



# GENERAL MANAGER'S MONTHLY ACTIVITY REPORT AUGUST 2012

August 31, 2012

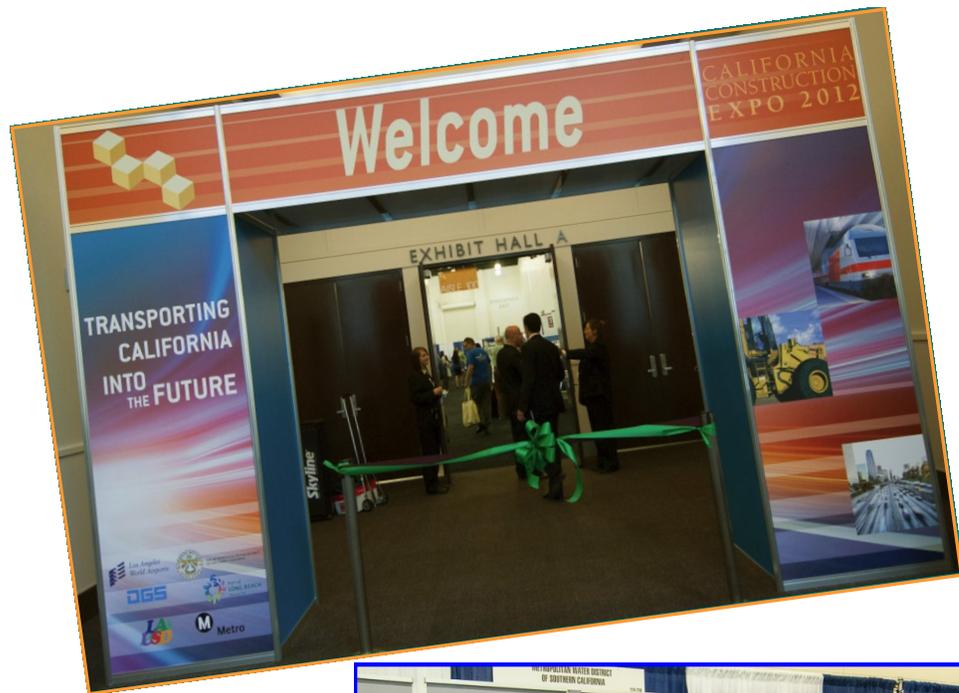
**THIS REPORT IDENTIFIES THE ACTIONS/ ACTIVITIES TAKING PLACE DURING THE MONTH THAT SUPPORT THE OBJECTIVES OF THE GENERAL MANAGER'S FISCAL YEAR 2012/13 BUSINESS PLAN.**

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**California Construction Expo 2012**

On August 2, Metropolitan, the Los Angeles Unified School District, Los Angeles World Airports, Port of Long Beach, Los Angeles County Metropolitan Transportation Authority, and the State of California Department of General Services hosted the California Construction Expo 2012, *Transporting California into the Future*. Staff from Business Outreach, External Affairs, Human Resources, Business Services, and Engineering Services collaborated to make CalCon a success. Metropolitan staff also participated as panelists for workshops and staffed exhibit booths fielding questions from participants. Over 2,000 people attended the one-day Expo.



**BAY-DELTA INITIATIVES****Develop near-term and long-term solutions that enhance the Delta ecosystem, improve water supply reliability, and protect water quality**

Science Activities—Metropolitan staff is working with expert consultants to continue development and refinement of lifecycle models for listed fish species. Lifecycle models are needed to evaluate the relative importance of factors in the decline of listed fish species and evaluate the potential impacts and benefits of proposed management actions. A draft lifecycle model for longfin smelt was completed and initial analyses are under review.

State Water Resources Control Board—Staff continues to work closely with state and federal water contractors to prepare for the upcoming State Water Resources Control Board (State Water Board) workshops to receive information and conduct discussions on the scientific and technical basis for considering potential changes to the 2006 Bay-Delta Water Quality Control Plan. On August 17, the State Water Contractors and San Luis and Delta-Mendota Water Authority submitted a joint technical comment package assessing the available scientific information in support of the State Water Board's workshop on Ecosystem Changes and the Low Salinity Zone. This workshop is scheduled for September 5 and 6, 2012. Staff is reviewing written submittals from other parties to the State Water Board to prepare for a joint presentation at the workshop. The remaining workshops have been rescheduled to the following dates:

- October 1-3, 2012: Bay-Delta Fishery Resources
- November 13-14, 2012: Analytical Tools for Evaluating the Water Supply, Hydrodynamic, and Hydropower Effects of the Bay-Delta Plan

**Develop long-term Delta improvements through the Bay Delta Conservation Plan, including measures that implement conveyance and species conservation improvements**

Delta Stewardship Council—The Delta Stewardship Council met on August 23 and 24 to address regular business and discuss, in closed session, hiring a new Executive Director. The Council received updates on the Delta Science Program activities and BDCP, and discussed the process for selecting near-term actions to help achieve the co-equal goals. Council staff continues to revise the Sixth

Staff Draft Delta Plan based on Council direction received in July 2012. The next draft of the Delta Plan will be deemed a "Council" draft, and it is expected that the Council draft will be released on September 5, 2012. At the September 13-14, 2012 meetings, the Council will consider approval of the Delta Plan to move forward as the proposed project in a supplemental draft EIR that will be released sometime this fall.

