



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

GENERAL MANAGER'S MONTHLY ACTIVITY REPORT MARCH 2015

March 31, 2015

This report identifies the actions and activities taking place during the month that support the objectives of the General Manager's Fiscal Year 2014/15 Business Plan.

STRATEGIC PRIORITY: Develop Water Supplies and Manage Water Reserves

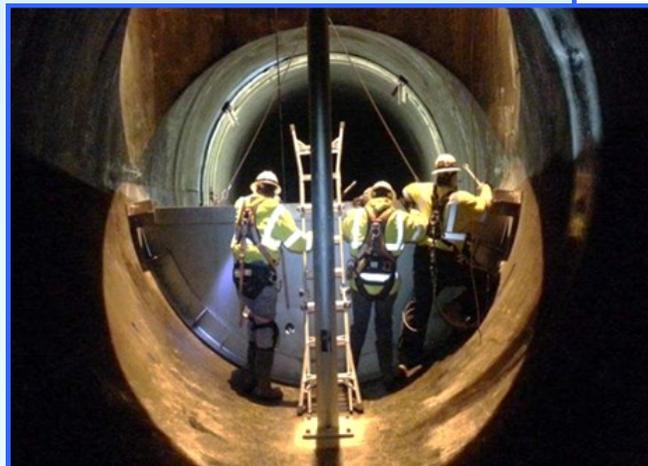
Water System Operations

Metropolitan continues to manage the delivery system while accounting for the reduction of State Water Project supplies. Reduced SWP supplies result in decreased operating flows out of the Jensen water treatment plant. To improve operation at these low flow conditions, the Jensen plant required modifications to the plant's effluent chlorination and monitoring system. The La Verne Shops manufactured a stainless steel (half-moon) weir gate to back water up in the pipeline and allow for continuous sampling. Installation was completed during a 48-hour scheduled shutdown. This weir gate and modified chlorine injection assembly allow the Jensen plant to reliably measure chlorine residual in the plant's effluent line and maintain water quality requirements during these unusually low plant flows.

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Lowering personnel into Jensen outlet pipeline for weir gate installation.



Installation of the 12-foot weir gate.



BAY DELTA INITIATIVES

STRATEGIC PRIORITY: COMPLETE BAY DELTA CONSERVATION PLAN

Continue to provide leadership in this process to restore the reliability of the State Water Project with the goal of completing the Environmental Impact Report/ Environmental Impact Statement within the upcoming fiscal year reaching decisions on the project.

Bay Delta Conservation Plan (BDCP)—The California Department of Water Resources continues to address comments received during the public comment period on the Draft Bay Delta Conservation Plan and Draft Environmental Impact Report/ Environmental Impact Statement and develop supplemental information to be provided as part of recirculated Draft documents. No formal decision on the scope or timing of the recirculation has been announced yet.

CORE: BAY DELTA SOLUTIONS

Develop near- and long-term solutions that enhance the Delta ecosystem, improve water supply reliability, and protect water quality.

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—As reported last month, in January DWR and U.S. Bureau of Reclamation submitted a Temporary Urgency Change Petition (Petition) to the State Water Resources Control Board (SWRCB) to request temporary changes to the terms of the water rights permits for operation of the State Water Project and Central Valley Project for February and March 2015. The Petition requested temporary modification of water rights requirements to meet the objectives for Delta outflow, San Joaquin River flow, Delta Cross Channel gate closure, and export limits. The requested changes would allow management of reservoir releases in a manner that conserves upstream storage for fish and wildlife protection and Delta salinity control while providing critical water supply needs. On February 3, 2015, the SWRCB Executive Director issued an order approving some elements and denying other elements of the Petition. On February 18, 2015, the SWRCB held a workshop to hear issues raised by the public in regard to the order.

On March 5, the SWRCB Executive Director issued a revised Petition order for February and March 2015. The revised Petition order approves the request for an intermediate level of export pumping under limited circumstances, approves water transfers between water contractors, with some additional reporting requirements, and removes the provision in the original order that allowed the Executive Director to direct the use of water conserved through the implementation of the Petition. Since storms have pretty much ceased for the year, the order is essentially

too late to provide any additional water. DWR and USBR are preparing to submit a Petition to the SWRCB for the April through September 2015 period, which will focus on dealing with low supplies, drought impacts and water quality issues.

The SWRCB also issued an order to all diverters in the Delta watershed on February 4, 2015 requiring them to report water diverted and by what water rights, each month, as well as provide documentation supporting any claimed water rights. The deadline to submit information was March 6. The SWRCB reported a 94 percent compliance rate with the order. On March 17, the SWRCB re-adopted and amended its prior emergency order regarding the collection of information from Delta diverters.

Near-Term Actions: Turbidity Forecasting—Turbidity has remained low (less than 10 Nephelometric Turbidity Units, a measure of turbidity) at the central and south Delta compliance stations in March. Adult smelt salvage remains low at 33 percent of the incidental take limit and 82 percent of the concern level, an actual take of less than 10 real fish. Metropolitan staff continues to participate in weekly calls of the Delta Condition Team and in the Team Quarterly Planning Meeting. Staff presented information on the usefulness of the artificial neural network turbidity model as a project operation quick evaluation tool during the December 2014 storm.

BAY DELTA INITIATIVES

CORE: BAY DELTA SOLUTIONS continued.....

Science Activities—Dr. James Hobbs of the Wildlife, Fish and Conservation Biology Department at the University of California, Davis conducted fish surveys in small tributaries to San Francisco Bay during January and February as part of a study of longfin smelt spawning habits funded by Metropolitan. Dr. Hobbs found longfin smelt larvae in several downstream tributaries, including Napa Slough, Steamboat Slough and Mud Slough in the Napa River Marsh, and in the Petaluma River. These results suggest that longfin smelt may spawn much farther downstream than commonly believed, even during dry years. Dr. Hobbs presented these study results at the Interagency Ecological Program 2015 Annual Workshop on March 18-20. Dr. Hobbs continued the fish surveys during March, and again found longfin smelt larvae in several downstream tributaries.

Bay-Delta Initiatives staff is supervising a major study of longfin smelt vertical distribution. The study will involve several sets of round-the-clock trawls in San Pablo Bay at different water depths. The study is testing the hypothesis that longfin smelt move to deeper water when turbidity decreases (and thus become invisible to the existing standard trawls).

BUSINESS TECHNOLOGY

CORE: BUSINESS PROCESSES AND INFORMATION TECHNOLOGY

Advance continuous business process improvements to improve effectiveness and efficiency while striving for innovation, flexibility, and integration with technology.

Upgrade and refurbish Information Technology applications and infrastructure to ensure system reliability and performance levels that meet customer needs.

Voice Over Internet Protocol Technology (VOIP)—Staff worked in conjunction with consultants to develop project plan, schedule, roles and responsibilities for design and implementation of the VOIP system. In addition, staff conducted analyses to procure subscriber lines from phone carrier companies (e.g., Verizon, AT&T) that are needed to deploy the new telephone system.

Network Communications Infrastructure—In March, staff initiated deployment of core switches for primary sites including Headquarters' data center, Lake Mathews Disaster Recovery Facility, Weymouth, and Eagle Rock. Core switches serve as the gateway to support data communications. The project team also finalized the bid documents to provide additional electrical power, air-conditioning, and uninterruptible power supplies to Metropolitan's Headquarters building network rooms on each floor.

Emergency Radio Communications System Upgrade—Staff completed the final acceptance test of the pilot phase for the emergency radio communications system upgrade. All objectives of the pilot phase were met, and staff will initiate installation of communication equipment (e.g., antennas) at various sites throughout Metropolitan's service area.

IT Disaster Recovery—Staff is preparing to conduct regular exercises to ensure the ability to recover critical IT systems during an emergency next quarter.

Deploy security technologies to enhance Metropolitan's cyber security position.

During this period, staff continued review and evaluation of proposed legislation related to cyber security to determine if applicable to Metropolitan.

BUSINESS TECHNOLOGY

CORE: BUSINESS PROCESSES AND INFORMATION TECHNOLOGY continued...

Foster a culture of innovation.

Staff hosted user group meetings with partnering agencies, member agencies and internal partnering groups on SharedPlanet Bids and NETConnect Systems, and developed new shared platforms for Business 2 Business (B2B) resources through social networking. Recent user group meetings included:

- Port of Long Beach, City of Long Beach, MetroLink and Planet Bids to adopt uniform small business certification procedures and processes.
- Meeting of the California B2B alliance with plans to introduce the B2Bconnect R Platform to public agencies, cities, and the Southern California business community this spring.

H2O TechConnect Community

- Metropolitan staff partnered to support the California water industry, our member agencies, and the water innovation and technology community by sponsoring and exhibiting at the California WaterReuse Conference in Los Angeles.
- 4th Annual BlueTech Valley Conference and Expo—Metropolitan exhibited on March 5 at the Veteran's Center in Clovis, California. More than 150 innovators, entrepreneurs and business specialists with ties to California's water industry gathered to share and discuss their vision for water technology.
- Innovate! SoCal 2015—Staff sponsored and exhibited at this event. At the conference, staff encouraged innovators and investors to develop new innovations and technologies for the water industry and to solve water shortage and drought problems.

Seek fair and equitable contract agreements with Member Agencies, federal, and state governments to maintain a long term sustainable wholesale water resource to Southern California.

Annexations

- Annexations staff proposed minor code changes to Metropolitan's Administrative Code, Division III, Section 3100-3300. The recommendations are a result of changes in Metropolitan practice that conform the Code to pertinent law.
- Discussed the following with member agency staff: annexation training, process and procedures updates, and proposed administrative code changes.
- Western Municipal Water District applied for eligibility of public water service in the Murrieta Window Payment Area for 7.09 acres, totaling \$36,789.58.

Implement innovative solutions for customers that will positively impact their business operations through improved quality, speed, simplicity, and cost improvements.

Emerging Technology Evaluation—Staff is in the process of evaluating cyber security tools for use to train and educate employees in security awareness.

