



# GENERAL MANAGER'S MONTHLY ACTIVITY REPORT DECEMBER 2012

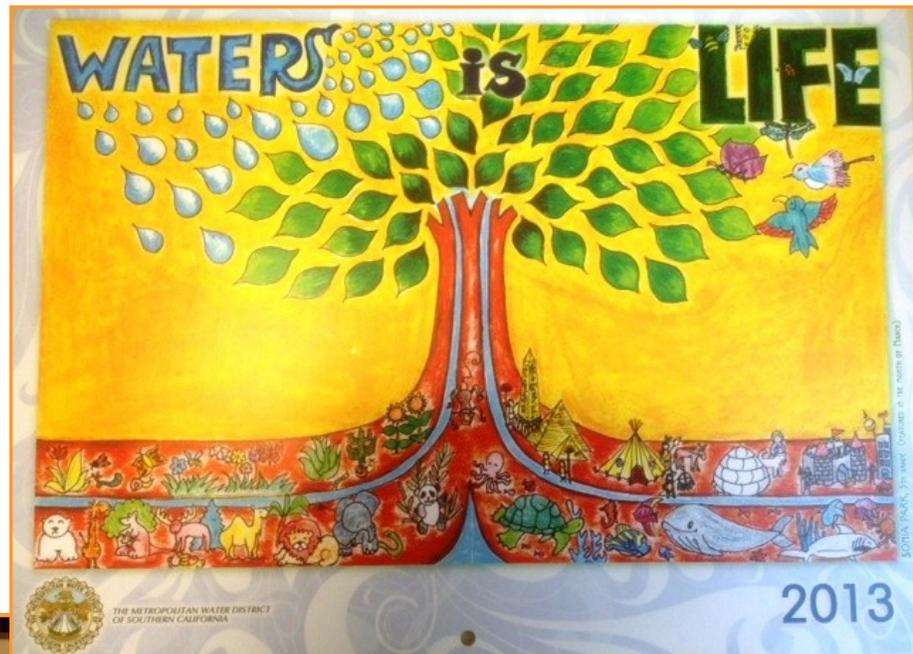
December 31, 2012

THIS REPORT IDENTIFIES THE ACTIONS AND 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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"Water is Life" Student Art event, story on page 12.



## BAY-DELTA INITIATIVES—PROGRESS ON BAY DELTA CONSERVATION PLAN

### **Complete the final Bay Delta Conservation Plan and the associated Environmental Impact Report/Environmental Impact Statement**

Bay Delta Conservation Plan (BDCP)—The governance structure for the Bay Delta Conservation Plan was the key consideration for the month of December. On December 12, a revised Chapter 7, Implementation Structure, was posted to the BDCP website for public review. A Governance Working Group meeting was held on December 18 to discuss the revised chapter and the strategy for managing the various aspects of the BDCP. The schedule for the release of the Draft BDCP and Draft Environmental Impact Report/Environmental Impact Study (EIR/EIS) for public comments has been updated to spring 2013, with the Final BDCP and EIR/EIS targeted for the end of 2013. Staff continues to work closely with the state and federal administrations and other public water agencies to provide input on the BDCP.

## BAY-DELTA INITIATIVES-BAY DELTA SOLUTIONS

### **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.**

State Water Resources Control Board—Staff continued to work closely with the state and federal water contractors to participate in the State Water Resources Control Board (State Water Board) Phase 2 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.

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

Delta Stewardship Council—On November 30, 2012, the Delta Stewardship Council (Council) released a final (eighth draft) of the Delta Plan. Also on November 30, 2012, the Council released a Recirculated Draft EIR that uses the eighth draft Delta Plan as its preferred project, and a package of documents to start the Office of Administrative Law (OAL) process to validate regulatory policies contained in the Delta Plan. All documents have a 45-day public comment period, making comments due by January 14, 2013. The Council held a meeting on December 13, where they provided an overview on the released Delta Plan documents and discussed other items, including near-term strategies to implement the Delta Plan, the Lower Yolo Ranch restoration project, and development of the Delta Science Plan. On January 24, 2013, the Council will hold a hearing to take public comment on the OAL package. Given this timeline, the Council expects to vote to finalize the Delta Plan and certify the EIR sometime in the spring of 2013 and expects to complete the OAL process by summer.

### **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—The California Department of Water Resources is expected to release their draft Emergency Preparedness, Response and Recovery Plan for public review in the second quarter of 2013 and release the final report in the third quarter of 2013. This reflects a delay caused by the need for additional time necessary to coordinate and establish new internal operational measures to implement the Plan. The measures include an emergency response and recovery model to estimate physical resources necessary to respond to catastrophic levee breach emergencies, and a water analysis model to predict hydrodynamic conditions during such emergencies.

Staff is providing input to DWR on conditions for implementation of an emergency freshwater pathway along Middle River under severe earthquake conditions. The DWR Emergency Response and Recovery and Water Analyses Module models, which predict levee restoration needs and hydrodynamic phenomena associated with major levee breaches, are being integrated into DWR's operational response tools. In a working group meeting of emergency response agencies in late January 2013, DWR will review preparedness measures and operational response tools under major earthquake scenarios.

DWR has selected three emergency material stockpile locations with land and waterside access at Rio Vista, Brandon Island, and Stockton. Lands are being secured through fee ownership or lease, allowing construction to proceed on emergency transfer facilities and warehouse storage in 2014. Funding has been scheduled for placement of emergency stockpiles from 2012 through 2016. The Stockton site would be the primary transfer site if an emergency freshwater pathway is implemented.

**ENGINEERING SERVICES—INFRASTRUCTURE RELIABILITY****Manage high priority projects on Metropolitan's conveyance and distribution system to maintain reliability, comply with regulations, and improve operating efficiency**Hydroelectric Power Plant Improvement Program

This program was initiated to perform comprehensive rehabilitation of Metropolitan's Hydroelectric Power Plants. The planned work will address operating deficiencies, bring the facilities into compliance with current regulations, improve plant efficiency, and extend the operating lives of the plants.

