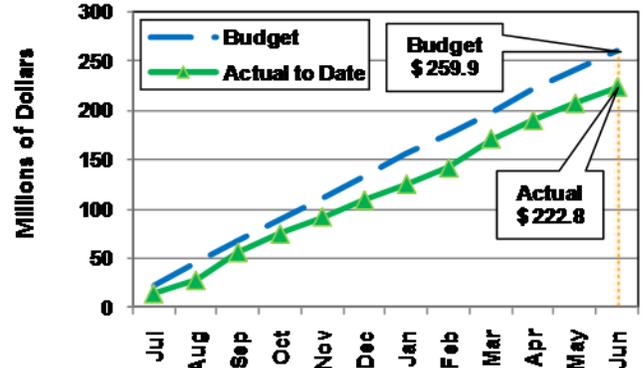


Excludes Bond Construction and Other Trust Funds Activity

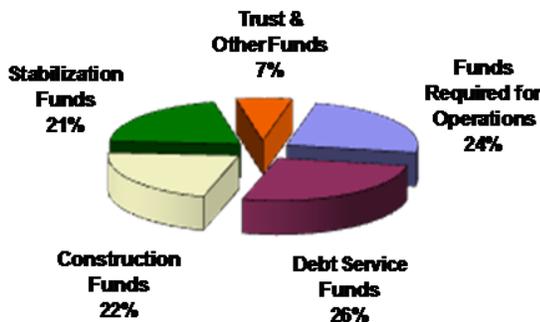
O&M expenditures are \$6 million under budget at year end, mainly due to lower chemical costs.



Construction costs are \$37 million under budget at year end, mainly due to lower contract bids and progress payments, and the re-evaluation of project scopes resulting in reduced expenditures.



Cash and Investments \$1,126.1 million



Summary Financial Statistics

	Target	Actual
Fixed Charge Coverage	≥ 1.20 x	1.03 x
Revenue Debt Service Coverage	> 2.00 x	1.47 x
Revenue Bond Debt / Equity Ratio	< 100.0%	77.0%

Credit Ratings

	Target	Actual
- Moody's Investors Service	Aa2	Aa1
- Fitch Ratings *	AA	AA+
- Standard & Poor's	AA	AAA

\* Fitch downgrade to AA+ effective May 17, 2011

**BAY-DELTA INITIATIVES*****Complete the public draft Bay-Delta Conservation Plan and the associated draft Environmental Impact Report/Environmental Impact Statement***

A series of working groups have been established to help resolve key Bay-Delta Conservation Plan (BDCP) issues. These working groups are composed of representatives of various stakeholder groups, and the meetings are open to the public. The working group effort this month centered on the Yolo Bypass Fishery Enhancement working group. Work also continued on the Effects Analysis and preparation for updating the working draft BDCP for an early 2012 release of the public draft documents.

***Develop near-term measures, compatible with a long-term Delta solution, to improve water supply reliability and water quality, and facilitate protection and enhancement of Delta ecosystems and associated species***

Habitat Restoration—The State and Federal Contractors Water Agency (SFCWA), of which Metropolitan is a member, has been investigating opportunities for habitat restoration in the Suisun Marsh in addition to the Lower Yolo Bypass to comply with the Endangered Species Act Biological Opinion to develop 8,000 acres of intertidal habitat for Delta smelt. The California Department of Water Resources has the ultimate obligation for restoring the Delta smelt habitat and SFCWA and Metropolitan are working cooperatively with DWR to achieve this result in a timely and cost effective manner.

## WATER SYSTEM OPERATIONS—System Reliability

### ***Operate System Reliably***

System Operations delivered approximately 205,000 acre-feet of water to meet member agency demands in July, which averaged 6,600 AF per day. This was an increase of about 800 AF per day from June 2011 deliveries. Additionally, 29,000 AF was delivered to Desert Water Agency and Coachella Valley Water District in exchange for their State Water Project Table A supplies. This amount was lower than projected due to monsoonal rains in the Palm Springs area, which resulted in debris flows in the Whitewater River. Pumping on the Colorado River Aqueduct continued at a seven-pump flow even with decreased Desert and Coachella deliveries and moderate system demand.

State Water Project deliveries increased to 149,000 AF in July, including 25,000 AF delivered via the Inland Feeder. By aggressively keeping the flows maximized on the East branch, the combined storage in Diamond Valley Lake, Lake Mathews and Lake Skinner remained at approximately 1 million acre-feet, or 94 percent of capacity. Replenishment Service Program deliveries continued to increase in July as more spreading basin capacity became available. Operations staff coordinated with Los Angeles County Department of Public Works and other agencies to develop and implement delivery schedules that facilitate groundwater replenishment deliveries. As of early August, Metropolitan had delivered approximately 97,000 acre-feet of the 225,000 acre-feet total available Replenishment Service Program deliveries. (*see photo*)

System Operations continues to maximize power generation whenever possible. In July, Metropolitan's hydroelectric plants generated an average of 70 megawatts for a total of 52,000 megawatt-hours, which was an increase of 12,000 MWh from June. Power production from Diamond Valley Lake for the month of July was 3,900 MWh and is expected to increase in August. Power production at Etiwanda Hydroelectric Plant, Metropolitan's second largest hydroelectric plant, was 10,700 MWh.

Federal Energy Regulatory Commission inspections were conducted for hydroelectric plants located at Rio Hondo and at Valley View. These inspections are required as part of the Federal Energy Regulatory Commission operating permit or license. There were no deficiencies noted from the triennial inspections.



*Picture is of combined replenishment deliveries at OC-59/CB-59 for Inland Empire and MWD.*

### ***Effectively manage power system requirements and optimize generation***

Hoover Power Legislation—As of July 20, the House Committee on Natural Resources and the House Subcommittee on Water and Power have voted H.R. 470, the Hoover Power Allocation Act of 2011, out of the Committees and sent it to the House floor. The legislation would establish new entitlements to power from Hoover Dam for Metropolitan and the other Hoover power contractors when the current allocations expire in 2017.