**Ensure that Delta emergency response measures are implemented, including actions to develop a fresh water pathway after a major emergency event in the Delta**

Delta Emergency Preparedness—Staff is continuing to coordinate with other agencies and consultants to evaluate levee improvements along the emergency freshwater pathway. Design consultants for Reclamation Districts bordering the freshwater pathway at Bacon Island, Jones Tract, and Woodward Island have agreed to share design and construction data with Metropolitan for levee assessments by Metropolitan consultant URS under severe earthquake conditions. Coordination of levee seismic design evaluation by URS will be coordinated with Reclamation District design engineers. Reclamation District 2028 is moving forward with levee toe berm improvements at Bacon Island along Middle River with funding provided through the Department of Water Resources Delta Levees Program.

## ENGINEERING SERVICES-INFRASTRUCTURE RELIABILITY

### Manage high priority projects on Metropolitan's water treatment plants to maintain reliability, comply with regulations, and improve operating efficiency

#### Water Treatment Plant Improvement 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:

#### Diemer Plant

- **Filter Media Replacement**—This project will replace anthracite and sand filter media to prevent the release of manganese into the treated water after the Diemer plant converts to ozone disinfection. Construction is 77 percent complete and is scheduled to be complete by September 2012.
- **Finished Water Reservoir and East Washwater Tank Seismic Upgrades**—This project will install caissons and thicken floor slabs to stabilize the Finished Water Reservoir during an earthquake and will construct shear walls to support the foundation of the East Washwater Tank. Final design is 99 percent complete and is scheduled to be complete by September 2012.

## REAL PROPERTY DEVELOPMENT AND MANAGEMENT

### Implement strategies for right-of-way planning and acquisition, including support of Bay-Delta Initiatives and infrastructure reliability and protection programs

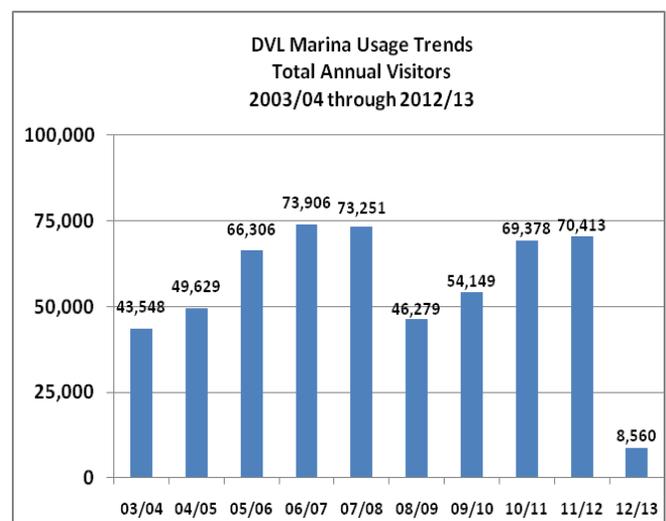
Metropolitan obtained 13 entry permits from various property owners in San Bernardino and Riverside Counties. The entry permits allow Metropolitan to gain access to its existing Inland Feeder and San Diego 6 rights of way to close groundwater monitoring wells temporarily installed during the construction of the conveyance systems.

### Seek revenue-generating opportunities for underutilized real estate assets in several market segments — telecommunications, solar development, film production, and sustainable technology and research

An entry permit amendment was issued to Blythe Energy, LLC, to extend the term for construction of facilities associated with improvements to the interconnection and switch racks at Julian Hinds Pumping Plant.

### Pursue development of the Diamond Valley Lake area, including the Visitors Center and marina, into the creation of an area that supports recreation, provides leasing and revenue opportunities, and provides benefits to Metropolitan and the surrounding community

Metropolitan has now received rent for ten months on the percentage lease with Urban Park Concessionaires for the operation of the DVL Marina and the Lakeview Trail. The \$62,683 received represents seven percent of the October 2011 through July 2012 gross receipts. Annual savings for replacing the professional services agreement with the percentage lease are estimated to be \$380,000. Diamond Valley Lake has hosted approximately 555,000 visitors at its marina facilities, and 133,000 private boats have launched since the 2003 public opening.



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Operate system reliably

System Operations delivered approximately 200,000 acre-feet of water to meet member agency demands in August, which averaged approximately 6,450 AF per day. This was an increase of 350 AF per day from July. Treated water deliveries for August totaled 113,500 AF, or 57 percent of total deliveries for the month. Additionally, 33,500 AF was delivered to Desert Water Agency and Coachella Valley Water District in exchange for their State Water Project Table A supplies.

State Water Project deliveries were 119,000 AF in August, which was the same as July imports. Successful treatment of a taste-and-odor event on the East Branch of the California's Department of Water Resources' California Aqueduct led to a reversal of the temporary reduction in State Project Water blends at the Weymouth and Diemer treatment plants. Staff implemented the blend reduction in July to reduce the amount of SWP in the treated water deliveries at these plants, which effectively prevented detectable taste-and-odor impacts in the water delivered.

Diamond Valley Lake's storage level decreased slightly to 93 percent of full, even with 25,000 AF delivered through the Inland Feeder for the month. This decrease in storage

resulted from water deliveries and energy generation out of DVL to meet Lake Skinner area demands and to produce power during the summer peak season, as described below.

System Operations continued to maximize power generation. In August, Metropolitan's hydroelectric plants generated an average of 52 megawatts per hour for a total of 38,000 megawatt-hours. With favorable peak energy prices at DVL, operations staff designed water and power schedules to maximize the on-peak generation at DVL. For the month of August, 10,000 MWh of electricity was generated at DVL, with 27 percent produced during the super peak hours. It is forecast that power production at DVL for the period between June through September will result in approximately \$4 million of revenue.

