



# GENERAL MANAGER'S MONTHLY ACTIVITY REPORT JANUARY 2013

January 31, 2013

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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## Infrastructure and System Reliability



La Verne Shops Upgrades  
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Fabricating the piping and hardware for service connection  
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**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)—Two Bay Delta Conservation Plan Working Group meetings were held in January. The Finance Working Group met on January 23, and the Yolo Bypass Fishery Enhancement Planning Team met on January 25. A pre-public draft of the BDCP is expected to be released in February 2013. This draft will be a complete draft BDCP and will provide the public with the opportunity to review the improvements and modifications that have been made to the document since February 2012. A Public Draft BDCP and Draft Environmental Impact Report /Environmental Impact Study will be released for formal public review and comment later in the year.

**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**

Habitat Restoration—Progress continued in January on the Lower Yolo Bypass tidal marsh restoration project, which is located in the lower Yolo Bypass just to the north of Liberty Island. The State and Federal Contractors Water Agency (SFCWA) continues to work on acquisition of regulatory approvals, continues to develop final design documents and final flood modeling, and is organizing an expert panel review of the project alternatives. SFCWA has also selected a construction management consultant to oversee and direct project construction, including earthmoving operations.

In coordination with SFCWA, staff is continuing to revise and finalize the Lower Yolo Project's Administrative Draft EIR (ADEIR) to address recent design changes and further evaluation of additional California Environmental Quality Act alternatives. The revised schedule is for the ADEIR to be released for public review in February 2013, with certification of the Final EIR slated for later in 2013.

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

Delta Stewardship Council—On January 14, Metropolitan, in conjunction with other state and federal water contractors, filed comments on a number of documents including a final (eighth draft) of the Delta Plan. On January 24, the Council held a hearing to take public comment on proposed regulations for the Office of Administrative Law process. Metropolitan staff provided public comment along with numerous other stakeholders. 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 successfully complete the OAL process in summer 2013.

**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**Prestressed Concrete Cylinder Pipe 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 was completed in January 2013.
  - Auld Valley Pipeline—Construction is scheduled for February 2013.
- Sepulveda Feeder PCCP Joint Repairs—This project will repair the carbon fiber lining on one PCCP segment on the Sepulveda Feeder. Construction is five percent complete and is scheduled to be complete by May 2013.

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:

- La Verne Shops Upgrades—This project will replace equipment and upgrade the mechanical and coating shop buildings to enhance Metropolitan's ability to respond to emergencies and efficiently perform operations and maintenance activities. This project is being executed in four stages. Stages 1 & 2 have been completed. Under Stage 3, the coating shops are being upgraded. Construction is scheduled to be complete by February 2013. Stage 4 will enlarge the Machine and Fabrication Shop Buildings and procure new equipment. Construction is 10 percent complete and is scheduled to be complete by December 2013. *[see photo on cover]*
- 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 75 percent complete and is planned to be completed during a shutdown of the Upper Feeder scheduled for February 2013.
- Santa Ana River Bridge Seismic Retrofit—This project will strengthen the Santa Ana River Bridge, which supports an above-ground portion of the Upper Feeder as it crosses the Santa Ana River. A structural upgrade of the bridge and new base isolators are required in order to withstand a major earthquake. A request to the Board for award of a procurement contract for new base isolators is planned for March 2013. Final design of the bridge retrofit is 50 percent complete and is scheduled to be complete by April 2014.
- West Valley Feeder No. 1 Valve Modifications—This project will rehabilitate deteriorated valve structures and relocate existing air release/vacuum valve assemblies from vaults to above-ground enclosures to prevent cross-connections. This project is being executed in three stages. Stage 1 addressed 42 structures and is complete. Under Stage 2, 11 valve structures will be rehabilitated. Final design has been completed and a request to the Board to award a construction contract is planned for March 2013. Under Stage 3, eight valve structures will be rehabilitated in the future and access to the structures will be improved.
- 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 completed and is scheduled to be complete by May 2013.
- Cathodic Protection—Installation of cathodic protection systems is a proactive and cost-effective measure to inhibit corrosion of underground pipes, thus reducing the risk of costly emergency repairs.
  - Upper Feeder Cathodic Protection—This project will install five 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 40 percent complete and is scheduled to be complete by March 2013.
  - Second Lower Feeder Cathodic Protection—This project will install 39 stray current drain stations along a 21.6-mile prestressed concrete cylinder pipe portion of the Second Lower Feeder. Final design has been completed and a request to the Board to award a construction contract is planned for April 2013.

