



# GENERAL MANAGER'S MONTHLY ACTIVITY REPORT FEBRUARY 2013

February 28, 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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## CELEBRATIONS OF DIVERSITY

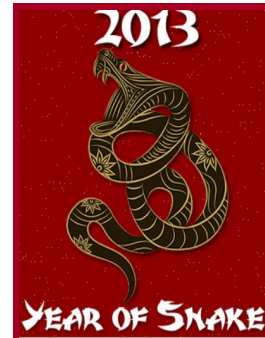
Metropolitan's Black Employees Association sponsored events and exhibits commemorating Black History Month. A number of events and activities filled the month, including an opening ceremony with guest speakers Board Vice Chair John Murray, Jr., Vice Chair Gloria Gray, Director Vincent Mudd, and Chief Administrative Officer Gilbert Ivey; a lunch-time poetry reading with original recited works; and a special exhibit honoring contributions from African Americans.

Also in February, Metropolitan's Asian American Employees Organization offered a tasty treat to employees and guests to celebrate Asian Lunar New Year (Year of the Snake).



### *Continuing our Legacy*

Members of the Black Employees Association retraced family ancestry lines and discovered relatives who have made special and significant contributions during their lifetime. Their stories were displayed in the rotunda.



**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)—State and federal agency officials continued to meet this month in the ongoing effort to complete key elements of the Bay Delta Conservation Plan. The revised administrative draft of the BDCP is now anticipated for release in March. Staff continues to monitor the availability of the BDCP and related documents. On February 8, Stephen Arakawa, Manager of Bay-Delta Initiatives, provided a presentation on the BDCP to the San Diego County Tax Payers Association. Karla Nemeth, representing the California Natural Resources Agency, also attended the meeting to provide the state's perspective on the BDCP program. Metropolitan continues to work with state and federal representatives, the Department of Water Resources, and other public water agencies to support completion of the public Draft BDCP and the Draft Environmental Impact Report/Environmental Impact Statement, which is scheduled for release in mid-2013.

**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 continues to participate in the State Water Resources Control Board (State Water Board) process to develop a proposed update to the 2006 Bay-Delta Water Quality Control Plan. Currently, staff is coordinating with other water contractor staff to review and prepare written comments on the draft environmental document (Substitute Environmental Document) and associated appendices in support of the Phase 1 proposed changes to the Control Plan. Phase 1 is focused on San Joaquin River flows and southern Delta salinity objectives. Comments are due to the State Water Board by March 29, 2013. The State Water Board has scheduled a public hearing for March 20, 2013 to receive oral comments on the draft Substitute Environmental Document.

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

Delta Stewardship Council—Staff continued to participate in the Delta Stewardship Council (Council) process to finalize the Delta Plan, the Recirculated Draft EIR that incorporates the Final (Eighth) Draft Delta Plan as its preferred project, and the Office of Administrative Law process to validate the Delta Plan regulatory policies. The Council held a public meeting on February 21, which focused on the process and timeline to finalize the Delta Plan, the BDCP implementation structure, State Water

Board issues, and updates from the Lead Scientist and Independent Science Board. Staff is coordinating with the State and Federal Contractors Water Agency staff to provide comments on the Independent Science Board review of Chapter 7 of the BDCP. The Council expects to review major comment themes and proposed responses on all draft documents related to its Delta Plan in March and to adopt the final Delta Plan and certify the EIR in the spring of 2013. If this schedule holds, the Council expects to successfully complete the Office of Administrative Law process in the summer of 2013.

**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 Department of Water Resources' schedule for completion of the Delta Emergency Preparedness, Response and Recovery Plan (EPRRP) includes completion of the draft EPRRP in the second quarter of 2013, incorporation of partner agencies' review comments in the third quarter, and completion of the final draft report in the early fourth quarter. Technical appendices of the draft EPRRP include the definition of conditions in which the emergency freshwater pathway would be implemented under adverse water quality conditions resulting from levee failures during severe flood or seismic events.

**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 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 March 2013.
- Sepulveda Feeder PCCP Joint Repairs—This project will repair the carbon fiber lining on one PCCP segment on the Sepulveda Feeder. Construction is eight percent complete and is scheduled to be complete by May 2013.

Colorado River Aqueduct Reliability Programs

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

- CRA Main Pump Reliability Investigations—This project will evaluate major equipment and systems at each of the five CRA pumping plants to provide reliable operation at 8-pump flow. Investigations are 10 percent complete and are scheduled to be complete by July 2013
- Iron Mountain Pump Suction Joint Repair—This project will repair a leaking pump suction joint at the Iron Mountain Pumping Plant. Construction is 20 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 85 percent complete and is scheduled to be complete by March 2013.
- 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 was completed in February 2013.
- CRA Sump Pumps Rehabilitation—This project will rehabilitate five pumping plants' main sumps, which collect water leakage from the main pumps, discharge valves and pump cooling water. Preliminary design is 75 percent complete and is scheduled to be complete by June 2013.
- Pumping Plant Standby Generator Replacement—This project will replace the 50-year-old generators, which have reached the end of their service life. The new installations will be relocated, and ancillary facilities will be upgraded to meet current fire codes and environmental regulations.
  - Eagle Mountain Pumping Plant—Construction was completed in April 2012.
  - Hinds Pumping Plant—Construction is 52 percent complete and is scheduled to be complete by August 2013.
  - Iron Mountain Pumping Plant Standby Generator Replacement—Final design was completed in February 2013. A request to the Board to award a construction contract is planned for May 2013.
  - Gene Pumping Plant—Preliminary design is 32 percent complete and is scheduled to be complete by September 2013.
  - Intake Pumping Plant—Preliminary design is 35 percent complete and is scheduled to be complete by July 2013.
- CRA Flow Meter Replacement—This project will replace existing flowmeters at all CRA pumping plants. Final design is 70 percent complete and is scheduled to be complete by July 2013.
- Whitewater Siphon Protection—This project will improve the erosion control structures that protect the CRA's Whitewater Siphons from erosion by the Whitewater River. Preliminary design is complete.