Metropolitan worked with the other Hoover power contractors to move the Senate companion bill, S. 519. On July 14, the Senate Committee on Energy and Natural Resources voted S. 519 out of Committee and to the Senate floor with minor favorable amendments.

Western Electricity Coordinating Council Audit—Staff is proceeding with ongoing compliance activities and follow-up items from the May 25 WECC Audit. Staff also initiated the annual review of the Colorado River Aqueduct transmission system methodology and assessment under the Northern American Electric Reliability Corporation Critical Infrastructure Protection standards.

## WATER SYSTEM OPERATIONS—System Reliability

### ***Optimize maintenance***

During routine maintenance, staff discovered inoperable valves on two pipelines. These valves provide isolation to vacuum valves that protect pipelines from unusual pressure or vacuum conditions. To repair the valves, two separate one-day shutdowns were required on the San Diego Pipeline No. 2 and on the Palos Verdes Feeder.

Staff performed blasting and coating of various valves and structures in July. Work done was on valves at the San Gabriel Pressure Control Structure on the Lower Feeder and preparing a 12-foot diameter pipe as part of the Etiwanda Pipeline Relining Project for testing alternative applications of lining materials. The test results will determine the optimal coating to re-line five miles of the Etiwanda Pipeline. (see photos)

Fabrication of equipment to rehabilitate Unit 1 at the Eagle Mountain Pumping Plant was initiated. This work will increase the reliability and life expectancy of the unit. In addition to the discharge valve rehabilitation, the fabricated closure pieces for the discharge line allows isolation of Unit 1 without impacting flows from adjacent Units 2 and 3. (see photo)

In March, the Board authorized an expansion of the La Verne Coatings Shop. The contractor has since completed mobilization and site preparation. In addition, a temporary blast booth, to prepare equipment surfaces for coating applications, will be installed to allow Metropolitan to continue uninterrupted coating services. Construction is approximately 10 percent complete and is scheduled to conclude by June 2012.

Installation of global positioning system units in critical emergency equipment, operating equipment and fleet pool vehicles continues. The GPS units will enhance safety, optimize fleet maintenance, improve asset management and control costs. When complete, the system will be able to generate reports about vehicle diagnostics information, preventive maintenance schedules, emissions monitoring, and the location and movement of equipment. To date, 170 units have been installed and the remaining 130 units will be installed by December 2011.



*The San Gabriel Pressure Control Structure on the Lower Feeder - Coating Teams completed blasting and coating of valves, mounting equipment, and support brackets that make up the pipelines for the structure.*



*Eagle Mountain Pumping Plant - Unit 1 discharge valve's head cover during its final milling operations at the La Verne Machine Shop.*



**WATER SYSTEM OPERATIONS—System Reliability*****Support water resource programs***

Staff continued coordinating, scheduling, and tracking deliveries to Metropolitan's portfolio of storage for Water Surplus and Drought Management Storage Programs. Current estimates show total Metropolitan storage increasing by 700 to 800 TAF in calendar year 2011.

Staff continued coordinating and scheduling replenishment deliveries to deliver up to 225 thousand acre-feet by the end of this calendar year. Approximately 47 TAF were delivered in July, bringing the total replenishment deliveries since they began in May to about 97 TAF. In addition, fabrication of two orifice plates was initiated per a reimbursable contract with Upper San Gabriel Valley Municipal Water District. The new orifice plates will improve control of water flow at service connection USG-03 and facilitate groundwater replenishment deliveries to the agency.

Staff continued work on the Calendar Year 2010 annual assessments for the Interim Agricultural Water Program to audit and confirm water sold at the agricultural discount rate. These assessments are scheduled to be complete by December 31, 2011.

***Improve security and emergency response***

Security staff participated in a Wadsworth pumping plant project which realigned the entrance road for better access control and incorporated surveillance cameras.

Staff attended the meeting of the Water Agencies Emergency Collaborative of San Diego (comprised of the San Diego County Water Authority and its member agencies) where topics included: the Eight Signs of Terrorism, the After Action Report from their 2011 ARKStorm tabletop exercise, and whether to include a water agency representative in the fire Incident Command Centers during emergencies. Information will be evaluated and incorporated, if applicable, in future Metropolitan emergency exercises.

***Develop workforce***

Two new online courses were introduced in July related to water treatment chemicals delivered to treatment plants and conveyance and distribution facilities. Site delivery and handling is regulated by the Federal Department of Transportation. There are strict training requirements from the DOT.

Courses launched through Metropolitan's electronic learning management system now allow flexible access at all networked facilities. Courses include interactive videos, subject matter notes and regulatory information, and testing for comprehension. Results are automatically updated to employee training records. Similar online testing is being used successfully in the Apprenticeship Program and allows apprentices to take class-related tests at their regular work locations.

**WATER SYSTEM OPERATIONS—Water Quality*****Prepare for future regulations***

On July 27, California's Office of Environmental Health Hazard Assessment (OEHHA) published a final public health goal for hexavalent chromium (chromium 6) of 0.02 parts per billion (ppb). OEHHA adopted the conservative value after taking into account subpopulations such as young children who may be more sensitive to chromium 6 than average adults. The California Department of Public Health will use the public health goal to develop a chromium 6 maximum contaminant level that balances risk with

technical and economic feasibility. The process of developing a maximum contaminant level package, which will include analytical and monitoring requirements, is expected to take 18 to 24 months. Water Quality staff will continue to closely monitor this process and provide input to regulators through industry workgroups, technical advisory committees, and by submitting comment letters during open review periods.