- Foothill Power Plant Rehabilitation—This project will rehabilitate the electrical protection and control relays and replace the corroded copper piping system that supplies cooling water to the generator. Final design is 30 percent complete and is scheduled to be complete by July 2013.
- Sepulveda Power Plant Rehabilitation—This project will rehabilitate the electrical protection and control relays, will replace the transformer ventilation system, and will recoat the internal components of the turbine. Final design is 25 percent complete and is scheduled to be complete by March 2014.
- San Dimas Power Plant Rehabilitation—This project will rehabilitate the electrical protection and control relays and will replace the corroded cooling water copper piping system. Preliminary design is 13 percent complete and is scheduled to be complete by September 2013.
- Venice Power Plant Rehabilitation—This project will rehabilitate the electrical protection and control relays, and replace the corroded cooling water copper piping system. Preliminary design is 13 percent complete and is scheduled to be complete by September 2013.

Colorado River Aqueduct Reliability Programs

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

- CRA Sand Trap Equipment Rehabilitation—This project will replace deteriorated sand trap equipment located upstream of the Iron Mountain, Eagle Mountain, and Hinds Pumping Plants. Final design is 75 percent complete and is scheduled to be complete by March 2013.
- CRA Access Structure and Manhole Cover Replacement—This project will replace 133 deteriorated steel and concrete access covers over the CRA. Construction is 90 percent complete and is scheduled to be complete by April 2013.
- CRA 6.9 kV Switch House Building Seismic Upgrades—This project will provide seismic upgrades to the 6.9 kV switch house buildings at all five CRA pumping plants. The switch houses contain electrical equipment that is used to stop and start the pumping plant motors. A seismic evaluation was completed in November 2012.

Conveyance and Distribution System Programs

These programs were initiated to maintain reliable water deliveries through specific repair and rehabilitation projects on Metropolitan's pipelines, reservoirs, and control structures. Recent activities include the following:

- Eagle Rock Tower and Puddingstone Spillway Gates Rehabilitation—This project will replace the single radial gate at Puddingstone with two slide gates and will rehabilitate five corroded slide gates at Eagle Rock Tower. Construction is 55 percent complete and is scheduled to be complete by February 2013.
- Bixby Valve Replacement—This project will replace the existing 42-inch deteriorated sectionalizing valve on the Second Lower Feeder with a refurbished valve. Final design is 90 percent complete and is scheduled to be complete by January 2013. The work will take place during a planned March 2013 shutdown of the Second Lower Feeder.
- Upper Feeder Cathodic Protection—This project will install five new 400-foot-deep anode wells, including anodes and reference electrodes, rectifiers, remote monitoring equipment, and test stations cabinets, along the 10 mile welded-steel portion of the Upper Feeder from Lake Mathews to the San Bernardino County line. Construction is five percent complete and is scheduled to be complete by March 2013.
- Orange County Feeder Relocation—This project will relocate 1,100 feet of the Orange County Feeder to accommodate major street improvements planned by the city of Fullerton. Final design is 60 percent complete and is scheduled to be complete by May 2013.

**ENGINEERING SERVICES—INFRASTRUCTURE RELIABILITY****Continue...Manage high priority projects on Metropolitan's conveyance and distribution system to maintain reliability, comply with regulations, and improve operating efficiency**Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation & Replacement Program

This program was established to enhance the reliability of Metropolitan's water distribution system and reduce the risk of costly emergency repairs of PCCP lines. Recent activities include the following:

- Eastern Region PCCP Joint Modifications—This project will modify six PCCP segments on four pipelines. The work will take place during four separate shutdowns.
  - San Diego Pipeline No. 5—Construction was completed in October 2012.
  - Lake Skinner Outlet Conduit—Construction was completed in November 2012.
  - San Diego Pipeline No. 4—Construction is scheduled for January 2013.
  - Auld Valley Pipeline—Construction is scheduled for February 2013.

**Manage high priority projects on Metropolitan's water treatment plants to maintain reliability, comply with regulations, and improve operating efficiency**Oxidation Retrofit Program (ORP)

This program was established to add ozonation facilities and thereby reduce the level of disinfection by-products in the finished water of Metropolitan's five treatment plants in order to meet federal drinking water regulations. Recent activities include the following:

## Diemer ORP

- Main ORP Construction—The construction contract is expected to be complete by February 2013. Metropolitan forces will then perform modifications to existing chemical feed systems and initiate system testing.

## Weymouth ORP

- Main ORP Construction (Staged Capacity)—A construction contract was awarded in June 2012, and the contractor has begun excavation. Construction is 8 percent complete and is scheduled to be complete by early 2016.
- ORP Switchgear Building—This building will house the circuit breakers and other electrical equipment to serve the new ozonation facilities. Southern California Edison has energized the new 66-kV incoming service and the main ORP switchgear has been energized. Commissioning of the standby generators is underway. Construction is 98 percent complete and is scheduled to be complete by March 2013.



Diemer ORP Ozone Generators

**ENGINEERING SERVICES—INFRASTRUCTURE RELIABILITY****Continue .....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:

Weymouth Plant

- Washwater Reclamation Plant Upgrades—This project will replace worn-out equipment in the washwater reclamation plant. Construction is 55 percent complete and is scheduled to be complete by mid-2013. The procurement process for flocculation and sedimentation drive shaft assemblies is currently underway.

Skinner Plant

- Electrical Building and Ground Fault Protection Upgrades—This project will upgrade the electrical equipment and ground fault protection systems in 12 electrical buildings. Construction by Metropolitan forces is 46 percent complete and is scheduled to be complete by mid-2014.

Mills Plant

- Sodium Hydroxide Storage Tank Replacement—This project will replace three deteriorated tanks that have been removed from service. Construction is seven percent complete and is scheduled to be complete by April 2013.

Jensen Plant

- Jensen Filter Outlet Chlorination Capacity Increase—This project will increase the Jensen plant's post-filtration chlorination capacity to produce adequate chloramine residuals. Construction is 95 percent complete and is scheduled to be complete by February 2013.