As the shutdown season approaches, operations staff began meeting with the member agencies to plan and coordinate the larger outages. The annual coordination and planning meeting for the shutdowns was held on August 23 with Metropolitan and the Department of Water Resources.

### Optimize maintenance

#### Colorado River Aqueduct

Severe winds from an afternoon thunderstorm caused a short-term power outage at the Gene and Intake pumping plants when an insulator failed and tripped a 230 kilovolt line from Hoover Dam. Within 30 minutes, the Gene and Intake pumping plants' power was restored through a second high voltage power line from Parker Dam. Iron Mountain, Eagle Mountain, and Hinds remained online and there was no disruption to the Colorado River Aqueduct flow from Copper Basin. The damaged insulator and line were repaired and ready for service within seven days. [\[see photo to the right\]](#)

#### Valve Maintenance

While performing routine preventive valve maintenance on the Second Lower Feeder-Orange County Feeder interconnection structure, staff discovered one of the two 16-inch diameter plug valves was inoperable. The valve was repaired and returned to service. The interconnection structure is one of several facilities designed to control flows between the Central Pool and Orange County distribution system areas. Staff has concluded that the valves require more frequent maintenance due to their age.



Staff replacing the insulator for power supply at Gene and Intake.

## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Optimize maintenance

#### Distribution System

Repairs were completed on a valve operator for the Orange County (OC-09) service connection. The service connection remained in operation during the repairs that were completed at the La Verne shops. The repairs involved removal of the broken housing parts, designing and manufacturing a new housing adapter for the valve body, and manufacturing a new operating shaft. [\[photo to the right\]](#)

Staff repaired a radial gate along the San Diego Canal by replacing a damaged lifting cable. The radial gate is located at the junction of the San Diego and Casa Loma Canals in the Hemet area and is used to regulate raw water flow south towards the Wadsworth Pumping Plant and Lake Skinner. While repairs were made, a crane was kept available to adjust the gate to meet operational needs. [\[see photo lower right\]](#)

Staff repaired eroded areas caused by the winter's storm damage on the north embankment of the Santa Ana River and restored safe access to the Upper Feeder blow-off structure. The repairs involved excavation and compaction of dislodged soil, and the placement of approximately 300 square-feet of boulder rip rap and concrete slurry to fill a large void.

As part of restoring the Perris Valley Pipeline construction area, staff dismantled and removed approximately 15,000 linear feet of temporary aboveground pipe that was installed for the contractor's water needs during the project. The pipe will be stored and reused for dewatering during future pipeline shutdowns. The removal of this pipe also allows for future road improvements in this area.

Staff performed preventative maintenance to all seven surge tanks at the OC-88 pump station and flow control facility on the Allen-McColloch Pipeline. The tanks are crucial to provide protection for the pipeline during potential upstream or downstream flow surges. Because the tanks must be in service at all times when the pipeline is operational, flows through the facility were adjusted to allow staff to safely complete the scheduled maintenance activities

Staff provided support to the California Department of Safety of Dams (DSOD) for annual inspections of the Garvey and Palos Verdes Reservoirs. This inspection included reviewing maintenance records and operations of pertinent blow-off structures as part of the required emergency action dewatering plans. All valve operations and inspections satisfied DSOD's requirements.



OC-09 Valve Operator Housing before and after repairs



Install catwalk with handrails and ladder along the Foothill Feeder

## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Optimize Maintenance

#### Hydroelectric Plants

Staff completed a minor rehabilitation of the Red Mountain Hydroelectric Plant based on findings from the six-year scheduled maintenance program. This work replaced and upgraded electrical and mechanical support equipment for the facility. Staff also refurbished the turbine seal and seal holder. This work increases the operational availability of the unit.

### Support water resource program

Staff completed several projects supporting the State Water Project. These projects included contracting specialized testing services for the Hyatt Power Plant, rehabilitation of motor components for Buena Vista Pumping Plant, and recoating of small parts and machining bolts for the Edmonston pumping plant.

### Effectively manage power system requirements and optimize generation

In August, Metropolitan sold one forward-energy contract for the month of September. The contract totaled 8,400 megawatt hours of energy for approximately \$189,000. The contract was sold due to reduced Colorado River Aqueduct pumping energy needed in 2012 by storing conserved supplies in Lake Mead.

On August 24, Metropolitan participated on a panel as part of a Cap and Trade Forum sponsored by California State Assembly Members Hall (D-Rancho Dominguez) and Bonilla (D-Concord) and the Los Angeles Chamber of Commerce. The Forum took place on the campus of California State University, Dominguez Hills. Metropolitan discussed its proposal that money expended to meet its obligations under Cap and Trade from the acquisition of allowances would be returned to fund greenhouse gas emission reductions. As currently designed, Metropolitan must obtain allowances, or permits, to cover greenhouse gases associated with the energy imported into California to support pumping on the Colorado River Aqueduct.

On August 23, Metropolitan hosted a meeting of attorneys representing the existing Hoover power contractors. The participants discussed potential language for a new Hoover power contract. This effort builds on earlier technical meetings among the power contractors that identified issues that should be addressed when the existing Hoover power contracts expire in 2017. These activities of the technical and legal Hoover contractor personnel will continue over the next several years.