**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**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 replaced the single radial gate at Puddingstone with two slide gates and rehabilitated five corroded slide gates at Eagle Rock Tower. Construction was completed in February 2013.
- 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 shop is being upgraded. Construction was completed in February 2013. Stage 4 will enlarge the machine and fabrication shop buildings and procure new equipment. Construction is 15 percent complete and is scheduled to be complete by December 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 complete. Construction will take place during a planned March 2013 shutdown of the Second Lower Feeder.
- Etiwanda Pipeline Lining Repair—This project will repair the 144-inch pipeline's damaged interior mortar lining. Final design of a pilot repair project is 40 percent complete and is scheduled to be complete by May 2013.
- San Gabriel Tower Telecommunication Line Replacement—This project will replace the 60-year-old overhead communication line that monitors and controls flows to the San Gabriel tower and Service Connection USG-3. Construction is 70 percent complete and is scheduled to be complete by June 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 60 percent complete and is scheduled to be complete by April 2013.
  - Allen-McColloch Pipeline Cathodic Protection—This project will install anode wells and rectifiers for ten new sites and refurbish existing impressed current cathodic protection systems at three existing sites. Preliminary design is 95 percent complete and is scheduled to be complete by March 2013.
  - Sepulveda Feeder (North) Cathodic Protection—This project will install anodes at 15 existing and 9 new stray current drain stations on a 33-mile portion of the Sepulveda Feeder. Final design is complete and the work will be advertised for bids in May 2013. A request to the Board to award a construction contract is planned for June 2013.

Hydroelectric Power Plant Improvements 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 up-to-date codes, improve plant efficiency, and extend the operating lives of the plants.

- San Dimas and Venice Power Plant Rehabilitation—These projects will rehabilitate the electrical protection and control relays and will replace corroded cooling water piping. Preliminary design is 15 percent complete and is scheduled to be complete by September 2013.



**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:

## Diemer ORP

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

## Weymouth ORP

- Main ORP Construction (Staged Capacity)—The contractor is engaged in site preparation and excavation activities. Construction is 11 percent complete and is scheduled to be complete in 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 to the Weymouth plant and the main ORP switchgear has been energized. Commissioning of the standby generators is complete. Construction is 99 percent complete and is scheduled to be complete by April 2013.



Diemer Ozone Generation Building  
and Contactors



Weymouth ORP – Connection Point for  
Ozone Contactor Inlet Conduit

## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Operate system reliably

System Operations delivered approximately 95,000 acre-feet of water to meet member agency demands in February, which averaged approximately 3,400 AF per day. This was an increase of 250 AF per day from January. Treated water deliveries for February totaled 63,000 AF, or 66 percent of total deliveries for the month. Additionally, 4,375 AF was delivered to Desert Water Agency and Coachella Valley Water District in exchange for their State Water Project Table A supplies. State Water Project imports averaged 2,700 AF per day in February.

The Colorado River Aqueduct was shutdown for planned maintenance on February 5 and returned to service on

March 1. Storage at Diamond Valley Lake decreased slightly to 699,000 acre-feet or 86 percent full, as Inland feeder deliveries were reduced and releases from DVL were increased due to the CRA shutdown. Inland Feeder deliveries into DVL were 26,000 AF for the month.

System Operations continued to maximize power generation throughout the month. In February, Metropolitan's hydroelectric plants generated an average of 34 megawatts for a total of 23,000 megawatt-hours. This is an increase of 3,000 megawatt-hours from the previous month as system demand increased.

### Optimize maintenance

#### Colorado River Aqueduct

By March 1, staff will have completed a 25-day shutdown of the Colorado River Aqueduct to clean over 80 miles of tunnels and perform a variety of electrical and mechanical maintenance projects. Large cranes lifted access covers from structures and lowered the tunnel cleaning machine into the underground sections of the CRA. Engine-driven blowers maintained ventilation for crews during debris removal and inspection. [\(see photo below\)](#)

#### Distribution System

A ten-day shutdown of San Diego Pipelines Nos. 1 and 2 was completed successfully in early February. Staff replaced 19 aging valves and installed blind flanges on three inactive connections. Isolating these turn-out connections using blind flanges is a cost-effective method to adapt to changing usage while minimizing maintenance and repair costs. [\(see photo below\)](#)

Staff completed shop fabrication and began field work on the new service connection (SGV-01) for San Gabriel Valley Municipal Water District. The field work will extend beyond the shutdown, as planned, to connect the Upper Feeder with the City of Sierra Madre for use as an emergency connection.



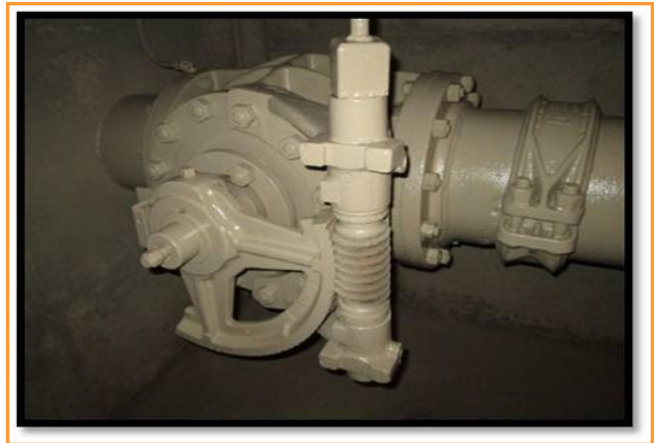
Staff setting up the tunnel cleaning equipment for the CRA shutdown



Staff removing San Diego Pipeline No. 1 turn-out valve



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY



Orange County Feeder turn-out valve (OC-7) before and after coating

#### Optimize maintenance continued....

Staff shut down the Upper Feeder for eight days starting on February 21. Major distribution system activities during the shutdown included installation of flow control gates at the Eagle Rock Tower, replacing the Puddingstone radial gate with slide gates, and various other refurbishment and inspection activities.