**Other Engineering Initiative**Hyatt Power Plant

The Hyatt Power Plant at Oroville Dam is part of the State Water Project and is one of three hydroelectric plants in the Oroville/Thermalito Complex. This plant was originally designed to maximize power production through a pumped-storage operation complementing downstream water deliveries. The Hyatt Power Plant consists of three turbine-generation units (Nos. 1, 3, and 5), each rated at 141 megawatt generation capacity, and three pump-turbine units (Nos. 2, 4, and 6), each rated at 132 MW generation capacity. Units Nos. 1, 3, and 4 are operational. Units Nos. 2 and 6 are out of service for major rehabilitation, while unit No. 5 has a number of sequential failures since May 2012. The California Department of Water Resources has collaborated with Metropolitan in the investigation of the issues related to unit No. 5.

The analysis and inspection work for unit No. 5 began in November 2012, with a series of day-long working meetings designed to present and discuss all historical and technical information available relating to this unit and its recent failures and to plan the schedule for inspections, disassembly and measurement activities. These activities proceeded through late December 2012. A written report will be issued to discuss findings and make recommendations for returning unit No. 5 to service. DWR plans to re-start unit No. 5 in May 2013.

## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Operate system reliably

System Operations delivered approximately 93,000 acre-feet of water to meet member agency demands in December, which averaged approximately 3,100 AF per day. Treated water deliveries for December totaled 55,000 AF, or 60 percent of total deliveries for the month. Additionally, 6,400 AF was delivered to Desert Water Agency and Coachella Valley Water District in exchange for their State Water Project Table A supplies. Desert/Coachella deliveries from January 1 to December 31 totaled 275,000 AF.

The Colorado River Aqueduct flow remained at a one-pump flow (225 cubic feet per second). State Water Project imports averaged 1,400 AF per day in December. For calendar year 2012, Colorado River Aqueduct diversions were approximately 735 TAF, and State Water

Project deliveries into Metropolitan's service area totaled 1.30 MAF.

Storage at Diamond Valley Lake decreased to 683,000 AF or 84 percent full, as deliveries from DVL continued to meet Lake Skinner area demands. System Operations staff made the necessary operational changes to support the eight-day San Diego Canal shutdown without any impact to the agencies downstream of Lake Skinner.

System Operations continued to maximize power generation throughout the month. In December, Metropolitan's hydroelectric plants generated an average of 29 megawatts for a total of 21,700 megawatt-hours. This is a decrease of 10,000 megawatt-hours from the previous month due to lower system demand.

### Optimize maintenance

#### Distribution System

Staff completed coatings of valve structures at 14 locations along the Santa Monica Feeder. Staff also coated valve structures for the Sepulveda/Culver City Interconnection, Long Beach Lateral and the new G-01 service connection structure. [Photos below—Long Beach Lateral Before \(left\) and after \(right\) coating.](#)



The City of Glendale and Metropolitan's staff completed hydraulic testing at Glendale's vertical turbine pump in conjunction with newly constructed 12-inch bypass piping at the G-01 service connection. The temporary bypass line will provide uninterrupted service during the eight-day planned shutdown of the Upper Feeder in February 2013.

A nine-day shutdown of the Lakeview Pipeline and San Diego Canal began on December 5. Staff removed debris and vegetation from the sides and bottom of the San Diego Canal and dismantled portions of equipment to replace the west bypass screening structure. Cleaning debris improves the flow of Colorado River Aqueduct water through the canal towards Lake Skinner and eliminates algae that can cause taste and odor issues. Additionally, Metropolitan crews performed internal inspections of the Lakeview Pipeline and completed a 3-D laser survey of the canal to help evaluate the structural integrity of the canal and panels. [[see photos next page](#)]

## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY



Debris removal during the shutdown of the San Diego Canal between DVL and Skinner



Staff performing a 3D Laser Survey of the San Diego Canal during the shutdown

### Optimize maintenance continued....

Staff shut down and dewatered the Box Springs Feeder to enable the California Department of Water Resources to install a bulkhead and perform repairs on the northern section of the Santa Ana Valley Pipeline. The Box Springs Feeder was returned to service utilizing Metropolitan's Perris Pumpback facility to provide water from the State Water Project to the Mills treatment plant. The Mills plant will be fed by this pump until DWR completes repairs in mid-January 2013.

Staff continues to construct the new service connection for San Gabriel Valley Municipal Water District, SGV-01, which is scheduled for installation in March 2013 in the City of Sierra Madre. The complete vault structure is being built off-site at the Lake Mathews construction yard to shorten construction during the shutdown. The vault will be transported to the site by truck and lowered into position by crane. When complete, this service connection will provide the City of Sierra Madre with an emergency connection to the Upper Feeder.

Staff completed the biannual calibration and testing of protection relays at Valley View Hydroelectric Power Plant. The relays protect the generator and switchyard equipment from electrical surges and faults that may occur on transmission lines or the equipment itself. The relays are extremely sensitive and operate rapidly at the first sign of a problem, preventing damage to Metropolitan's equipment and ensuring system reliability.

Additionally, annual calibration and testing of the meters that monitor power generation from Metropolitan's hydroelectric power plants were completed in accordance with the California Independent System Operator Corporation requirements. Proper calibration is also required to comply with existing power contracts and enables performance tracking and optimization of equipment that interfaces into California's high-voltage wholesale power grid.



Staff placing concrete for the SGV-01 service connection vault

**WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY**

**Improve security and emergency response**

Staff attended the Earthquake Engineering Research Institute’s seminar on December 4, 2012 at Caltech. Topics presented included the effects of recent natural disasters, such as the Tohoku earthquake and tsunami, the Canterbury earthquake sequence in New Zealand, Hurricane Katrina, and Superstorm Sandy.