### Improve security and emergency response

Staff responded to a 4.4 magnitude earthquake centered in Yorba Linda that occurred after hours on August 8, 2012. This included a physical inspection of all distribution system facilities within the immediate area of

the epicenter, as well as a full Supervisory Control and Data Acquisition evaluation of the Orange County system. All hydroelectric and pump plant facilities remained online during the event.

On August 16, staff participated in the 2012 Golden Guardian California Emergency Management Agency and Federal Emergency Management Agency functional exercise. The exercise focused on how to prioritize state and federal support following a catastrophic event. Under the direction of the Governor's office, a Unified Coordination Group would receive and act on requests for additional resources via the State Emergency Operations Center.

### Develop workforce

The Water System Operations Technical Training Unit supports the provision of a trained, qualified workforce to maintain Metropolitan's water treatment and distribution systems. This month, a series of workshops were held to provide managers and journey workers with an opportunity to observe classroom training and to improve their skills in providing on-the-job training for the apprentices.

In addition to training electrical and mechanical apprentices, staff provides skills development to Metropolitan's journey employees. This month, two Programmable Logic Controller courses continued for 10 electronic technicians who work on the Colorado River Aqueduct. This hands-on class introduces students to the Metropolitan's standard programmable logic controllers.

**WATER SYSTEM OPERATIONS—WATER QUALITY, ENVIRONMENTAL, & SAFETY****Protect source water quality**

Production of the earthy musty taste-and-odor compounds 2-methylisoborneol (MIB) and geosmin has returned to near background levels in the East Branch of the State Water Project. In early August, the California Department of Water Resources treated the East Branch with a new liquid form of algaecide that could be more easily applied to the aqueduct. With the combined efforts from July and August, the DWR has been able to control taste-and-odor production.

**Optimize water treatment and distribution**

Metropolitan increased State Water Project blends at the Weymouth and Diemer Water treatment plants to approximately 20 percent and 40 percent, respectively, due to decreased taste and odor compounds leaving Silverwood Lake. Flavor profile analysis for treated waters for Weymouth, Diemer, and Mills plants has remained acceptable.

Metropolitan is installing ozone as the primary disinfectant at all water treatment plants. Three plants are complete (Mills, Jensen, and Skinner) and two remain in construction (Diemer and Weymouth). Bromate, a regulated ozone disinfection by-product, is currently controlled by lowering the pH of the water with sulfuric acid. After three years of study, staff implemented a new technique for bromate control at the Mills plant which uses ammonia and chlorine (chloramines), introduced upstream of ozone. During the first six months of 2012, Metropolitan realized a cost savings of approximately \$400,000 primarily from the elimination of acid and reduced use of caustic soda. Another benefit is a slightly lower ozone dose, resulting in oxygen and power cost savings. The cost-effectiveness of extending the ammonia-chlorine process for bromate control to all water treatment plants is currently being evaluated.

Flow-weighted running annual averages for total dissolved solids for August 2011 through July 2012 were 429, 394, and 359 mg/L for Diemer, Weymouth, and Skinner treatment plants, respectively.

On August 29, staff welcomed members of the American Public Works Association for a tour of the Robert B. Diemer Water Treatment Plant. The Association held its 75th national conference in Anaheim this month, bringing together the largest gathering of public works professionals in the world. [\[see photo below\]](#)

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

Metropolitan complied with all water quality regulations and primary drinking water standards during the month of August.



## BUSINESS TECHNOLOGY

### **Continue innovative sustainability efforts in business practices including Spring Green, Our Legacy Newsletter, the rideshare program, energy conservation and recycling efforts**

- Published *Our Legacy* E-Newsletter, Issue No. 69 - Are You Conserving with Green Appliances?
- The project to find optimal printing solutions is currently ahead of schedule. A summary report of preliminary findings from interviews and surveys of employees about their printing needs has been reviewed.

### **Efficiently maintain and operate Metropolitan's Headquarters, the Diamond Valley Lake Visitors Center, and the Diamond Valley Lake Education Center**

All work associated with the Solar metering project has been completed; both the City of Hemet Department of Building and Safety and So Cal Edison have approved it for operation.

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

- Metropolitan supported the California Hispanic Chamber of Commerce's *33rd Annual Statewide Convention* held in San Diego. Over 1,000 small businesses attended.
- Also supported and participated in conferences and expos for the Orange County Black Chamber of Commerce, the Orange County Asian Chamber of Commerce and the Filipino American Chamber of Commerce of Orange County.
- The Society of American Military Engineers Small Business Forum, Los Angeles—Business Outreach exhibited and spoke on a panel *How to Do Business with the Government* at the "2012 SAME Small Business Forum" in Los Angeles. Over 150 attendees had an opportunity to discuss issues of shared interest with senior-level Department of Defense leaders in a topic-specific roundtable format.

#### Vendor Development, Training, and Certification

Business Outreach introduced over 6,300 businesses to Metropolitan's business opportunities, training programs, and our E-Procurement, Vendor Registration, Small Business Certification, Contract Compliance and Accountability programs on NETConnect.

