

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Manager’s Monthly Activity Report for February 2016

February 29, 2016

This report identifies the actions and activities taking place during the month that support the objectives of the General Manager’s Fiscal Year 2015/16 Business Plan.

Metropolitan’s Black Employees Association hosted numerous events in celebration of Black History Month

This year’s theme—*Where Do We Go From Here?* A number of events and activities filled the month, including an opening ceremony with guest speakers Director Sylvia Ballin and Chief Operating Officer Debra Man; lunch-time screening of *Red, White, Black and Blue*, which chronicled high school rugby teams from south Los Angeles; fundraising for scholarships; outside speakers included Yolanda Holder, Guinness Book of Record Holder for marathons; panel of Metropolitan millennials shared their views on various topics, and Metropolitan’s Employee Choir performed at the February Board of Directors’ meeting. *(see photos below and on page 31)*



Kelli Holden, City Scholars Foundation



Men in Black: Soul food lunch

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BAY DELTA INITIATIVES

STRATEGIC PRIORITY

COMPLETE PLANNING PROCESS FOR THE CALIFORNIA WATERFIX AND CALIFORNIA ECORESTORE

Continue to take on a lead role in securing water supplies for the State Water Project (SWP) and working towards the completion of the State of California's Proposed Delta Improvements, Recirculated Draft Environmental Impact Report (RDEIR)/Supplemental Draft Environmental Impact Statement (SDEIS) for the California WaterFix and California EcoRestore.

Pursue decision on the State's Proposed Delta Improvements including the California WaterFix and California EcoRestore.

State Water Resources Control Board—On January 28, 2016, the State Water Resources Control Board conducted a pre-hearing conference for the California WaterFix Project water right change petition hearing. The petition requests changes in water rights for the California Department of Water Resources and the U.S. Bureau of Reclamation, which are needed to add points of diversion of water on the Sacramento River for the California WaterFix Project. Following the pre-hearing conference, the SWRCB issued a ruling on the procedural issues on February 11. The ruling modifies the hearing schedule to provide more time for interested parties, other than the petitioners, to submit their written testimony. DWR and USBR must submit opening briefs by March 1, 2016, and the hearing will begin on April 7, 2016. For other parties, the deadline for submitting written testimony has been moved to May 16, 2016. Staff, in collaboration with public water agency attorneys, is preparing for participation in the proceedings.

CORE

BAY-DELTA SOLUTIONS

- Develop near- and long-term solutions that enhance the Delta ecosystem, improve water supply reliability, and protect water quality.
- Participate in the State Water Resources Control Board (SWRCB) process considering petition for an additional point of diversion for new conveyance facility.
- Continue to work on efforts related to improving water supply reliability and protecting water quality.

Emergency Response – Ensure that Delta emergency response measures are implemented, including actions to develop a freshwater pathway after a major emergency event in the Delta.

Delta Emergency Preparedness—Staff is coordinating with the California Department of Water Resources to test the readiness of the Emergency Management Tool, a tactical predictive tool developed by DWR to estimate time and resources to repair multiple island failures in the Delta, including the development of the emergency freshwater pathway for water export resumption. The tool is capable of predicting the repair times for failures up to about 15 islands in the central and south Delta; however, it requires additional refinement for greater island failure scenarios. Based on work done to date, the tool suggests the freshwater pathway can be restored within the range of about six months; however, larger island failure scenarios must be tested. Model refinements should be completed in several months, which will be followed by completion of the DWR Delta flood Emergency Response Plan.

DWR is implementing a grant program to help ensure the readiness of counties and reclamation districts in the Delta region. This program focuses on training, materials stockpiles for emergency response and communications needs. As a result, DWR and local agencies can utilize common communication equipment and facilities for emergency response, facilitated by the installation of a large radio tower on Twitchell Island.

BAY-DELTA SOLUTIONS continued...

Near Term – Develop near-term measures, compatible with long-term Delta solutions, to improve water supply reliability and water quality, and facilitate protection and enhancement of Delta ecosystems and associated species.

Delta Operations—The Delta Conditions Team continued to hold weekly calls. Although only three Delta smelt have been salvaged this year, low abundance measurements and elevated turbidity levels in the south Delta have resulted in caution on the part of the U.S. Fish and Wildlife Service and the State Water Project and Central Valley Project operators. Old and Middle River flow restrictions have controlled export operations during the high-flow conditions experienced this month. The biological opinion restrictions have had an estimated combined state and federal project impact of about 450,000 acre-feet for the season.

Science/Regulatory – Pursue the best scientific research to protect and restore fish, wildlife, and the Delta’s ecosystem while ensuring water supply reliability.

Science Activities—Staff participated in the Central Valley Project Improvement Act Science Integration Team to contribute to the development of a Chinook salmon lifecycle model. The model will be used for science-based decision-making to prioritize actions within and across watersheds according to expected outcomes. Fiscal year 2017 will be the first year this decision-support model will be used in place of expert elicitation for prioritizing Chinook salmon restoration activities.

A study of longfin smelt larval distribution continued in February. Dr. Hobbs (University of California, Davis) and Dr. Grimaldo (ICF) sampled for larvae both in Suisun Bay marshes and in San Pablo Bay marshes and shallow water. Many larvae have been detected; however, counts by fish species have yet to be completed. The study is designed to test the theory that longfin abundance increases in wet years result from downstream production linked to local runoff rather than from upstream production linked to Delta outflow.

R2 Resource Consultants, Inc. started the process of updating a dataset of possible drivers of Delta smelt abundance, including food supply, temperature, flow, and exports. Once complete, the dataset will be analyzed using the Maunder/Deriso Delta Smelt Lifecycle model. The new analysis will add data from the recent years of drought and should help determine whether fall or winter Delta outflow impacts Delta smelt population.

Staff continued to work with investigators to develop fishery studies. Staff is managing the Salmon Predation Study, including negotiating the contracts between California Department of Fish and Wildlife, Metropolitan, and its subcontractors, Cramer Fish Sciences and ICF. A workplan is being developed for implementation in April 2016, and staff is also coordinating with the Southwest Fisheries Science Center and University of California, Santa Cruz to solicit input to improve the Salmon Predation Study. Staff is also reviewing and developing proposals for submittal to the 2016 Fisheries Restoration Grant Program. Finally, staff is involved in efforts to develop improved methods for controlling invasive aquatic weeds, such as water hyacinth and Egeria.

BUSINESS PROCESSES AND INFORMATION TECHNOLOGY

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

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

IT Strategic Plan—IT staff has completed 60 percent of service delivery framework training regarded as “generally accepted good practice” as detailed in International Standards Organization documentation (e.g., ISO 20000) to provide better customer service and value.

SharePoint Collaboration Upgrade—Staff successfully migrated Metropolitan’s Board Letter Document Management System from SharePoint 2007 to on-premises SharePoint 2013, which provided new features and benefits (e.g., new global search feature, user interface and navigation improvements, and new discussion board for users). BDMS is a system used by Board Letter Coordinators to allow collaboration on Board documents and agenda items.

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

Hiram Wadsworth Pumping Plant Upgrade—Staff continued to work on Balance of Plant and Pressure Control Programmable Logic Controller code development as part of upgrades to the control and electrical protection systems at the Hiram Wadsworth Pumping Plant. Project team completed the installation of pilot testing of Unit 2, pump/generator.

Voice over Internet Protocol (VoIP) Project—Staff recently completed installation of key components (e.g., servers) at various field locations including Soto, Headquarters, Lake Mathews, and Weymouth water treatment plant. Staff is making final preparations to begin a pilot test phase, scheduled to begin in the March timeframe.

Oracle Financial Systems Upgrade—Staff completed an upgrade of Metropolitan’s Oracle Financial Application to the current version referred to as R12. The upgrade provides enhance functionality, support and maintain currency. The project was completed and the system was back on-line according to plan.

Foster a culture of innovation.

- In preparation for rolling out Skype for Business (audio/video conferencing), staff completed the audio codes configuration to incorporate teleconferencing. Once final approval is received, rollout will begin for selected business areas within Metropolitan for initial evaluation.
- Cleantech San Diego, Technologies Driving 2016, February 17—Staff from Metropolitan’s Innovation team participated on a panel regarding Cleantech industry affecting the region.
- AWWA/WEF Utilities Management Conference, San Diego, February 24—Staff from the Metropolitan’s innovation team participated on a panel titled *Innovation in the Water Sector*.
- H2O TechTalk, Los Angeles, February 19—Business Outreach’s Innovation and Technology Team held a new H2O TECHTALK workshop to introduce Metropolitan employees to a new generator technology from FreeWire Tech The Mobi Gen.