**Develop workforce**

The Water System Operations Apprentice and Technical Training Program provides trained, qualified employees to maintain Metropolitan’s water treatment and distribution systems. The Apprenticeship Program has been yielding excellent results, with over 54 graduates since 2007. One example of craftsmanship resulting from the Program is the replacement of aged piping at the Lake Skinner facility. A journey-level mechanic and apprentice fabricated new piping, valves, and backflow protection system for adding chlorine to control quagga mussels downstream of Lake Skinner. They also fully tested the system prior to returning it to service. [\[see photos\]](#)

Graduated apprentices make up 25 percent of Metropolitan’s workforce in the mechanical and electrical trades. This ratio is expected to increase significantly over the next few years.



**Storage**

	As of 12/31/12 Storage (AF)	Percent of Capacity
DVL	690,040	85%
Lake Mathews	102,297	56%
Lake Skinner	38,243	87%

**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

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

Metropolitan completed the Lake Mathews Watershed Water Quality Improvement Study in partnership with the County of Riverside and Riverside County Flood Control and Water Conservation District. On December 11, the project team reviewed the results of the three-year study that applied a watershed model for Lake Mathews to assess the effect of future development on runoff pollution. The study evaluated and prioritized storm water management options that Metropolitan and its partners will pursue, as watershed development conditions warrant, to ensure long-term protection of Lake Mathews.

Staff observed increasing levels of the taste and odor compound 2-methylisoborneol during and following a shutdown of the East Branch of the State Water Project system from November 25 to December 8. Staff continues to monitor the conditions of the East Branch and Silverwood Lake to determine any potential impacts to agencies using water from Silverwood Lake. No consumer complaints have been received to date.

**Optimize water treatment and distribution**

State Water Project target blends at the Weymouth, Diemer, and Skinner water treatment plants were 40, 40 and 75 percent, respectively. Flow-weighted running annual averages for total dissolved solids for November 2011 through October 2012 were 447, 436, and 378 mg/L for Diemer, Weymouth, and Skinner treatment plants, respectively.

**Prepare for future regulations**

At the December 11 Water Quality webinar, staff provided drinking water regulatory and legislative updates, including new developments on perchlorate. On December 7, the Office of Environmental Health Hazard Assessment released a revised draft technical support document for a proposed updated Public Health Goal (PHG) for perchlorate in drinking water. A health-protective but non-mandatory goal, the current proposed PHG for perchlorate is 1 µg/L (1 ppb). The California Department of Public Health is required to set the maximum contaminant level for perchlorate as close to the PHG as economically and technically feasible. OEHHA has requested public comments by January 22, 2013. Metropolitan is preparing comments in collaboration with the Association of California Water Agencies.

On December 13, staff attended a Workshop on the Water-Energy Nexus held at Inland Empire Utilities Agency. The Governor's office requested the workshop be held with water and wastewater agency representatives to identify issues and possible long- and short-term solutions associated with San Onofre Nuclear Generation Station continuing off-line and the projected shut-down of two power plants in Huntington Beach through next summer and potentially, longer. Attendees provided information on projects and programs that they have implemented to conserve energy and water, including, but not limited to, recycled water projects, energy efficiency programs, demand/response programs, solar installations, use of biogas fuels, energy audits, and water conservation programs. Attendees were asked to identify areas where policy changes are needed to incentivize and/or remove impediments so that more of these types of projects could be implemented fairly quickly. A follow-up workshop is planned for February 2013, and California Public Utilities Commission stated that it will be holding a meeting in March 2013 to discuss water/energy nexus issues.

**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 December.

Staff purchased two large dump trucks and two coating and blasting trucks to replace aging fleet vehicles. Staff worked closely with representatives from the South Coast Air Quality Management District to comply with a request to integrate alternative fuel vehicles into Metropolitan's fleet. Some larger vehicles are currently not able to reliably operate on alternative fuels; however, staff has identified some regionally-operated medium-size vehicles that will be fitted to use compressed natural gas and evaluated through a pilot program.

**Provide technical support to member agencies**

Metropolitan conducted a Member Agency Water Quality Webinar on December 11, where staff provided updates on water quality, system operations, and supply conditions. Staff also summarized the taste and odor events for 2012.

**BUSINESS TECHNOLOGY****Efficiently maintain and operate Metropolitan's Headquarters, the Diamond Valley Lake Visitor Center, and the Diamond Valley Lake Education Center**

Metropolitan Headquarters Facility—Staff completed the third and final phase of the air-handler controllers replacement project. Replacement of the CO2 controllers in the garage will begin in January.

DVL Visitor Center—Since completion of the solar metering project at the DVL Visitor Center this past July, Metropolitan has realized a substantial reduction in energy usage and a savings of \$4,000 per month in utility costs for the facility.

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

- The 6<sup>th</sup> Annual Spring Green Expo—Planning began for the 6th Annual Spring Green Expo to be held May 16, 2013. A new addition to the Student Showcase for 2013 will be the opportunity to enter a project in competition. Special recognition will be given to one project from each of three categories: Water Conservation, Energy Efficiency, and Green Transportation.
- Metropolitan's Rideshare Program—Metropolitan's Rideshare Program remains compliant with South Coast Air Quality Management District's regulatory requirements, with ridership reaching an all time high, as more than 41 percent of employees participated during the second quarter.
- Commercial Recycling Regulation (AB 341)—Effective December 2012, all Metropolitan facilities, within local jurisdictions that offer recycle pick-up, are compliant with the waste disposal requirements for recyclable materials.
- Metropolitan-Wide Print Device Study—Staff has completed a study of all print devices. The devices involved in the study are printer, reprographic, facsimile and scanning equipment. Results of the study indicate the potential for a significant reduction in the number of devices.