Digital Signature Application—The DocuSign pilot program for professional contracts less than \$25,000 was a success, with an average turnaround time to contract execution of 11 days. There were two instances where the contract was executed in one day. The use of DocuSign has been expanded to include all work processes within the Professional Services Contract Development organization such as recommendation to award memos; agreements (issued from solicitation, small purchase, and/or sole-source); and amendments and letters (termination, and change of agreement administrator).

Electronic Evaluation Tool for RFPs/RFQs—A comparative analysis of the current Request for Proposal/Request for Qualifications evaluation process, relative to the system functionality/capability of the electronic evaluation module, is under management review. A formal recommendation will be prepared in April and submitted for management approval in May.

Fixed Asset Cycle Counting Process—Staff partnered with IT to evaluate replacement software for the fixed asset cycle counting process that is compatible with the current version of Windows to ensure continued vendor support. A recommendation report has been submitted to management for review and approval.

BUSINESS TECHNOLOGY

CORE: BUSINESS PROCESSES AND INFORMATION TECHNOLOGY continued....

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

Our Legacy E-Newsletter—Twenty winners were selected as part of last month's Green Smarts Quiz. The electronic quiz was a review of water, energy and recycling facts that were covered in the 2013 and 2014 issues.

Headquarters Facility Energy Conservation Initiatives—Base Energy has submitted its final Energy Audit Report for the Headquarters facility. The report states that the “facility is performing better than the national average by approximately 49 percent, which is excellent. The high score along with all of the facility's best practices confirms that the Headquarters facility is operated very efficiently.” The report also identified three potential energy efficiency projects which are considered financially feasible. Staff will be reviewing these projects and making recommendations to management for implementation.

Metropolitan's Rideshare Program—Rideshare participation for the third quarter averaged 36.7 percent.

Spring Green Expo 2015—Preparations for the Spring Green Expo, scheduled for April 30, 2015, are in full swing. March activities included:

- Registration for the Eco Innovators' Showcase (student exhibits) closed on March 6. 36 exhibits from 15 universities were received for consideration.
- Registration for the green vendor exhibits closed on March 6. Exhibit space was requested by 50 companies and 35 will be selected to exhibit at the Expo.

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

Supported Member Agencies, State of California, the Southern California business and Veteran business communities and innovation technology, and academic communities with the following activities:

- Board Member Murray represented Metropolitan at Southern California Minority Business Development Council's annual *Business Opportunity Day* held in Universal City.
- Staff attended the National Association of Women Business Owners at the *NAWBO Ventura County Bravo Awards*. Over 300 businesses and government agencies attended the event.
- Metropolitan sponsored the Valley Economic Alliance's *7th Annual Valley Business Expo* held in Burbank. Staff participated in *How to Do Business with the Government* workshops and introduced over 400 business owners to opportunities at Metropolitan.
- Staff partnered with the Inland Empire Small Business Development Center and the City of Temecula to present *The Procurement Advantage* in Temecula. Over 40 vendors registered their businesses in the NETConnect system.

Metropolitan conducted workshops; participated in conferences, expos, and panel discussions; and introduced over 1,800 businesses to opportunities at Metropolitan and provided information about Metropolitan's Drought Awareness Campaign, water conservation and Bay-Delta initiatives. Some

of the events covered were:

- Southwest Water and Energy Consortium, Los Angeles—Consortium of Government Agencies, Public Utilities, Universities, Non-Profits, Incubators, Manufacturing, Private Sector, and I-Hubs working together to share resources, expertise and knowledge; form public-private partnerships to advance technology; discover new water and energy technologies, provide capital, resources and opportunities for innovation and emerging technologies; and encourage economic development.
- The Energy Network, Los Angeles, *Public Agencies Taking Action to Save Energy*—Water-Energy Nexus in partnership with the County of Los Angeles and the California Public Utilities Commission.
- United Chamber San Fernando Valley Installation and Awards—Over 200 businesses and resource partners participated in the event.
- San Diego Venture Association Networking Event—Over 200 businesses participated in the event.
- Disabled Veteran Business Enterprise Networking Event and Workshop at Camp Pendleton—Over 300 businesses and resource partners participated in the event.
- 6th Annual SBA Southern California 8(a) Conference, hosted by the Rancho Santiago Community College SBDC—Metropolitan staff scheduled over 30 one-on-one matchmaking appointments. Over 150 small businesses attended the Conference.

CHIEF FINANCIAL OFFICER

CFO PRIORITY: SUCCESSION PLANNING

Focus on planning, management, and employee development to ensure continuity of duties and services. Work to ensure that employees and managers are prepared to effectively carry out their roles as a result of changes in workplace business needs, technologies and increased retirements.

Manage succession in preparation for anticipated retirements.

The Finance Training Program continued in March with Excel classes.

CORE: FINANCIAL MANAGEMENT

Manage Metropolitan's finances in an ethical and transparent manner and provide consistent, clear, and timely financial reporting. Update Metropolitan's capital financing plans and work with rating agencies and investors to communicate Metropolitan's financial needs, strategies, and capabilities thus ensuring Metropolitan has cost-effective access to capital markets and the ability to finance ongoing future needs. In addition, actively manage Metropolitan's short term investment portfolio to meet ongoing liquidity needs and changing economic environments.

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

Financial activities are recorded in a timely and transparent manner.

Ensure adequate financial controls are utilized.

In March 2015, the Chief Financial Officer issued its report on the effectiveness of internal controls over financial reporting, including information technology controls and security for the fiscal year ending June 30, 2014. This report is the basis for the annual reporting to the Executive Committee on the effectiveness of internal controls pursuant to Administrative Code §2700(c). The Controller reported that no material weaknesses, significant deficiencies, or control deficiencies were noted and concluded that internal controls over financial reporting and information technology security were effective for the fiscal year ending June 30, 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.

CFO PRIORITY: BUSINESS CONTINUITY

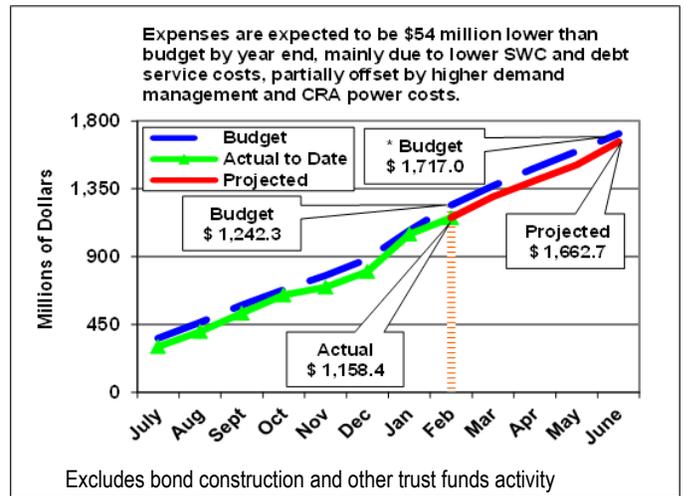
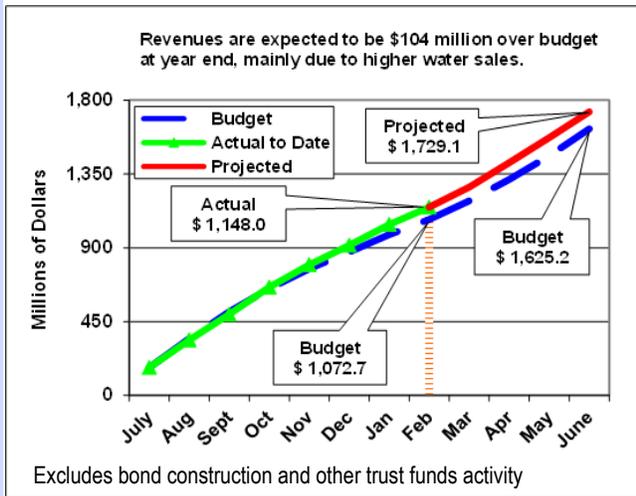
Facilitate district-wide planning and training to prepare employees and managers to effectively carry out critical roles and functions thus ensuring continuity of operations in the event of a disaster.

Manage Business Continuity Program in accordance with Operating Policy A-06.

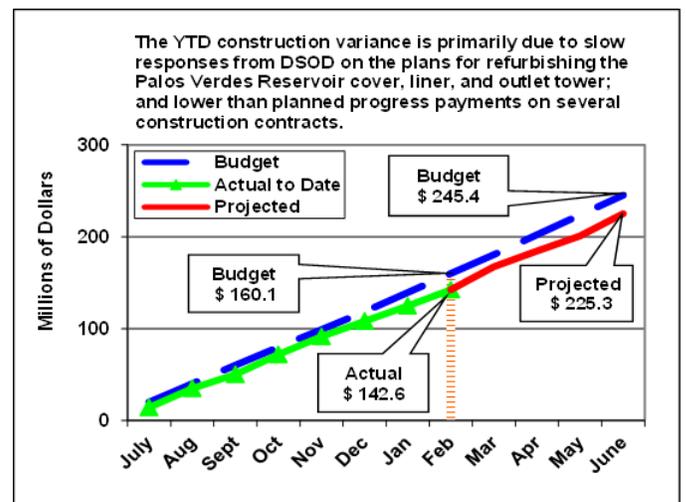
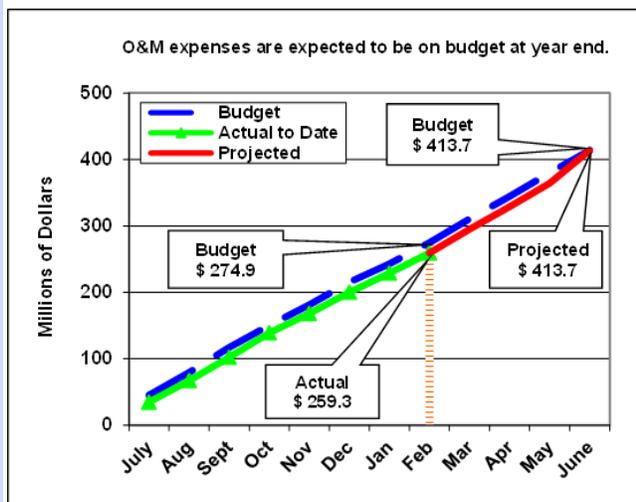
Completed reference checks of existing customers of three providers of software tools for Business Continuity Program management. IT staff provided a review of their security capabilities. A selection was made pending final IT input and contract negotiations. Contract is expected in April.