## 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**Colorado River Aqueduct Reliability Programs

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

- CRA Pumping Plants 230kv Disconnect Switch Replacement—This project will replace aging disconnect switches at the Gene, Iron Mountain, Eagle Mountain and Hinds Pumping Plants. These high-voltage switches provide the primary means for isolating the pumping plants' electrical system for maintenance and repairs. Construction is 70 percent complete and is scheduled to be complete by March 2013.
- Hinds Pumping Plant Delivery Line Expansion Joint Repairs Phase 2—This project will rehabilitate nine mechanical expansion joints on the 10-foot-diameter delivery pipelines. Construction is 20 percent complete and is scheduled to be complete by March 2013.
- CRA Wide Area Network Microwave System—The project will install five new microwave links from Iron Mountain to Gene Camp. The new microwave path will increase the reliability of communications between CRA facilities and the remainder of Metropolitan's distribution system. Construction is 10 percent complete and is scheduled to be complete by May 2013. [\[see photo below\]](#)
- Danby Towers Foundation Rehabilitation—This project will rehabilitate electrical transmission tower foundations along the Danby Dry Lake near Iron Mountain Pumping Plant. Construction is 17 percent complete and is scheduled to be complete by June 2013. [\[see photo below\]](#)
- Intake Power & Communication Line Relocation—This project will replace a two-mile-long power line which has deteriorated over 50 years of operation. The pole line is the primary source of power for critical facilities that include Gene Wash Dam, Intake Village, and the Black Metal Mountain communication towers. Preliminary design is 95 percent complete and is scheduled to be complete by April 2013. A request to the Board to authorize final design is planned for May 2013.
- San Jacinto Tunnel Adit Repair—This project will structurally reinforce a 150-foot-long reach of an adit in the San Jacinto Tunnel. Final design is 90 percent complete and is scheduled to be complete by February 2013.
- CRA Pumping Plants Sewer System Replacement—This project will replace the deteriorated wastewater collection systems and community septic tanks at all five CRA pumping plants. Final design for Eagle Mountain and Hinds pumping plants is 10 percent complete and is scheduled to be complete by June 2013. Final design for Iron Mountain and Gene pumping plants is 5 percent complete and is scheduled to be complete by October 2013. Preliminary design for Intake Pumping Plant is 60 percent complete and is scheduled to be complete by May 2013.



CRA Wide Area Network Microwave Upgrade—  
Formwork for New Microwave Building



Danby Towers Foundation Rehabilitation

**ENGINEERING SERVICES—INFRASTRUCTURE RELIABILITY****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:

Weymouth ORP

- Main ORP Construction (Staged Capacity)—A construction contract was awarded in June 2012, and the contractor has begun excavation for the ozone contactors and ozone generation building. Construction is 9 percent complete and is scheduled to be complete in 2016.

Water Treatment Plant Improvement Programs

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

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 98 percent complete and is scheduled to be complete by February 2013.

Diemer Plant

- Yorba Linda Power Plant Modifications—This project will replace the existing impulse turbine with a Francis-type turbine, modify the turbine housing, and replace aging equipment. Final design for installation of the new turbine is 70 percent complete and is scheduled to be complete by July 2013.
- Finished Water Reservoir and East Washwater Tank Seismic Upgrades—This project will install caissons and strengthen floor slabs to stabilize the Diemer Finished Water Reservoir during an earthquake and will construct shear walls to support the foundation of the East Washwater Tank. Notice to Proceed was issued to the contractor in January 2013. [\[see photo below\]](#)

Diemer Water Treatment Plant  
—East Washwater Tank



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Operate system reliably

- System Operations delivered approximately 98,000 acre-feet of water to meet member agency demands in January, which averaged approximately 3,150 AF per day. Treated water deliveries for January totaled 60,000 AF, or 60 percent of total deliveries for the month. Additionally, 17,800 AF was delivered to Desert Water Agency and Coachella Valley Water District in exchange for their State Water Project Table A supplies.
- The Colorado River Aqueduct flow increased to a four-pump flow (900 cubic feet per second) on January 3. State Water Project imports averaged 2,650 AF per day in January.
- Storage at Diamond Valley Lake increased to 695,000 AF or 86 percent full, as Inland feeder deliveries were increased and releases from DVL were reduced due to increased CRA pumping. Inland feeder deliveries into DVL were 28,000 AF for the month. System Operations staff coordinated an Interagency agreement with DWR during the Santa Ana Valley Pipeline shutdown for repair work on the Box Springs feeder.
- System Operations continued to maximize power generation throughout the month. In January, Metropolitan's hydroelectric plants generated an average of 27 megawatts for a total of 20,000 megawatt-hours.

### Optimize maintenance

#### Distribution System

On January 18, staff conducted a one-day shutdown of the Santa Monica Feeder to fix a small leak on a valve. Metropolitan closely coordinated with the cities of Burbank and Glendale to minimize delivery impacts.

The Box Springs Feeder was dewatered to enable the State of California and the Department of Water Resources to remove a 120-inch bulkhead on the Santa Ana Valley Pipeline. The bulkhead was previously installed to accommodate DWR repairs in the City of Colton and Grand Terrace. During the 30-day repair period, Metropolitan's Perris Pumpback facility was utilized to provide service to the agencies served by the Mills water treatment plant. Metropolitan staff also replaced the Mills influent flow meter during the outage. When returned to service, DWR detected two leaks at their repair site which necessitated a new, unscheduled shutdown. Staff closely coordinated with member agencies to refill storage prior to the shutdown. *[Photo below right—Removal of 120-inch bulkhead which allowed Mills plant to return to service on the Santa Ana Valley Pipeline ]*

San Diego Pipeline No. 4 was shut down to inspect and perform upgrades to three sections of pre-stressed concrete cylindrical pipe. The sections were previously repaired with a standard carbon fiber repair technique in 2004 after broken pre-stressing wires were detected during a routine inspection. The recent shutdown enabled crews to enter the pipeline and make repairs using improved carbon fiber repair methods. *[Photo below left—Completion of carbon fiber lining repairs on SDP No. 4]*



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY



Fabricated air cooler ends for the Venice hydroelectric plant, ready for installation



Re-grading patrol road along the San Diego Canal with motor-grader

### Optimize maintenance continued....

Staff led a roundtable discussion at a maintenance conference held at the University of California at Los Angeles. Staff presented Metropolitan's efforts to develop mobile applications to electronically assign maintenance work and collect equipment information that will be used for future maintenance improvement. Attendees included representatives from the Getty Museum, University of California at Los Angeles, NBC Universal, the San Diego County Water Authority, and the Los Angeles Department of Water and Power.