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

- Delivering On-going Cost-Effective IT Services—As part of IT cost-effective services, staff successfully renegotiated a software agreement during this period, resulting in approximately \$10,000 in savings to Metropolitan.
- Enhanced IT Infrastructure Network Security—IT staff installed and configured new fire wall security appliances to enhance the protection of Metropolitan's communications network. The upgrade to the infrastructure enhances Metropolitan's communication reliability and security while improving performance.
- Ensure email Operational Reliability—Completed the migration of employee mailboxes (emails) to a newer version of Exchange used to manage Metropolitan's emails. This upgrade improves operational reliability by enhancing redundancy such as "fail-over" capabilities. Additional built-in redundancies also support disaster recovery in the event of a major system outage or disaster. The work was successfully conducted off-hours, avoiding interruption to Metropolitan's daily operations.
- Conducted IT Disaster Recovery Exercise—In December, staff conducted an information technology disaster recovery exercise to test recovery capabilities of the updated version of Metropolitan's timekeeping system (WorkTech) that was rolled out in the prior reporting period. The test was successfully completed and met all the objectives of the exercise by validating recovery procedures and processes.
- Conducted e-Discovery Commissioning Training—During the period, staff conducted commissioning workshop with Legal staff in preparation for rolling out the first phase of the new e-Discovery system. The new E-Discovery Management System provides software tools for Legal to enhance Metropolitan's efficiency and effectiveness in responding to discovery and public records request.
- Online Board Documentation—Staff continues to increase the volume of vital Board documents and records available for self-service and online access, with 50 percent of Board resolutions, covering 1929 - 1963, uploaded into the Electronic Document Management System for access through Metropolitan's website.

## BUSINESS TECHNOLOGY

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

Support of member agencies, State of California, and the Southern California Business and Veteran Business Communities:

- Business Outreach's Innovation Team and Water Resources Management Group surveyed member agencies on areas of interest in the business community of water efficiency, innovation, and technology. Efforts are underway to match the companies to member agency interests and provide innovative solutions and serve as a resource. Business Outreach and Water Resource Management are planning future Water Efficiency Innovation and Technology events.
- Business Outreach participated in the *Business Matchmaking 2012* in Pasadena with over 350 Veteran Owned Businesses. Business Outreach encourages the Veteran Owned Business community to bid on Metropolitan contracts and provides training, mentoring, matchmaking opportunities and incentives to these companies.

Vendor Development, Training, and Certification:

- Metropolitan supported the Ventura County Business Community and CSU Channel Islands by sponsoring the *10<sup>th</sup> Annual Business and Technology Partnership Event*. Business Outreach presented the "Managing Your Innovation Program," which provides inventors the tools and connections to resources to help launch their water technology innovations.

Business Outreach continued vendor development, education, training, and support of the Southern California Business Community by participating in the following December 2012 award programs, conferences, expos and events:

- National Association of Women in Construction Leadership Event
- Women's Business Enterprise Council Procurement Conference
- Los Angeles Venture Capital Association "Access to Capital" Panel and Workshops
- National Association of Women Business Owners Ventura County, Los Angeles, and Orange County Events
- Latin Business Association Los Angeles Awards Program.

## EXTERNAL AFFAIRS

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

- The Association of California Water Agencies held their annual fall conference and committee meetings December 4-7 in San Diego. Several directors and staff members participated in the conference, representing Metropolitan in leadership roles on various committees and as speakers on panels which covered a wide range of topics from Bay-Delta and water quality matters to infrastructure finance, among other subjects.
- On December 13, Director Gail Pringle, representing Calleguas Municipal Water District, Metropolitan management and other staff attended the annual reception of the Association of Water Agencies of Ventura County, where Ted Granden was honored for his decades of service in the water industry as a director of Calleguas MWD and Calleguas' representative on the Metropolitan board.
- On December 14, Director Pringle, management from Calleguas MWD and Metropolitan staff attended the annual meeting of the Chambers Alliance of Ventura and Santa Barbara Counties, where Assemblyman Jeff Gorrell was honored as elected official of the year.

## 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

- Staff hosted 26 student artists, along with their family members, member and retail agency staff and managers, and principals and teachers at the annual "Water is Life" Student Art event at Metropolitan's Headquarters on December 13. The students' art was exhibited in the rotunda. An exhibit of the artwork will begin at participating member and retail agencies in January 2013.
- Staff conducted the first technical workshop for the Solar Cup 2013 program on December 1 at Metropolitan's Headquarters. The workshop was led by the Solar Cup Technical Advisory Team from Harvey Mudd College.
- Staff conducted eight field trips for nearly 270 students in grades 4-6 from Hemet, Lake Elsinore, Perris and San Jacinto Unified School Districts. Staff worked with more than 100 K-2 students on four field trips in collaboration with the Western Science Center.
- Metropolitan hosted 40 fifth-grade students from the Multi-Cultural Learning Center School who worked with the hands-on water model.
- There were 875 unique visits to the Education website for the period December 1-17, 2012.

## Media

Staff coordinated with the media on several activities, including the following:

- Arranged interview with General Manager Kightlinger and San Francisco Chronicle editorial writer on Southern California water supplies.
- Arranged interview with Assistant General Manager/Strategic Water Initiatives Roger Patterson and Los Angeles Times reporter for a story about Los Angeles County Development Corporation's study of severe effects to Southern California's economy from a major disruption of water supplies from the Sacramento-San Joaquin Delta.
- Arranged interview with Assistant General Manager Patterson and Washington D.C.-based El Pais (Madrid, Spain) reporter seeking comment about the new five-year multi-state Colorado River water agreement with Mexico.
- Coordinated interview with Assistant General Manager Patterson and Imperial Valley Press reporter for a story about Imperial Irrigation District's position regarding the new Colorado River water agreement with Mexico.
- Issued a press statement from General Manager Kightlinger regarding the Colorado River Basin study.
- Issued press release about Gail L. Pringle, seated as new member of Metropolitan Board of Directors representing Calleguas Municipal Water District.
- Issued press release about Deena Ghaly joining Metropolitan as Metropolitan's new Ethics Officer.
- Issued press statement from General Manager Kightlinger regarding the new Colorado River water agreement with Mexico.