**WATER SYSTEM OPERATIONS—Water Quality*****Protect source water quality***

There were no taste-and-odor problems in Metropolitan's source waters during the month of July, with the exception of a 100-mile section of the East Branch of the State Water Project upstream of Lake Silverwood. Blue-green algae attached to the walls of the aqueduct have been producing 2-methylisoborneol (MIB) and Geosmin. Regulated as secondary standards, concentrations of these compounds entering Silverwood Lake from the East Branch exceeded 20 ng/L, which is twice the value that leads to taste-and-odor consumer complaints. The California Department of Water Resources is arranging treatments with copper sulfate for targeted sections of the East Branch on August 3. Currently, levels of taste-and-odor compounds in the lake remain below 10 ng/L.

On July 5, Metropolitan submitted a letter to the Nevada Division of Environmental Protection commenting on the National Pollutant Discharge Elimination System Permit renewals for the Las Vegas area wastewater dischargers. Metropolitan's letter acknowledged recent treatment process improvements employed at the wastewater plants and emphasized the need for continued year-round phosphorus control.

***Optimize water treatment and distribution***

Flow-weighted running annual averages for total dissolved solids for June 2010 through May 2011 were 479, 463, and 481 mg/L for the Diemer, Weymouth, and Skinner water treatment plants, respectively. The target blends at the Diemer, Weymouth, and Skinner water treatment plants are projected to be maintained through July at 40, 50, and 50 percent State Project Water, respectively.

At the Diemer and Weymouth water treatment plants, staff continued to optimize operations to treat high blends of State Water Project supplies that are expected to continue through the summer and fall months. Blend restrictions were removed following implementation of ozone at the Skinner water treatment plant.

***Provide technical support to member agencies***

Metropolitan held its quarterly Member Agency Water Quality Managers Meeting with videoconferencing on July 13. Member agencies were briefed on technical issues that included water quality and system updates as well as water supply outlook. Among the issues discussed were hexavalent chromium, perchlorate, the Contaminant Candidate List 3, Unregulated Contaminant Monitoring Rule 3, and the proposed revisions to the Total Coliform Rule.

***Fully comply with water quality, safety, and environmental regulations***

Metropolitan was in compliance with all water quality regulations and standards during this period.

The Weymouth water treatment plant received a certificate of recognition from the Sanitation Districts of Los Angeles County for compliance with the wastewater discharge requirements (i.e., residual solids discharges) in 2010. This certificate was awarded to 616 facilities that are Significant Industrial Users who have complied with the discharge requirements. The criteria for recognition required no violations of discharge requirements, no

equipment failures, and current permits. The Weymouth plant also received this award for 2009.

On July 13 and 14, Environmental Health and Safety staff attended a California Occupational Safety and Health Administration certified training class on Electrical Low Voltage Standards. This training advances their knowledge of electrical safety (including state standards, equipment safety practices, dealing with hazards and the use of protective equipment) and helps provide safety support to the field personnel.

**WATER SUPPLY CONDITIONS as of July 31, 2011**

Current SWP Allocation:

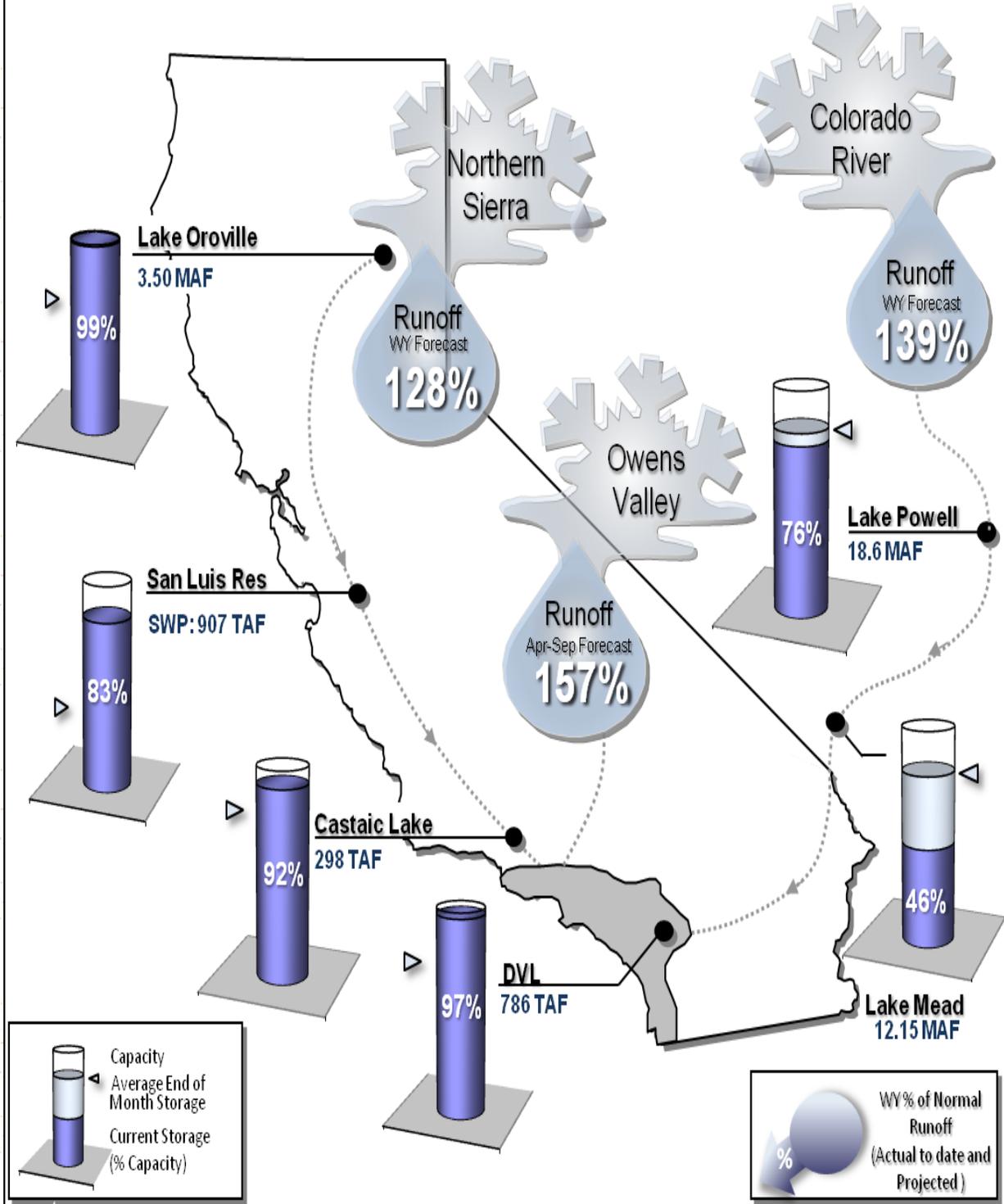
**1,529,200 AF**  
80% of Table A  
(Does not include CVWD & DWA Table A)