Staff installed vibration monitoring equipment at five of the nine pumps at the Colorado River Aqueduct Intake Pump Plant. The monitoring equipment collects baseline data for comparative future evaluation. This predictive maintenance process allows staff to identify impending risks in equipment and proactively address issues in advance of a problem that may result in an unscheduled shutdown.

Staff completed coating of valve structures at 22 locations on the Orange County, Lower and Inland Feeders and East Orange County Feeder No. 1 as part of the Infrastructure Protection and Asset Preservation Program. [\(see photos above\)](#) Two underground structures in the Skinner area were also sealed from ground water intrusion to prevent water damage and corrosion to equipment and piping.

#### Water Treatment Plants

A shutdown of the F.E. Weymouth Treatment Plant coincided with the Upper Feeder (treated) shutdown on February 21. Staff relocated the caustic and ammonia chemical feed injection points in the combined filter effluent channel to improve reliability and safety. Staff also installed a new six-inch chlorine diffuser and replaced several chlorine gas feed valves in the chlorine building to improve system efficiency. The Weymouth water

treatment plant and Upper Feeder shutdowns were completed in four and eight days, respectively.

Staff divers assisted Skinner water treatment plant maintenance crews in re-connecting a 7 feet by 6 feet, 11,000 pound slide gate that malfunctioned. As one of several gates in parallel, the malfunction did not result in any flow interruption. Divers used a submersible remotely operated vehicle equipped with video camera to allow mechanics to assess the structure for damage. There was no damage to the slide gate and the equipment was returned to service within seven days of the reported failure. A large crane lifted the load while divers worked underwater to align and reconnect the gate. [\(photo below of diver entering influent control structure\)](#)



## WATER SYSTEM OPERATIONS—SYSTEM RELIABILITY

### Improve security and emergency response

Staff met with a Battalion Chief from Cal Fire Riverside County Fire Department and a representative from the Riverside County Office of Emergency Services to discuss protocols and emergency response at the Lake Matthews facility. A tour of the facility will be conducted at a future date.

### Support water resource programs

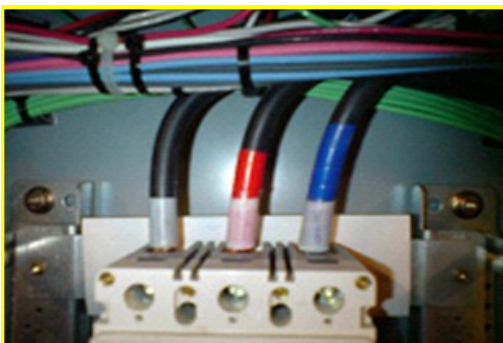
Metropolitan supports the California Department of Water Resources through reimbursable agreements. Metropolitan completed several projects supporting the State Water Project, including the rehabilitation of a 24-inch ball valve for DWR's South Bay Pumping Plant. This valve helps regulate deliveries into DWR's South Bay Aqueduct. Staff rebuilt the corroded interior surfaces, repaired the sealing surfaces, coated, and reassembled the valve. After assembly, the valve was pressure tested for proper operation.

### Develop workforce

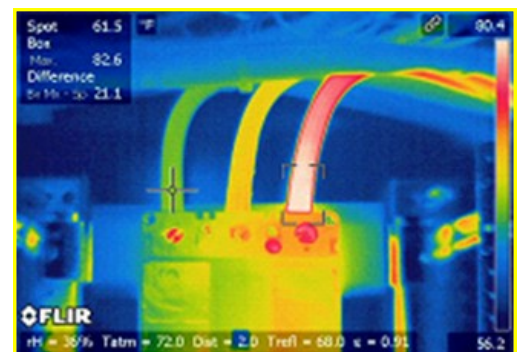
The Water System Operations Apprentice and Technical Training Program provides trained, qualified employees to maintain Metropolitan's water treatment and distribution systems. Class of 2015 Mechanical students participated in Pump Installation and Maintenance, Pump Systems and Pump Theory as part of their fourth period of instruction.

### Effectively manage power system requirements and optimize generation

- During February, the California Air Resources Board held three workshops to receive suggestions on investing revenues obtained from Cap-and-Trade auctions. Metropolitan provided comments to reiterate its recommendation that revenues be directly used for projects resulting in the reduction of greenhouse gas emissions within the water industry. These comments are consistent with the Governor's January budget submittal and Cap-and-Trade related legislation.
- Metropolitan, with the assistance of Bonneville Power Administration personnel, installed power system monitoring equipment at the Hinds pumping plant on the Colorado River Aqueduct. The equipment, on loan from Bonneville, will record how Metropolitan's pumps respond to a variety of power conditions on the CRA transmission system. This information will be used to validate and supplement assumptions used in computer programs that project how the electrical system in the western United States would respond to potential disturbances such as generator or transmission outages. The projections are used to assure the electric system is operated in a manner that is in compliance with the national electric reliability standards. The monitor will be in place for up to one year.
- In February, Metropolitan submitted documentation to Southern California Edison and the Western Electricity Coordinating Council, showing compliance with nearly 80 national electric reliability standards as part of the required annual self-certification process. Violations of these standards can result in monetary fines and operational sanctions.
- Staff performs regularly scheduled predictive maintenance inspections of the electrical equipment at the five water treatment plants. These inspections are often done while the equipment is in operation using infrared thermo-graphic survey equipment. The equipment is able to read a heat signature from the equipment, which can identify bad connections or failing components. This month, staff focused on the Jensen water treatment plant high and medium voltage electrical equipment. ([see photos below](#))



Circuit breaker.  
View of thermo-graphic  
technology (right).





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

Levels of the taste-and-odor compound 2-methylisoborneol (MIB) remain elevated in the State Water Project's East Branch. Metropolitan staff conducted extensive monitoring and worked with the Department of Water Resources to evaluate strategies for the control of the MIB-producing algae.

Staff inspected the Colorado River Aqueduct during the February 2013 shutdown to evaluate the effectiveness of chlorine treatment on the growth of quagga mussels. Investigations were also conducted to identify locations in the aqueduct where algae growth could reduce the aqueduct's capacity.