BUSINESS PROCESSES AND INFORMATION TECHNOLOGY continued...

Foster a culture of innovation...continued...

Emerging Technology Discover Tour at California State Polytechnic, Pomona, February 16—Business Outreach's Innovation and Technology Team introduced an emerging water saving technology to internal Metropolitan groups. The group participated in an Emerging Technology Discover Tour at Cal Poly Pomona led by Dr. Peter Kilduff, Chair of the Department of Apparel Merchandising and Management at Cal Poly Pomona and Bill Grier, Founder and Chief Technology Officer of Critical Mass Manufacturing, Inc.

Bill Grier holds a double-sided fabric made with his patented active infusion machine at his manufacturing plant in Rancho Cucamonga. Apparel Made for You (AM4U) project has developed a new process that makes clothing without using water or dyes.



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.

Calleguas MWD requested review of the tidal and submerged lands (public trust lands) annexed by the city of Oxnard and Calleguas MWD included in the Geographic Information System's service area boundary. The original map and legal descriptions drafted in the 1960s included the tidelands, which anticipated water use for commerce, fisheries, navigation, ecological preservation and recreation. Examples of such uses are ports, marinas, docks, piers, warehouses, hotels, restaurants, restrooms, wildlife refuge, habitat, and even parking. It was determined that the lands should remain within the boundaries.

Eastern MWD, Riverside County Local Agency Formation Commission and Metropolitan are reviewing agency processes for a multi-agency board consideration and approval of an extension of service area agreement for nearly 460 acres in South Riverside County.

Riverside County Local Agency Formation Commission is considering the reorganization of local water service area proposals between Temescal Valley Water District and Elsinore Valley Municipal Water District through the public hearing process. Metropolitan staff reviewed and determined that Metropolitan's interests are not impacted.

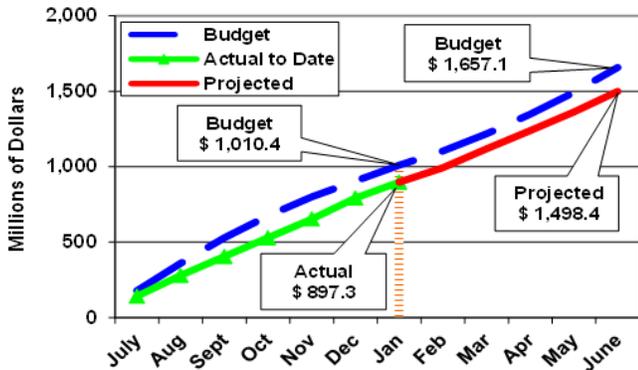
Continue innovative sustainability efforts in business practices, including Spring Green, Our Legacy Newsletter, the rideshare program, energy conservation and recycling efforts.

Spring Green Expo and ECO Innovators Showcase—Hiring of a student intern to assist with the Expo is complete and all event coordination is proceeding on schedule.

CHIEF FINANCIAL OFFICER

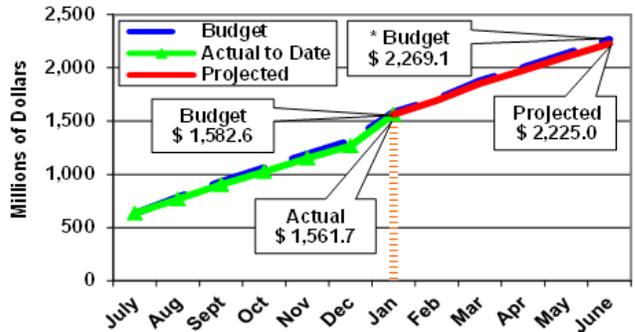
FINANCIAL SUMMARY AS OF January 31, 2016

Total revenues are expected to be \$159 million lower than budget at year end, mainly due to lower water sales.



Excludes bond construction and other trust funds activity

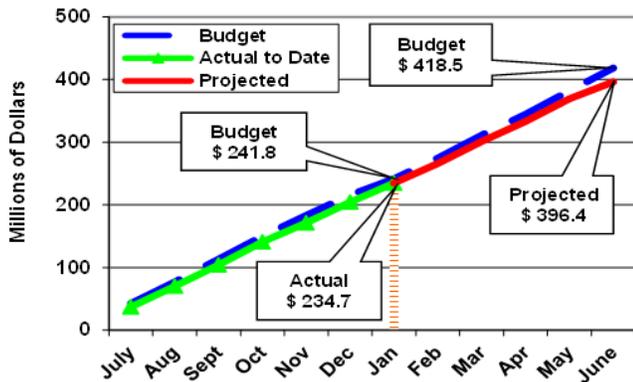
Total expenses are expected to be \$44 million lower than budget by year end, mainly due to lower Capital Program and O&M expenses, and partially offset by higher supply program costs.



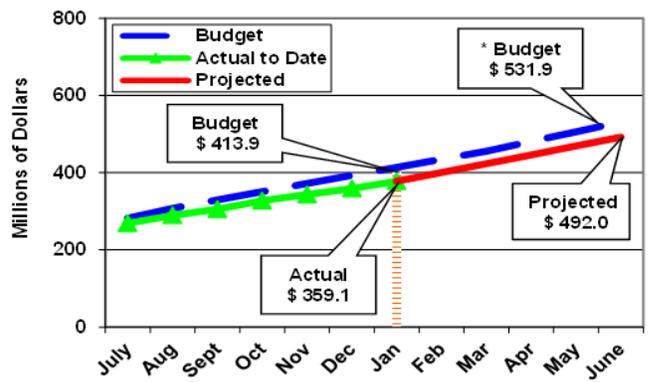
Excludes bond construction and other trust funds activity

** Includes \$305.6M, \$264M and \$9.8M Board-approved increases for Conservation, Riverside and Imperial County land purchase, and Water Supply Programs, respectively

Metropolitan O&M expenses are expected to be \$22 million lower than budget at year end, mainly due to an effort to reduce controllable expenses by five percent.

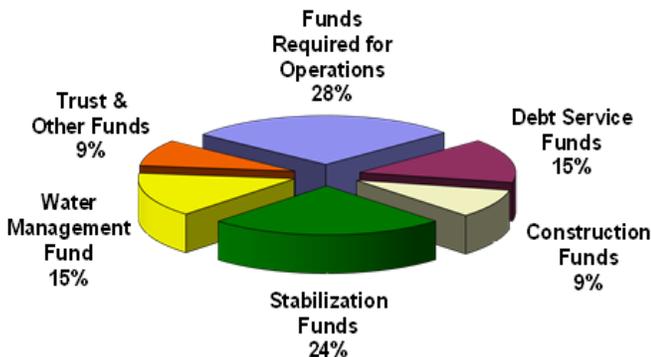


Capital Program expenses are expected to be \$40 million lower than budget by year end, mainly due to work prioritization and project rescheduling.



* Includes \$264M Board-approved increase for Riverside and Imperial County land purchase.

Cash and Investments at Fair Value \$ 1,273.7 million



Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	≥ 1.20 x	1.24 x
Revenue Debt Service Coverage	> 2.00 x	1.38 x
Revenue Bond Debt / Equity Ratio	< 100.0%	60.7%

Credit Ratings

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

CHIEF FINANCIAL OFFICER

CORE PRIORITY

EMPLOYEE DEVELOPMENT

The proposed budget calls for Metropolitan to cease its managed attrition that has shrunk Metropolitan from 2,400 full-time employee positions to a current workforce of approximately 1,800.

Of significance to the Office of the CFO, a focus on increased planning, management, employee cross training, and employee development efforts will be needed to meet the challenge of increased retirements brought about by an aging workforce and to ensure continuity of services. Group staff will work to ensure that employees and managers are prepared to effectively carry out their roles as a result of changes in workplace business needs and technologies, as well as increased retirements.

Manage succession planning in preparation for anticipated retirements.

In February, the CFO training program provided employees with a workshop on *Discovering the Brand of You*.

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.

Developed and conducted training for the 55 staff identified to develop Business Continuity Plans for their organizations in the Fusion Framework system. Encountered problems completing the upload of the data from the Business Impact Analysis into that system. Worked with Fusion Risk Management to complete the upload by the end of February.

CORE

MANAGE RISK

- The Risk Management Unit completed 56 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.
- Risk Management completed 58 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.