- California Black Chamber of Commerce State Wide Conference, San Diego County—At the request of the Chamber, Business Outreach participated as an advisor in the Youth Entrepreneur Summit. Over 100 young entrepreneurs participated in the Summit. Business Outreach also exhibited and participated in matching vendors with companies needing their service. Over 800 small businesses, government agencies and private sector corporations participated in the three-day conference.
- Business Matchmaking Ultimate Connections 2012, San Diego—Business Outreach participated in over 20 matchmaking appointments with small and service-disabled veteran business owners.
- The 3rd Annual Latin Business Association Minority Women's Business Conference *Energy & Technology in the Eyes of Women in Business*, Burbank—Business Outreach exhibited and introduced over 400 small businesses to opportunities at Metropolitan.
- Orange County Filipino Chamber of Commerce Business Green Conference, Orange County—Business Outreach exhibited and spoke on a panel *Green Sustainability in Business*. Over 200 businesses participated in the event.
- Orange County Black Chamber Award Dinner, Orange County—Business Outreach supported the Orange County and Veteran Business Communities at the awards dinner.
- Orange County Transportation Agency 2012 Small Business Conference, Orange County—Business Outreach exhibited and spoke on a panel *How to Do Business with the Government*. Over 150 businesses and government agencies participated in the event.

## BUSINESS TECHNOLOGY

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

### Veteran Business Community

Business Outreach supported Metropolitan's Service-Disabled Veteran-Owned Business Program and the Veteran Business Community in San Diego by participating in the *21<sup>st</sup> Annual Navy Gold Coast Small and Veteran Owned Business Conference in San Diego*. Over 2,000 businesses participated in the event. Metropolitan has invested more than \$2 million back into the Veteran business community.

### **Deploy smart technologies and innovative business services to enhance efficiency**

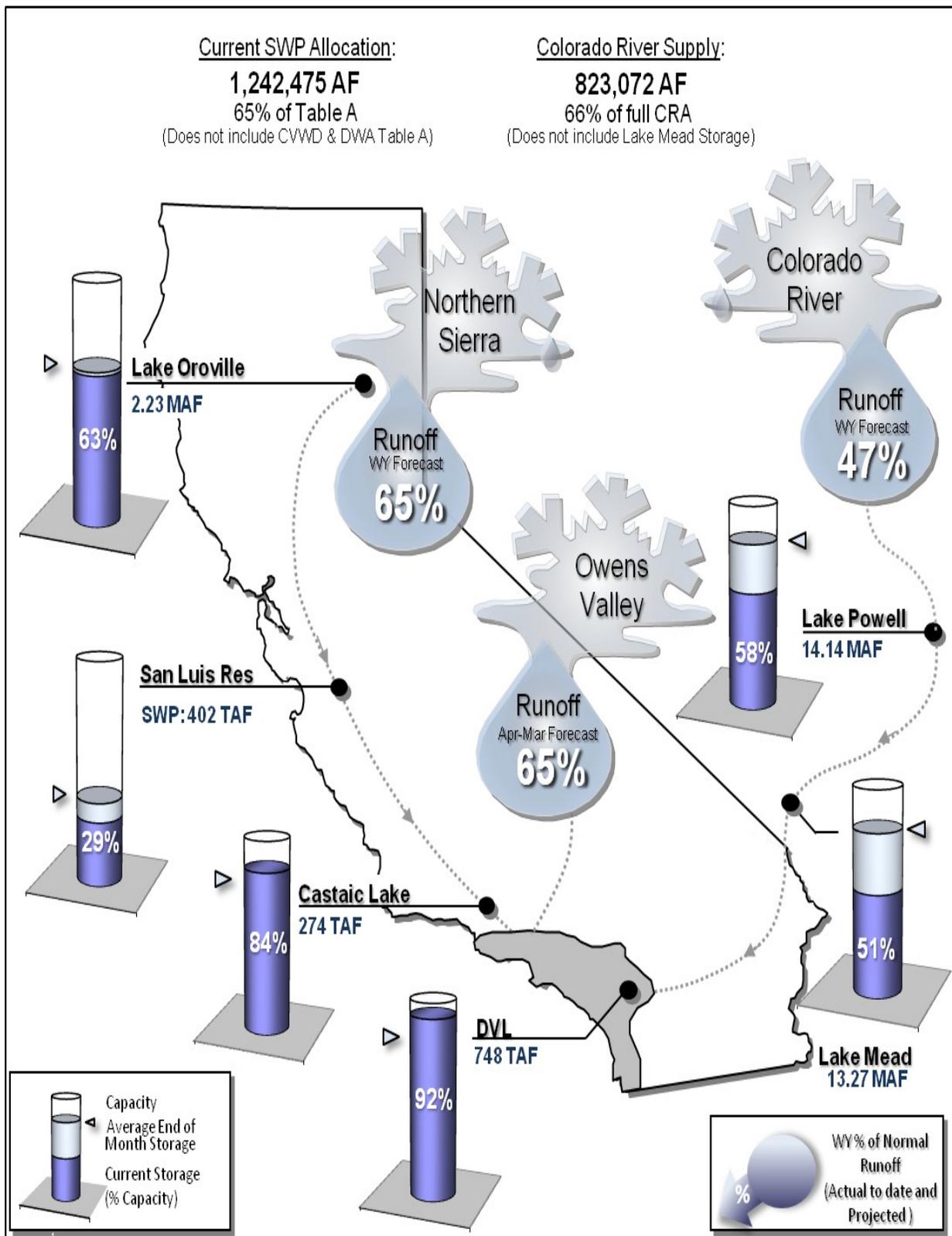
- Staff successfully completed an upgrade to the Oracle e-Business Suite. The Oracle financial system is comprised of software modules, many of which are critical in supporting Metropolitan's business/operation. This upgrade ensures reliability and allows Metropolitan to maintain the level of vendor support services required.
- Staff continued design and development of the new Environmental and Safety Management Information System by completing the initial set-up and configuration of the software. Staff also conducted a design review of the Compliance Tracking Module and created a testing environment that allows users to perform testing and assessment of features and functions. Development of the Compliance Tracking Module is expected to continue into next period, with final acceptance testing scheduled for the end of September.