CHIEF FINANCIAL OFFICER

FINANCIAL SUMMARY AS OF FEBRUARY 28, 2015



* Includes \$17.6M and \$61.8M Board-approved increase for Water Supply Programs and Conservation, respectively.



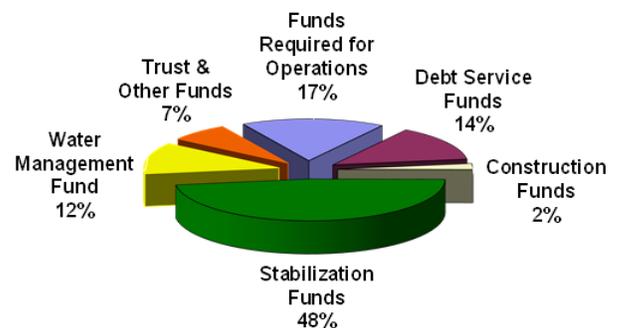
Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	≥ 1.20 x	2.11 x
Revenue Debt Service Coverage	> 2.00 x	2.58 x
Revenue Bond Debt / Equity Ratio	< 100.0%	57.9%

Credit Ratings

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

Cash and Investments at Fair Value \$1,504.9 million



ENGINEERING SERVICES

CORE: INFRASTRUCTURE RELIABILITY

Manage Board-authorized projects in the Capital Investment Plan and collaborate with the Water System Operations Group to identify and address system vulnerabilities to ensure reliability of the region's water treatment and delivery infrastructure. In addition, coordinate closely with WSO to integrate project planning and facility assessment efforts with near-term actions and planned shutdowns.

Manage and complete Board-authorized projects within the CIP to ensure the reliable delivery of water to Metropolitan's member agencies.

Distribution System Reliability Program

This program maintains reliable water deliveries through specific repair and rehabilitation projects on Metropolitan's pipelines, reservoirs, and control structures. Recent activities include the following:

- **Lakeview Pipeline/Inland Feeder Intertie**—This drought-response project constructs an intertie from the Inland Feeder to the Lakeview Pipeline so that water stored in Diamond Valley Lake can serve as a backup supply for the Mills plant. The work is being completed in two phases. Phase 1, which included construction of the intertie at the PC-1 pressure control structure and installation of a surge protection system at the Perris Pumpback Facility, is complete. Phase 2 includes installation of a steel liner for a one-mile length of the Bernasconi Tunnel. Phase 2 is 85 percent complete and is scheduled to be complete by April 2015, two months ahead of schedule. *(see photos right)*
- **Greg Avenue Pump Station Rehabilitation**—This drought-response project will improve reliability of the Greg Avenue Pump Station by replacing the existing pump and pump/turbine and by upgrading the electrical and control systems. Final design is 55 percent complete and is scheduled to be complete by September 2015.
- **Santa Ana River Bridge Seismic Retrofit**—This project strengthens the Santa Ana River Bridge, which supports an above-ground portion of the Upper Feeder as it crosses the San Ana River. Final design is 95 percent complete and is scheduled to be complete by April 2015.
- **G-01 Service Connection Rehabilitation**—This project replaces a leaking venturi meter and rehabilitates Service Connection G-01 on the Santa Monica Feeder. Construction is 85 percent complete and is scheduled to be complete by April 2015.

- **DVL East Dam Electrical Upgrades**—This project extends permanent electrical service to five seepage monitoring structures at DVL East Dam and to the microwave communication tower at the DVL East Marina. Final design is 20 percent complete and is scheduled to be completed by September 2015.
- **Orange County Feeder Relocation** within the city of Fullerton—This project relocates 1,100 feet of the Orange County Feeder to accommodate major street improvements planned by the city of Fullerton. Construction by the city is 60 percent complete and is scheduled to be complete by May 2015.



Lakeview Pipeline/Inland Intertie— Reinforcing steel for valve structure roof deck.



Lakeview Pipeline/Inland Intertie—Grating installation on elevated walkways within a valve structure

ENGINEERING SERVICES

CORE: INFRASTRUCTURE RELIABILITY continued...

Manage and complete Board-authorized projects within the CIP to ensure the reliable delivery of water to Metropolitan's member agencies.

Water Quality/Oxidation Retrofit Program

This program adds ozonation facilities which reduce disinfection by-products and improve water quality at Metropolitan's five water treatment plants. Recent activities include the following:

Weymouth Oxidation Retrofit Project

- Main ORP Facilities—The Weymouth plant is the final facility to be upgraded under the ORP. Construction of the ozonation system is 73 percent complete and is scheduled to be complete by late 2016.
- Weymouth ORP Chemical Facilities—These chemical systems are needed for integration of the upcoming ozonation system into the Weymouth plant's treatment process. Final design of the sulfuric acid system is complete. Final design of the hypochlorite facilities is scheduled to be complete by April 2015.

Diemer Oxidation Retrofit Project

- Diemer ORP—In March 2015, Metropolitan's Board authorized Metropolitan force construction of ORP completion activities and award of a construction contract for revegetation of the Diemer plant's south-facing slope. Construction is scheduled to be complete by December 2015.

Prestressed Concrete Cylinder Pipe (PCCP) Reliability Program

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

- Second Lower Feeder Near-Term Repairs at Site 3—This project is installing a steel liner within 4,900 feet of existing PCCP segments. Construction is approximately 90 percent complete and is scheduled to be complete by April 2015.
- PCCP Electromagnetic Inspections—This project performs electromagnetic testing during each shutdown season. During winter 2014/15, eight PCCP lines were inspected, totaling 25.06 miles. Staff are reviewing the electromagnetic testing results to determine long-term trends in the condition of the PCCP lines.
- Second Lower Feeder PCCP Rehabilitation—This project rehabilitates the remaining 28 miles of existing PCCP segments within the Second Lower Feeder. A programmatic environmental impact report for the rehabilitation work is scheduled to be released for public review and comment in late 2015.

Right of Way and Infrastructure Protection Program

This program performs needed site improvements within the distribution system such as erosion protection for pipelines and access roads. It also addresses right-of-way issues such as access easements and third-party encroachments and obtains long-term programmatic environmental permits to cover the entire conveyance and distribution system. Recent activity includes:

- Orange County and Western San Bernardino County Operating Regions—Final design of improvements is 30 percent complete and is scheduled to be complete by December 2015. Identification and final determination of additional right of way in support of the design improvements is 90 percent complete and is scheduled to be complete by April 2015. The draft Environmental Impact Report for the Orange County operating region is 90 percent complete and is scheduled to be released for public review and comment by April 2015.
- Los Angeles County Operating Region—Preliminary design of improvements is 25 percent complete and is scheduled to be complete by September 2015.
- Riverside/San Diego County Operating Region—Preliminary design of improvements is 5 percent complete and is scheduled to be complete by December 2015.

ENGINEERING SERVICES

CORE: INFRASTRUCTURE RELIABILITY continued.....

Colorado River Aqueduct (CRA) Reliability Program

This program maintains the reliability of Metropolitan's Colorado River Aqueduct delivery system. Recent activities include the following:

- **Whitewater Siphon Protection**—This project installs improvements to flow control structures which protect the Whitewater Siphon on the Colorado River Aqueduct from erosion by the Whitewater River. Final design is 90 percent complete and is scheduled to be complete by April 2015.
- **UPS Replacement**—This project replaces uninterruptible power supplies (UPSs) at all five CRA pumping plants. Each plant has a UPS system to prevent power surges and to serve as a backup supply for critical, non-pumping loads, in case of loss of station power. Design is 20 percent complete and scheduled to be complete by October 2015.

- **Radial Gates**—This project replaces eight corroded radial gates located along the CRA. The gates are used to dewater and isolate various reaches of the aqueduct. Final design is 35 percent complete and is scheduled to be complete by December 2015.
- **Intake Power & Communication Lines Relocation**—This project replaces 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 including Gene Wash Dam, Intake Village, and the Black Metal Mountain communication towers. Final design is 60 percent complete and is scheduled to be complete by September 2015.

Treatment Plant Reliability Program

This program was initiated to maintain reliability and improve the operating efficiency of Metropolitan's five water treatment plants through specific improvement projects. Recent activities include the following:

Diemer Plant

- **Electrical Upgrades, Stage 2**—This project replaces electrical equipment, improves backup capability, and upgrades the Diemer plant's electrical system to be consistent with current codes and industry practices. Construction is 55 percent complete and is scheduled to be complete by March 2016.
- **Yorba Linda Power Plant Turbine Replacement**—This project at the Diemer plant replaces the existing Pelton wheel turbine with a Francis turbine capable of operating under post-ORP hydraulic conditions. Manufacture of the turbine generator is complete and the equipment has been delivered to the site. Construction is 77 percent complete and is scheduled to be complete by August 2015.
- **East Filter Upgrades**—This project upgrades the Diemer plant's east filters, including replacement of 127 deteriorated valves with Metropolitan-furnished AWWA standard valves and seismic strengthening of the filter buildings. A construction contract was awarded by the Board in February 2015 and the Notice to Proceed was issued in March 2015. Construction is scheduled to be complete by November 2016.

Mills Plant

- **Electrical Upgrades, Stage 1**—This project replaces electrical equipment, provides backup in the event of component failures, and upgrades the electrical system to be consistent with current codes and industry practices. Final design is 97 percent complete and is scheduled to be complete by July 2015.
- **Bromate Control**—Chloramine addition is utilized to control the formation of bromate as a disinfection by-product of the ozone disinfection process. The bromate control facilities will reduce annual chemical and ozone production costs at the Mills plant. Final design of the bromate control facilities is 40 percent complete and is scheduled to be complete by December 2015.
- **Chemical Unloading Facility Chlorine Containment**—This project constructs chlorine containment facilities, including containment building, chlorine transloading system, chlorinator and evaporator system, scrubber system, control building and emergency generator. Construction is 18 percent complete and is scheduled to be complete by February 2017.