**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**

- Staff met with Riverside County Public Works staff to discuss the permit requirement for the Auld Valley Pipeline Project.
- Staff also met with residents in Temecula to brief them about shutdown and repairs for the Auld Valley Pipeline and San Diego Pipeline Nos. 1 and 2.
- Conducted outreach efforts to 150 residents in Temecula near one worksite regarding repair on San Diego Pipeline 4.
- Online search on Google Search and the Google Content Network continued this month. Links to [bewaterwise.com](http://bewaterwise.com) appear when keywords such as "water," "California weather," and "water rebates" are searched for by Southern California users.
- Nearly 30,000 people visited [bewaterwise.com](http://bewaterwise.com) in November.

## HUMAN RESOURCES—EMPLOYEE DEVELOPMENT

### Foster learning and organizational development

- Sixteen new employees (14 regular full-time and 2 District temporary) attended the Day 1 new employee orientation program.
- Organization Development and Training staff are working on four Student Intern recruitments for the Real Property, Business Technology, Information Technology Project Management and Water Resource Management Regional Supply Groups.
- Employee Development classes delivered this month: Drug and Alcohol Awareness, 5Choices to Extraordinary Productivity, and Preparing for Job Interviews.
- Conducted an Education Fair at the Diemer plant on December 11, regarding information on the tuition reimbursement program.

### Foster management excellence

- Continued to provide in-person management coaching and consultations to six senior managers and one senior staff, as well as administering ongoing external coaching engagements for four managers. One recently promoted manager attended a pilot offsite three-day Leadership Development Program.
- Management Development classes delivered this month included: Day 3 and Day 4 of New Manager Orientation, 5Choices to Extraordinary Productivity, and Reasonable Suspicion Training for Managers.

## HUMAN RESOURCES—HUMAN RESOURCES EXCELLENCE

### Acquire talent

In December, 14 new employment and promotional opportunities were announced. Of those positions, half are key positions within Water System Operations, the others are divided between Business Technology, Engineering Services and the Legal Department. Six employees were successful in competing for job bids, promotions and transfers. In addition to processing new employees, the Staffing Team kept up with initial screening and final hiring interviews for filling 11 vacant positions ranging from Associate and Assistant Engineers to Operations and Maintenance Technicians, including welder/fabricator, mechanical, electrical, and fleet positions.

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

- In December, two Employee Relations staff, along with other managers from the Human Resources Group, participated in the annual training conference of the California Public Employer Labor Relations Association.
- Equal Employment Opportunity completed its project to transition the delivery of mandatory EEO online courses from an outside learning management system to the MyLearning system. Online courses are now delivered and tracked through the MyLearning system.
- EEO completed an update of two operating policies, H-07 Equal Employment Opportunity and H-13 Sexual Harassment Prohibition Policy. Both policies were signed by the General Manager and are being distributed to employees.

### Control Workers' Compensation costs

- Conducted initial investigations on 17 injury incidents.
- Submitted 11 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 5 claims, finalized in 5 claims, and 14 claim files were closed.
- Arranged 8 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Coordinated 5 random drug/alcohol tests at 4 facilities.
- Addressed 2 accommodation issues.

### Ensure a high performance culture

Staff facilitated training and discussion on Change Management at the Safety and Environmental Services Section all-day workshop.

### Identify, assess, and manage risk

- Risk Management completed 84 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.
- The Risk Management Unit completed 33 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.

**REAL PROPERTY DEVELOPMENT AND MANAGEMENT**

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

- Metropolitan has entered into an option agreement with Holy Hill Community Church for the purchase of Metropolitan’s Sunset Garage located on Alpine Street in Los Angeles. The transaction is currently scheduled to close no later than June 10, 2013.
- Metropolitan has received \$150,000 from SunEdison (Axio Power’s successor) as a result of the successful completion of a key solar project milestone: the securing of a power purchase agreement with the City of Riverside to buy the power generated on the North Property at Diamond Valley Lake.
- A lease was granted to Selman Chevrolet to allow for secondary parking on a parcel adjacent to the Santiago Creek Pressure Control Structure in Orange County.
- The City of Perris was issued a license to allow for a passive park along a portion of the Colorado River Aqueduct right of way.
- Orange County Water District was issued a license amendment to extend the term for access to perform grading of segments of the Santiago Creek to assist in the increase of groundwater recharge within the creek.
- A one-day entry permit was granted for the use of 65 parking spaces at Metropolitan Headquarters Building for an event being at Union Station train terminal.

- Another one-day entry permit was issued for the use of 250 parking spaces at Metropolitan Headquarters Building for an event held at Union Station train terminal.
- An entry permit was issued to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC to allow for a non-exclusive right of access and the ability to construct, operate and maintain an electrical distribution line and an emergency vehicle access road near the Eagle Mountain Pumping Plant.
- An entry permit amendment was issued to The County of Riverside to extend the term allowing for access for a segment of the Winchester Road improvement project near Diamond Valley Lake.

**Pursue development of the Diamond Valley Lake area, including the Visitor 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**

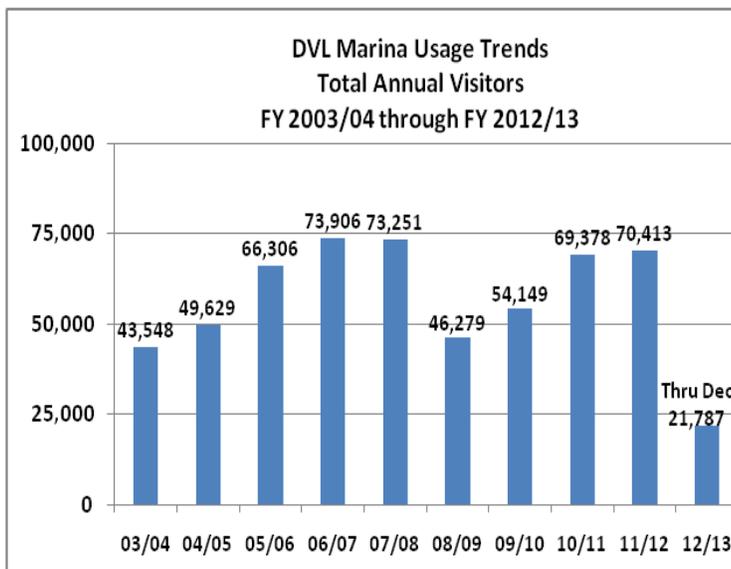
Metropolitan has now received 14 months' rent on the percentage lease with Urban Park Concessionaires for the operation of the DVL Marina and the Lakeview Trail. The \$83,947 received represents seven percent of the October 2011 through November 2012 gross receipts. Annual savings for replacing the professional services agreement with the percentage lease are estimated to be \$380,000. Diamond Valley Lake has hosted approximately 568,000 visitors at its marina facilities and 136,000 private boats have launched since the 2003 public opening.