On February 6, staff participated in an annual stakeholders meeting organized by the Nevada Division of Environmental Protection and the Nevada Environmental Response Trust (NERT) regarding perchlorate cleanup at the former Tronox site in Henderson. NERT updated stakeholders on last year's activities concerning soil/groundwater remediation, site management and budgetary issues, and proposed a work plan to investigate and ultimately select a long-term cleanup remedy for the site. Metropolitan will provide input into the draft remedial work plan, and continues to coordinate with other stakeholders.

Staff participated in a workgroup meeting for the Topock Chromium 6 Remediation Project on February 20. Representatives from Pacific Gas & Electric discussed key changes anticipated for the 60 percent design of the remediation system, which will be completed by April 2013.

On February 21, staff gave a presentation to the Lake Mead Ecosystem Monitoring Workgroup on Metropolitan's source water monitoring program and water quality trends at Whitsett Intake. The workgroup consists of key Colorado River stakeholders that meet quarterly to review and share water quality and ecological data affecting the lower Colorado River system.

**Optimize water treatment and distribution**

State Water Project target blends at the Weymouth, Diemer, and Skinner water treatment plants were 40, 40 and 60 percent, respectively. Flow-weighted running annual averages for total dissolved solids for January through December 2012 were 465, 456, and 385 mg/L for Diemer, Weymouth, and Skinner treatment plants, respectively.

**Prepare for future regulations**

Staff attended a hexavalent chromium workshop on February 4 in Sacramento sponsored by the Water Research Foundation. Presenters discussed the latest studies on hexavalent chromium health effects and treatment options to remove this constituent from water supplies. A draft regulation will be proposed by the California Department of Public Health in mid-2013.

Staff continues to monitor the latest state regulatory and legislative proposals related to hydraulic fracturing to ensure that sufficient protections for source waters are incorporated into these proposals. On February 12, staff monitored a joint legislative committee hearing of the California Senate Natural Resources and Water, and Environmental Quality Committees. The hearing included presentations, questions and answers from various stakeholders. During the hearing, the California Department of Conservation/Division of Oil, Gas, and Geothermal Resources (Resources) discussed its preliminary regulatory draft, which was released on December 18, 2012. Metropolitan staff reviewed this document and attended the first Resources public workshop in Los Angeles on February 19.

**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 February.

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## WATER SYSTEM OPERATIONS

### Storage

	<u>As of 2/28/13 Storage (AF)</u>	<u>Percent of Capacity</u>
DVL	695,977	86%
Lake Mathews	92,764	51%
Lake Skinner	38,411	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 6th annual Spring Green Expo for Metropolitan staff, member agencies and the surrounding community is scheduled for May 16. The event is intended to raise awareness of environmental issues and provide solutions for living and working green. Vendor and student exhibit registration opened on February 8.
- Metropolitan's Rideshare Program remains compliant with South Coast Air Quality Management District's regulatory requirements. This past month the Rideshare Program reached a new high with 42 percent of employees participating.

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

**Property Management Imagery—Information Technology** staff has initiated the loading of Property Management imagery into Cumulus, Metropolitan's system used to store and catalog Metropolitan's imagery and pictures. The purpose/goal is to integrate the imagery with RePortfolio®, Metropolitan's new property management system, and the Geographic Information System mapping system. Links to images of Metropolitan's property will be available directly from RePortfolio®. Staff will also develop a GIS mapping system that will show the locations of these images relative to Metropolitan's properties and facilities with direct links to the images in Cumulus. The pilot phase to test the integration is scheduled to complete by June.

**Accounts Payable Imaging System—**In an effort to increase reliability and streamline the accounts payable processes, staff completed a Request for Proposal to implement an imaging system that will automate electronic storage of invoices and approvals and improve on-time payment to vendors.

## 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

- Represented Metropolitan at The Valley Economic Alliance's *5th Annual Valley Business Expo* held in Burbank. Over 400 business owners were introduced to opportunities at Metropolitan.
- Attended and supported the Southern California Minority Business Development Council's annual *Business Opportunity Day* held at the Palms Conference Center in Industry. Over 1,000 business owners were introduced to opportunities at Metropolitan.
- Continued support for the Los Angeles business community by sponsoring and participating in the *Los Angeles Area Chamber of Commerce's 125th Annual Inaugural Dinner—Bold in Business*. Los Angeles Mayor Antonio Villaraigosa spoke to more than 1,400 business and civic leaders at the event. Metropolitan Directors Aaron Grunfeld and Thomas Babcock attended along with staff.
- Supported the San Diego County *Regional Chamber of Commerce 142nd Annual Dinner*. Metropolitan Directors and staff attended the February 26 event.
- Continued partnership and support for the Los Angeles and Hispanic business community by participating in the *4th Annual Latino Business Awards and Business Matchmaking Event*. Over 500 businesses participated in the event, with Metropolitan having 32 matchmaking appointments with Latino businesses.

#### Internal Partnerships

- Staff from Business Outreach, Contracts, Construction Management, Engineering, and Purchasing partnered with PlanetBids to hold a *Metropolitan Internal Users Conference* to learn about enhancements and new features on Metropolitan's NETConnect System provided by PlanetBids.
- Staff from Business Outreach and Engineering participated in and exhibited at the Construction Management Association of America's *Southern California's Owners' Night*. Staff was able to provide over 500 business owners with information on upcoming Metropolitan construction, professional services, and procurement opportunities

#### Support for Service Disabled Veteran Owned Businesses (SDVOB) in Southern California

Staff supported Metropolitan's Service Disabled Veteran Owned Business Program and the Los Angeles and San Diego Business Communities by sponsoring and participating in two events. The first event was the *Veteran Small Business Expo* in Long Beach. The second event was the *Naval Facilities Engineering Command - Service Disabled Veteran Owned Annual Small Business Outreach Event* at Camp Pendleton. Metropolitan has invested more than \$2 million back into the SDVOB business community. Over 800 veteran-owned businesses participated in both events and were introduced to various business opportunities with Metropolitan.