Machine Shop staff manufactured replacement parts for a 24-inch valve operator at the Greg Avenue Pressure Control Structure. The valve, which regulates pressure on the East Valley Feeder, had worn operating nuts and pinion gears. Staff was able to replicate the original parts using drawings and the worn parts.

Machine Shop staff fabricated new air coolers for the Venice hydroelectric plant generator. Stainless steel was used in lieu of the original carbon steel material to extend the life of the coolers, reduce maintenance, and increase overall reliability of the generator. [\[see photo above, left\]](#)

Staff completed re-grading of patrol roads along the various pipelines and canals that were damaged by the recent rains. This quick response to minor rain damage will keep erosion to a minimum and maintains access for distribution system patrols and equipment maintenance. [\[see photo above, right\]](#)

Staff continues to construct the new service connection (SGV-01) for San Gabriel Valley Municipal Water District. When complete, this service connection will provide the

City of Sierra Madre with an emergency connection to the Upper Feeder. Staff began fabricating the piping and hardware that will be placed in the prefabricated structure and installed in March 2013. [\[see photo on cover\]](#)

### Water Treatment Plants

Maintenance staff performed pump motor control change-out/upgrades of existing "reduced voltage" style units to the new "soft start" electronic units. The electronic controls require significantly less maintenance with fewer moving parts and increased reliability. Other benefits include reduced "water-hammering" affects of the surface wash system during startup and shutdown, which leads to fewer equipment problems and repairs. [\[see photos below Before \(left\) and after \(right\) pump motor control upgrade at Mills\]](#)



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Improve security and emergency response

Staff participated in a webinar hosted by the national Emergency Management Magazine on January 30 discussing improved training, command and control, and collaboration methods. The webinar demonstrated how to train emergency response staff without removing them from duty stations in the field; bringing fast-changing multimedia information into the command center; collaborating, in real-time, with responders in remote locations; and how to better engage staff in the training and incident response experience.

### 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 2016 Class of apprentices began its first period of Apprenticeship instruction on January 8, 2013.

### Support water resource programs

Metropolitan supports DWR by providing services for the benefit of DWR and State Water Project facilities through reimbursable agreements. Staff is rehabilitating isolation gates and one lifting beam for DWR's Oso Pumping Plant. The work includes fabricating new hardware and welding in deep pitted areas, application of new epoxy coating, and supplying new seals. Three of the six gates were completed and delivered to DWR in 2012. Work continues on the final three.

### Effectively manage power system requirements and optimize generation

Staff performed six-year preventive maintenance at the San Dimas hydroelectric power plant. The comprehensive maintenance plan included inspection and maintenance of operating and control systems, protective relays, high voltage switchyard equipment, transformers and circuit breakers, and an inspection of the generator and turbine components. A gear box coupling, a cooling water system strainer, and a high voltage surge arrestor were noted as needing replacement and were addressed during this scheduled maintenance cycle. Focused efforts across Water System Operations and Engineering are aimed at ensuring hydroelectric plant reliability.

Staff installed a new Uninterruptible Power Supply system at the Perris Pressure Control Structure. This UPS system consists of a battery and inverter that provides 480-volt power as backup to the normal system that operates the control facility. In the event of a power failure, the UPS system will instantaneously provide power to keep the facility operational and maintain flows on the Lakeview Feeder.

On January 22, the American Public Power Association submitted comments to draft

recommendations released by a federal working group that will be submitted to the Department of Energy's Secretary Chu on possible changes to the federal Power Marketing Administrations (PMA). The Western Area Power Administration is one of the PMAs and is responsible for the delivery of Metropolitan's Hoover and Parker energy for the Colorado River Aqueduct. Metropolitan and other PMA customers worked with the American Public Power Association to develop the comments. The comments included concerns with the lack of detail and intent in the draft recommendations, the need to coordinate or prioritize the recommended studies, and the failure to provide any substantial legal analysis whether the recommendations are permitted under Western's enabling statutes.

Staff using an overhead crane to remove generator air cooler heads to perform maintenance and testing at San Dimas HEP. These air cooler heads were replaced with the newly manufactured stainless steel units.



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

Staff observed increasing levels of the taste and odor compound 2-methylisoborneol (MIB) in the State Water Project's East Branch, which was shut down January 7-11 for repairs. During the shutdown, extensive monitoring identified major MIB production sites along a 19-mile stretch of the East Branch. DWR conducted its first winter treatments with copper sulfate in January. These treatments, increased flows through the Inland Feeder to DVL, and operational changes to increase cascading flows were used to reduce production, dilute, and volatilize MIB. No consumer complaints have been received to date.

On January 16-17, staff participated in workgroup meetings for the Topock Chromium 6 Remediation Project. The California Department of Toxic Substances Control provided updates on the project schedule and interim remediation progress. Pacific Gas & Electric will complete the draft 60 percent design by April 2013.

On January 29, staff participated in the Lake Mead Water Quality Forum meeting to collaborate with key stakeholders on Colorado River water quality issues.

**Optimize water treatment and distribution**

State Water Project target blends at the Weymouth, Diemer, and Skinner water treatment plants were 40, 40 and 80 percent, respectively. Flow-weighted running annual averages for total dissolved solids for December 2011 through November 2012 were 453, 440, and 381 mg/L for Diemer, Weymouth, and Skinner treatment plants, respectively.