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 Water System Operations 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:

- Greg Avenue Pump Station Rehabilitation—This drought-response project improves the operational reliability of the Greg Avenue Pump Station by replacing the existing pump and pump/turbine and by upgrading the electrical and control systems. Design is 83 percent complete and is scheduled to be complete by July 2016.
- Sepulveda Canyon Control Facility Improvements (Bypass Line)—This project improves the operational reliability of the Sepulveda Feeder by adding a bypass to the Sepulveda Canyon Control Facility, which will maintain deliveries from the Jensen plant into the Central Pool when the control facility is out of service. Preliminary design is 23 percent complete and is scheduled to be complete by July 2016.
- Etiwanda Pipeline Lining Repairs—This project replaces the Etiwanda Pipeline's damaged interior mortar lining with a polyurethane coating. The first phase of repairs, which was completed in 2014, lined approximately 2,800 feet of the pipeline. The remaining five miles of the pipeline will be relined in two phases. The Board awarded a construction contract for the Stage 2 repairs in February 2016.
- 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 streambed. Construction is 65 percent complete and is scheduled to be complete by April 2016.
- Palos Verdes Reservoir Rehabilitation—This project replaces the reservoir's existing floating cover and liner, and modifies the existing spillway, control tower, and outlet structures. Construction is five percent complete and is scheduled to be complete by July 2017.
- Casa Loma Siphon and Canal Flow Meters Replacement—This project replaces flow meters on the Casa Loma Canal, Casa Loma Siphon, and the San Diego Canal. Construction was completed in February 2016.
- Garvey Reservoir Valve Replacement—This project maintains reliable deliveries of water from the Garvey Reservoir into the Central Pool portion of Metropolitan's distribution system by replacing two hydraulic control valves in the Garvey Reservoir Control Structure. Design is complete and the work will take place during the planned shutdown scheduled for March 2016.

Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program

This program enhances the reliability of Metropolitan's water distribution system and reduces the risk of costly emergency repairs of PCCP lines. Recent activities include the following:

- Sepulveda Feeder Urgent PCCP Repairs—Electromagnetic inspection of approximately 10.3 miles of the Sepulveda Feeder was performed in October 2015, and results were provided in December 2015. The inspection identified several pipe segments with new or increased prestressing wire breaks. Design of urgent repairs for two reaches of the feeder is complete. Delegation of authority to the General Manager to award a construction contract was completed in February 2016. Ratification of the contract award is planned for March 2016.
- Second Lower Feeder PCCP Rehabilitation—This project rehabilitates the remaining 28 miles of existing PCCP segments within the Second Lower Feeder. Design activities for the valve and pipe procurement are approximately 40 percent complete and are scheduled to be complete by June 2016.

INFRASTRUCTURE RELIABILITY continued...Cost Efficiency and Productivity Program

This program provides economic savings through enhanced business and operating processes, and through reduced energy costs. Recent activities include the following:

- La Verne Solar Power Plant—This project constructs a 3-megawatt solar generating facility on the grounds of the Weymouth plant in La Verne. The solar power plant will hedge against projected increases and volatility in the price of electricity, and will enhance Metropolitan’s long-term power use efficiency. Construction is 85 percent complete and is scheduled to be complete by May 2016.

Right-of-Way and Infrastructure Protection Program

This program performs needed site improvements within the distribution system, including 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 enable system-wide improvements. Recent activities include the following:

- Orange County Operating Region—Design of improvements for Orange County is 85 percent complete and is scheduled to be complete by May 2016. The draft programmatic environmental impact report for the Orange County region was released for public review and comment. The public review period closed in February 2016.
- Western San Bernardino County Operating Region—Design of improvements for Western San Bernardino County is 70 percent complete and is scheduled to be complete by June 2016. The draft programmatic environmental impact report for Western San Bernardino region is expected to be released for public review and comment by August 2016.
- Los Angeles County Operating Region—Preliminary design of improvements is 45 percent complete and is scheduled to be complete by July 2016.
- Riverside/San Diego County Operating Region—Preliminary design of improvements is 40 percent complete and is scheduled to be complete by July 2016.

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:

Weymouth Plant

- Filter Rehabilitation—This project replaces the internal components of the plant’s 48 filters, including the underdrains, media, launder troughs, and surface wash systems. Construction is 32 percent complete and is scheduled to be complete by May 2017.

Mills Plant

- Chemical Unloading Facility Chlorine Containment—Construction of containment facilities is 73 percent complete and is scheduled to be complete by February 2017.
- Industrial Wastewater Handling Improvement—This project adds three wastewater storage tanks and a force main connection to the sanitary sewer system to enable safer and more efficient handling of the wastewater, and to reduce the risk of an accidental release. Construction is 36 percent complete and is scheduled to be complete by June 2016.

INFRASTRUCTURE RELIABILITY continued...

Treatment Plant Reliability Program continued...

Skinner Plant

- Administration Building HVAC System Replacement—This project replaces the Skinner Administration Building's heating, ventilating, and air conditioning system. Construction is 75 percent complete and is scheduled to be complete by March 2016.

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 87 percent complete and is scheduled to be complete by June 2016.
- East Filter Upgrades—This project upgrades the plant's east filters, including replacement of 127 deteriorated valves with AWWA-standard valves, and seismic strengthening of the filter buildings. Construction is 52 percent complete and is scheduled to be complete by November 2016.
- East Basin Rehabilitation—This project rehabilitates the aging mechanical equipment and its electrical and structural components inside the four east flocculation/sedimentation basins. Construction is 20 percent complete and scheduled to be complete by July 2017. (*see photo below*)

Jensen Plant

- Module No. 1 Filter Valve Replacement—This project replaces 78 deteriorated filter valves within Module No. 1 with new AWWA-standard valves. Construction is 48 percent complete and is scheduled to be complete by November 2016.
- LADWP Lagoon Refurbishment—This project rehabilitates four LADWP lagoons that will be used for a period of 50 years by Metropolitan. Construction is 53 percent complete and is scheduled to be complete by September 2016.
- Solids Transfer System—This project enables Metropolitan to use four solids lagoons on the grounds of the Los Angeles Aqueduct Filtration Plant. The project installs 7,600 feet of solids transfer piping and a utility crossing structure across Bull Creek Channel. Construction is 99 percent complete and is scheduled to be complete by March 2016.
- Electrical Upgrades, Stage 1—This project replaces electrical equipment, provides backup in the event of individual component failures, and upgrades the electrical system to be consistent with current codes and industry practices. The work will be completed in three stages. A construction contract was awarded by the Board in December 2015 for Stage 1. Construction is one percent complete and is scheduled to be complete by February 2019.

Diemer Plant East Basin Rehabilitation –
Demolition of wear plates



INFRASTRUCTURE RELIABILITY continued...

Colorado River Aqueduct (CRA) Reliability Program

This program maintains the reliability of Metropolitan's CRA conveyance system. Recent activities include the following:

- Sand Trap Rehabilitation—This project replaces deteriorated sand trap equipment located upstream of the Iron Mountain, Eagle Mountain, and Hinds Pumping Plants. All work planned for the February 2016 CRA shutdown was completed. Construction is 15 percent complete and is scheduled to be complete by August 2017.
- Canal Improvements—This project replaces deteriorated concrete panels and installs parapet walls along portions of the open canal to increase freeboard during periods of high flow. Construction is 10 percent complete and scheduled to be complete by February 2017. *(see photo below)*
- CRA Expansion Joint Repair—This project repairs 16 expansion joints located on the pump delivery lines at Metropolitan's CRA pumping plants. Repairs will be completed in two stages. The first stage will repair three expansion joints, and the second stage will repair the remaining 13 joints. Stage 1 was completed in February 2016. Design of Stage 2 repairs is 60 percent complete and is scheduled to be complete by June 2017.
- 6.9 kV Switch House Building Seismic Upgrades—This project performs structural upgrades to the 6.9 kV switch houses at all five CRA pumping plants. Design is 75 percent complete and is scheduled to be complete by June 2016.
- Radial Gates Replacement—This project replaces eight corroded radial gates located along the CRA. The gates are used to dewater and isolate reaches of the canal. Design is 65 percent complete and is scheduled to be complete by December 2016.



Colorado River Aqueduct Canal Improvements – Installation of canal curbing

INFRASTRUCTURE RELIABILITY continued...

Water Quality/Oxidation Retrofit Program (ORP)

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:

Diemer ORP

- Diemer South Slope Revegetation and Mitigation Improvements—Construction to re-vegetate the Diemer plant's south-facing slope is 98 percent complete and is scheduled to be complete by March 2016.

Weymouth ORP

- Main ORP Facilities—The Weymouth plant is the final facility to receive the ozonation process. Construction of the ozonation system is 94 percent complete and is scheduled to be complete by late 2016. The ozonation system will commence operation in 2017. *(see photos below)*
- ORP Chemical Upgrades—These chemical systems are needed for integration of the upcoming ozonation system into the plant's treatment process. Construction of the project is ten percent complete and is scheduled to be complete by May 2018.