## WATER RESOURCE MANAGEMENT

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

State Water Resources Control Board Workshop—Metropolitan staff, along with CalDesal and member agencies, testified at an August 22 State Water Resources Control Board (Control Board) workshop on proposed Ocean Plan regulations for seawater desalination projects. In preparation, staff collaborated with CalDesal and member agencies to review three technical reports prepared by the Control Board and to develop coordinated message points for the workshop. These message points included urging the Control Board to ensure that the Coastal and State Lands commissions are in concurrence with any potential regulations and to reopen a brine discharge technical report that was completed before critical toxicology data was available. Water Agencies offered to defray the cost of reopening the technical study to ensure new regulations are based on sound science. Control Board staff announced a change in the target date for adopting new regulations from January 2013 to January 2014.

WATER SUPPLY CONDITIONS AS OF AUGUST 31, 2012



## HUMAN RESOURCES—EMPLOYEE DEVELOPMENT

### Foster learning and organizational development

Classes were delivered in *Effective Performance Conversations*, *5 Choices for Extraordinary Productivity*, and *Delegating for Shared Success*.

### Foster management excellence

Continued ongoing facilitation of internal coaching interventions with five managers, as well as administering external coaching support for five managers. Assisted managers in Water Resource Management, Water System Operations and Business Technology with recruitment process.

## HUMAN RESOURCES—HUMAN RESOURCES EXCELLENCE

### Acquire talent

- Retirements continue to drive up the number of recruitments and promotions. At the end of August, the number of open recruitments was at 100, which included 27 key position replacement recruitments requested by Water System Operations. Ten new employees were hired in August along with 2 internal promotions being made for Inspection Trip Specialist. Eight new job openings were posted in August, three of which are promotional opportunities.
- In August, the Staffing Team handled the testing and management of panel interviews for several positions, including: Director of Information Technology, Legislative Services Section Manager, Operations and Maintenance Coater, Junior Buyer, and Programmer Analyst.
- Attended a job fair in downtown Los Angeles on August 25. Several more job fairs are being scheduled though the fall and winter as Human Resources continues to recruit qualified individuals for a variety of positions throughout Metropolitan.

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

- During the month of August, the Employee Relations Section participated in Impasse Proceedings with American Federal of State, County, and Municipal Employees over compensation negotiations stemming from the Classification and Compensation Study. That process is still ongoing.
- In addition, Employee Relations staff finalized a new draft of the Manager's Guide to Employee Relations. This comprehensive resource book for managers and supervisors was last issued in 2009, and it is anticipated that the new edition will be ready for distribution in the fall.

### Control Workers' Compensation costs

- Conducted initial investigations on 19 injury incidents
- Submitted 12 new claims to Metropolitan's workers' compensation claim administrator
- Settlements were negotiated in 1 claim, finalized in 2 claims, and 6 claim files were closed
- Conducted MedVan evaluations at Mills, Lake Skinner, and Lake Mathews facilities
- Arranged 16 medical evaluations (DMV, medical surveillance, hearing conservation, etc.)
- Coordinated 5 random drug/alcohol testing
- Addressed 4 accommodation issues

### Identify, assess, and manage risk

- Risk Management completed a projected 87 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.
- The Risk Management Unit completed a projected 69 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.

### Deploy the StrategicHR Plan

Continuing efforts to strengthen the performance culture at Metropolitan. Ongoing communications, coaching and discussions at all levels are being used to develop an organization-wide understanding of the importance of consistent deployment and interpretation of the high performance standards set in the MyPerformance process.

## EXTERNAL AFFAIRS

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

- SB 1495 (Wolk, D-Davis): Metropolitan, along with the Association of California Water Agencies, the Westlands Water District, and others, expressed opposition to SB 1495 because it would allow dredging activities in the Sacramento/Stockton region that are inconsistent with the Delta Plan and the co-equal goals established by the Legislature in 2009. The author and sponsors agreed to amendments to narrowly define the exemption related to routine dredging activities to ensure protection of Delta objectives addressing our concerns.
- AB 2595 (Hall, D-Los Angeles): Supported by Metropolitan, AB 2595 would have established a task force for reviewing and evaluating existing permitting processes for seawater desalination facilities. CalDesal Coalition, the official sponsor of the measure, and the Brown Administration have agreed to an alternative that can accomplish the same objective without the need for legislation. In light of the non-legislative alternative, the author elected not to pursue his bill further.

Federal

- On August 15, the House Natural Resources Committee held a legislative field hearing in Pasco, Washington on H.R. 6247, the *Saving Our Dams and Hydropower Development and Jobs Act of 2012*. Staff is reviewing the measure to determine potential

impacts on/opportunities for Metropolitan's hydropower operations in anticipation of a possible committee markup when Congress returns after summer recess.

- On August 16, the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management, chaired by Representative Jeff Denham (R-CA), held an oversight hearing in Stockton to discuss flood control, levee stability and other matters concerning public safety and emergency management preparedness issues in the Delta. The witness panel included representatives from Federal Emergency Management Agency, California's Emergency Management Agency, Public Utility Commission and East Bay Municipal Utility District.