**Prepare for future regulations**

On January 3, the U.S. Environmental Protection Agency clarified the Consumer Confidence Report Rule and electronic delivery options, which will be implemented under the California Department of Public Health's regulatory oversight. The Association of California Water Agencies also announced that the translation services for public notification of drinking water violations will be handled through Metropolitan.

EPA has been working on a federal perchlorate regulation and may publish a draft for public review in 2013. Metropolitan worked with ACWA and the Southern California Water Committee in preparing comments on California's proposed revised public health goal for perchlorate, which were due to the Office of Environmental Health Hazard Assessment on January 22.

**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.

**Provide technical support to member agencies**

Metropolitan conducted the quarterly Member Agency Water Quality Managers Meeting on January 10. Speakers gave presentations on hexavalent chromium treatment and the occurrence of N-nitrosodimethylamine precursors in wastewater-impacted watersheds.

## WATER SYSTEM OPERATIONS

### Storage

	As of 1/31/13 <u>Storage (AF)</u>	Percent of <u>Capacity</u>
DVL	700,632	86%
Lake Mathews	105,476	58%
Lake Skinner	38,201	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

## BUSINESS TECHNOLOGY

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

- The 2013 Spring Green Expo project team held its kick-off meeting on January 29. Registration for students and vendors wishing to exhibit at this year's event will open in February.

### Initiate Metropolitan's Personal Computer Replacement program for deploying new computing technology throughout the organization

During the month, users from throughout Metropolitan had an opportunity to try out ultra-portable laptops along with analyzing upcoming touch screen technology. A number of briefings on touch screen technologies were conducted for the Information Technology Governance Council.

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

- Information Technology Disaster Recovery Exercise—Staff conducted an IT disaster recovery exercise as part of an ongoing effort to maintain Metropolitan's ability to recover critical business processes in the event of a disaster. The January exercise involved executing recovery strategies that support Metropolitan's Engineering ProjectWise system. ProjectWise is a software tool that manages and tracks Computer-Aided Design (CAD) drawings and associated electronic files for engineering projects.
- Support Water Quality—Staff continued planned upgrades for software applications that support Metropolitan's water quality treatment, monitoring, and compliance reporting. Upgrades are currently underway for Metropolitan's Water Conservation, Lab Sheet, and Electronic System Log applications. The upgrades will make the software web-enabled, thus providing greater flexibility to Water System Operations management to monitor and review water quality related data from a website online, and related customer requested functions. Development and testing is proceeding according to plan and is scheduled to be complete in June.
- Freight Delivery Methods—Staff continues to study a pilot program for alternate freight delivery to determine if Metropolitan can realize a substantial reduction in procurement shipping costs. The pilot program is being extended through April 2013 to allow staff to gather additional data, which will aide in conducting a cost/benefit analysis.
- Reprographics Services Study—Staff has begun implementing recommendations from a Reprographics' Services study with successful negotiations in a reduction in the vendor's per-page charge to Metropolitan. Annual savings are expected to be approximately \$14,000.

## 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:

- Metropolitan's Business Outreach Program, in partnership with Metropolitan Member Agencies Calleguas Municipal Water District and Las Virgenes Municipal Water District, presented Connect 2 MET Networking and Educational Event "Bringing Public Sector Opportunities to Your Community" at California State University Channel Islands in Camarillo. Gail Pringle, Metropolitan Board Member representing Calleguas Municipal Water District, welcomed over 200 business owners to the event.
- Metropolitan's Business Outreach Program partnered with the State of California, Department of General Services to host the Governor's Small Business Advisory Council. Over 34 business leaders and advocates attended the session.
- Metropolitan's Business Outreach Program continued partnership and support for the Los Angeles Business Community and the Latin Business Association by participating in the 2013 *Latin Business Association Awards* presented by the Los Angeles Business Journal in partnership with California Bank and Trust on January 22. Over 500 businesses participated in honoring the 2012 class of Latino business leaders.
- Business Outreach supported Metropolitan's Service Disabled Veteran Owned Business Program and the San Diego Business Community by participating in the San Diego Elite Service Disabled Veteran Owned Business Workshops and Networking Event. Metropolitan has invested more than \$2 million back into the SDVOB business community.

Vendor Development, Training, and Certification:

- Metropolitan partnered with the City of Los Angeles and Los Angeles County to present Business Outreach's Procurement Class, *The Procurement Advantage - How to Do Business with Government Agencies*. Fifty business owners from a variety of business sectors were in attendance.

Business Outreach also continued vendor development, education, training, and support of the Southern California Business Community by participating in the following January 2013 award programs, conferences, expos and events:

- Regional Black Chamber of Commerce San Fernando Valley Networking Mixer
- Orange County Venture Capital Association Networking Event
- National Association of Women Business Owners San Diego Business Event
- Latin Business Association Los Angeles Awards Program

## EXTERNAL AFFAIRS—LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

### **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 conducted a Member Agency Education Coordinators meeting with over 20 member and retail agency representatives. A segment of the meeting featured a discussion of the final draft of California Department of Education's Next Generation Science Standards.
- Preparation for Solar Cup 2013 continued with technical workshops in January. All 40 Solar Cup 2013 teams (300 students and teachers) participated. Solar Cup will take place May 17-19, 2013 at Lake Skinner.
- Staff conducted eight field trips for nearly 300 students in grades 4-6 from Hemet, Lake Elsinore and Romoland Unified School Districts. Staff also worked with the Western Science Center and more than 500 students on eight field trips and conducted a program for roughly 60 fifth-grade students from Temecula Valley Charter School. Staff

also worked with 40 students from Dominquez High School for a hands-on water quality workshop.