Weymouth ORP – Removal of encasement forms



Weymouth ORP – Vacuum excavation for contactor tie-in



Weymouth ORP – Sulfuric acid tank farm

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.

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

- Chairman Record and Directors Dick and Beard hosted Central Valley agriculture industry leaders on a two-day tour of Metropolitan and member agency water facilities in Southern California to learn more about water system operations, conservation projects and investments, and identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users. Assembly Member Adam Gray was among the participants as well as Directors Galleano, LeFevre, Peterson and Tu. (February 2-3)
- Chairman Record, General Manager Kightlinger, and Directors Galleano and McKenney joined Congressman Calvert and State Senator Morrell at a Community Leaders Briefing hosted by Metropolitan. More than 100 community leaders attended, including representatives from the offices of Assembly Members Waldron, Melendez, Mayes and Senator Stone and other elected officials and leaders from city government, county government, water agencies, business, education, real estate, agriculture, building industry and tribal sectors. (February 5)
- Assistant General Manager Man made a presentation on the proposed Regional Recycled Water Project to key water leaders at the Urban Water Institute conference. (February 11)
- Chairman Record accepted the Business of the Year award, which was presented to Metropolitan by the Inland Empire Economic Partnership at a dinner with 150 business leaders from throughout the Inland Empire. The award recognizes Metropolitan for its good business practices. (February 17) [\(see photo page 18\)](#)

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.

General Manager Kightlinger authored opinion editorial, *El Nino Won't Cure Our Water Woes*, which ran in the Orange County Register. (January 31)

General Manager Kightlinger issued a statement applauding Senator Feinstein (D-CA) following introduction of federal drought legislation to address water supply challenges and support co-equal goals. (February 10)

Secure support for Delta conveyance improvements and habitat restoration projects to maintain State Water Project supplies, including any regulatory and/or legislative policies and funding needed to facilitate its implementation.

Published General Manager's Blog, *Today's Delta: A Missed Water Opportunity* on reduced deliveries from the Sacramento-San Joaquin Delta this year resulting from pumping restrictions to protect Delta smelt and the need for California WaterFix.

Wrote and placed Chairman Record's opinion-editorial in Riverside Press Enterprise on the need for comprehensive solutions to address future water needs, including California WaterFix.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

- Develop near- and long-term solutions that enhance the Delta ecosystem, improve water supply reliability, and protect water quality.
- Participate in the State Water Resources Control Board (SWRCB) process considering petition for an additional point of diversion for new conveyance facility.
- Continue to work on efforts related to improving water supply reliability and protecting water quality.

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

FEDERAL

Chairman Record and Directors Ackerman, Gray, Blois, Touhey, and Peterson participated in the Association of California Water Agencies' annual federal legislative conference in Washington, D.C. (February 23-24)

House Subcommittee on Water, Power and Oceans held an oversight hearing entitled *The Costly Impacts of Predation and Conflicting Federal Statutes on Native and Endangered Fish Species*, which elevated ongoing concerns with predation of endangered smelt and salmon in California's Sacramento-San Joaquin Bay-Delta among other issues. (February 10)

Staff worked with members of the House Appropriations Committee to provide details about Metropolitan's federal water policy priorities in conjunction with hearings on the proposed Fiscal Year 2017 budget and the congressional appropriations process. (February 11)

Staff participated in a Western Coalition of Arid States federal issues workshop in Henderson, Nevada to promote support for legislative proposals to clarify that water conservation rebates should not be taxed as income at the federal level. (February 18-19)

House Subcommittee on Water, Power and Oceans held an oversight hearing entitled *The 2016 California Water Supply Outlook During the El Niño and Three Years of Restricted Water Deliveries*, which highlighted continued water supply restrictions despite increased precipitation in Northern California. Among the panelists testifying was Director Brett Barbre, who highlighted the impacts of restrictive water policies on Southern California water supplies. (February 24)

STATE

Assembly Member Matthew Debabneh (D-Encino) introduced AB 2488, legislation that would authorize incidental take of a California fully protected species associated with Foothill Feeder maintenance and repair. Earlier in the month the Board authorized staff to pursue legislation in response to a recent Supreme Court ruling that restricts Metropolitan's ability to dewater the pipeline for inspection and repair. The Foothill Feeder supply line is essential to the public health and safety and regional water deliveries to Metropolitan member agencies in Ventura and Los Angeles counties.

Assembly Member Eggman (D-Stockton) and eight co-authors from the Delta county region introduced AB 1713, which prohibits construction of a peripheral canal unless authorized by initiative vote by all California voters on or after January 1, 2017. "Peripheral canal" as defined in the bill would apply to new conveyance improvements envisioned under the California WaterFix

Assembly Member Dodd (D-Napa), working in collaboration with the California Water Foundation and Bay Area Council, introduced AB 1755 to create an online water data information system and direct the development of protocols for data sharing to promote transparent access to important water information.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...**LOCAL**

Director Touhey, Assistant General Manager Zinke and Metropolitan staff held a legislative briefing with Assemblywoman Garcia in her district office. The briefing included discussions on California WaterFix, Integrated Resources Plan programs, conservation rebates and AB 1713 (Eggman). Staff from Central Basin and Upper San Gabriel Municipal Water Districts also attended. (February 5)

Metropolitan staff attended San Gabriel Valley's Economic Partnership Legislative Breakfast series featuring Assembly Member Ed Chau (D-Arcadia). Assembly Member Chau especially noted the importance of water conservation to his constituents during the event. (February 5)

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.

- Metropolitan, along with the Chamber of Commerce and a Rotary International, sponsored the La Verne *State of the City* event. More than 200 participants heard Mayor Kendrick discuss city accomplishments and recognize Metropolitan's leadership for a landscape transformation project. (February 3)
- Staff made a presentation on the statewide drought at the Building Industry Association of Southern California's Annual Housing, Water and Economy Forecast event. More than 250 builders, developers and land use attorneys attended the summit. (February 4)
- Staff gave a water issues briefing at the Temescal Valley Municipal Advisory Council in Corona. The council represents community and business leaders from the Corona, Temescal Canyon, Elsinore and Lake Mathews communities. (February 10)
- General Manager Kightlinger, Assistant General Manager Zinke and staff attended the Los Angeles Area Chamber of Commerce's Annual Inaugural Dinner, which was sponsored by Metropolitan. Over 600 elected officials, business and community leaders attended this event. (February 11)
- Group Manager Upadhyay spoke to community leaders on future water supply issues for the Three Valleys Municipal Water District forum. (February 18).
- Metropolitan staff participated in the Family Farm Alliance Annual Conference in Las Vegas, Nevada. The conference provided an opportunity for farm producers to interact with state and federal policy makers and water professionals to address challenges and opportunities brought with the drought. (February 18-19)
- Directors Ballin and Peterson and staff attended the Valley Industry and Commerce Association's Annual State Officeholders Dinner. More than 30 state officials and 350 business and community leaders attended the event at Universal City. (February 19)
- Staff presented information about drought, supply conditions, regional and statewide supply reliability objectives and the California WaterFix to the Central Basin Municipal Water District's Water Education Tour. (February 26)

Community Partnering Program

Staff supported a Metropolitan bewaterwise® exhibit at the Descanso Gardens on February 6 and California Water Environment Association's Pretreatment, Pollution Prevention and Stormwater Conference on February 29.

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.

Inspection Trips

Metropolitan hosted over 200 guests on nine inspection trips, including four State Water Project trips, four Diamond Valley Lake and Edmonston trips, and an inspection of Southern California's water treatment and storage infrastructure for Central Valley agriculture interests.

Director Vasquez, Central Basin
Inspection Trip participants at DVL



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

- Staff spoke to residents of the Trilogy Homeowners Association in Riverside County on water supply and drought conditions. (February 10)
- Staff presented the 2015 Attitudes and Awareness to the Calleguas Municipal Water District member agency Public Information Officers and water conservation coordinators. (February 10)
- Staff spoke at the American Society of Civil Engineers Young Members Forum on water issues in support of Engineering Week 2016. (February 23)

Online

Paid online search on Google Search and the Google Content Network continue this month. Links to bewaterwise.com appear when keywords such as "water," "California weather," and "water rebates" are searched for by Southern California users.

Social Media

Metropolitan is posting and promoting content on its Instagram and Twitter channels and developed new content in English and Spanish for Facebook posts in February.

Website

Nearly 30,000 people visited the English and Spanish versions of bewaterwise.com for tips and ideas on how to conserve water.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

Support Metropolitan's planning and operational objectives through communication and outreach to various stakeholders, including local government agencies and utilities and the Metropolitan workforce.