ENGINEERING SERVICES

CORE: INFRASTRUCTURE RELIABILITY continued....

Treatment Plant Reliability Program continued.....

Jensen Plant

- **Module No. 1 Filter Surface Wash Upgrades**—This project replaces the existing surface wash system with a new fixed nozzle system. During filter backwashing, the top surface of a filter bed is sprayed with water to break the solids that build up during the filtration process. Construction is 98 percent complete and is scheduled to be complete by April 2015. *(see photo right/below)*
- **Washwater Tank Seismic Upgrades**—This project upgrades two washwater tanks to increase their capability to withstand a major earthquake. Construction is 65 percent complete and is scheduled to be complete by April 2015.
- **Jensen Solids Transfer System**—This project enables Metropolitan to use four solids lagoons on the grounds of the Los Angeles Aqueduct Filtration Plant. The initial construction contract is installing 7,600 feet of solids transfer piping and a utility crossing structure across Bull Creek Channel. Construction is 65 percent complete and is scheduled to be complete by August 2015.

Weymouth Plant

- **Washwater Reclamation Plant Upgrades**—This project replaces deteriorated equipment in the Weymouth plant's washwater reclamation plant. Construction is 96 percent complete and is scheduled to be complete by June 2015.
- **East Washwater Tank Seismic Upgrades**—This project upgrades the Weymouth plant's east washwater tank to improve its ability to withstand a major seismic event. Construction is six percent complete and is scheduled to be complete by October 2015. *(see photo right)*

Weymouth East Washwater Tank Seismic Upgrades—Drilled dowel holes in the existing tank foundation for tie-in to enlarged foundation.

Skinner Plant

- **Solids Handling Area Improvements**—This project replaces an existing bridge crane, constructs a concrete containment pad, replaces existing asphalt pavement around the belt press building, and improves drainage. Construction is 40 percent complete and is scheduled to be complete by May 2015.
- **Administration Building HVAC System Replacement**—This project replaces the Skinner Administration Building's heating, ventilating, and air conditioning (HVAC) system. Design is 90 percent complete and is scheduled to be complete by April 2015.



Jensen Module No. 1 Filter Surface Wash Upgrades—Service water pump concrete pedestals.



EXTERNAL AFFAIRS

STRATEGIC PRIORITY: EDUCATE THE PUBLIC AND STAKEHOLDERS ON CRITICAL WATER SUPPLY CONDITIONS AND CRITICAL WATER MANAGEMENT DECISIONS

External Affairs efforts will focus on educating the public, legislative leaders, government officials, non-governmental organizations, and other stakeholders on critical water supply conditions and critical water management decisions.

Inform Southern Californians about the drought/water supply conditions and how they can help improve water supply reliability through conservation actions and support for water supply projects.

- On March 4, Metropolitan staff briefed the Los Angeles Board of Directors of the Associated General Contractors of California on Metropolitan's Report on Water Surplus and Drought Management. During the presentation, Metropolitan highlighted current supplies that are available for use and discussed how those supplies will be used in the short- and long-term to help Metropolitan meet the demand for water throughout Southern California.
- On March 12, 2015, staff delivered opening remarks for Equinox Center's H2oOverview highlighting critical water supply conditions with an emphasis on demand reduction and conservation programs.
- Arranged interviews with Metropolitan officials and provided information to reporters from Sacramento Bee, Chico Enterprise-Record, KQED radio, News10 and others about Board action authorizing purchase of Sacramento Valley water transfers.
- Set up separate interviews with General Manager Kightlinger and reporters for Financial Times and Wired magazine to discuss ongoing dry conditions and possibility of Metropolitan going into allocation.
- Arranged live, on-air interview with General Manager Kightlinger and KNX News Radio reporter to discuss a variety of water-related issues, including Diamond Valley Lake boat ramp closure, allocation, water wasters, severity of the drought, etc.
- Arranged interview with Board Chairman and KNBC-TV reporter at Metropolitan-sponsored Riverside community leaders briefing on drought.
- Arranged separate interviews with Metropolitan's press officer and reporters for KABC-TV, KCBS-KCAL, KNBC-TV and Riverside Press-Enterprise at Diamond Valley Lake for stories about drought and closing the lake's board launch ramp.
- Set up interview with Water Resource Management Group Manager Upadhyay and KTLA-TV reporter for a story about water supply conditions, the prospect of water rationing and overall drought impacts on Southern California.
- Provided information to New York Times reporter for a story about ongoing drought impacts on Southern California and the state.
- Arranged interview with General Manager Kightlinger and reporter for French-language magazine Good Life to discuss BDCP, state water bond, impacts of four years of drought and other water-related issues.
- Set up interview with General Manager Kightlinger and Freedom magazine reporter for a story about Southern California's water picture.
- Set up interview with Assistant General Manager Patterson and Desert Sun reporter for story about drought and water supply conditions.
- Arranged interview with Assistant General Manager Patterson and KCET's Chance of Rain blogger to discuss drought preparedness.
- Issued press release about Metropolitan closing Diamond Valley Lake boat ramp to private boats beginning in mid-April due to low water levels caused by the drought.
- Issued press release about Board of Directors selecting a company for \$5.5 million water-awareness/ drought advertising campaign, and Board authorizing up to \$71 million to purchase additional water supplies in the Sacramento Valley.
- Conservation tips and resources were shared with over 52,000 visitors to Bewaterwise.com® in February. Over 200 people are now following @Bewaterwise2o on Twitter.

EXTERNAL AFFAIRS

STRATEGIC PRIORITY: EDUCATE THE PUBLIC AND STAKEHOLDERS ON CRITICAL WATER SUPPLY CONDITIONS AND CRITICAL WATER MANAGEMENT DECISIONS continued...

Expand and enhance Metropolitan's outreach to key stakeholder groups in Southern California, statewide, nationally and internationally in support of strategic priorities.

- On March 6, staff presented at the American Society of Civil Engineers California Infrastructure Symposium on 21st Century Drought Management highlighting lessons learned and Metropolitan's Integrated Water Resources Plan.
- On March 6, Metropolitan staff presented an overview of Colorado River issues to an audience of about 100 local elected and community leaders at the Water Education for Latino Leaders Conference in Palm Springs.
- On March 19-20, staff made a presentation on water transfers and Proposition 1 at the California Water Policy Conference at Claremont-McKenna College.
- On March 25, staff made a presentation to Pure Technologies, a firm that develops new technologies for inspection, monitoring and management of water infrastructure on critical water supply issues.

Build effective regional, multi-state and international alliances in support of Colorado River water supply and water quality initiatives and implement collaborative outreach program to achieve objectives.

On March 6, 2015, staff presented to the Upper Colorado River Conservation Agricultural Districts to showcase Metropolitan's water management actions and programs for Colorado River use and demand reductions.

Secure support for water bond legislative proposals that meet Board-adopted principles and educate the public about the bonds' impacts to water resources.

Staff is monitoring Proposition 1 implementation activities by various state agencies through coordination with the Resources Agency and with the California Water Commission on the new Water Storage Investment Plan.

CORE: LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

Engage the public, labor, business community, agriculture, government leaders, non-governmental organizations, and other stakeholders in California's water issues, communicating Metropolitan's interests and Board-adopted policies through federal and state legislative strategies, multimedia and multi-cultural communications, and educational and other outreach programs.

Develop and implement local, state, and federal water policy and legislative strategies consistent with Board-adopted policies.

FEDERAL

On March 16-18, as part of Access DC, staff accompanied Directors Kurtz, Friedman and Gray to meetings with federal officials in Washington, D.C., key leaders in Congress including Senators Feinstein and Boxer, Representatives Napolitano, Huffman, Bishop, McClintock, McCarthy, Schiff, Costa, and Roybal-Allard.

On March 24-25, staff participated in the Inland Empire Economic Partnership legislative advocacy trip to Washington DC. The delegation met with the Inland Empire Caucus.

LOCAL

On March 13, Metropolitan Chairman Record presented and facilitated a panel discussion at a Community Leaders' Briefing in Riverside joined by Congressman Mark Takano, Senator Richard Roth, and Assembly Member Jose Medina before more than 100 local elected leaders and staff. The presentation and panel discussion explored water supply conditions and the California drought, as well as the need to address long-term reliability issues in the Bay-Delta.

EXTERNAL AFFAIRS

CORE: LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

Develop and implement local, state, and federal water policy and legislative strategies consistent with Board-adopted policies. Continued...

STATE

Emergency drought relief legislation was introduced by Governor Brown and legislative leaders, swiftly approved by the State Senate and Assembly and signed into law by the Governor. The \$1 billion package, which includes funding from Propositions 1 and 1E, the General Fund and other sources, is contained in SB 75/76 and AB 91/AB 92 and includes the following funding provisions:

- \$272.7 million from Proposition 1 for water recycling and safe drinking water projects.
- \$660 million in flood control funding from Proposition 1E for urban and rural capital outlay and local assistance.
- \$94.2 million in drought response funding that was included in the Governor's proposed budget, including funding for emergency actions to protect fish and wildlife, provide emergency drinking water and support emergency regulations and enforcement.
- \$27.4 million in new drought response funding, including funding to address water shortages at fire stations, protect fish and wildlife, and provide emergency water supply and food assistance.
- \$8.2 million in other drought and water-related funding, including funding for drought studies, instream flows, and to address water hyacinth problems.

On March 17-18, staff attended the San Diego Regional Chamber of Commerce's delegation trip to Sacramento, California and met with Speaker Atkins and Senate President Pro Tem De Leon; Assemblymembers Olsen, Gonzalez, Weber, Jones, Waldron, Maienschein, and Chávez; and Senators Anderson, Bates, and Huff and respective staff. Topics included California Environmental Quality Act reform, energy and water issues, infrastructure funding, cross-border trade, health care, housing affordability and education.