- Exhibition of the Student Art Exhibit, "Water is Life," began this month at Inland Empire Utilities Agency and will rotate among the 22 participating member and retail agencies from January through July.

#### Media

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

- Arranged interview with Group Manager/Water Resources Management Deven Upadhyay and Union Tribune San Diego reporter for a story about current water supply, storage and the water outlook for 2013.
- Coordinated interview with Manager/Bay-Delta Initiatives Steve Arakawa and Stockton Record reporter to discuss proposal for a Westside conveyance in the Sacramento-San Joaquin Delta.
- Arranged photo session at the Jensen treatment plant for Water System Operator magazine photographer to accompany story about the treatment plant's receiving a 2012 President's Award from the American Water Works Association.
- Handled taped audio interview with Group Manager Upadhyay and reporter for Living Water program to discuss Metropolitan's history, mission and sources of water, as well as current approaches to conservation and water-use efficiency.

### **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 conducted outreach to residents in Temecula, Winchester and Glendale in preparation for shutdowns and repair work for San Diego Pipeline 4, Auld Valley Pipeline and Glendale service connection, respectively.

- Staff conducted outreach to approximately 45 residents in Winchester regarding Auld Valley Pipeline.
- Staff also conducted outreach to about 60 residents in Glendale regarding repair at Glendale 01 service connection during a 24-hour shutdown of the Santa Monica feeder.

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

On January 23, several Metropolitan directors, executive management and staff attended the Municipal Water District of Orange County's *Water Policy Forum*, which featured state Senator Michael Rubio, Chair of the Senate Environmental Quality Committee, as a keynote speaker. At the event, former Metropolitan Director Jim Blake was honored for his long-time leadership in water policy issues.

## EXTERNAL AFFAIRS—LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

### STATE

#### New Bill Introductions

Staff is analyzing a range of new bill introductions that include a multi-bill package to ensure access to safe and affordable drinking water; implementation of Proposition 39, the Clean Energy Jobs Act approved by voters in November; California Environmental Quality Act reform; pension reform; and groundwater fracking.

#### State Budget

On January 10, 2013, Governor Brown introduced his spending proposal for the 2013/14 fiscal year, which proposes a balanced budget without the need for any cuts while paying down the state's debt. Staff is currently reviewing funding levels for resource-related programs and other Metropolitan priorities.

### FEDERAL

On January 22, the House Energy and Commerce Committee unanimously passed H.R. 267, the Hydropower Regulatory Efficiency Act of 2013 (McMorris-Rogers, R-WA). H.R. 267 would allow hydropower projects with fewer than 10 megawatts that use existing canals, pipelines or other conduits to proceed without the usual permitting by the Federal Energy Regulatory Commission.

### LOCAL

On January 10, staff participated in the *Inland Empire Economic Partnership All Divisions Meeting* in the city of Redlands. Approximately 200 Inland Empire community leaders were in attendance, including newly elected Assemblyman Richard Roth (Riverside) and several local elected officials.

On January 24, staff attended the League of Cities Inland Empire Division legislative event. Approximately 125 people representing Inland Empire cities were in attendance. Program speakers included Senator Bill Emmerson (R-Riverside) and Assemblywoman Norma Torres (D-Pomona).

## HUMAN RESOURCES—HUMAN RESOURCES EXCELLENCE

### **Manage total compensation**

- In accordance with the Public Employee Medical Health Care Act, Human Resources Benefits completed a dependent eligibility verification audit of all employees enrolled in our health plans as part of our fiduciary responsibility to help control Metropolitan's and CalPERS' health care cost by validating eligibility of all dependents for continued health coverage. HR Benefits will also be reaching out to CalPERS to partner with its Benefits Programs Policy and Planning Division in an effort to work with the Third Party Administrator that CalPERS is hiring to conduct an overall dependent eligibility verification audit of all agencies' active employees and retirees to help reduce the impact to our active employees.
- HR Benefits revised various benefits material for both applicants and new hires to ensure compliance and to communicate the changes implemented by the Public Employee Pension Reform Act. HR Benefits also worked in coordination with HR Information System and Payroll to ensure updates were made to MyHR for determining the appropriate pension plan formulas for enrolling new hires based on CalPERS' definition of a Classic versus New Member.
- Staff completed contracts with 15 different vendors to provide temporary agency workers as needed throughout Metropolitan.

## HUMAN RESOURCES—STRATEGIC PRIORITY: EMPLOYEE DEVELOPMENT

### Foster learning and organizational development

- Employee Development classes delivered in January included 5Choices to Extraordinary Productivity and Speaking with Confidence. HR staff also hosted a demonstration session of a new Project Management Workshop that will be rolled out for employees next month.
- Sixteen managers and employees attended Liebert Cassidy Whitmore consortium workshops on Being Successful in the Public Sector and the Disability Interactive Process.
- Staff continued day-to-day administration of the tuition reimbursement program and invoice processing, as well as administration and support of the MyLearning system.

### Foster Management Excellence

- Staff continued to provide in-person management coaching and consultation to seven senior managers and one senior staff, as well as administering ongoing external coaching engagements for five managers.
- A one-day Manager Orientation Workshop, covering topics ranging from Recognition and Feedback to Time Management and People versus Task Management, was developed and delivered for 25 Water System Operations managers on January 30 at the La Verne facility.
- Staff coordinated a one-day partnering session on January 14, with treatment plant managers, water quality managers and other Water System Operations leadership, facilitated by an outside consultant to resolve various operational issues and expectations.