- Staff provided outreach to the local community, officials with Van Nuys Airport and City of Los Angeles to prepare for impacts from the Sepulveda Feeder Urgent Repairs project.
- Staff participated in a second community workshop in Fontana to discuss the Etiwanda Pipeline Lining Repairs project.
- Staff assisted Engineering with outreach to Public Works staff in eight cities in Los Angeles County to discuss the pipeline infrastructure feasibility study for the potential Regional Recycled Water Supply Program.
- Staff provided over 1,300 notices to property owners for the following shutdown projects: Weymouth plant, Colorado River Aqueduct, Middle Feeder, and Upper Feeder.

Provide a suite of educational products and programs that promote conservation behaviors and critical thinking of the water issues facing Southern California.

More than 200 students, teachers and parents visited Metropolitan's Headquarters for the Marshall Fundamental Secondary School Drought Challenge. The program engaged 1,900 students over the course of two months on water conservation and drought response projects. Students collaborated and shared ideas using the Northern Rift online platform. Thirteen student teams were selected to present their water conservation ideas to a panel of industry professionals that included Director Kurtz, the Regional Water Quality Control Board, Montgomery Watson Harza, and Inland Empire Utilities Agency. (*see photo on page 18*)

General Education

The following activities directly reached more than 1,250 students and teachers:

- Niemes Elementary School, Girls Scouts; City Scholars, Ganesha High School; UC Riverside Engineers; Math Counts; California Greenworks, Environmental Charter HS, Gi Green Day; Ventura County Office of Education STEM Symposium; and Green Day: A Tu B'Shevat Celebration.
- Solar Cup technical workshops.
- Grant evaluation session for the World Water Forum.
- Mathcounts competition, hosted by Metropolitan.

Tweets

The Education Unit's Tweets on Metropolitan's education programs received over 11,000 impressions using #solarcup, #waterart, #thinkh2o, #mwdeducates through @bewaterwiseh2o and @mwdh2o.

Diamond Valley Lake Education Program

The Visitor Center hosted over 200 visitors.

Student Art Program

The student Water is Life Art Exhibit toured Anaheim Public Utilities, Upper San Gabriel Valley Municipal Water District, Las Virgenes Municipal Water District, and the Descanso Gardens Symposium sponsored by Foothill Municipal Water District. These events were captured in articles and social media.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

In February, Metropolitan supported small and disabled veteran businesses throughout the region by participating in the following award programs, conferences and events:

- Construction Management Association of American, CA Chapter, Owner's Night, Long Beach, February 4—Business Outreach and Engineering partnered to support the Southern California Business Community by participating in and exhibiting at the CMAA Owner's Night. Staff was able to provide business owners with information on upcoming Metropolitan construction, professional services, and procurement opportunities.
- National Association of Women Business Owners, 4th Annual Corporate Partner Appreciation, Tustin, February 4.
- Southern California Minority Supplier Development Council, *How to Work the Minority Business Opportunity Day*, Los Angeles, February 11—Business Outreach staff presented to minority businesses, highlighting lessons on best practices and doing business with Metropolitan.
- Southern California Business and Veteran Matchmaking Event, Anaheim, February 25—Business Outreach participated in a matchmaking event that supports small and veteran businesses in establishing, maintaining, and growing viable business enterprises. Over 300 participants were in attendance.



Students from Marshall High School at the Drought Challenge competition

Business of the Year award presented to Metropolitan by the Inland Empire Economic Partnership



HUMAN RESOURCES

STRATEGIC PRIORITY

EMPLOYEE DEVELOPMENT

This strategic priority focuses on ensuring employees have the tools necessary to meet current job and future responsibilities to support Metropolitan's goals.

Foster learning and development to expand internal talent pool.

- Successfully completed Session 4 of the second cohort of the Water System Operations Management Academy, which focused on Motivation.
- Classes delivered this month included: 2-hour modules of *EXCEL: Pivot Tables, Intermediate and Advanced Features*; *ACCESS Advanced*; *Visio Intermediate*; *Moving from Conflict to Collaboration*; *Preparing for Job Interviews*; and four sessions of *Drug and Alcohol Awareness*.
- Information sessions by Brandman University and Trident University, offering scholarship and tuition discounts for employees were held at Headquarters, Weymouth and Mills plants.

Acquire talent.

During the past month, Staffing has filled 8 positions and received 11 new requisitions. Staffing is currently recruiting for 60 positions, of which 19 are in the final stages.

Foster management excellence.

- Metropolitan Management University, a six-day management development program especially designed for Team managers, was rolled out on February 24. The first cohort of 25 managers started off with Module 1 on Policy and Compliance and will participate in one module a month for six months. Instruction will be provided by Metropolitan's Training Team, other in-house subject matter experts, and expert consultants.
- Facilitated an offsite Development Camp in La Verne for the Chemistry Unit of the Water Quality Section.
- Continued to provide coaching, change management and team building support through internal staff and external consultants to seven managers and their teams.

CORE

HUMAN RESOURCES EXCELLENCE

Foster Human Resources Excellence with innovative and efficient processes that attract, hire and develop staff. Also, ensure Metropolitan is a high-performance workplace with excellent leadership and management practices.

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

- During the month of February, Employee Relations staff finalized agreements with the bargaining units, resolving salary negotiations for both 2015 and 2016.
- Discussions with the bargaining units also continued with regard to Metropolitan's Desert Remote Locations, and how best to enhance recruitment and retention difficulties at those facilities.
- Equal Employment Opportunity Investigations staff continued efforts to resolve two discrimination complaints filed with outside agencies, one with the federal EEOC, and the other with the state Department of Fair Employment and Housing. Staff is actively involved in mediating both complaints.

HUMAN RESOURCES

CORE

HUMAN RESOURCES EXCELLENCE continued...

Manage total compensation benefits.

- HR Benefits hosted *Stepping Into Retirement* and *New Fund Lineup* workshops.
- Presented at the Day 2 New Hire Orientation by coordinating speakers from CalPERS, Financial Finesse, Social Security, TIAA-CREF and Metropolitan Benefits staff. All sessions were hosted at the Weymouth plant to provide instructor-led education on topics ranging from financial planning and investments options to understanding and taking advantage of the benefits offered by Metropolitan, including preparing and planning for retirement.

Control leave and disability costs.

- Conducted initial investigations on 8 injury incidents.
- Submitted 3 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 7 claims and finalized in 11 claims, and 8 claim files were closed.
- Finalized 2015 OSHA logs for posting at all facilities.
- Conducted MedVan evaluations at Mills and Lake Skinner facilities.
- Arranged 12 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Coordinated random drug/alcohol tests at 1 facility.
- Addressed 2 accommodation issues.

REAL PROPERTY DEVELOPMENT AND 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.

Efficiently maintain and operate Metropolitan's Headquarters building, the Diamond Valley Lake Visitor Center, and the Diamond Valley Lake Education Center.

- The retrofit of roadway lights with LED lamps has been completed at Metropolitan's Headquarters building.
- During the next quarter, staff will be testing and evaluating the option of installing motion sensors in the Headquarters building conference rooms and restrooms as recommended by the energy audit. The pilot is proceeding with sensors installed in one conference room and one restroom.
- The painting of the accent walls on floors 5 through 10 at Metropolitan's Headquarters Building has been completed. The remaining floors are projected to be completed by May 2016.
- All electrical issues discovered during the Infrared Thermography Survey of the Diamond Valley Lake Visitor Center have been addressed.

REAL PROPERTY ACQUISITION, MANAGEMENT AND REVENUE ENHANCEMENT continued...

Seek revenue-generating opportunities.

- A lease previously granted to Boulevard Greenhouses was amended to reduce the size of the leased premises on a portion of the Foothill Feeder /La Verne Pipeline right of way in the city of San Dimas.
- A Letter of Consent was issued to the San Bernardino County Sheriff's Department to allow for swift water rescue training at Lake Mathews.
- An entry permit previously issued to city of Moreno Valley was amended to extend the term to perform studies regarding reconfiguration of the State 60 off-on ramps at Theodore Street near Metropolitan's Inland Feeder.

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

- Staff completed cost studies on properties impacted by the various construction sites for the Sepulveda Feeder Urgent Repair Project.
- A lease agreement was entered into with the Fritz A. and Elizabeth B. Hummel Trust to allow use of their property for construction staging and laydown area for the Collis Ave Structure Valve Replacement project.
- Staff provided property research, valuation, and planning support to the Regional Recycled Water Supply Program.
- Staff provided property research, valuation, and planning support to Bay Delta Initiatives related to potential near- and long-term projects in the Delta.
- Staff continues to work with Legal and Engineering Services to assure that Metropolitan has appropriate access for repair projects and appropriate rights for existing and proposed facilities within the Right of Way and Infrastructure Protection Program.