SB 143 (Stone, R-Temecula): DVL Recreation The bill seeks to exempt Diamond Valley Lake in Riverside County from statutory protections for drinking water reservoirs in order to allow body-contract recreation on the lake. Staff organized a coalition of agencies and other interested parties to oppose the legislation, which is scheduled to be heard April 15 in Senate Environmental Quality Committee.

2015 Bill Introductions

February 27 was the 2015 bill introduction deadline. Over 2,300 new legislative proposals were introduced; including, but not limited to:

- SB 385 (Hueso, D-San Diego): A measure sponsored by Association of California Water Agencies to establish a process for public water systems to comply with the new Chromium-6 drinking water standard.
- SB 471 (Pavley, D-Agoura Hills): A measure to require the Strategic Growth Council, when awarding grant funds, to give special consideration to projects that result in reduced energy use by a water supplier and end user of water, or both.
- SB 485 (Hernandez, D-Azusa): A measure to allow the Sanitation Districts of Los Angeles County to assist local jurisdictions in Los Angeles County in stormwater and dry weather runoff management projects.
- AB 349 (Gonzalez, D-San Diego): A measure sponsored by the San Diego County Water Authority to prevent common interest developments from prohibiting the use of low-water-using landscapes.
- AB 585 (Melendez, R-Lake Elsinore): A measure to authorize an income tax credit, up to \$2,500 per taxable year, to qualified taxpayers for improvements made to outdoor landscapes, during a gubernatorial-declared drought.
- AB 603 (Salas, D-Bakersfield): A measure to allow an income tax credit to qualified taxpayers for participating in lawn replacement programs.

Metropolitan staff is analyzing these and other bills in preparation for legislative hearings.

EXTERNAL AFFAIRS

CORE: LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

Support board member and executive management communications and working relationships with elected officials, other government leaders, business, agriculture, non-governmental organizations, community leaders and other stakeholders to improve awareness and understanding of water policy issues.

On March 5, Metropolitan staff joined the California Department of Water Resources and the Water Replenishment District in a presentation to the Whittier community sponsored by Park Water Company to discuss climate change and its effects on water supplies and management in California.

On March 13, Metropolitan staff gave a water supply update to the Regional Chamber Alliance. The alliance is made up of the Chambers of Commerce for the Norwalk, Santa Fe Springs, Whittier, La Mirada and Pico Rivera.

Support Metropolitan's operations through communication and outreach to various stakeholders (including local government agencies and utilities) regarding water resources; water supply system operations and maintenance; water quality protection and water treatment; infrastructure replacement, refurbishment and development; and emergency management.

Staff met with the cities of Jurupa Valley, Fontana and Compton in preparation for upcoming capital improvement projects on Metropolitan's pipelines.

Provide public outreach in coordination with member agencies to increase awareness of water issues and communicate Metropolitan's interests and Board-adopted policies.

- Provided information to Riverside Press-Enterprise reporter for story about Metropolitan's San Jacinto tunnel.
- Provided information to Pensions and Investments newspaper about Metropolitan's selection of third-party administrator for employee 401(k) and 457 investments.
- Made arrangements for Associated Press photographer to take photographs of Metropolitan facilities for a story about delivery of fresh water.
- Issued press advisory about Metropolitan's co-sponsorship of a Riverside Community Leaders Drought Symposium in Riverside on March 13 that attracted federal, state and local elected officials.

Provide a suite of educational products and programs to educate students about water and foster water stewardship in younger generations.

General Education Activities

- Provided outreach materials for student events at Wickman Elementary, Hamilton High School, and Bald Mesa Elementary.
- Hosted a field trip to the Wadsworth Pumping/Hydro-generating facility for the Western Center Academy.
- Provided in-service water education presentation to Anaheim High School.
- Hosted a California Regional Environmental Education Community workshop for educators from Los Angeles Unified School District, Los Angeles County Office of Education, Kidspace Children's Museum, Garden School Foundation, West Basin MWD, Tree People, Wildwoods Foundation, Audubon Society, University of Southern California, Friends of the LA River, and Heal the Bay.
- Hosted teacher workshop for Metropolitan's Conservation Connection curriculum, which introduces students to water and energy conservation through active learning as well as online water and energy audits.
- This month's activities directly impacted more than 2,200 students, teachers and community members and indirectly influenced approximately 20,000 individuals.

Education Website—There were more than 5,500 unique visits to the Education website from February 16 – March 19, 2015.

Diamond Valley Lake Education Program—Facilitated school workshops and tours for more than 1,100 students from Elsinore Elementary, Menifee Valley Middle, Avaxat Elementary, Ramona Elementary, Hemmerling Elementary, Little Lake Elementary, Estudillo Elementary, and French Valley Elementary schools.

Student Art Program—*Water is Life*, student art exhibit toured Rancho California Water District, Three Valley Municipal Water District, City of Pomona, Upper San Gabriel Valley Municipal Water District, City of Corona and Ventura County Waterworks. These events were covered and promoted in articles and on social media.

EXTERNAL AFFAIRS

CORE: LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continue....

Coordinate with member agencies to advance Metropolitan's interests and Board-adopted policies.

- Convened meeting for Member Agency public information officers on May 10, that included a presentation from Jennifer Persike on Association of California Water Agencies' projects and Save Our Water program, and updates on Metropolitan and member agency press issues and public outreach activities.
- Coordinated monthly meeting of Member Agency Managers and bi-weekly Member Agency Legislative Coordinator meetings.
- Staff began organizing a workgroup to facilitate collaboration and engagement on federal and/or state water use efficiency/conservation legislation in 2015. The group will begin meeting in April.

HUMAN RESOURCES

CORE: HUMAN RESOURCES EXCELLENCE

Foster Human Resources excellence with innovative and efficient processes that attract, hire and develop the right people with the right skills at the right time; provide management with the tools to swiftly and proactively address employee issues and poor performance; enable cost-effective workforce management together with the tools to continually improve workforce skills, competencies, productivity and customer support.

Ensure Metropolitan is a high-performance workplace with excellent leadership and management practices that engage and empower employees; foster alignment with Metropolitan's business goals; provide the right talent and skills for future business needs; and foster a workplace where employees implement cost-effective processes and programs to deliver outstanding value and customer support.

Control Workers' Compensation Costs.

- Conducted initial investigations on 14 injury incidents.
- Submitted 2 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 4 claims, finalized in 1 claim, and 6 claim files were closed.
- Arranged 8 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Addressed 2 accommodation issues.
- Coordinated random drug/alcohol tests at 1 facility.

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

- Staff was involved in single-item negotiations with various bargaining units, mostly on a number of new and/or revised job descriptions.
- Equal Employment Opportunities Investigations staff are investigating three internal complaints of discrimination. Two of these investigations involve numerous witness interviews and extensive document review.

Maintain compliance and effectiveness in benefit programs.

- Finalized a selection in the Request for Proposal process for administering Metropolitan's Deferred Compensation plans.
- Distributed the 2014 Total Compensation statements to all employees.

Identify, assess and manage risk.

- The Risk Management Unit completed 46 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.
- Risk Management completed 88 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.

Continue to implement technology solutions that support various Human Resources functions, processes and procedures.

Continued to implement process changes in the PeopleSoft system as part of the upgrade process to maximize system capabilities and streamline staff responsibilities.

HUMAN RESOURCES

STRATEGIC PRIORITY: EMPLOYEE DEVELOPMENT

Increase cross-training and employee development efforts to meet the challenges of increased retirements due to an aging workforce. Expand recruitment and retention initiatives to keep pace with retirements and to ensure a diverse workforce who is prepared for the future needs of Metropolitan. Define competencies critical to future needs of the organization.

Acquire talent.

- Researched options for developing a test bank of interview questions to assist recruiters and managers with developing the interview portion of a recruitment process.
- Two Student Interns started during the month and seven more are in the selection process.
- Platinum sponsor with HireAPatriot.org to increase Veteran's outreach for future opportunities.

Foster management excellence.

- Delivered Effective Performance Conversations class for managers.
- Coordinated the attendance for several managers to a Liebert, Cassidy, Whitmore seminar on *12 Steps for Avoiding Litigation and Social Media*, and an Institute for Management Studies workshop on *Building Resilience Skills for Work and Life*.

Foster learning and organizational development to support development of internal talent pipelines.

- Designed and coordinated 5th session of the Water System Operations Management Academy focused on providing learning opportunities for potential managers.
- Classes delivered include: *Presentation Skills* for senior staff, *5 Choices to Extraordinary Productivity*, *Email Etiquette*, *Moving from Conflict to Collaboration*, *Excel 2010 Part 1 & 2*, and *Agreement Administrators Workshop*.
- Three mandatory Drug and Alcohol Awareness classes were delivered at various Metropolitan facilities.
- Provided teambuilding and change management support to three teams and facilitated coaching interventions with external coaches for four managers.
- Supported the Engineering Group Mentoring program by facilitating a discussion on influence and advocacy skills for the workplace and conducting a workshop on career development.
- Eighteen employees successfully completed the four semester Water Leadership and Management Certificate program, co-taught by California State Polytechnic University, San Luis Obispo and California State University, Los Angeles. (*see photo below*)

Water Leadership and Management Certificate Program Participants



REAL PROPERTY DEVELOPMENT & MANAGEMENT

CORE: REAL PROPERTY ACQUISITION, MANAGEMENT AND REVENUE ENHANCEMENT

Manage Metropolitan's real property assets with a focus on revenue enhancement while ensuring that Metropolitan's core operations are protected. Acquire real property for future operational business needs.

Foster staff training and development.

- Managers attended two seminars offered by Liebert Cassidy and Whitmore titled *12 Steps to Avoiding Litigation and Social Media*.
- Staff completed Metropolitan's online *Defensive Driver* course.
- Staff attended the *2015 Eminent Domain Seminar* held by Nossaman, LLP.
- Staff attended a media training workshop held by communications consultant Steve Allen.

Evaluate additional use and rental of Metropolitan Headquarters building space.