## HUMAN RESOURCES—HUMAN RESOURCES EXCELLENCE

### Acquire talent

- In January, the Staffing Team managed and coordinated testing, panel and final interviews for seven positions including three journey level Operations and Maintenance Technicians IV, a Programmer Analyst III, an Apprentice and Technical Training Manager, an Engineer, and one Assistant Electronic Technician. These interviewing processes resulted in several final candidates for each position.
- With increasing retirements and the resulting promotions and vacancies, the Staffing Team continues to process position requisitions and recruitments. Eleven new employees started with Metropolitan, including three student interns.

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

During the month of January, Employee Relations staff provided orientation on labor and employee issues to newly appointed managers. This was part of an ongoing effort by Employee Relations to provide such training to managers.

### Control Workers' Compensation costs

- Conducted initial investigations on 8 injury incidents.
- Submitted 6 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were finalized in 2 claims, and 13 claim files were closed.
- Arranged 8 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Coordinated 1 random drug/alcohol test at 1 facility.
- Addressed 3 accommodation issues.
- Conducted MedVan evaluations at Jensen and Diemer facilities
- Finalized 2012 OSHA logs for posting at all facilities.

### Identify, assess, and manage risk

- Risk Management completed 122 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.
- The Risk Management Unit completed 36 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

- A long-term lease was granted to Los Angeles SMSA Limited Partnership (dba Verizon Wireless) to allow for the construction, installation, operation and maintenance of a telecommunications facility on Black Metal Mountain Site II located near Metropolitan's Gene pumping plant. This lease relocates Verizon's telecommunications facility from Black Metal Mountain Site I.
- Compass USA, Inc., was issued a one-day permit for use of the helipad, interior space, loading lock, and parking garage at Metropolitan's Headquarter's Building to film scenes overlooking the downtown skyline. These scenes will be used in a Samsung commercial.

### 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

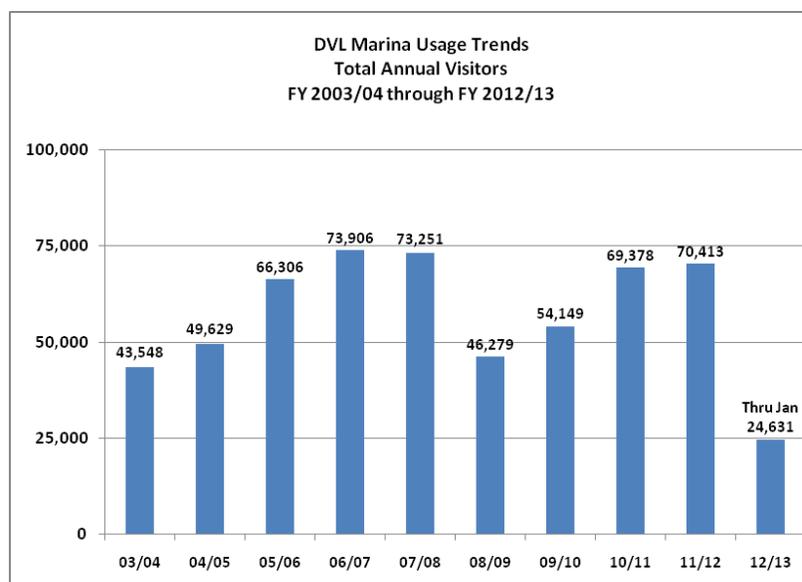
Metropolitan has now received 15 months' rent on the percentage lease with Urban Park Concessionaires for the operation of the DVL Marina and the Lakeview Trail. The \$87,258 received represents seven percent of the October 2011 through December 2012 gross receipts.

Annual savings for replacing the professional services agreement with the percentage lease are estimated to be \$380,000.