Colorado River Supply:

**934,000 AF**  
75% of full CRA  
(Does not include ICS)

Statewide Snowpack:

**212%**  
(Percent of Normal as of 7/7/11)



## WATER RESOURCE MANAGEMENT—Rebuild Water Storage Accounts

### *Optimize the effective use of storage capacity for future needs*

Central Valley Storage—Staff continued to work with partners to maximize deliveries in storage by the end of the year. This included finalizing an agreement with Mojave Water Agency, following Board approval in July.

## WATER RESOURCE MANAGEMENT—Water Supply

### *Complete Local Resources Development Strategy, review Local Resources Program, and obtain Board approval*

Local Resource Development Strategy Task Force—Staff held the third meeting of the Local Resources Development Strategy Task Force. Several incentive and non-incentive approaches were identified to encourage development of recycled water and other local resources. The next steps for the task force are to develop criteria to evaluate the various approaches and bring recommendations to the Board for consideration.

### *Ensure cost-effective and reliable State Water Contract Supply*

Review of 2012 State Water Project Charges—Staff and Metropolitan's independent auditor are reviewing the calendar year 2012 SWP charges from the California Department of Water Resources. DWR has changed its methodology for estimating charges and staff plans to brief the Board on the methodology and present a preliminary analysis of the charges in September. Staff plans to return to the Board in December to request an authorization to pay identified fixed charges and a reasonable estimate of variable charges.

### *Participate, and lead where appropriate, in statewide and regional planning efforts*

Stormwater Capture—Participated in the Southern California Water Committee Stormwater Task Force to develop recommendations to enhance stormwater capture for water supply. Discussions have addressed:

- Methods to ensure appropriate implementation of Low Impact Development ordinances and regulations; and
- Communications with the US Army Corps of Engineers regarding funding of projects to increase stormwater conservation pools in federal flood control facilities.

Salt and Nutrient Management Plan—Continued participation in the Central and West Coast basins workgroup to develop the Salt and Nutrient Management Plan required by the State Water Resources Control Board's Recycled Water Policy.

Provided comments and input to the draft work plan for submittal to the Los Angeles Regional Water Quality Control Board. Continued coordination regarding the Salt and Nutrient Management Plans being developed for San Fernando, Main San Gabriel and Raymond groundwater basins.

Sediment Management—Staff participated with the Council for Watershed Health to plan a collaborative symposium to work through issues for sediment management in the Los Angeles County stormwater system. Sediment management is important to maintaining capacity for stormwater capture for groundwater recharge.

### *Collaborate with member agencies to coordinate planning efforts, develop policy recommendations, and promote consistent public communications in water resource management issues*

Replenishment Review Process—Metropolitan and member agency staff participated in a workgroup meeting as a part of the ongoing Replenishment Review process. Member agencies and basin managers continue to present technical information describing the role and function of replenishment in their groundwater basins. Three additional workgroup meetings are planned for August; staff will develop recommendations for Board consideration before the end of 2011.

Water Supply Allocation Plan Three-Year Review Process—As a part of the ongoing WSAP Three-Year Review process, staff and the member agencies participated in a workgroup meeting. The workgroup discussion focused on conservation demand hardening issues, and the concept of sharing allocations between agencies. Staff is planning to bring forward recommended changes for Board consideration in September 2011.

Groundwater Basin Storage and Water Levels—Initiated work with member agencies and groundwater basin managers to prepare an update on the status of groundwater basin storage and water levels.

## WATER RESOURCE MANAGEMENT—Water Supply

### ***Implement the Local Resources Program and Conservation Program effectively***

Innovative Conservation Program—Metropolitan convened a review panel to evaluate 47 full proposals received in June under the ICP. The review panel recommended 7 projects and 1 alternate project. Staff accepted the panel's recommendation, notified proponents of potential awards, and initiated the negotiation process with the goal of executing agreements by the end of September. Projects must be completed by June 2013.

Chino Basin Desalination Program—A Local Resources Program agreement was executed for the Chino Basin Desalination Program with Inland Empire Utilities Agency, Western Municipal Water District, and Chino Basin Desalter Authority for the Chino Basin Desalination Program. The project would treat and deliver up to 35,200 acre-feet per year of groundwater for potable uses. Metropolitan would provide up to \$91 million in financial incentives for about 660,000 AFY of project yield over 20 years.

### ***Maintain Colorado River water supply and operational benefits regardless of Quantification Settlement Agreement implementation***

Palo Verde Irrigation District/MWD Forbearance and Following Program—In July, Metropolitan issued its following call for the minimum amount of 6,487 acres for contract year 2012/13 starting August 2012 through July 2013. Under the call, following payments to landowners total \$4.1 million and are due in September 2012. Approximately 31,000 acre-feet of water would be saved and made available to Metropolitan.

The following level for contract year 2011/12 is for the maximum of 25,947 acres and is projected to save about 125,000 acre-feet of water. However, for contract year 2011/12, Metropolitan is allowing land owners and PVID to voluntarily reduce fallowed acreage. As a result, the potential amount of saved water available to Metropolitan would be reduced and would depend on the level of landowner participation. In return Metropolitan would be reimbursed payments for previously fallowed land that would be irrigated under this provision.