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

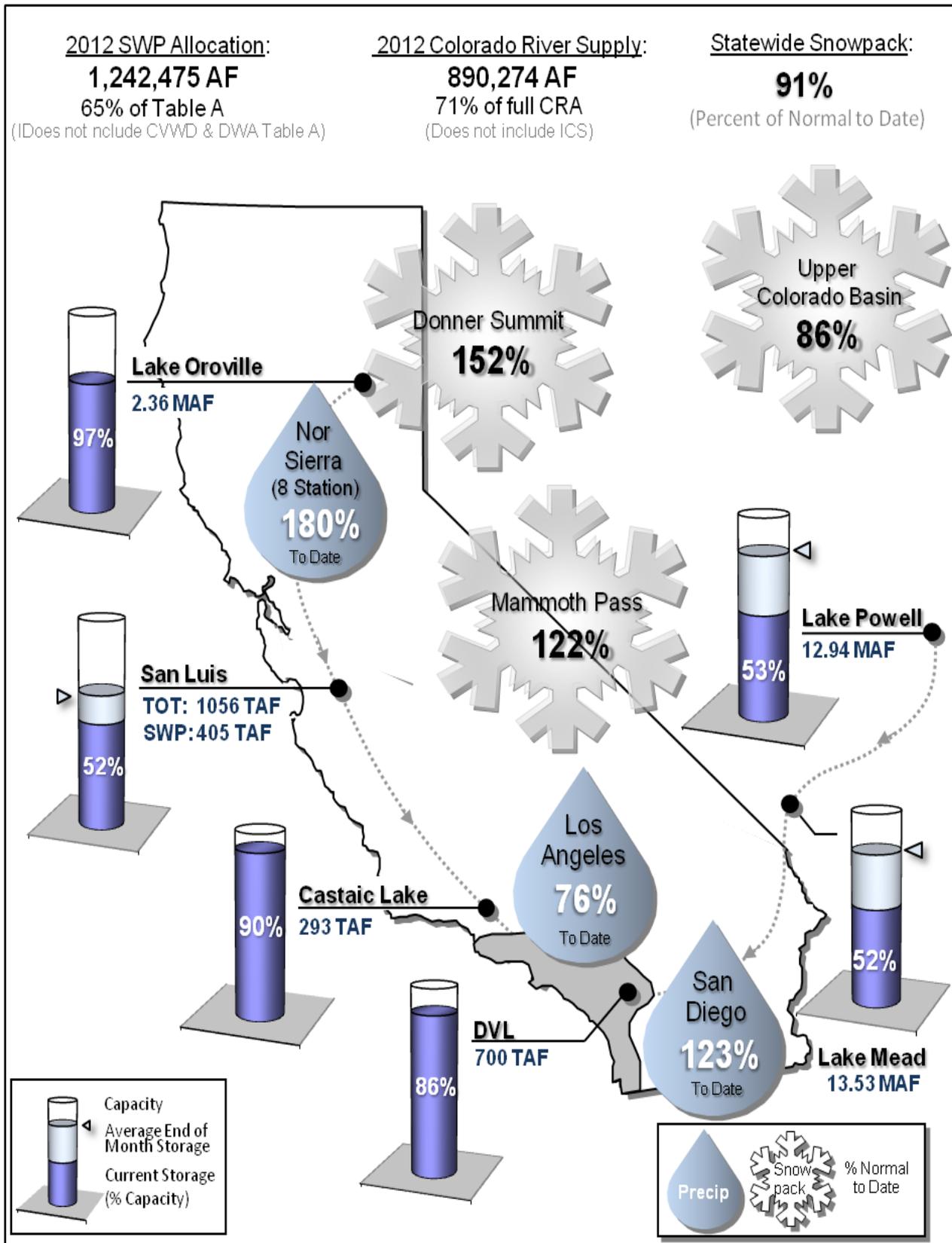
Staff obtained three encroachment permits from the city of Los Angeles for an Infrastructure Reliability project. The project will modify valve structures along the West Valley Feeder No. 1 in the San Fernando Valley.

**Evaluate additional use and rental of Metropolitan Headquarters building space through better internal space planning and use.**