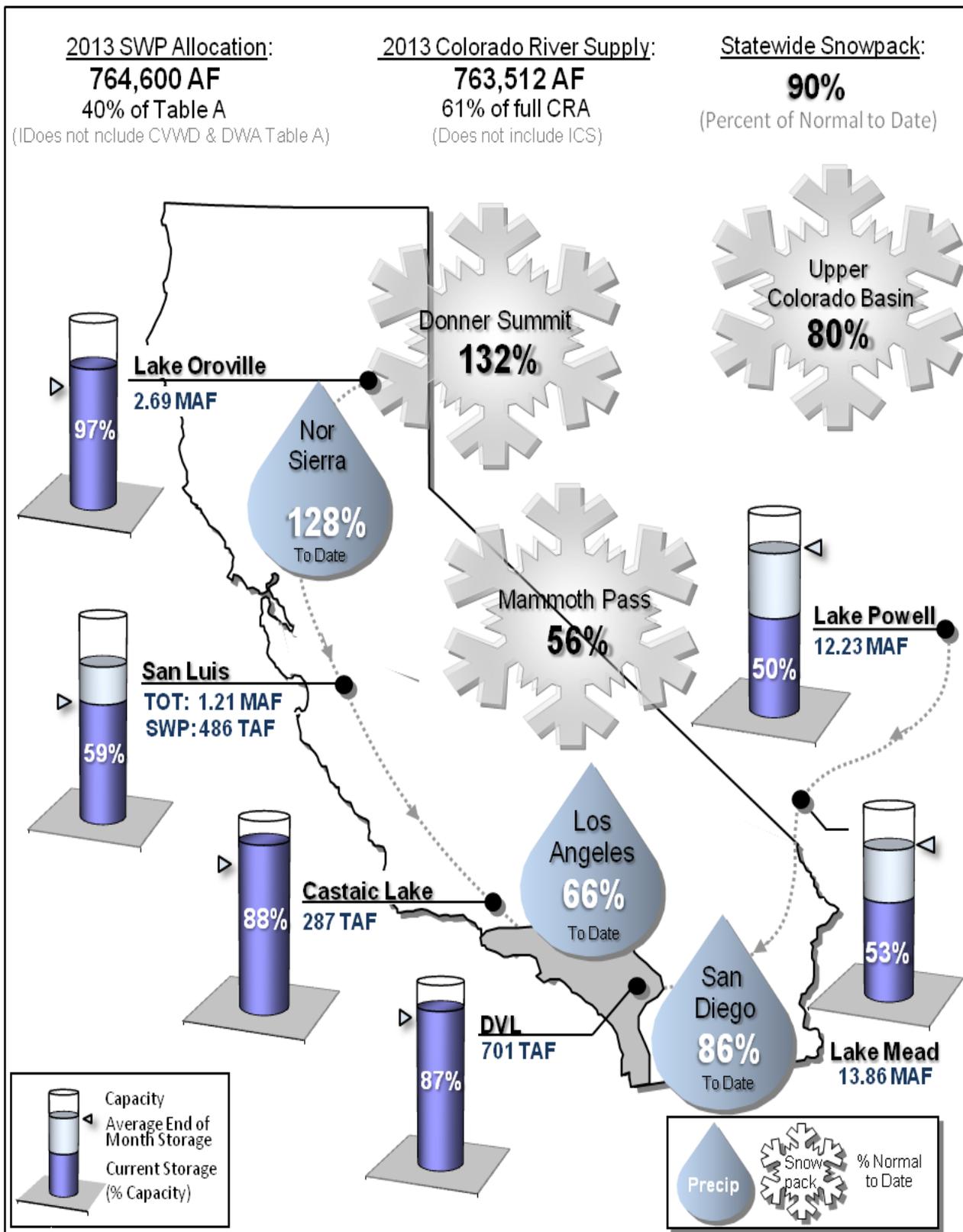
Diamond Valley Lake has hosted approximately 571,000 visitors at its marina facilities and 137,000 private boats have launched since the 2003 public opening.