#### Vendor Development, Training, and Certification

Staff partnered with the National Latina Business Women's Association group, which included members from the Los Angeles, Orange County, and Inland Empire organizations. This is the fourth year that Metropolitan has sponsored the six-session Business Development program and introduced 78 new businesses to Metropolitan's business opportunities.

Participated in the following February 2013 award programs, conferences, expos and events:

- Black Business Association 39th Annual Awards Dinner
- California Association of Disabled Veteran Business Enterprise Corporate Board Meeting
- California Department of Corrections and Rehabilitation, Office of Business Services, the Department of General Services - Small Business Certification Workshops
- Caltrans District 11 Prime Contractors of the Year Awards.



## 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

Conducted seven field trips for more than 200 students and four classroom presentations for nearly 240 students in grades 4-6 from Hemet, Lake Elsinore, Menifee, Murrieta Valley, Romoland and Temecula Valley Unified School Districts. Staff also worked with more than 450 students on six field trips in collaboration with the Western Science Center.

#### Media

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

- Arranged interviews with Assistant General Manager Patterson and Sacramento Bee and Union Tribune San Diego reporters for separate stories regarding Sacramento-San Joaquin Delta pumping restrictions due to Delta smelt.
- Set up interview with General Manager Kightlinger and KPCC public radio reporter to discuss Sacramento-San Joaquin Delta improvements

outlined in Governor Jerry Brown's State of the State speech.

- Arranged interview with Assistant General Manager Breaux and Orange County Register reporter for an article about unfunded liabilities in Metropolitan's pension and retiree health care plans.
- Set up interview with Group Manager Upadhyay and freelance writer for the NASA Goddard Space Flight Center to discuss use of satellite data in water resource planning.
- Issued press statement from General Manager Kightlinger supporting the Bay Delta Conservation Plan as outlined in Governor Brown's State of the State address.
- Issued press release about Robert O. Apodaca and Leticia Vasquez, both representing Central Basin Municipal Water District, and Michael Touhey, representing Upper San Gabriel Valley Municipal Water District, seated as new members of the Metropolitan's Board of Directors.
- Issued press release urging residents in Pasadena, Altadena, La Canada Flintridge and La Crescenta to curtail water use while Upper Feeder supply pipeline is shutdown for scheduled repairs.

### **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 more than 1,000 residents and businesses in the cities of La Verne, Los Angeles, Pasadena, South Pasadena and Riverside to inform them about upcoming construction activity associated with the Palos Verdes Upper Feeder and Weymouth plant shutdowns, among other projects.
- Nearly 30,000 people visited bewaterwise.com in January. There were more than 13,000 visits to bewaterwise.com from February 1-11, 2013.

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

- On February 8, Metropolitan Director Morris and staff attended the San Gabriel Valley Public Affairs Network event featuring state Senator Ed Hernandez, Assembly Member Ed Chau and Assembly Member Chris Holden. More than 100 participants turned out to hear the legislators' public policy goals, which included a reliable water supply to ensure economic prosperity for the region.
- On February 22, Directors Murray, Peterson, and Wunderlich and staff attended the Valley Industry and Commerce Association's annual State Officeholders event at Universal Studios. The event was attended by more than 25 state elected officials from the Los Angeles area and 200 business leaders from throughout the San Fernando Valley.

## EXTERNAL AFFAIRS—LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

### FEDERAL

- On February 5, staff met with House and Senate Committee staff in Washington, D.C. to discuss Metropolitan's objectives with respect to the need to enact hydropower licensing reform that will favor the expansion and development of new sources of small-system hydropower throughout the region.
- On February 26-28, Directors Ackerman, Record, Peterson, Dick and Vasquez and staff participated in the Association of California Water Agencies 2013 Washington, D.C. Conference, where a variety of issues were discussed, including the priorities of the Administration and 113<sup>th</sup> Congress. Speakers included top leaders from Environmental Protection Agency, Army Corps of Engineers, the Bureau of Reclamation, and the newest members of the California Congressional delegation.

### STATE

- On January 10, Governor Brown released his proposed 2013/14 spending plan which reflects a \$1 billion reserve. The Governor's proposed budget described his intent for allocating cap-and-trade auction revenues, including funding for programs that reduce energy used in the supply, conveyance and treatment of water and that can significantly reduce greenhouse gas emissions while also saving water. Metropolitan continues discussions with the Brown Administration regarding the allocation of cap-and-trade revenues to Metropolitan and the State Water Project.
- On January 24, Governor Brown delivered his State of State address before a joint session of the Legislature. The Governor commented on the need to reform the California Environmental Quality Act so that it provides greater certainty and cuts needless delays. He also outlined his plan for a new Delta conveyance to improve the Delta' ecosystem, ensure water supply reliability and help insulate the state from natural disasters.
- Staff monitored three informational hearings on water-related issues and will report back to the Communications and Legislation Committee. The committees and issues were:
  - February 22: Senate Environmental Quality Committee -"Achieving Clean Drinking Water in the Central Valley: An Inventory of Drinking Water Systems," Visalia, CA
  - February 22: Assembly Water, Parks and Wildlife Committee -"Salton Sea Restoration," Mecca, CA
  - February 26: Joint hearing with the Senate Natural Resources and Water and Governance & Finance committees - "Overview of California's Debt Condition: Priming the Pump for a Water Bond," Sacramento, CA



Lilly Shraibati presenting at the Water System Operations Managers Leadership orientation workshop in La Verne.

## HUMAN RESOURCES—STRATEGIC PRIORITY: EMPLOYEE DEVELOPMENT

### Foster learning and organizational development

- Two Employee Development classes delivered in February were *Facilitating for Results* and *5 Choices to Extraordinary Productivity*.
- A Career Development class on *Preparing for Job Interviews* was attended by a number of employees.
- Thirty-two employees in the Water Quality laboratory attended a facilitated session on collaborative writing.