Local

- Throughout August, management and Directors briefed members of Metropolitan's congressional delegation on the importance of the Bay Delta Conservation Plan, following up on Governor Brown and U.S. Interior Secretary Salazar's July 25 joint announcement outlining the BDCP framework.
- Meetings were held with Representatives Berman, Calvert, Capps, Chu, Napolitano, Sherman, and Waxman. Participants included Directors Abdo, Brick, De Jesus, Evans, Fleming, Grunfeld, Little, Millard, Morris, Murray, Peterson, and Wunderlich, in addition to Metropolitan and member agency staff. Metropolitan will continue to schedule Congressional briefings throughout the fall.

**Support board member and executive management communications and working relationships with elected officials, other government leaders, business and community leaders and other stakeholders**

- On August 16, Directors Friedman and Peterson and staff attended Valley Industry and Commerce Association's annual Local Elected Officials Luncheon, which featured nearly 30 local office holders.
- On August 23, Directors Brick, Edwards, Morris and staff attended a San Gabriel Valley Economic Partnership event featuring Senator Dianne Feinstein as the keynote speaker. The Senator focused her comments on the economy, national debt, and impending budget cuts.

## EXTERNAL AFFAIRS

**Continue to develop and manage public information and education programs in coordination with member agencies to convey clear and consistent messages about Metropolitan's mission and other issues, including water supply/delivery, resource planning, water quality protection and conservation**

Education

As part of the 2012-13 Diamond Valley Lake Education Program, staff hosted three community field trips with over 150 students.

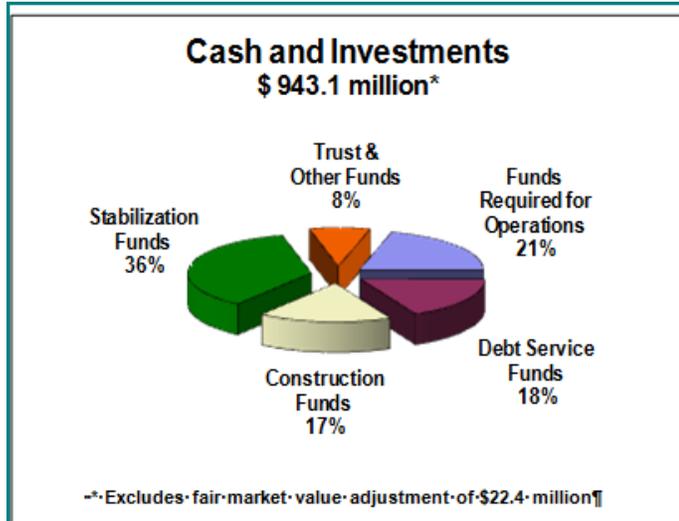
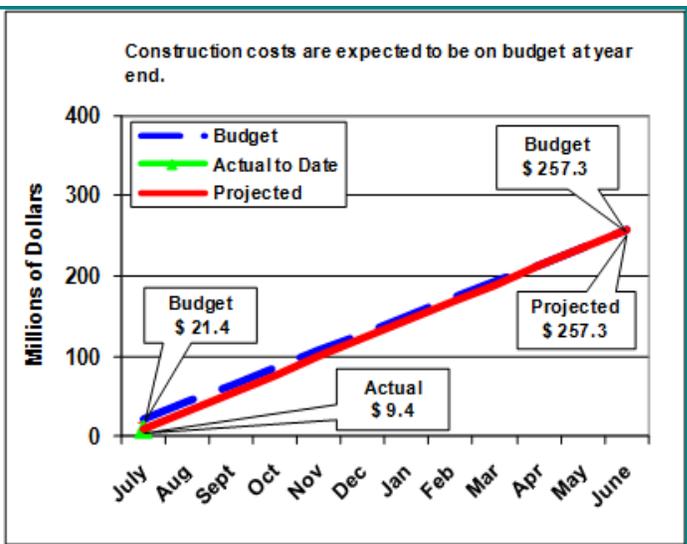
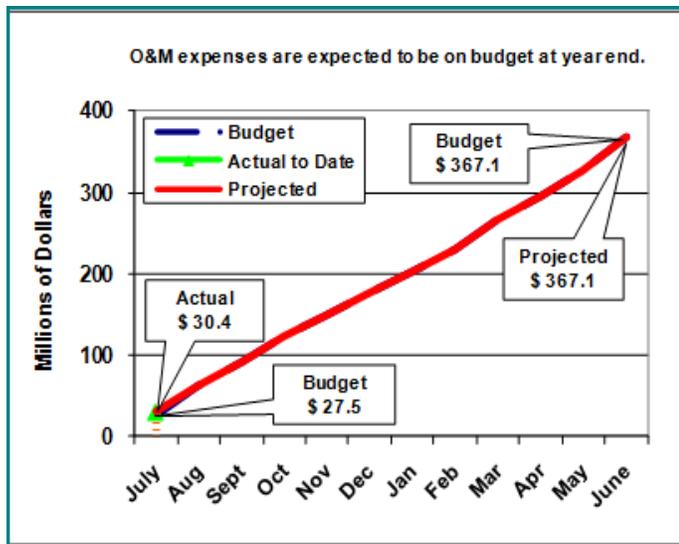
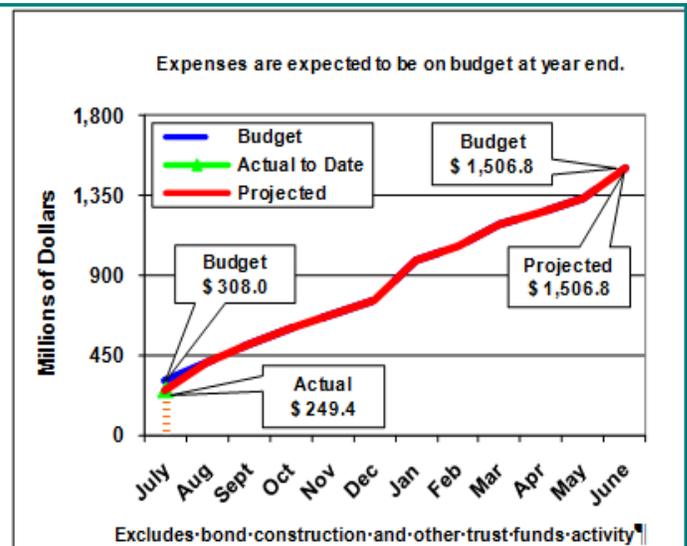
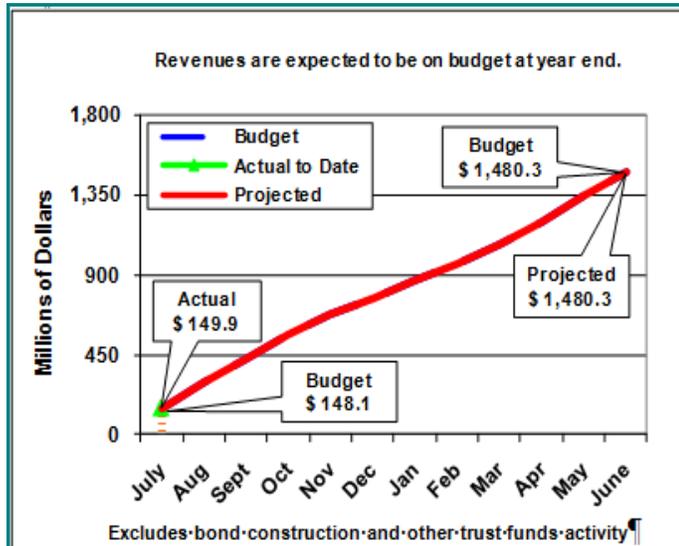
Media Relations