## ENGINEERING SERVICES—Capital Investment Plan

### ***Manage high priority projects which replace or rehabilitate equipment and facilities, to enhance reliability of Metropolitan's conveyance and distribution system, and to protect water quality***

#### 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. Recent activities include the following:

- Treated Water Cross Connection Prevention Program—There are four remaining construction contracts to be completed out of a total of 12. One contract is 93 percent complete and is scheduled to be complete by October 2011. The three final contracts are 15 to 30 percent complete, and are scheduled to be complete by mid-2012.
- Santa Ana River Bridge Seismic Upgrades for the Upper Feeder—Preliminary design is 70 percent

complete and is scheduled to be complete by October 2011.



*Treated Water Cross Connection Prevention Program – Removal of vacuum/air release from*

## ENGINEERING SERVICES—Capital Investment Plan

*continue...from page 10 Projects*Colorado River Aqueduct Reliability Programs

These programs were established to maintain reliability of the Colorado River Aqueduct. Recent activities include the following:

- CRA 230kv Disconnect Switches Replacement—Final design was completed in June 2011 and a request to the Board for award of a construction contract is scheduled for August 2011.
- CRA Transition Structure/Manhole Covers Phase 2—Final design was completed in July 2011 and a request to the Board for award of a construction contract is scheduled for October 2011.
- Hinds Pumping Plant Delivery Pipe Expansion Joint Repairs—Final design was completed in July 2011 and a request to the Board for award of a construction contract is scheduled for October 2011.

***Manage high priority projects which replace or rehabilitate equipment and facilities, to enhance reliability, comply with regulations, and improve plant operating efficiency of Metropolitan's water treatment plants***

Oxidation Retrofit Program (ORP)

This program was established to add ozonation at all five of Metropolitan's water treatment plants to provide disinfection, control tastes and odors, and reduce the level of disinfection by-products in the finished water. This program will enable Metropolitan to meet state and federal drinking water regulations. Three of the five treatment plants (Jensen, Mills, and Skinner) have operational ozonation systems, while two plants (Diemer and Weymouth) remain to be completed. Recent activities for these two plants include the following:

Diemer ORP

Ozonation Facilities—Construction of ozone facilities is 82 percent complete and is scheduled for completion in mid-2012. The commissioning of the new 66kV power from Southern California Edison to the Diemer plant is complete. An upcoming major shutdown is scheduled for late 2011 which will connect the new ozone contactor structure to the plant's inlet piping.

Weymouth ORP

- ORP Switchgear Building—Construction is 72 percent complete and is scheduled to be complete by mid-2012.
- Inlet Conduit Relocation—Construction is 98 percent complete and is scheduled to be complete by August 2011.
- Ozone Generation Building and Ozone Contactors—Final design is 97 percent complete and is scheduled to be complete by August 2011. This project is scheduled to be advertised for bids in late 2011.

*Diemer ORP – Contactor and Ozone Building*

*Weymouth ORP Switchgear Building – Fuel trench for the standby generators*

## ENGINEERING SERVICES—Capital Investment Plan

*continue...from page 11..high priority projects which replace or rehabilitate equipment and facilities*

#### Water Treatment Plant Improvements Programs

These programs were initiated to maintain reliability and to improve operating efficiency of Metropolitan's water treatment plants through specific improvement projects. Recent activities include the following:

#### Weymouth Plant

- Electrical Upgrades—Construction is 72 percent complete and is scheduled to be complete by mid-2012.
- Rapid Mix Systems—Construction is 98 percent complete and is scheduled to be complete by August 2011.
- Coagulant Tank Farm—Construction is 95 percent complete and is scheduled to be complete by August 2011.
- Filter Outlet Conduit Repair—Construction is 75 percent complete and is scheduled to be complete by August 2011.
- Washwater Reclamation Facility Upgrades—Construction is 15 percent complete and is scheduled to be complete in late 2012.

#### Diemer Plant

- Fire and Potable Water Pump Station—Construction is 65 percent complete and is scheduled to be complete by December 2011.
- Diemer North Access Road—Road construction is 84 percent complete and is scheduled to be complete by September 2011.
- Diemer Emergency Broadcast System Upgrade—Construction is 50 percent complete and is scheduled to be complete by November 2011.

#### Skinner Plant

Skinner Electrical Building and Ground Fault Protection Upgrade—Construction is 10 percent complete and is scheduled to be complete by mid-2014.

#### Mills Plant

Sodium Hydroxide Storage Tank Replacement—Final design is 90 percent complete and is scheduled to be completed by September 2011. This project is scheduled to be advertised for bids in late 2011.



*Weymouth Water Treatment Plant Coagulant Tank Farm Modifications – Installation of metal roof*



*Diemer Emergency Broadcast System Upgrade – New speaker cable installed in West Filter Building*

## BUSINESS TECHNOLOGY—Business Processes and Information Technology

### ***Ensure operational reliability and security of Metropolitan's Information Technology systems by delivering cost-effective information technology products and services***

During the period, staff substantially completed the Vista-Service Pack 2 updates for desktops and laptops. Vista is the operating system currently installed on Metropolitan desktop and laptop computers. This software upgrade is a key part of the Information Technology Security Team's on-going effort to update and maintain current security software versions and regularly deploy the latest security patches to protect Metropolitan's network, infrastructure and data.

As part of an ongoing effort to refine Metropolitan's ability to recover critical IT systems in the event of a disaster, staff conducted detailed planning for an upcoming disaster-recovery exercise involving the Labsheet application (used by Water Quality) and validate staff's ability to access the internet system in the event of an incident/emergency.