### Foster Management Excellence

- Staff continued to provide in-person management coaching and consultation to eight senior managers and one senior staff, as well as administering ongoing external coaching engagements for four managers.
- Staff continued follow up to a partnering session between treatment plant managers, water quality managers and Water System Operations leadership. [See photo on previous page \(13\)](#).
- Day 1 and Day 2 of the five-day New Manager Orientation were delivered during the month for a new group of managers.
- Coordinated attendance for two managers to the “Manager as a Mentor” seminar of the Institute for Management Studies.
- Two Management Development classes were delivered in February: *Delegating for Shared Success* and *Principles in Genuine Leadership*.

## HUMAN RESOURCES—HUMAN RESOURCES EXCELLENCE

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

- Employee Relations staff performed Drug and Alcohol Reasonable Suspicion Training for managers and employees.
- Equal Employment Opportunity staff completed an internal EEO investigation arising from the Water System Operations Group.

### Manage total compensation

State Auditors conducted a review of Metropolitan’s retirees to determine if individuals were reported accurately and within Public Employees Retirement System laws. Staff worked with auditors to provide information and all requests were addressed on time and to the satisfaction of the auditors. The final report will be provided in a month.

### Identify, assess, and manage risk

- Risk Management completed 80 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.
- The Risk Management Unit completed 45 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.

### Control Workers’ Compensation costs

- Conducted initial investigations on 9 injury incidents.
- Submitted 8 new claims to Metropolitan’s workers’ compensation claim administrator.
- Settlements were negotiated in 1 claim, finalized in 1 claim and 12 claim files were closed.
- Arranged 24 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Coordinated 2 random drug/alcohol tests at 2 facilities.
- Addressed 2 accommodation issues.
- Conducted MedVan evaluations at Mills, Lake Mathews, and Lake Skinner facilities.



**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**

- An easement was granted to the City of Upland for a water pipeline and fire hydrant assemblies crossing the Foothill Feeder/Rialto pipeline right of way to serve a retail development adjacent to Metropolitan’s property.
- Cucamonga Valley Water District was issued an entry permit to allow for access for construction equipment and the temporary storage of pipe and equipment on a portion of Metropolitan’s Foothill Feeder/Rialto Pipeline right of way in the city of Rancho Cucamonga.
- An entry permit was issued to San Diego Gas and Electric Company to allow for construction of pipeline and related facilities within Metropolitan’s San Diego Pipeline Nos. 4 and 5 right of way for natural gas transmission.
- The County of Los Angeles was issued an entry permit amendment to extend the term to allow for access to perform surveys, invasive investigations, construction, and staging for the WB-26B Service Connection Project.
- A one-year extension to the term of an entry permit was issued to Canyon Crossings Corporate Center. This entry permit allows access, temporary parking, street improvements, landscaping and utilities along a designated portion of the Box Springs Feeder right of way.

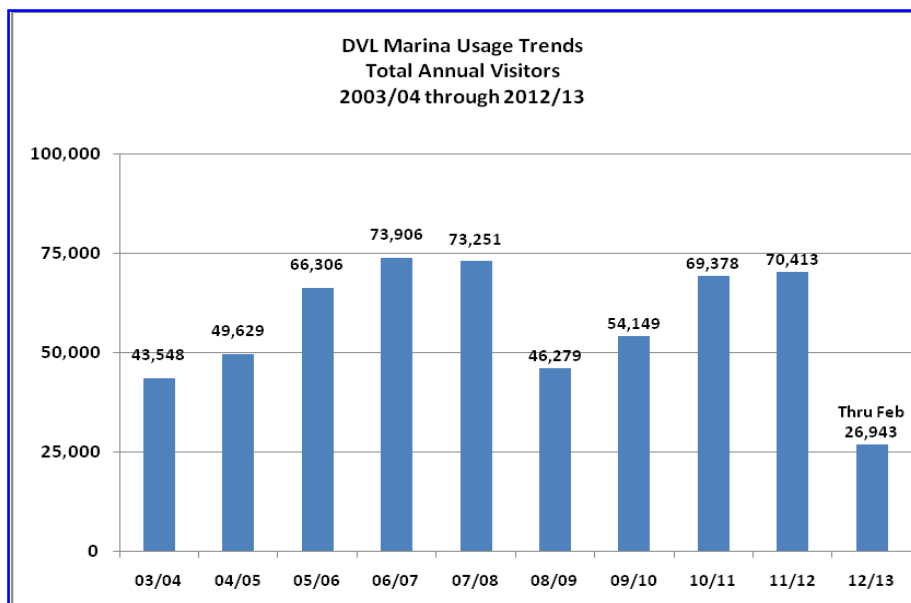
**Pursue development of the Diamond Valley Lake area, including the Visitor Center and marina, into the creation of an area that supports recreation, provides leasing and revenue opportunities, and provides benefits to Metropolitan and the surrounding community**

Metropolitan has now received 16 months' rent on the percentage lease with Urban Park Concessionaires for the operation of the DVL Marina and the Lakeview Trail. The \$90,368 received represents seven percent of the October 2011 through January 2013 gross receipts. Annual savings for replacing the professional services agreement with the percentage lease are estimated to be \$380,000.