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 benefits the surrounding community.

A contract was awarded to CopperTop Enterprises, Inc. for the DVL Visitor Center Building Improvements project. The project will finish the build-out of two meeting rooms of more than 500 square feet each.

Total visitors to the DVL Marina continued to decline as a result of low elevations and the private boat launch suspension effective May 2015. The lake elevation stands at 39 percent of capacity. In the first eight months of the Fiscal Year 2015/16, Diamond Valley Lake had 8,926 visitors, a drop of 61 percent from the same period in the previous year, and 77 percent from years when the lake capacity ranged from 70-100 percent. Rental boats are available and the DVL trail system remains open to the public.

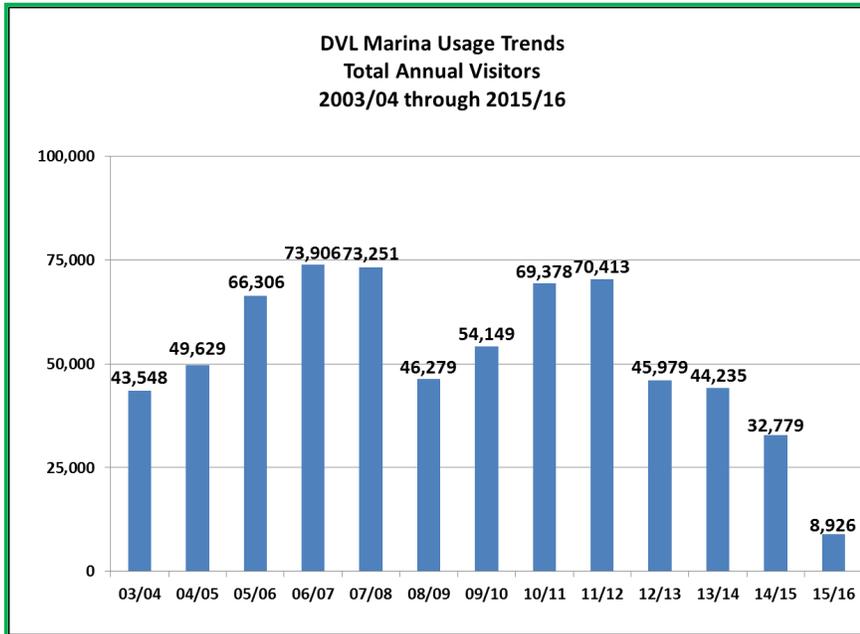
Foster staff training and development.

- Staff attended the *2015 Market Trends Seminar* sponsored by the Southern California Chapter of the Appraisal Institute. This conference focused on appraisal trends in the Los Angeles area and real estate valuation development.
- Staff attended the International Right of Way Association sponsored course *Non-Residential Relocation Assistance*.

REAL PROPERTY DEVELOPMENT AND MANAGEMENT

CORE

REAL PROPERTY ACQUISITION, MANAGEMENT AND REVENUE ENHANCEMENT *continued...*



*Actual thru February 2016
(FY2015/16 projection is 31,000)

WATER RESOURCE MANAGEMENT

STRATEGIC
PRIORITY

LOCAL PROJECTS AND INTEGRATED RESOURCES PLAN UPDATES

In late 2014, Metropolitan adopted a new Local Resources Program (LRP) to encourage the development of additional supplies within the region. Staff intends to monitor progress under this new LRP through fiscal year 2015/16 to see if additional recommendations are necessary to meet the region's long-term supply needs. Metropolitan's Integrated Resources Plan was adopted in 2010 and will be updated in 2015 with new resource targets. Following adoption of the updated IRP, staff intends to discuss with the Board approaches that Metropolitan can take to help the region meet the updated long-term targets. Staff will also update the Regional Urban Water Management Plan by the end of fiscal year 2015/16.

Proposed Recycled Water Projects—In coordination with member agencies and subagencies, staff prepared a list of proposed recycled water, groundwater recovery, and seawater desalination projects that could apply for LRP in 2016 and 2017.

Recycled Water GIS—Staff initiated work on developing a regional Recycled Water GIS. The work will be completed through a workgroup comprised of staff from Metropolitan, member agencies, sub-agencies, and other organizations such as sanitation districts, etc. GIS is a tool for analyzing recycled water projects, identifying available sources and areas of needs, and encouraging agencies' collaboration in developing regional projects, etc.

STRATEGIC PRIORITY

DEVELOP WATER SUPPLIES AND MANAGE WATER RESERVES THROUGH WATER SUPPLY ALLOCATION PLAN APPLICATION

Staff will work closely with the Board to manage Metropolitan's water supply reserves in the face of unprecedented drought conditions in California and throughout the Southwest. The actions will include implementation of storage withdrawals, coordination of deliveries with the member agencies, and administering and reporting on water use reductions under Level 3 of Metropolitan's Water Supply Allocation Plan for allocation year 2015/16. Staff will also recommend adjustments to the allocation level, as necessary.

Member Agency Water Supply Purchases Tracking—The Water Supply Allocation Plan, which places an annual limit on each member agency's water supply purchases, was implemented by the Board at a Level 3 effective July 1, 2015 through June 30, 2016. Staff provides a detailed tracking report to each of the member agencies on a monthly basis. Through the end of January, total water purchases have been approximately 198,000 acre-feet lower than the total WSAP Level 3 supply allocation. This is an approximate reduction of 17 percent from the total WSAP Level 3 supply allocation. All but one of the 26 member agencies have water purchases that are below their estimated WSAP allocation at this time.

Eligibility for a Groundwater Replenishment Allocation has been verified for the Municipal Water District of Orange County, Central Basin Municipal Water District, Upper San Gabriel Valley Municipal Water District, and Three Valleys Municipal Water District. Central Basin, Upper San Gabriel and Three Valleys have scheduled and initiated deliveries of their Groundwater Replenishment Allocations. Through the end of January, there has been approximately 32,000 acre-feet of deliveries to the Groundwater Replenishment Allocations.

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.

Intentionally Created Surplus Water—The U.S. Bureau of Reclamation has updated its projections of the likelihood of a Lake Mead shortage condition being declared by the Secretary of the Interior from 2017 through 2020. The likelihood of a shortage condition in 2017 is between 17 and 37 percent based on the uncertainty that exists early in the 2016 snowpack season. The likelihood of a shortage condition in 2018 and 2020 is 59 percent, and in 2019 is 60 percent. Declaration of a shortage could impact Metropolitan's ability to receive delivery of its Intentionally Created Surplus water stored in Lake Mead.

Law of the River Conference—Metropolitan staff attended the Law of the River Conference in Las Vegas. With General Manager Kightlinger as a keynote speaker, the conference focused on current efforts to address looming shortages on the River and discussions on options for the future of the River.

Colorado River Aqueduct Shutdown Activities—Metropolitan hosted a field inspection for Imperial Irrigation District personnel of the Colorado River Aqueduct shutdown activities. With maintenance of the concrete lined sections of the All American Canal being relatively new to IID operations and maintenance, IID staff was particularly interested to see CRA concrete panel replacement operations. Also inspected were sand removal operations at Iron Mountain Pumping Plant.

Ensure cost-effective and reliable imported water supplies. continued...

Tamarisk Coalition—Staff participated at the Board of Directors meeting of the Tamarisk Coalition. The organization is beginning a two-year, \$2 million fundraising campaign, and instead of just focusing the message of the campaign on river restoration, staff was able to broaden the focus to include improving water supply and quality.

Leak on the California Aqueduct—On January 2, the California Department of Water Resources discovered a boil (or leak) site in the California Aqueduct near Bakersfield. The aqueduct was shut down for damage assessment and repairs. DWR has completed repairs at three locations in Pool 30, north of Buena Vista Pumping Plant. The emergency repair contractor, J F Shea, worked around the clock to complete the work. DWR will commence southern pumping in March. While the aqueduct was out of service, Delta exports continued to be delivered to San Luis Reservoir, so no water was lost. At times during the month, all three main imported supply aqueducts to Southern California—Colorado River Aqueduct, Los Angeles Aqueduct and California Aqueduct—were shutdown. Prior planning and storage efforts enabled Metropolitan to meet all demands without interruption.

Implement the Conservation Program effectively.

Metropolitan staff attended and participated in the following conferences as panelist, presenters, and/or attendees:

- Los Angeles Better Building Challenge Innovation Awards—Judge and presenter for the Water Efficient Project of the Year. Century Park was the winner for a groundwater reclamation project expanded to supply 100 percent of the water required for landscape irrigation and yield an annual savings of 2.9 million gallons of potable water.
- California Irrigation Institute 54th Annual Conference—Presented on three topics: (a) Plant Sensor Based Irrigation, (b) Sprinkler Nozzle Study, and (c) Landscape Transformation Lessons Learned.
- Consortium for Energy Efficiency Winter Meeting—Presented on a panel with Los Angeles Department of Water and Power and Southern California Edison on Scaling Up Water Efficiency Programs to Deal with the Drought.
- Attended a dialogue workshop put on by the Governor's Office—Applying Australian Water/Drought Solutions to California.