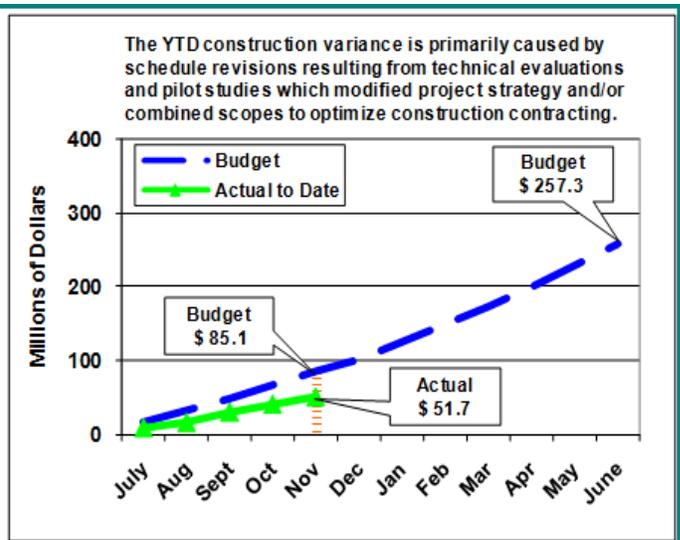
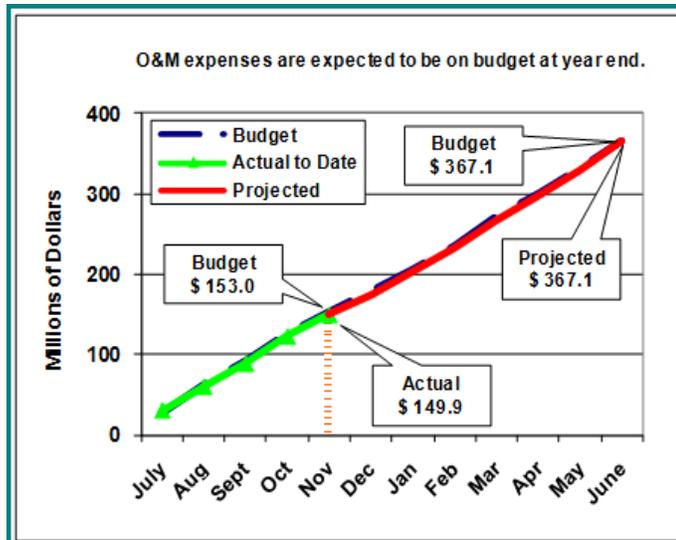
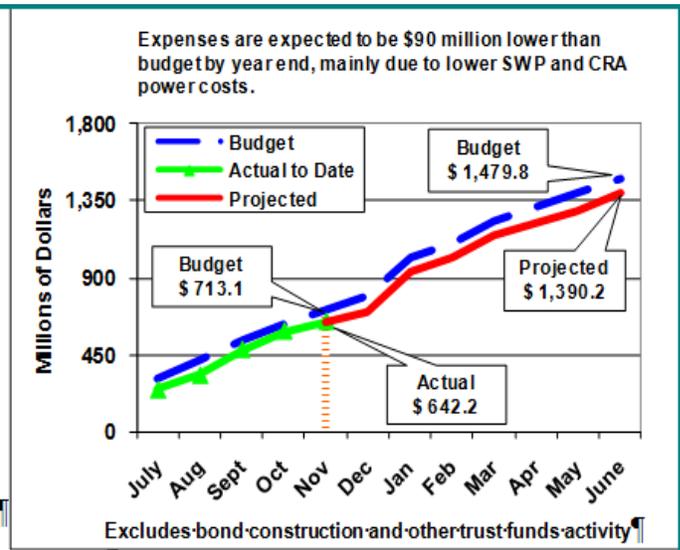
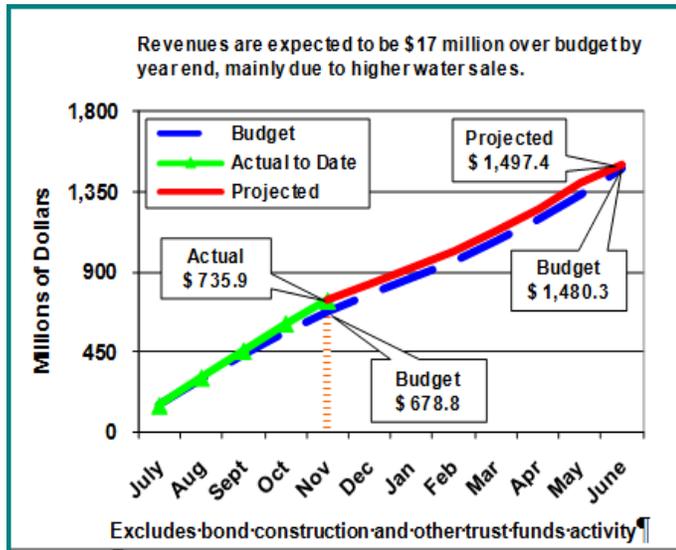
Staff has initiated a market study to evaluate current lease values for the Metropolitan Headquarters Building.



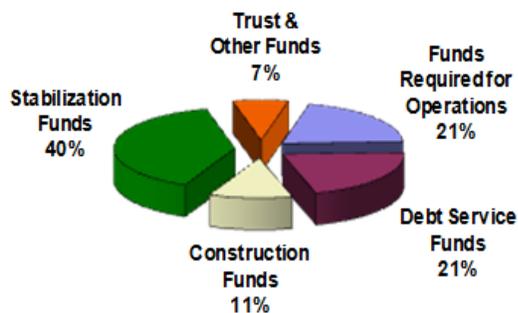
WATER SUPPLY CONDITIONS AS OF DECEMBER 19, 2012



AS OF NOVEMBER 30, 2012



Cash and Investments  
\$1,122.1 million\*



\*Excludes fair market value adjustment of \$3.7 million

Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	≥ 1.20 x	1.43 x
Revenue Debt Service Coverage	> 2.00 x	1.87 x
Revenue Bond Debt / Equity Ratio	< 100.0%	72.3%

Credit Ratings

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

## CHIEF FINANCIAL OFFICER—STRATEGIC PRIORITY: CONCLUDE RATE REFINEMENT PROCESS

### **Monitor and mitigate external impacts on rates and charges to minimize their variability and recover costs consistent with Board policy**

The Board approved adjustments to member agency Tier 1 limits for the elimination of the Replenishment Service program at its December meeting. A memo will be sent to member agency managers in January specifying each agency's Tier 1 limit once executed Purchase Order extensions are accounted for.

## 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**

Placed an enhanced Budget versus Cost system into production for reporting and analysis of performance against budget.

## CHIEF FINANCIAL OFFICER—FINANCIAL MANAGEMENT

### **Record and report the financial activities of Metropolitan in a timely and transparent manner to the Board, executive management, member agencies, and the financial community**

Financial activities were recorded in a timely and transparent manner.

## WATER RESOURCE MANAGEMENT

### **Ensure cost-effective and reliable imported water supplies**

Allocation for 2013 Deliveries—The California Department of Water Resources issued an initial allocation for 2013 deliveries providing State Water Project contractors 30 percent of Table A volumes. On December 21, DWR increased the 2013 SWP allocation to 40 percent.

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)