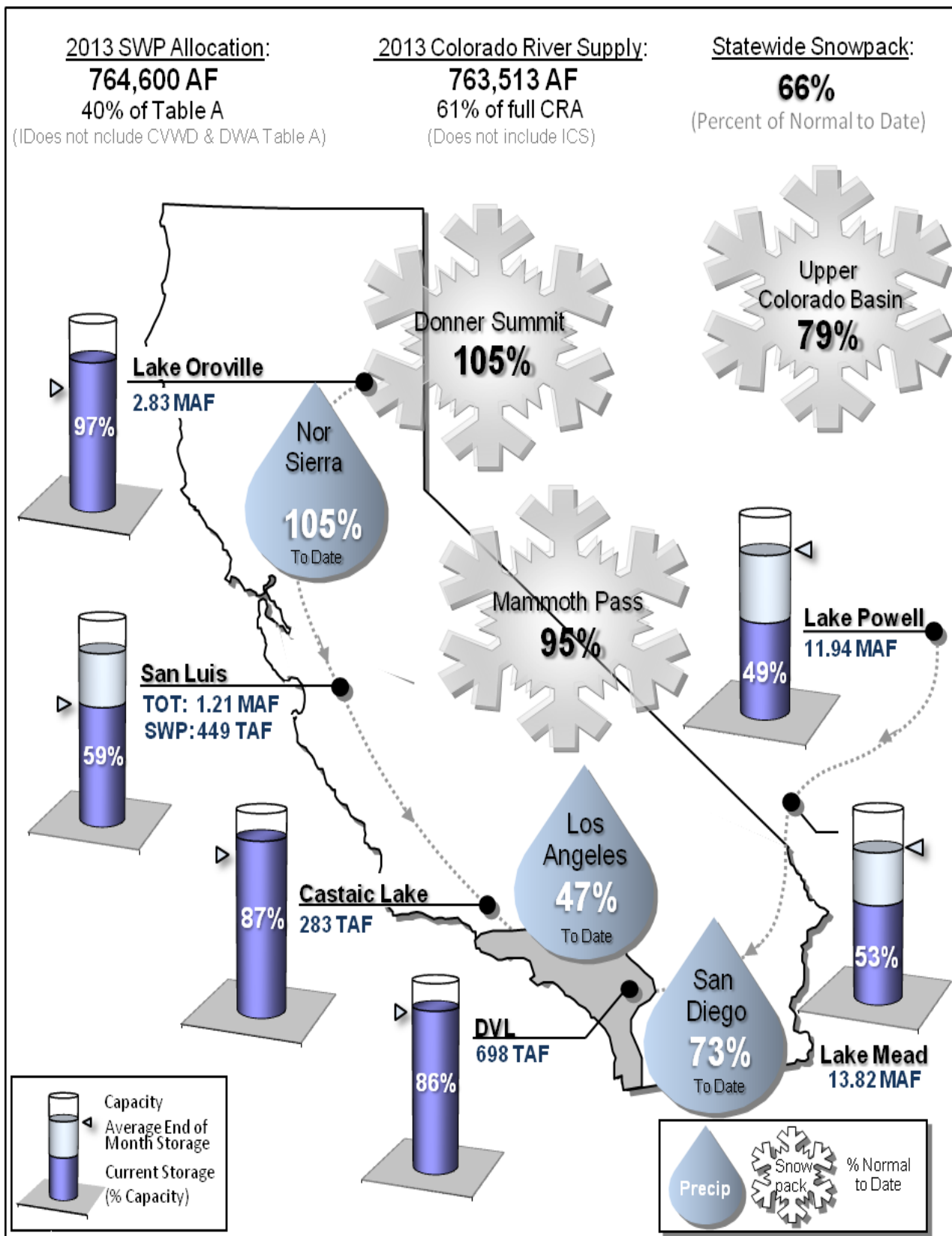
Diamond Valley Lake has hosted approximately 574,000 visitors at its marina facilities and 137,000 private boats have launched since the 2003 public opening

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

A license was acquired from American Tower for a telecommunications site at Las Vegas Junction in Nevada. This acquisition is part of Metropolitan’s two-way radio upgrade capital project and will help provide more expansive coverage than the current site with Nevada Power. Once this site is fully operational, the lease with Nevada Power will be terminated.



**WATER SUPPLY CONDITIONS AS OF FEBRUARY 28, 2013**



## WATER RESOURCE MANAGEMENT—WATER SUPPLY

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

Water Supply Losses to Protect Delta Smelt—Salvage of adult delta smelt at the State Water Project and Central Valley Project export facilities reached 75 percent of the total Incidental Take Limit of 305 fish on February 6, 2013. To reduce the risk of delta smelt entrainment, the United States Fish and Wildlife Service determined that reverse Old and Middle River flows should be no more negative than -1,250 cubic feet per second. This represents flow levels mandated by the 2008 USFWS Biological Opinion that are most restrictive to Delta exports. So far in the 2013 water year, operating to the United States Fish and Wildlife Service Biological Opinion has resulted in approximately 490,000 acre-feet of lost SWP supplies, with approximately half of that amount being lost to Metropolitan. Metropolitan is working with other State Water Contractors and the regulatory agencies to minimize potential future water supply losses.

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

Water Demand Forecasting System—Staff is partnering with the Municipal Water District of Orange County and the Moulton Niguel Water District to evaluate a new water demand forecasting system. The joint project is using Moulton Niguel's service area as a pilot test of the forecasting system, which features behavioral models of water using consumers. Metropolitan is supporting the \$48,000 project with a \$15,000 cost-share and is also providing in-kind demographic, forecasting and conservation expertise.

### **Ensure reliable and cost-effective water management programs**

Ocean Plan Regulations—Staff collaborated with CalDesal and member agencies to provide input during a State Water Resources Control Board workshop on proposed Ocean Plan regulations for seawater desalination projects. The State Board held the workshop to consider reconvening a panel of experts in order to review two recently available studies on intakes and brine discharges and other new information. West Basin performed the two studies, which included evaluating the benefits of wedge-wire screens and evaluated the impacts of brine on marine life. State Board staff indicated a willingness to reconvene the panel and is requesting funding from the water industry. The State Board's goal is to adopt new regulations by the end of 2013.