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

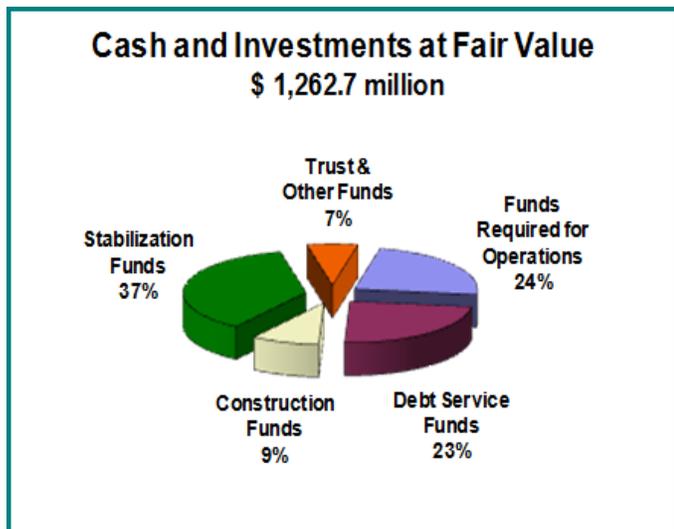
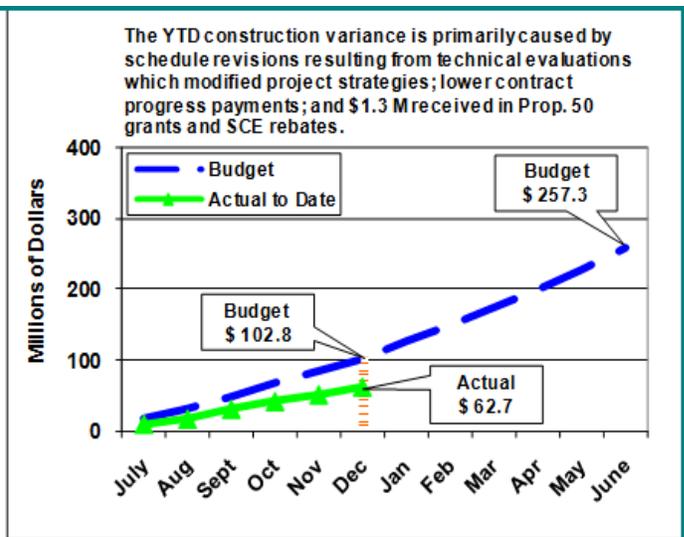
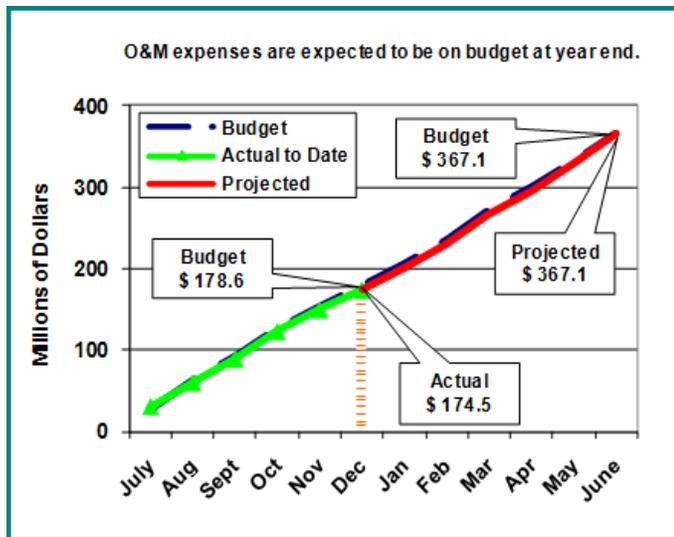
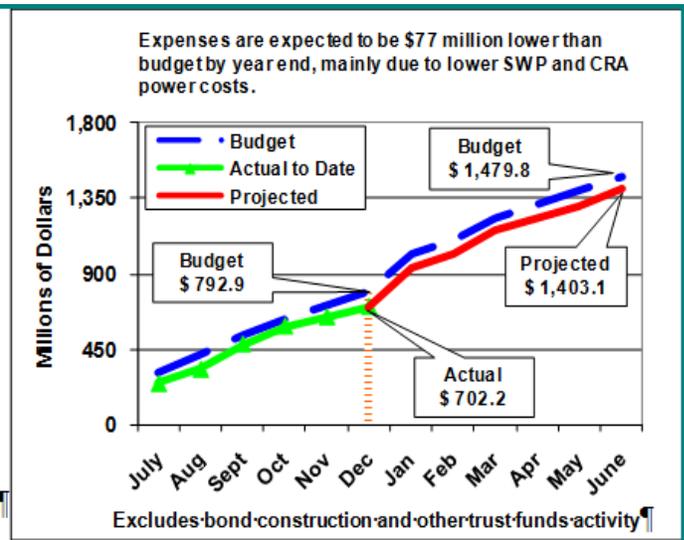
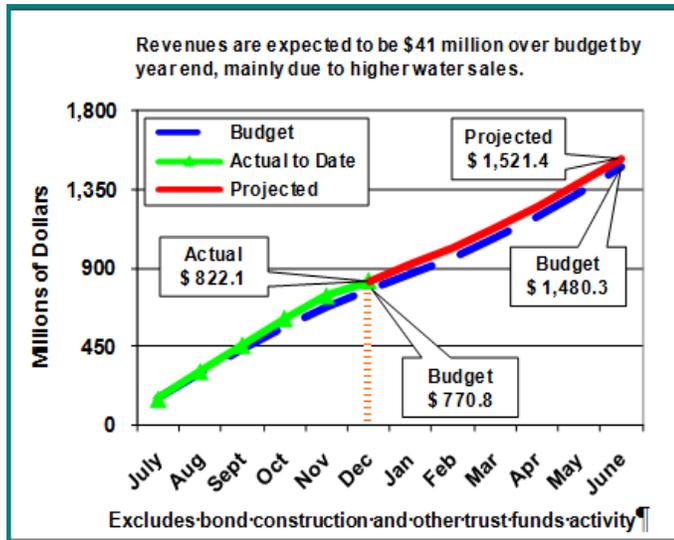
- Staff conducted three appraisals, land cost estimates, and researched land title information in support of near-term actions for the Bay Delta.
- In support of infrastructure projects, staff acquired two entry permits for the closure of a groundwater monitoring well along the Inland Feeder Pipeline.



**WATER SUPPLY CONDITIONS AS OF DECEMBER 19, 2012**



AS OF DECEMBER 31, 2012



### Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	≥ 1.20 x	1.47 x
Revenue Debt Service Coverage	> 2.00 x	1.95 x
Revenue Bond Debt / Equity Ratio	< 100.0%	69.1%

#### Credit Ratings

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

## 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.

### **Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities and ensure cost-effective access to capital markets**

In January, Metropolitan successfully remarketed the 2011 Series A1 and Series A3 Securities Industry and Financial Market Association (SIFMA) Index Notes. The \$128.9 million of Notes were re-priced at SIFMA flat, and the new mandatory tender date is February 11, 2014.

### **Prudently manage the investment of Metropolitan's funds in accordance with policy guidelines and liquidity considerations.**

Staff continues to provide the necessary liquidity for Metropolitan's operational and capital expenditures with no loss of principal, no policy violations, while generating a portfolio return that exceeded the benchmark.

## WATER RESOURCE MANAGEMENT—WATER SUPPLY

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

DWR Increases Allocation—The California Department of Water Resources increased the State Water Project 2013 allocation from 30 to 40 percent of total project capacity. Metropolitan staff submitted a revised 2013 delivery schedule that fully utilizes the 40 percent allocation which will increase supply for regional water deliveries and multi-year storage programs.

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

Grant Applications—Metropolitan submitted four water use efficiency grant applications totaling \$2.4 million to the U.S. Bureau of Reclamation.

- Water Conservation Field Services Grant Program—\$100,000 for the Innovative Conservation Program;
- WaterSMART Grant Program—\$1.5 million for the California Friendly Turf Replacement Rebate Program and \$300,000 for the Landscape Water Use Efficiency Program. Board resolutions are required to support both grant applications for consideration; and
- CALFED Water Use Efficiency Grant Program—\$500,000 for the High Efficiency Clothes Washer Incentive Program.

The combined water savings for all projects total approximately 18,800 acre-feet. Reclamation is expected to announce grant awards later this Spring.

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**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.**

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