Water Saving Incentive Program—In March 2013, Metropolitan's Board approved entering into an agreement with Altman Specialty Plants to provide incentives for a project to capture and re-use irrigation water that was estimated to save approximately 3,400 acre feet over a 10-year period. The 375 acre facility in Western MWD's service area in Riverside County grows annuals and perennials, along with grasses, ferns, lilies, herbs, vegetables, and bedding plants, and serves as a major distribution center for much of California and parts of Nevada and Arizona. Based on Metropolitan's conservation incentive of \$195/AF, Metropolitan's potential incentive could have reached nearly \$670, but since the incentives are capped at 50 percent of project costs, Metropolitan provided Altman \$357,659 in incentives. In partnership on the project, Western MWD also provided \$100,000 in incentives, while the United States Department of Agriculture offered technical and other financial assistance.

An analysis of the water use at Altman shows that over a 12-month monitoring period (after project completion), Altman saved over 300 AF compared to the previous year and the baseline water use estimates. Metropolitan paid half of the incentive payment in 2014 upon completion of the storage reservoir and installation of two pumping facilities and treatment equipment. The balance of the incentive will be paid based on the water use analysis confirming water savings during the monitoring period. The Altman project highlights significant water savings potential in the commercial/agricultural sector and demonstrates how creativity and forward thinking can increase efficiency and reduce costs.

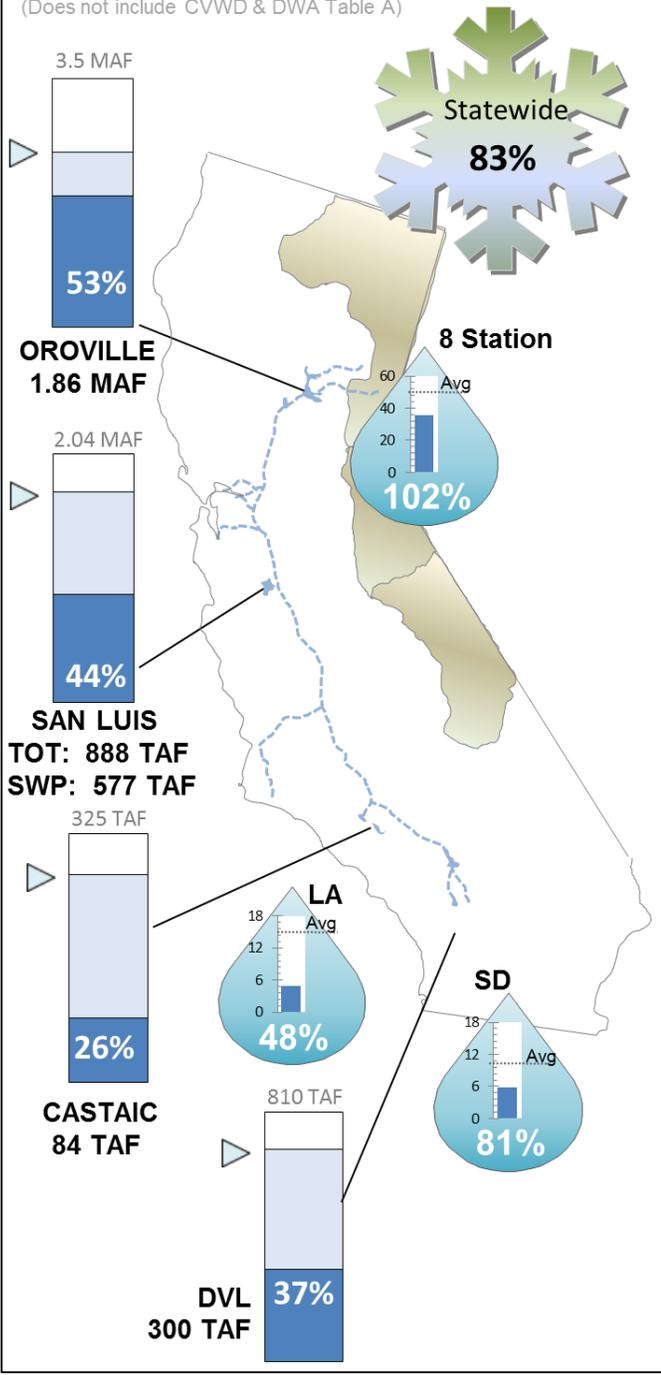
WATER SUPPLY CONDITIONS as of February 29, 2016

2016 SWP Allocation

573,450 AF

30% of Table A

(Does not include CVWD & DWA Table A)

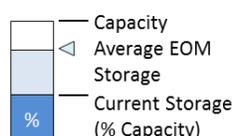
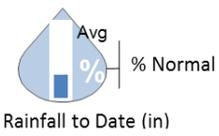
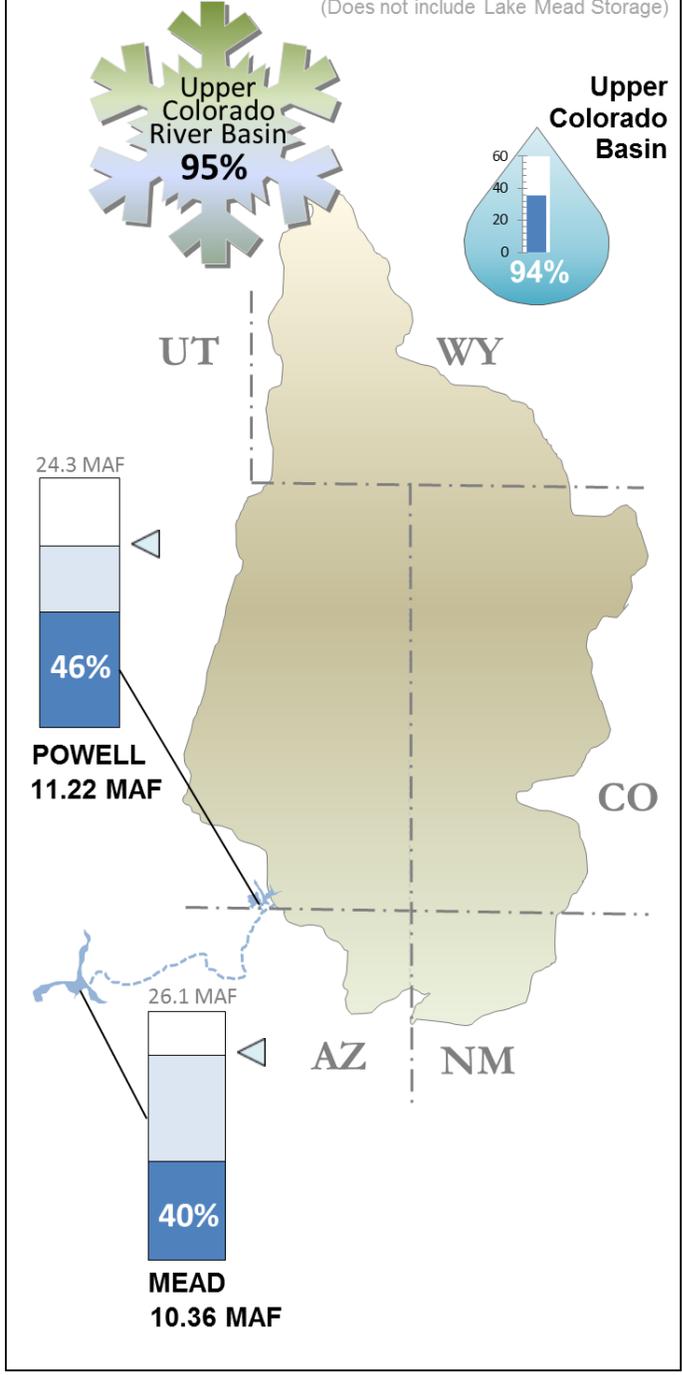


2016 Colorado River

865,000 AF

69% of full CRA

(Does not include Lake Mead Storage)



WATER SYSTEM OPERATIONS

CORE

PROVIDE RELIABLE WATER SUPPLIES

System Operations delivered approximately 89,000 acre-feet of water to meet member agency demands in February, which averaged approximately 3,000 AF per day. Treated water deliveries for February totaled 48,000 AF, or 54 percent of total deliveries for the month. Because the Colorado River Aqueduct was shut down from February 2 - 26 for annual maintenance and repair, only 16,000 AF of Colorado River water was pumped. Prior to the CRA shutdown, System Operations filled Lake Mathews to 174,000 AF or 96 percent of capacity and Lake Skinner to 42,000 AF, also 96 percent of capacity. Year-to-date CRA diversions are 114,600 AF. State Water Project imports averaged 1,545 AF per day for 44,800 AF for the month. This was an increase of 12,800 AF from January 2016. This increase was due to system operational changes to support shutdowns and the unseasonably dry and hot February. System Operations continued the strategy of minimizing the use of SWP water wherever possible. For the month of February, the use of SWP water accounted for 50 percent of Metropolitan's deliveries.