## 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**

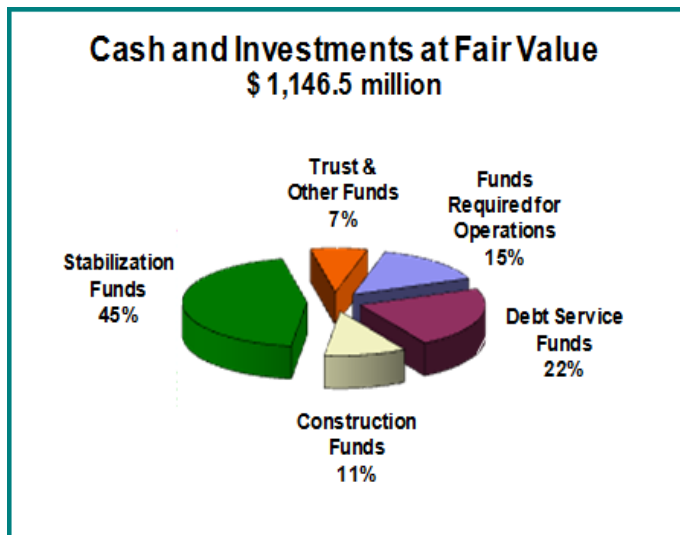
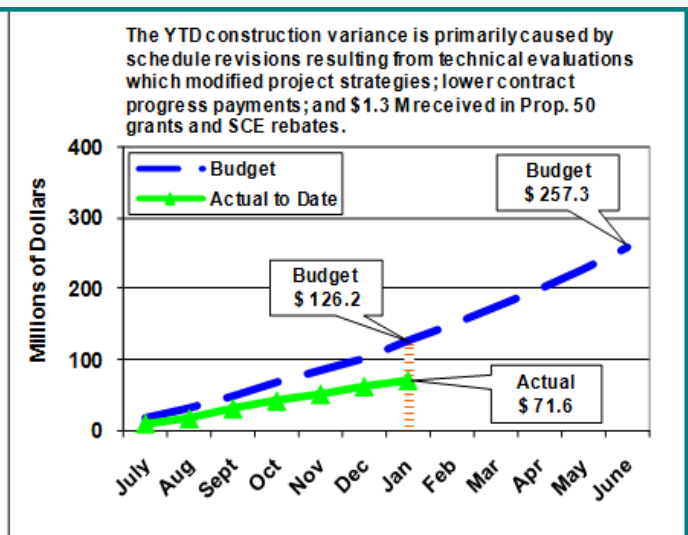
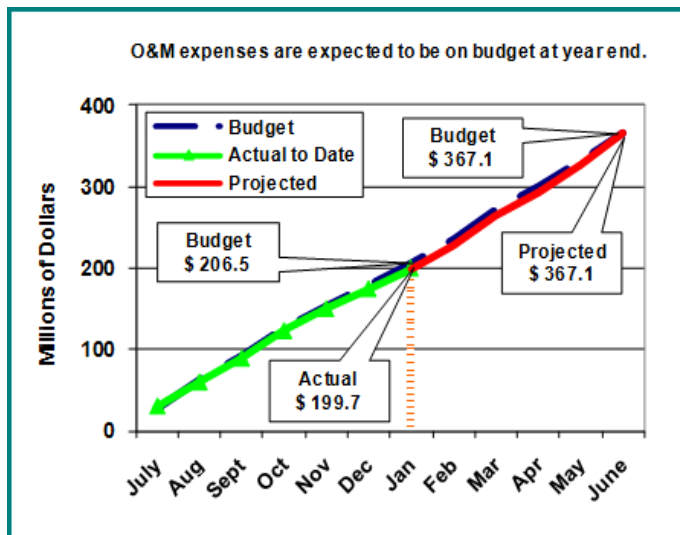
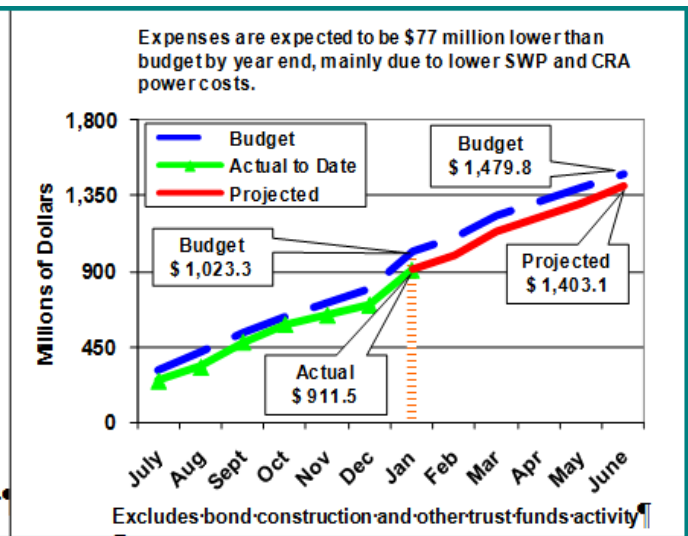
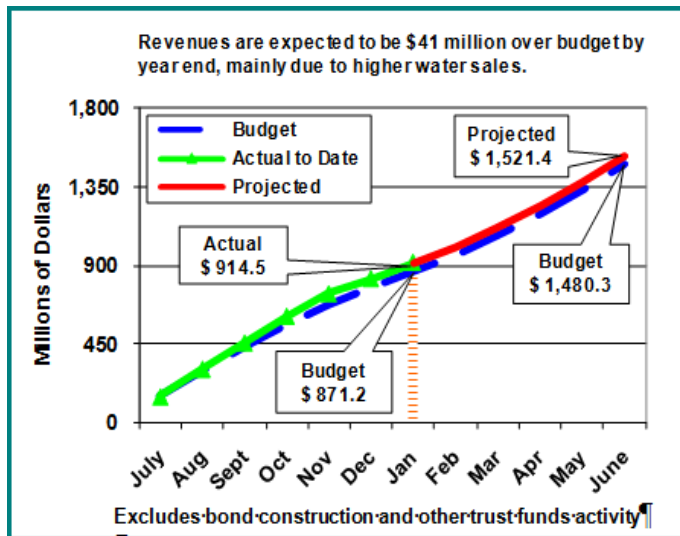
Financial activities were recorded in a timely and transparent manner.

### **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 and no policy violations, while generating a portfolio return that exceeded the benchmark.



AS OF JANUARY 31, 2013



### 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

On February 26, General Manager Kightlinger and Chief Financial Officer Breaux visited the Upper Feeder Shutdown. At the installation location of the new service connection (SGV-01), staff explained about the work that had been completed and what work still needed to be done. The service connection (SGV-01) is for the San Gabriel Valley Municipal Water District.



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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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