- Neon Black Productions was issued a permit to film scenes in connection with an audio-visual production. Filming took place in the Metropolitan Headquarters Building.
- A lease previously issued to MWD Federal Credit Union was amended to relocate an ATM machine from Building 4 to Building 40 at the F. E. Weymouth Water Treatment Plant.
- A previously granted lease to Parsons Brinckerhoff, Inc. was amended to increase the office space on the third floor low rise at the Metropolitan Headquarters Building.
- A one-day entry permit was issued for the use of 200 parking spaces at the Metropolitan Headquarters Building for an event being held at the Union Station train terminal.
- A previously granted lease to San Diego County Water Authority was amended to a month-to-month term.

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

- A consent letter was acquired from the Federal Aviation Administration for the Upper Feeder Encasement Project to allow a crane near the flight path for Ontario International Airport.
- Staff completed five cost studies for the Orange County Feeder Relining Repair Project.
- Staff provided property research, valuation, and planning support to Bay-Delta Initiatives related to potential near- and long-term projects in the Delta.

Seek revenue-generating opportunities for real estate assets in several market segments, such as telecommunications, solar development, film production, and sustainable technology and research.

- An entry permit was issued to CBS Television Studios to park vehicles at the Sunset Garage during the filming of the NCIS television series.
- The City of Monterey Park was issued an entry permit to allow access on property near the Garvey Reservoir to perform trapping for coyote control.
- A permanent easement was granted to Cucamonga Valley Water District for two waterline crossings over and across a portion of Metropolitan's Foothill Feeder Rialto Pipeline right of way.
- A permanent easement was granted to the county of Riverside for a public street over and across a portion of San Diego Aqueduct Canal right of way.
- An existing lease with Sierra La Verne Country Club was amended and assigned to Zaruka Investment Properties for landscaping and access purposes in conjunction with an adjoining golf course located on the Foothill Feeder Rialto Pipeline right of way in the city of La Verne.
- An encroachment and removal agreement was granted to La Habra Associates, LLC to construct and maintain certain facilities on Metropolitan's existing pipeline easement within Lower Feeder.

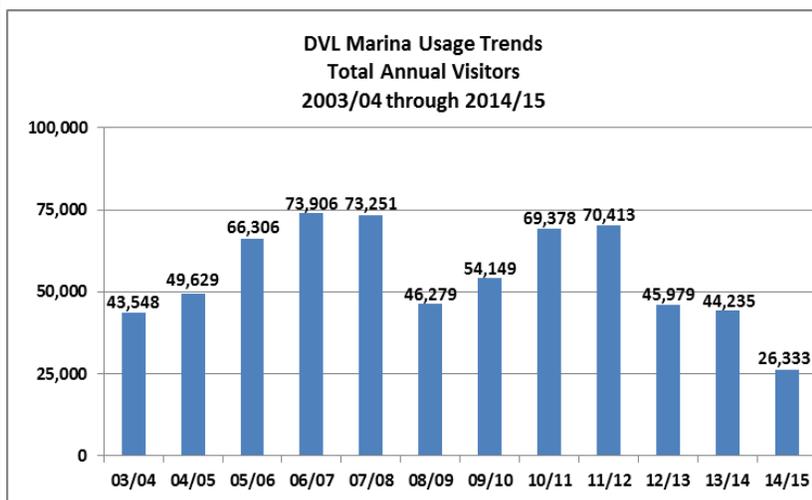
REAL PROPERTY DEVELOPMENT & MANAGEMENT

CORE: REAL PROPERTY ACQUISITION, MANAGEMENT AND REVENUE ENHANCEMENT

Pursue development of the Diamond Valley Lake area, including the DVL Visitor Center and marina facilities, to support recreation, develop additional leasing and revenue opportunities for Metropolitan, and benefit the surrounding community.

In Fiscal Year 2014/15, Metropolitan received \$15,485 through February on the percentage lease with Urban Park Concessionaires for the operation of the DVL Marina, Lakeview Trail, and North Hills Trail. The rent received represents seven percent of the gross receipts. Diamond Valley Lake has hosted 663,000 visitors at its marina facilities, and 155,000 private boats have launched since the 2003 public opening. *(see chart below)*

The seasonal Flower Trail, located in the Multi-Species Reserve and accessed through the DVL Marina, opened February 7 to impressive displays of California wildflowers due to the spring rains. Three new picnic tables have been added courtesy of a local Hemet Eagle Scout project. *(see photos below)*



Note: Actuals are thru March 2015; Project 45,000 visitors for FY14/15.

WATER RESOURCE MANAGEMENT

STRATEGIC PRIORITY: LOCAL PROJECTS AND INTEGRATED RESOURCES PLAN UPDATES

Review Local Resources Program and conservation rebate programs during this drought period to review what new actions might be appropriate, learn from this experience as to how to improve Metropolitan programs and work with the public and member agencies on expanding conservation efforts. Metropolitan's IRP was adopted in 2010 and will be updated in 2015 along with the state-required Regional Urban Water Management Plan.

Implement the Local Resources Program.

Terminal Island Recycled Water Expansion Project—Los Angeles Department of Water and Power submitted an LRP application for the Terminal Island Recycled Water Expansion Project, which will distribute about 7,000 acre-feet per year of recycled water for industrial, irrigation, and seawater intrusion barrier purposes, bringing the total contracted amount to 12,000 AFY.

On-site Retrofit Pilot Program—In July 2014, the On-Site Retrofit Pilot Program was launched and has committed to provide about \$1.6 million for converting 1570 acre-feet of potable water to recycled water at 51 sites. The program is well received by member and retail agencies.

California WateReuse Conference—General Manager Kightlinger provided a well-received presentation on water supply conditions at the opening ceremony of the California WateReuse Conference to more than 500 attendees. Metropolitan was one of the sponsors for this conference and co-chaired the planning committee. Staff provided presentations as part of a funding panel and on the Local Resources Program, and hosted an exhibition booth showcasing efforts under the Business Outreach Program, Local Resources Program, and On-site Retrofit Program. In addition, Metropolitan's Ray Mokhtari was recognized by the WateReuse Association and received an award as the Recycled Water Staff Person of the Year for his support and active involvement with the WateReuse Association and for managing the Local Resources Program, which helped development of many recycled water projects in our region. *(see photos below)*

Implement the Conservation Program effectively.

Surface Finishers Educational Association—Staff presented current water supply information and a review of Metropolitan's water use efficiency incentives to members of The Surface Finishers Educational Association (SFEA) in Orange County on March 12, 2015. The SFEA serves all surface finishers working in the fields of electronics, circuit boards, automotive components and accessories, aerospace, hardware, household fixtures, and a variety of other manufactured goods.

SeaWorld Partnership—In Fall of 2014, Sea World San Diego began renovating their Shamu Stadium restroom, which included the replacement of restroom fixtures and plumbing to support a saltwater flushing system. The new system is designed to use saltwater for flushing urinals and water closets instead of potable water. The project received funding from Metropolitan's Water Savings Incentive Program, and is expected to save over 1.2 million gallons of water annually. Staff attended a ribbon cutting ceremony marking the completion of the project on March 17, 2015.



Ray Mokhtari—Recycled Water Staff Person of the Year



WateReuse Association Conference Attendees

WATER RESOURCE MANAGEMENT

CORE: WATER SUPPLY

Develop and execute water resource strategies that achieve the long-term reliability envisioned in the Integrated Resources Plan (IRP). Efforts include the negotiation and management of supply, storage, and water use efficiency programs, administration of imported supply contracts, development of new water resource policy recommendations in support of the IRP, collaborative planning with member agencies, and forecasting resource and facility needs.

Ensure cost-effective and reliable imported water supplies.

Lake Perris Outlet Tower Seismic Analysis—DWR periodically analyzes major structures for seismic reliability. The preliminary analysis for the Lake Perris Outlet Tower resulted in a recommendation for costly reinforcement or replacement of the tower. After consulting with Metropolitan, a new structural analysis has been performed which predicts the tower's seismic response are within the acceptable parameters when considering a maximum credible earthquake on the San Jacinto fault system and will not require extensive repairs or replacement. A final report of the seismic analysis will be released later this year.

Participate and lead, where appropriate, in statewide and regional planning efforts.

Proposition 1 Storage Funds—Staff worked with the Association of California Water Agencies Surface Storage Policy Task Force to complete a white paper for ACWA Board approval and presentation to the California Water Commission. The paper addresses the relationship between surface and groundwater storage and makes recommendations for the Commission's criteria for awarding Prop. 1 storage funds.

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

Metropolitan Comments on Subsurface Intake Guidance Manual Study—Metropolitan staff provided comments supporting West Basin's Subsurface Intake Guidance Manual (Manual) study during a meeting to launch an expert panel review and receive public input. West Basin is developing the Manual as part of a U.S. Bureau of Reclamation grant received in 2014. Once complete, the Manual will be an electronic tool for project proponents to determine the technical feasibility of subsurface intakes based on site specific criteria. A second meeting of the expert panel is scheduled for April 2. The project is scheduled to be completed in December 2015.