The objectives for the August disaster-recovery exercise include:

- Validate IT Incident Response and Recovery Processes
- Execute emergency teams roles & responsibilities
- Exercise problem solving and action planning
- Identify opportunities for process enhancements and refinements

This planned exercise will be conducted in conjunction with the annual Headquarters facility power shut-down and allow staff to test "fail-over" capabilities using Metropolitan's remote disaster-recovery site. As part of the "fail-over" test, staff will bring up the selected application/system by enabling remote servers.

The Oracle financial system is being upgraded (v11.5.9 to v11.5.10) to provide enhanced reliability as support for the current version is set to expire. By upgrading to a newer version, Metropolitan will be able to obtain "extended support" and continue the level of services needed should problems arise within the Oracle Financial Applications. The Oracle system is comprised of software modules, many of which are critical in supporting Metropolitan's business/operation.

### ***Maintain an effective Business Outreach Program for regional, small businesses and veterans to ensure broad participation and competitive costs***

#### Vendor Development, Training and Certification

The fourth workshop in Business Outreach Program's monthly "Managing Your Innovation" series of workshops and networking events was held at Metropolitan on July 21. Over 159 businesses participated in the event. Metropolitan presented *Grant and Loan Opportunities for Small Business, Innovation, and Technology*.

Business Outreach also continued vendor development, education, training, and support of the Southern California business community by participating in the following July activities:

- National Center for American Indian Enterprise Development in San Diego—Business Outreach exhibited at the event and gave a presentation on

Metropolitan's procurement policies and opportunities.

- American Indian Chamber of Commerce Expo 2011 in Rancho Mirage—Metropolitan has supported the American Indian Chamber of Commerce since the Expo started in 2003. Metropolitan Director Sylvia Ballin represented Metropolitan and gave the invocation to start the event. Over 300 small businesses, government agencies and private sector corporations participated in the three-day conference.
- Business Outreach supported the Los Angeles Business Community by exhibiting at the Asian Business Association *LA Small Business Exchange*. Metropolitan was able to introduce over 200 small businesses to opportunities at Metropolitan.

## BUSINESS TECHNOLOGY—Business Processes and Information Technology

### ***continue Business Outreach Program***

#### Business Innovation and Emerging Water Technologies

Business Outreach team members were invited by the Canadian Consulate to participate in the International Water Association’s conference on Natural Organic Matter in Costa Mesa. The conference brought scientists and engineers from around the world to discuss the importance of organic matter in drinking water, wastewater and carbon cycling natural waters.

#### ***Support State of California, Member Agencies, City of Los Angeles, the Southern California Business and Veteran Business Community***

- Metropolitan supported the Disabled Veteran Business Community by participating in UCLA Anderson School of Management’s fourth consecutive *Entrepreneurship Bootcamp for Veterans with Disabilities*. Business Outreach exhibited and spoke on panels at the Bootcamp and encouraged participants to bid on Metropolitan contracts and participate in training, mentoring, matchmaking opportunities, and incentive programs at Metropolitan. Metropolitan has invested more than \$2 million back into the Disabled Veteran Business Community.
- Business Outreach and the Contracting Services Unit hosted the first in a planned series of *Inventory Replenishment Contracts Mini-Vendor Fairs*. The Vendor Fair was held at the Weymouth water treatment plant. The goal of the Vendor Fair was to introduce Water Systems Operation’s staff

to Metropolitan’s contracted suppliers of hardware, tools, electrical, office supplies, paints, safety, and welding materials.

- Director Laura Friedman and Business Outreach staff supported the Greater Los Angeles business community at the *12<sup>th</sup> Annual Women in Business Legislative Update and Awards Luncheon* in Burbank.
- Director Sylvia Ballin and Business Outreach staff supported Director John W. Murray, Jr. and the Southern California Minority Business Development Council at its annual *Supplier of the Year Awards*.
- Business Outreach partnered with the Los Angeles County Transportation Authority (Metro), on *Meet the Buyers* workshop and networking event for small business. Business Outreach invited Metropolitan’s Field Buyers and Headquarters Buyers to participate in the event. Metropolitan was able to introduce over 300 small businesses to Metropolitan’s contracting opportunities.
- Metropolitan participated in Los Angeles’ Small Business Day hosted by the United States Department of Transportation’s Office of Small and Disadvantaged Business Utilization and the office of Congress Member Karen Bass. Earlier in the week, Metropolitan hosted the Department of Transportation’s *Bonding Education Program* with 41 small businesses participating.

*Inventory Replenishment Contracts Mini-Vendor Fair at La Verne Water Treatment Plant hosted by Contracting Services and Business Outreach*



**BUSINESS TECHNOLOGY—Business Processes and Information Technology**

***Develop and implement a comprehensive Grant Funding and Management Program***

The Bureau of Reclamation informed the City of Glendale on July 25 that the application submitted on May 6, 2011, (in partnership with Metropolitan) for the Advanced Water Treatment Pilot and Demonstration Project Grants for Fiscal Year 2011, “Advanced Water Treatment Study for Hexavalent Chromium in Drinking Water,” was among those receiving the highest ratings and is now being considered for award of a financial assistance agreement. Reclamation anticipates awarding federal funds in the amount of \$400,000 for the proposed project. A contract should be executed by September 2011.

**HUMAN RESOURCES—Human Resources Excellence**

***Acquire the right talent***

- One new employee started at Metropolitan during the month of July. Two student interns started working in the Legal department during the month also.
- There are 37 recruitments in various stages of posting, testing and selection.
- Staff participated in the Hiring Our Heroes job fair on July 10 targeted to provide opportunities for veterans.
- Met with Group Managers to explain and get buy-in for the use of assessments in the recruitment and selection process, as well as prepared language for Employee Relations to inform bargaining units about the same.