- Arranged several interviews with General Manager Kightlinger and reporters for various news organizations regarding developments in the Bay Delta Conservation Plan, including Union Tribune San Diego, KCRW-FM radio's "Which Way L.A.?" program, KCBS-TV Channel 2/KCAL-TV Channel 9, Inland Valley Daily Bulletin, Associated Press, High Country News and Stockton Record.
- Coordinated the participation of Bay-Delta Initiatives Manager Stephen Arakawa on KPCC-FM live radio program to discuss the Bay Delta Conservation Plan.
- Issued a press statement from Board Chairman John V. Foley regarding Delta announcement by Governor Jerry Brown and U.S. Interior Secretary Ken Salazar.
- Arranged interview with Deven Upadhyay, Group Manager for Water Resources Management, and reporter for Palm Springs Desert Sun for story about Coachella-Metropolitan water banking program.
- Arranged for interview with key Metropolitan staff and reporter for Bay Area News Group for a story about quagga and zebra mussels.
- Set up interview with Metropolitan staff and reporter for High Country News for a story about weather modification efforts such as cloud seeding in the Upper Colorado River Basin.
- 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.

**Coordinate communication and outreach to various stakeholders (including local government agencies and utilities) regarding water supply system operations and maintenance; water quality protection and water treatment; infrastructure replacement, refurbishment and development; and emergency management**

- Coordinated executive staff monthly meeting with the member agency managers where Water Supply, Rate Refinement, and the Demand Workshop were discussed. Carl Torgerson, Deputy Director, Department of Water Resources, gave an update on the State Water Project.
- On August 22, staff briefed the Building Industry Association of Southern California's Government Affairs Committee on the Bay Delta Conservation Plan and related federal and state legislation. Staff responded to BIA/SC builders' inquiries about Metropolitan's plans for water supply reliability and supplies for future growth in Southern California.

AS OF JULY 31, 2012



### Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	≥ 1.20 x	1.15 x
Revenue Debt Service Coverage	> 2.00 x	1.63 x
Revenue Bond Debt / Equity Ratio	< 100.0%	69.9%

#### Credit Ratings

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

**CHIEF FINANCIAL OFFICER—MANAGE FINANCES FOR LONG-TERM STABILITY AND SUSTAINABILITY**

**Effectively manage costs and communicate the results of Metropolitan’s budget to meet Board policies and objectives**

Completed biennial budget book, posted it to Metropolitan's website and submitted it to Government Finance Officers Association for consideration for their Distinguished Budget Presentation Award.

**CHIEF FINANCIAL OFFICER—FINANCIAL MANAGEMENT**

**Manage investor relations to ensure clear communications, accuracy of information, and integrity**

During the month, the General Manager, Chief Financial Officer, staff, and Metropolitan’s Financial Advisor met with investors of Metropolitan’s variable rate debt products in San Francisco to discuss recent events at Metropolitan, Metropolitan’s variable rate debt portfolio, and future financing plans.

<b>Storage</b>	<u>8//29/12 Storage (AF)</u>	<u>Percent of Capacity</u>
DVL	748,810	92%
Lake Mathews	155,412	85%
Lake Skinner	39,015	89%

**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

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)

**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  
 Email: [OfficeoftheGeneralManager2@mwdh2o.com](mailto:OfficeoftheGeneralManager2@mwdh2o.com)