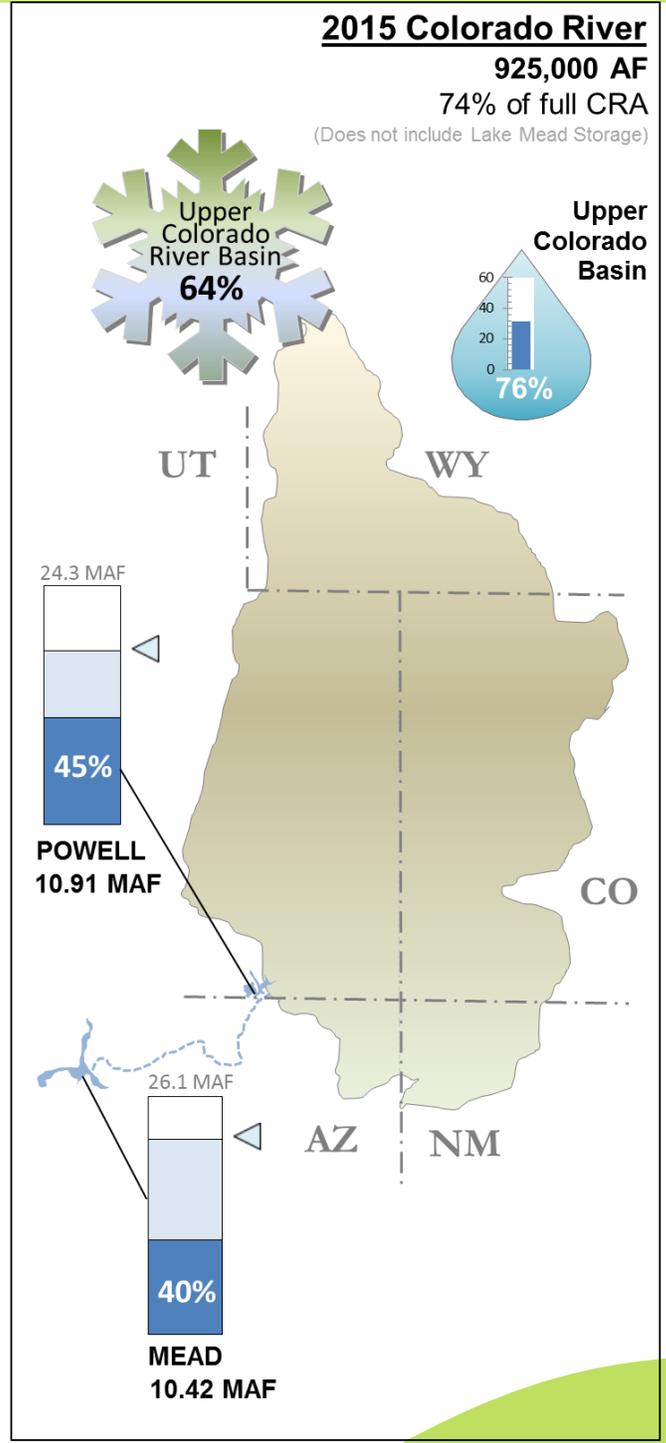
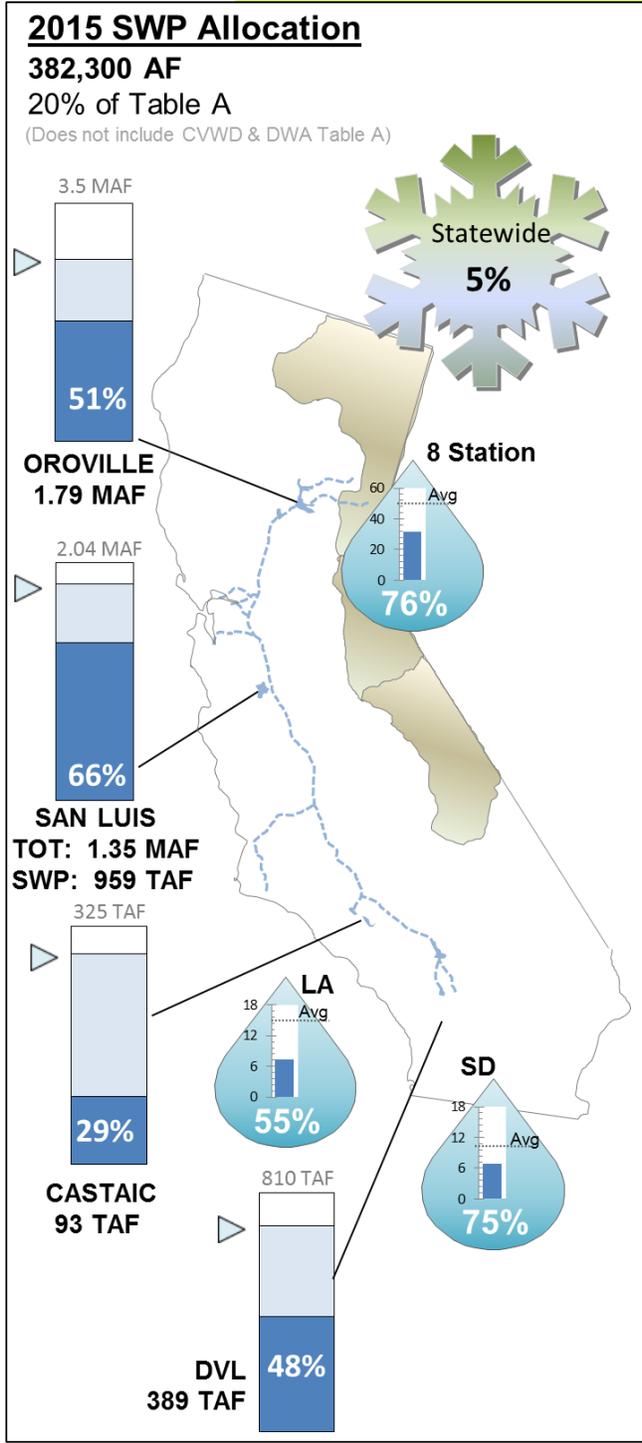
Ocean Plan Regulations—The State Water Resources Control Board released the draft final Ocean Plan regulations for seawater desalination on March 20. Staff participated in a CalDesal call to coordinate the water industry's review and response to the regulations. Staff has been collaborating with member agencies, CalDesal, and other stakeholders on the proposed regulation over the past four years, and has provided input into the process through testimony and comment letters. Comments on the regulations are due April 9, and a Control Board adoption meeting is scheduled for May 5.

Ensure reliable and cost-effective water management programs.

Water Transfers—In addition to influencing the final allocation, drought conditions in the remainder of the wet season may impact the yield that Metropolitan can expect from the 2015 water transfer programs, including the State Water Contractors Buyers Group and the Yuba Accord.

California Water Policy Conference 24—Staff participated in the California Water Policy Conference 24 held at Claremont McKenna College on March 19-20, 2015. Steve Hirsch participated in a panel discussion entitled, *Buy Me a River: Getting Creative with Water Markets*.

WATER SUPPLY CONDITIONS as of March 31, 2015



Regional Snowpack

Rainfall to Date (in)

Capacity
Average EOM Storage
Current Storage (% Capacity)

Snow pack
% Normal

WATER SYSTEM OPERATIONS

CORE: PROVIDE RELIABLE WATER SUPPLIES

System Operations delivered approximately 148,000 acre-feet of water to meet member agency demands in March, which averaged approximately 4,775 AF per day. This was an increase of about 675 AF per day over February's deliveries. System demand increased from a low of 3,200 AF per day on March 1 to a high of over 6,300 AF in mid-March due to dry weather with temperatures above 90 degrees Fahrenheit in many areas. Treated water deliveries for March totaled 67,000 AF, or 45 percent of total deliveries for the month. In March, 76,300 AF of Colorado River water was pumped as the Colorado River Aqueduct returned to service on March 5 after completing a 17-day shutdown that began in February. State Water Project imports averaged 1,890 AF per day totaling 58,500 AF for the month. This was an increase of 17,500 AF from February. System Operations continued the strategy of minimizing the use of SWP water wherever possible. For the month of March, the use of SWP water accounted for 39 percent of Metropolitan's deliveries.

Storage at Diamond Valley Lake decreased slightly during the CRA shutdown, to 390,000 AF or 48 percent full. SWP blends at the Weymouth, Diemer, and Skinner plants remained at zero percent due to the current low SWP allocation of twenty percent. The Greg Avenue pump station remained online for the month of March. Since March 19, 2014, the pumps at Greg Avenue have delivered 36,350 AF of CRA water to the western side of Metropolitan's distribution system.

System Operations continued to maximize power generation throughout the month. In March, Metropolitan's hydroelectric plants generated an average of 15 megawatts per hour for 11,450 megawatt-hours for the month.

CORE: OPTIMIZE MAINTENANCE

The scheduled 17-day shutdown of the Colorado River Aqueduct and San Diego Canal was completed this month ensuring that the system can maintain optimum flows throughout the rest of the year. In addition to cleaning 86 miles of tunnels, scraping canal walls, performing inspections, and removing built-up debris from normal operations, crews also performed high-voltage electrical testing, maintenance on electrical switchyard equipment, and repaired CRA pumping plant equipment that can only be accomplished when the system is at zero-flow. *(see photos below and on page 24)*



Specialized tunnel cleaner with articulating brush arms which remove accumulated deposits from tunnel walls.

Staff relocating the tunnel cleaning machine.



WATER SYSTEM OPERATIONS

CORE: OPTIMIZE MAINTENANCE *continued...*

During this drought year, the Colorado River Aqueduct has operated at full capacity. During shutdowns, staff removes any buildup of material which restrict flows. These annual shutdowns are critical to preserving full capacity of the CRA. *(see photos below)*



A specialized contractor performed an electromagnetic inspection of a 2,300-foot portion of the San Jacinto pipeline which connects the San Jacinto Tunnel to the San Diego Canal during the CRA shutdown. The electromagnetic inspection measures the condition of the prestressed concrete cylinder pipe.

Staff continued the system-wide coatings and inspection program aimed at preventing corrosion and extending the life of pipelines and infrastructure. During routine maintenance cycles, substructures are assessed and prioritized for coating and rehab work. Equipment that can only be addressed during an outage is scheduled accordingly. During the recent San Diego Pipeline outage associated with the Cal Trans Highway 76 widening project, over 170 structures were accessed. Crews performed minor mortar lining and coating repairs to ensure continued reliability. Additionally, mortar lining repairs were completed on the Red Mountain Power Plant sleeve valves during the scheduled San Diego Pipeline No. 5 outage. Internal pipeline inspections, coating, and mortar projects also included valves and bypass lines on the West Orange County and Middle Feeders, Coyote Creek hydroelectric plant, and the Lake Skinner Outlet Conduit. *(see photos below and page 25)*



Middle Feeder air-release structure before (left) and after (right) blasting and coating.

WATER SYSTEM OPERATIONS

CORE: OPTIMIZE MAINTENANCE continued...

Mortar repair photos continued...