***Foster learning and development***

- Staff participated in the White House Business Council Roundtable with Assistant Secretary Jane Oates, Employment and Training Administration of the Department of Labor. It was hosted by Unite-LA and the Los Angeles Area Chamber of Commerce.
- Staff obtained certification in the *InsideOut Performance Coaching* curriculum and will be delivering the first in-house class in late-August 2011.
- *Finance for Non-Finance Managers* class at Mills plant was attended by six managers. Staff provided ongoing support for managers using the online

instruction module which is part of this blended learning curriculum.



(above) Prince William/ Duke of Cambridge and Duchess of Cambridge with Mrs. Shinseki ,wife of Secretary of Veterans Affairs.

(right) Human Resources Training Specialist Elliott Smith

## HUMAN RESOURCES—Human Resources Excellence

### ***Ensure a high performance culture***

Completed the FY2010/11 Department Head Performance Evaluation Process with 89 percent participation by the Board.

### ***Foster management excellence***

- Staff facilitated and participated in a collaborative change management consultation with Environmental Health and Safety managers and an external consultant.
- Continued to provide management coaching and leadership development consultations for eight managers at various Metropolitan facilities.

### ***Manage total compensation***

- HR Benefits conducted site visits at Diemer and Lake Skinner providing one-on-one financial planning and retirement counseling.
- HR Benefits conducted two Leave Donation campaigns in which 1,000 hours were raised for two employees.

### ***Provide proactive, swift, and consistent employee relations and positive labor relations***

Continued working closely with management to address and resolve employee issues/concerns.

### ***Identify, assess, and manage risk***

- The Risk Management Unit completed 60 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.
- Risk Management completed 26 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.

### ***Control Workers' Compensation costs***

- Conducted initial investigations on 16 injury incidents.
- Submitted 11 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 3 claims, finalized in 3 claims, and 18 claim files were closed.
- Attended closing conference for workers' compensation claim audit.
- Completed 2010-2011 Accident Incidents Table for General Manager Annual Report.
- Conducted Medvan at Jensen and Diemer facilities.
- Arranged 26 medical evaluations (DMV medical surveillance, etc).
- Coordinated random drug/alcohol testing at 2 facilities.
- Addressed 3 accommodation issues.

## EXTERNAL AFFAIRS—Legislative, Communications and Community Relations

### ***Continue to develop and implement local, state, and federal water policy and legislative strategies consistent with board-adopted policies***

#### Federal Legislation

Staff attended a Congressional staff briefing held on July 11 featuring a presentation by the Santa Ana Sucker Task Force and the San Gabriel Valley Water Association. The briefing provided an update on the impact of the Santa Ana Sucker Critical Habitat designation on the Santa Ana and San Gabriel Rivers including water supply, economic development.

Staff attended a Senate Energy and Natural Resources Committee Markup on S.519, the Hoover Power Allocation Act, on July 14, which was reported out of committee.

The Senate Environment and Public Works Committee held a hearing on July 19 to debate the Administration's nominations of Rebecca Wodder for Assistant Secretary of Interior for Fish and Wildlife and Ken Kopocis for Environmental Protection Agency's Administrator for the Office of Water.

**EXTERNAL AFFAIRS—Legislative, Communications and Community Relations**State Legislation

On June 30, Governor Jerry Brown signed the Fiscal Year 2011/12 spending plan after cutting an additional nearly \$24 million from the version of the budget passed by the Legislature on June 28.

Over the past seven months, the Governor and Legislature reached agreement on a plan to bridge the \$26 billion budget deficit.

**Local Government**

Metropolitan continues to urge support for Metropolitan's 2011 legislative priorities, providing regular updates to legislative committees of local business groups and organizations and securing letters in support of board-adopted priorities. During July, the Greater Corona Valley Chamber of Commerce, the Greater Riverside Chamber of Commerce, the Southwest California Legislative Council and the Inland Empire Legislative Chamber Alliance all endorsed H.R. 470 (Heck, R-NV) the Hoover Power Allocation Act of 2011.

Metropolitan provided a water supply update to the Associated General Contractors general membership dinner. The presentation included information on current water supply conditions for Colorado River and State Water Project supplies, as well as local resource investment. Metropolitan staff also facilitated the Redondo Beach Chamber of Commerce's Annual Board of Directors Strategic Planning retreat. This year's planning retreat focused on several key business issues which included building a more effective Government Relations Committee that will focus on environmental and regulatory issues, including water policy, impacting the local business community. In addition, as co-chair for the Southern California Water Dialogue, Metropolitan hosted the Dialogue's monthly meeting featuring a presentation by Delta Stewardship Council Executive Officer Joe Grindstaff on the fifth draft of the Council's Delta Plan.

***Support Board member communications and working relationships with elected officials, other government leaders, and business and community leaders***

- Director Griset and staff participated in National Water Resources Association's Municipal Caucus Briefing, with featured speaker Donald Metzler, Federal Project Director for Moab, Utah, Uranium Mill Tailings Remedial Action Project. Mr. Metzler spoke about the risks that continue to exist during the removal process, where the materials are being placed and by what means this massive project is to be completed in terms of infrastructure, local economic impacts and/or local groundwater quality concerns.
- Metropolitan was a sponsor of the Independent Cities Association's annual Summer Conference on July 7-10 in Rancho Bernardo to foster ongoing dialogue on water issues with local elected officials and city managers from across Los Angeles County. Director Friedman, who serves on the Executive Board of the Independent Cities Association, and Director Hawkins attended the conference along with staff.
- Metropolitan was also a sponsor of the Valley Economic Alliance's annual Valley of the Stars awards ceremony on July 23, where Director Fleming received the Humanitarian award. Director Ballin, staff and over 300 business and community leaders attended.
- Metropolitan Directors Camacho, Edwards, and Wright and staff attended the quarterly board meeting and general membership luncheon of the Southern California Water Committee which featured a special seismic presentation by Dr. Lucy Jones, from the U.S. Geological Survey, and a keynote address by Phil Isenberg, Chairman of the Delta Stewardship Council.