Storage at Diamond Valley Lake decreased slightly to 297,000 AF, or 36.6 percent full as water from DVL was used to meet demands and maintain Lake Skinner at 30,000 AF during the CRA shutdown. The Inland Feeder deliveries remained at zero for the month of February. SWP blends to the Skinner plant remained at zero percent due to the low SWP allocation of 15 percent. The Greg Avenue pump station remained off line in the month of February due to system operational changes to support various shutdowns.

System Operations continued to maximize power generation throughout the month. In February, Metropolitan's hydroelectric plants generated an average of 10 megawatts per hour for 7,000 megawatt-hours for the month.

Many operational changes were made in the system to accommodate several large shutdowns in February, such as the Lake Mathews Forebay and Upper Feeder (untreated) shutdowns beginning February 21, in which the Weymouth and Diemer plants were transitioned from 100 percent Colorado River water to 100 percent State Water Project water. Additionally, staff reconfigured the system to facilitate the large shutdown of the Weymouth plant, and the feeders adjacent to the plant, such as the Upper Feeder (treated) and Middle Feeder, starting on February 29.

CORE

OPTIMIZE MAINTENANCE

The scheduled shutdown of the Colorado River Aqueduct was completed this month. During the 24-day outage, Metropolitan and contractor staff were able to complete a wide variety of maintenance and improvement projects. The dry CRA allowed 100 miles of tunnel to be cleaned, internal inspection and survey work, and the opportunity to repair panels and install curbing in sections of the open canal across the desert. Additionally, improvements on the sand traps, installation of additional elevation and pressure monitoring equipment, and the installation of internal seals at locations on the CRA that had experienced minor leakage were completed. Repairs to several delivery lines and sump piping systems, and testing of high voltage electrical equipment were performed at the five pumping plants. The outage also provided an opportunity to replace flow meters in the San Diego Canal. *(see photos on right and page 27)*



Tunnel cleaning machine being lowered into the CRA

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE MAINTENANCE continued...

Shutdown of the Colorado River Aqueduct.



Minor CRA canal panel repairs

High voltage electrical equipment insulators being cleaned during CRA shutdown



Technicians replacing flow meter transducers on the San Diego Canal



Staff welding metal straps onto delivery line to repair areas of thin metal

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE MAINTENANCE continued...

Staff continued the system-wide coatings program aimed at preventing corrosion and extending the life of pipelines and infrastructure. This month, in addition to coating work on the delivery lines and equipment being addressed during the CRA shutdown, staff also completed coating repairs on the Santiago Creek Pressure Control Structure and the Foothill Municipal Water District service connection (FM-01) piping and venturi meter on the Upper Feeder. The FM-01 service connection has been in service since 1953. *(see photos below)*

Before and after coating repairs on the Upper Feeder at the FM-01 service connection



The La Verne Shops manufactured a 36-inch by 24-inch wye pipe fitting for the Weymouth plant. This fitting is part of the Weymouth Washwater Pumpback Improvement Project. It will modify the discharge point at the Ozone Demonstration Plant and will improve the operating efficiency of the plant by removing the need for a pump used in the current configuration. The wye section will be installed in early March during a scheduled shutdown.

Staff performed major maintenance and testing on high-voltage equipment at OC-88 Pump Station. This work is performed every six years and includes maintenance and testing on disconnect switches, transformers, motors, drives and cables. The high-voltage maintenance and testing is performed to prevent failures and increase system reliability. During this maintenance work, staff identified two dry-type transformers at risk of failure that will be replaced.

During a routine patrol of Metropolitan's distribution system, staff noted a small amount of water in one of the lanes on Bristol Street in the City of Santa Ana. Working closely with other water agencies, including the Municipal Water District of Orange County and the City of Santa Ana, staff identified potential sources of the leak within the street. Using acoustic leak detection technology, the leaking pipeline was identified as Metropolitan's Orange County Feeder. Staff quickly mobilized and found the leak to be at one of the pipe joints. The repair was completed by installing and welding a sleeve over the outside of the old pipe joint, effectively stopping the water and strengthening the joint. The repair method eliminated the need to dewater the pipeline and shortened the outage to just a few days. None of the agencies with service connections on this portion of the pipeline were impacted during the outage.

WATER SYSTEM OPERATIONS

CORE

IMPROVE SECURITY AND EMERGENCY RESPONSE

On February 3, Metropolitan staff participated in an Initial Planning Conference to help plan a full-scale emergency exercise at Union Station in the summer of 2016. This exercise will allow all agencies housed at the Union Station campus to practice how they would collaboratively respond to and recover from an emergency that impacts the entire Union Station area. Representatives from various agencies such as the Los Angeles City Fire Department, Los Angeles County Sheriff's Department, First Five LA, Metro, Amtrak, and Morlin Management will be participating in this exercise.

CORE

PROTECT SOURCE WATER QUALITY

On February 24, 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 remedial operations and plan development, and the disbursement of funds from the \$1.1 billion settlement between Tronox and its site predecessors. Perchlorate remediation efforts in Henderson are critical to ensure continued protection of Colorado River water supplies. Metropolitan routinely monitors perchlorate levels at the Las Vegas Wash and its Colorado River Aqueduct intake. Levels at the CRA intake typically remain below 2 ppb, well below California's perchlorate maximum contaminant level of 6 ppb.

CORE

MANAGE THE POWER SYSTEM

On February 11, Metropolitan submitted documentation to Southern California Edison showing compliance with certain applicable national electric reliability standards as part of the required annual self-certification process.

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 February 2016.

Staff prepared and submitted a comment letter to the State Water Resources Control Board on the proposed revisions to the Aquatic Animal Invasive Species Control Permit. Metropolitan is enrolled under this permit to allow for the use of sodium hypochlorite to control quagga mussels. Metropolitan supports the proposed changes that allow for the use of copper sulfate and for the Executive Director to add additional approved pesticide products, without having to go through a formal, extended rulemaking to re-open the permit. Staff coordinated with the Association of California Water Agencies who also submitted a letter in support of the changes.

On February 5, South Coast Air Quality Management District's Board adopted revisions to Rule 1113 – Architectural Coatings. This rule applies to Metropolitan's application of coatings to stationary structures within SCAQMD's area. The changes address the implementation of new rules for reduced volatile organic compounds content in coatings, which will go into effect in 2020. Staff participated in the SCAQMD working group meetings, public workshops, and stakeholder meetings on Rule 1113 and provided input during those meetings. Staff will be evaluating the impacts to our coatings program to prepare for the 2020 effective date.

WATER SYSTEM OPERATIONS

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 from December 2014 through November 2015 were 645, 649, and 611 mg/L for Weymouth, Diemer and Skinner plants, respectively.

Mills plant staff worked to identify a means to optimize chemical feed control at the Mills plant, particularly during periods of low flow. Staff replaced portions of the chemical metering systems, which resulted in improved dosage control and reduced excess chemical costs. The plant operator's control of chemical feed was also enhanced with replacement of a valve controller.

A 10-day full-plant shutdown of the Weymouth plant began on February 29 to allow contractors to connect the new ozone contactors, replace various gates for plant isolation, and connect a new sulfuric acid feed system. *(see photo below)*



Tie-in location where the ozone contactors will be connected to the influent piping.

CORE

SUPPORT EDUCATION AND OUTREACH INITIATIVES

Staff conducted five plant tours during the month of February at the Jensen, Skinner and Weymouth plants. Jensen's operations staff, together with Engineering staff, conducted a plant tour and provided technical presentations on water treatment and pertinent topics for the American Society of Civil Engineers. Participants on other tours included Board members, member agencies, local government officials, university science and engineering students and non-profit organization members, and they learned about water treatment processes, source water protection, and drought response initiatives.

WORKFORCE DIVERSITY



Documentary: Red, White, Black and Blue



Employees heard from rugby coach and former player who shared their experiences traveling the world and impact on their lives.



Millennials shared their thoughts on career, social media, and their future.



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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