Red Mountain Power Plant sleeve valve mortar repairs in progress.



Coyote Creek Hydro Electric Plant mortar repair.

During routine maintenance cycles, equipment that may be nearing the end of its service life is evaluated to determine if rehabilitation or replacement is more cost-effective. Crews were able to extend the life of a 30-inch valve on the Second Lower Feeder's Oak Street Pressure Control Structure by replacing the actuator rather than the entire valve. *(see photo below)*

In support of Water System Operation's core business goal to optimize maintenance, staff rolled out a Condition-Based Maintenance program at the Mills plant whereby operating performance rather than time-based schedules dictate maintenance intervals. A short-term goal is to identify all equipment that can be maintained based on condition and begin implementation on a representative subset. Upon successful implementation at the Mills plant, the program will be rolled out to other Metropolitan facilities.



Final adjustment of the new actuator at the Oak Street Pressure Control Structure.

WATER SYSTEM OPERATIONS

CORE: MANAGE THE POWER SYSTEM

During March, Metropolitan procured approximately 39,000 megawatt-hours of supplemental energy for Colorado River Aqueduct pumping operations. Supplemental energy is purchased from the energy marketplace and is the energy needed above what is available from contractual resources such as the Hoover and Parker Dam power plants. Nearly 65 percent of the supplemental energy was acquired through Southern California Edison from the California energy marketplace. Purchasing energy from Edison instead of from the energy marketplace located outside of California allows Metropolitan to comply with the AB32 Cap and Trade program requirements.

CORE: IMPROVE SECURITY AND EMERGENCY RESPONSE

On February 26, staff from the Los Angeles Department of Water and Power visited Metropolitan's Emergency Operations Center (EOC) at Eagle Rock to learn more about the tools and processes Metropolitan uses to respond to emergencies. Metropolitan currently uses Graphic Information System maps, real-time earthquake monitoring software, two-way radios, satellite phones, and social media to track real world events. Guests also learned how future upgraded EOC communications systems will help manage Metropolitan's emergency responses in the future. LADWP plans to use this, and other information, to enhance its EOC in the future.

Representatives from the Upper San Gabriel Valley, Foothill, and Three Valleys Municipal Water Districts and the cities of Pasadena and San Marino met with Metropolitan staff to develop an emergency exercise scheduled for May 2015. This tabletop exercise will focus on cyber security, operational communications, and coordination issues. This exercise is the latest in a series of exercises that Metropolitan has been developing with member agencies to remain prepared for a disaster.

CORE: PROTECT SOURCE WATER QUALITY

Staff submitted comments on the 90 percent design of the Topock Chromium-6 Groundwater Remediation Project on March 20. Additionally, staff continues to coordinate with Pacific Gas & Electric and the Department of Toxic Substances Control to ensure the project meets its target schedule to complete design and initiate construction by the end of 2015.

On March 26, staff participated in an annual stakeholders meeting regarding perchlorate cleanup at the former Tronox site in Henderson, Nevada. The Nevada Environmental Response Trust and the Nevada Division of Environmental Protection updated stakeholders on the long-term remedy plan development, project budget, and site management. Staff continues to monitor site operations, remedial plan development, and the disbursement of funds from the recent settlement between Tronox and its predecessors which provides approximately \$1.1 billion for site remediation.

CORE: PREPARE FOR FUTURE LEGISLATION AND REGULATION

On March 23, staff met with representatives of the Brown Administration, the State Water Resources Control Board, and California water associations to discuss the Administration's plan to improve water service in small, disadvantaged communities where water currently does not meet safe drinking water standards. The Administration is coordinating with various stakeholders as it formulates new policies to improve access to safe water.

WATER SYSTEM OPERATIONS

CORE: ENSURE WATER QUALITY COMPLIANCE, WORKER SAFETY AND ENVIRONMENTAL PROTECTION

Metropolitan complied with all water quality regulations and primary drinking water standards during the month of March 2015.

On February 27, the California Office of Environmental Health Hazard Assessment (OEHHA) lowered the public health goal for perchlorate from 6 parts per billion (ppb) to 1 ppb. California's drinking water standard for perchlorate was established in 2007 at 6 ppb and remains in effect. Public Health Goals are not drinking water standards but rather provide guidance for the State Water Resources Control Board (Control Board) in their efforts to develop a maximum contaminant level (MCL) which must balance health risk with technical and economic feasibility. The Control Board has up to one year to determine if it will revise the existing MCL. If a decision is made to revise the current MCL, the regulatory process could take several years. Current perchlorate levels in Metropolitan's Colorado River supplies are lower than 2 ppb. Perchlorate has not been detected in State Water Project supplies.

The State Water Resources Control Board's General Permit for Drinking Water System Discharges was finalized in January 2015. Metropolitan hosted one of a series of SWRCB workshops on March 18 to assist agencies in the enrollment process. Metropolitan will enroll under this permit for pipeline dewatering activities.

CORE: OPTIMIZE WATER TREATMENT AND DISTRIBUTION

State Water Project target blends at the Weymouth, Diemer and Skinner water treatment plants remained at zero percent for February. Flow-weighted running annual averages for total dissolved solids for January 2013 through December 2014 were 605, 604, and 533 mg/L for Weymouth, Diemer and Skinner plants, respectively.

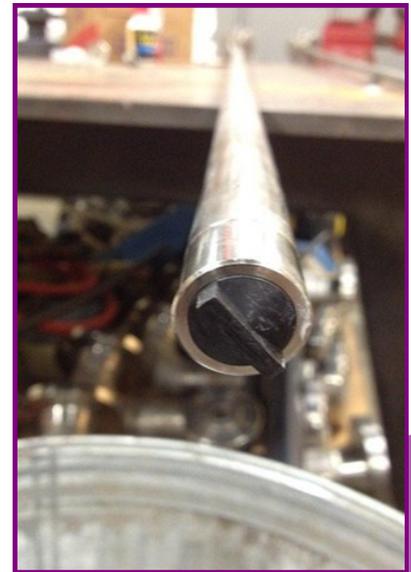
In March, Weymouth plant staff completed the replacement of 20 sludge pumps whose performance had deteriorated. The sludge pumps transfer solids from the water treatment process for thickening and disposal. The new pump flows are doubled compared to the older pumps improving operation and reducing energy use.

Mills plant staff replaced chemical injection ports for ammonia feed to reduce clogging, stabilize chemical feed at low flows, and improve safety during maintenance. In this new approach, the open-port injection is replaced by a "duckbill" check valve. Depending on performance, this approach may then be expanded to the other water treatment plants.

(see photos)

Left photo: Original port with calcium buildup as a result of the ammonia and water mixing, plugging the lance over time.

Right photo: New ammonia injection port with backflow device (duckbill check valve) that improves chemical feed stability.



WATER SYSTEM OPERATIONS

CORE: SUPPORT EDUCATION AND OUTREACH INITIATIVES

On February 25 and 26, staff provided inspection trips of the 13-mile San Jacinto Tunnel on the CRA. The tour described the history and construction of this tunnel and explained the regular maintenance required to maintain hydraulic capacity.

(see photo page 29)

The California-Nevada Section of the American Water Works Association selected Daryl Norman to receive its Operators Meritorious Service Award. This award recognizes special performance by operators beyond normal expectations of duty. Mr. Norman was selected based on his significant contributions to the start-up of ozone operations at the Diemer water treatment plant. *(see photo right)*

Conveyance and Distribution staff assisted on three, three-day tours of the Colorado River Aqueduct during the month of March. Tour participants (35-40 per tour) had the opportunity to visit key infrastructure sites, and hear information relating to agricultural water use, water conveyance and storage, power production, and coordination of resources related to the Colorado River users.



Daryl Norman receiving award from Awards Chairman Bruce Mader (right) of the CA-Nevada American Water Works Association.

CORE: DEVELOP WORKFORCE

The Water System Operations Apprentice and Technical Training Programs help develop and train personnel to become qualified electricians and mechanics responsible for maintaining Metropolitan's water treatment and distribution systems. The Class of 2015 Mechanical Apprentices developed and practiced welding techniques using Gas Tungsten Arc Welding with aluminum.

The fifth session of the WSO Management Academy was held at Eagle Rock on March 18. The Academy is a joint effort between WSO and Human Resources to prepare eligible operations and maintenance craft employees for transition into management. The program consists of a series of classes to help employees determine if management is right for them, develop necessary management skills such as communication and leadership, and provide a realistic preview of management roles and responsibilities. Session five focused on motivating and influencing employees and peers, recruitment and development, and purchasing and contracting. It included a presentation on Metropolitan's power system operations and featured a round-table format discussion on the challenges and rewards of management and a tour of Metropolitan's Operations Control and Emergency Operations Centers.

(see photo page 29)



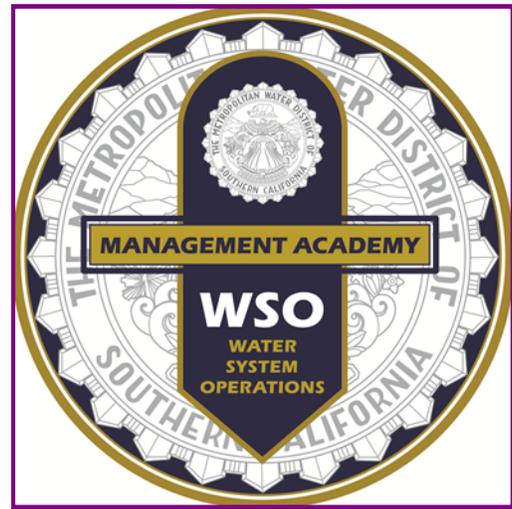
Class of 2015 Mechanical Apprentices practicing welding techniques.

WATER SYSTEM OPERATIONS



Inspection trip through the 13-mile San Jacinto Tunnel that was constructed in 1939.

The logo for WSO's Management Academy that prepares eligible staff for management positions.



Storage	As of 3/31/15	% of Capacity
DVL	389,220 AF	48
Lake Mathews	75,111 AF	41
Lake Skinner	29,331 AF	67

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

MAF=million acre-feet

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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