***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***

- Arranged interview with General Manager Kightlinger and Los Angeles Times reporter for a story about federal government announcing a ban on mining around the Grand Canyon.
- Provided information to Riverside Press-Enterprise reporter regarding quagga containment at Diamond Valley Lake; also set up newspaper photograph session of boat inspections at the lake.
- Metropolitan's press office arranged interview at Diamond Valley Lake with KABC-TV Channel 7 reporter for story about increased water supply and storage as a result of above-average rain and snowpack this winter.
- Handled updated Public Records Act requests from the Los Angeles Times, KCBS/KCAL-TV Los Angeles, Surf City Voice and Bay Area Newspaper group for information about pay and benefits for staff and Directors' expenses.

## EXTERNAL AFFAIRS—Legislative, Communications and Community Relations

### ***Strengthen Metropolitan’s community outreach efforts***

- The 2010-11 “Water is Life” Student Art Exhibit Tour was completed this month. Since January 2011, the tour included exhibits at 20 participating member and retail agencies and the Diamond Valley Lake Visitor Center. It is estimated that the student art was viewed by over 7,500 visitors from local communities and water agency employees.
- Metropolitan conducted two Diamond Valley Lake Inspection Trips in collaboration with the City of Los Angeles Department of Public Works summer intern program. Approximately 75 high school students participated. Each trip was designed to provide information Metropolitan’s key initiatives and its water supply and delivery system, along with a workforce development component.
- Staff hosted seven Diamond Valley Lake field trips for nearly 300 students in collaboration with the Western Science Center outreach program. Staff also participated in two additional field trips for the Valley Wide program and the Perris Aquatic Club, sponsored by Eastern Municipal Water District, for nearly 200 students.

### ***Continue to develop and manage public education and outreach programs focusing on extraordinary conservation efforts***

Paid online search on Google Search and the Google Content Network continues this month. Links to bewaterwise.com appear when keywords such as “water,” “California weather,” and “water rebates” are searched for by Southern California users.



southern california water rebates

About 1,840,000 results

 Everything

 Images

 Videos

[Rebates for Home Owners | BeWaterWise.com](#)

Southern California’s one-stop shop for rebates. Know more!  
[www.bewaterwise.com](http://www.bewaterwise.com)

## REAL PROPERTY DEVELOPMENT AND MANAGEMENT GROUP

### Real Property Management

### ***Develop policies, strategies, and actions that enable sustainability in all aspects of real property including development, revenue optimization, appraisal, acquisition and annexation while concurrently improving the planning, management, and quality of internal real property activities and services***

- An easement was conveyed to Western Municipal Water District to allow for the continued maintenance and operation of an existing water pipeline constructed within the surplus area of the Box Springs Feeder right of way.
- A one-day parking entry permit was issued to Brent Lauer for use of portions of the parking garage at 700 North Alameda Street to accommodate guest parking for an event held at Union Station train terminal.
- A one-day film entry permit was issued to Tikaboo Productions, Inc. for use of a portion of one stairwell at 700 North Alameda Street building for a horror drama film entitled Area 51.
- An entry permit was issued to AltaMed Health Services for use of portions of the parking garage at 700 North Alameda Street for an event being held at Union Station train terminal. The entry permit also allows for use of Metropolitan’s courtyard area in conjunction with the event.
- Proposals were received in response to RFP No. 987 for new real property management software to replace Asset Information Management System. Staff attended demonstrations by the three short-listed firms. A final selection will occur in early August.

**REAL PROPERTY DEVELOPMENT AND MANAGEMENT GROUP**

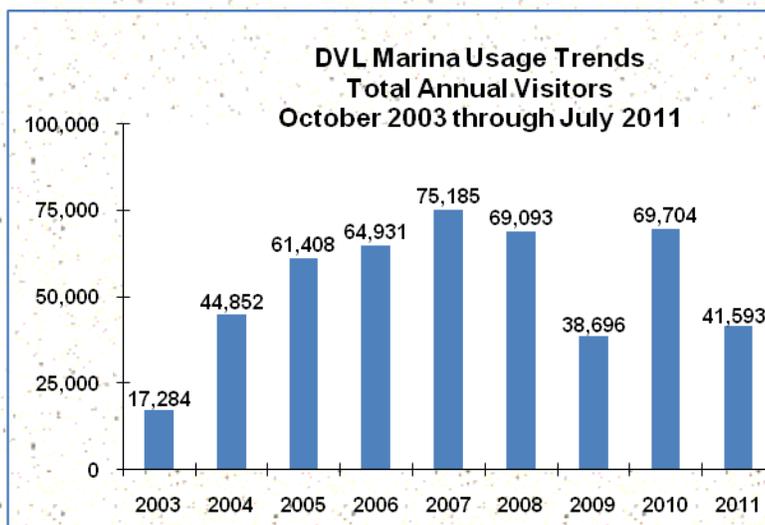
**Real Property Management**

*Refine and implement strategies to identify and acquire right-of-ways and adjacent properties that are necessary to implement future water infrastructure projects and other real property goals*

The Right-of-Way Unit continued to support Bay Delta Initiatives. A comparative market analysis to determine the estimated values of two proposed easements that would be used to construct openings in an adjacent stair step channel wall was completed. The openings would facilitate new channels within the proposed Yolo Ranch Habitat Restoration Project.

*Manage natural resources and related facilities at Diamond Valley Lake and Lake Skinner through best management and sustainable practices to effectively protect water quality*

Approximately 448,000 anglers have visited Diamond Valley Lake and 116,000 boats have launched since the 2003 public opening and 31,000 of those launches follow an extension and reopening of the boat ramp in December 2009. Increased launch fees collected through July 2011 for the purpose of reimbursing the cost of construction are estimated to be \$126,000.



**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.

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

700 No. Alameda Street  
 Los Angeles, CA 90012  
 General No.: 213 217-6000  
[www.mwdh2o.com](http://www.mwdh2o.com)  
[www.bewaterwise.com](http://www.bewaterwise.com)