

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Manager’s Monthly Activity Report for March 2016

March 31, 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.

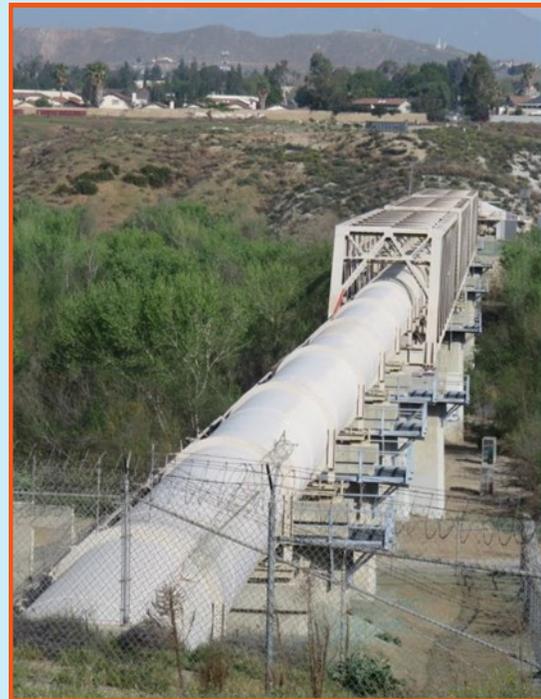
Water System Operations—Optimize Maintenance

Many operational activities occurred during March to accommodate large shutdowns such as Lake Mathews, the Upper and Lower Feeders (untreated), the Weymouth plant, and treated water feeders downstream of Weymouth. All of these shutdowns were successfully completed within the planned outage duration. During the Lake Mathews outlet shutdown, the forebay and outlet tower were inspected and surveyed to provide accurate data for future rehabilitation and seismic strengthening. Additional activities included: maintenance and coating of large valves entering the Lake Mathews forebay; dewatering of the Upper Feeder for repairs on the pipeline crossing of the Santa Ana River; and, dewatering of the Lower Feeder for inspection and coating repairs at Temescal and Corona powerplants. *(see photos below)*



Inspection of the Lake Mathews Forebay Outlet Tower slide gates and removal of old platform

Santa Ana River Bridge crossing of the Upper Feeder Pipeline



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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.

California WaterFix and California EcoRestore—The California Department of Water Resources is conducting hydrologic studies to evaluate how much water could have been stored if the California WaterFix were in place and operational. This winter has brought significant rain to California, and the state has described it as a missed opportunity to capture and store a significant amount of the storm flows. Use of federal and state water project pumps has been limited to comply with criteria imposed in the federal biological opinions, mainly those limiting south Delta reverse flows. DWR has been tracking the winter storms since January 2016 and estimates that, based on the project operations described in the draft Biological Assessment for the California WaterFix, approximately 486,000 acre-feet of water could have been captured and used to support agricultural and urban purposes as well as recharging critically low reservoirs and groundwater basins from early January 2016 through March 3. This is enough water to supply 3.6 million Californians for a year. Through the spring storm season, DWR will continue to track the amount of water that could have been captured with the California WaterFix. Updated information can be found on the website—www.californiawaterfix.com.

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.

Emergency Response—DWR updated the scope for enhancing the Emergency Management Tool to estimate time and resources to repair multiple island failures in the Delta. Model enhancements are expected to be completed by September 2016, which will be followed by completion of the Department of Water Resources Delta Flood Emergency Response Plan.

The Emergency Management Tool work will accommodate hydrodynamics of very large flooded island volumes and concurrent channel flows during actual breaches of a scale warranting implementation of the emergency freshwater pathway. This will include mechanisms to simulate refined Delta Cross Channel operations, real-time model response based on observed data, and the ability to predict effects of short-term increased flows from San Joaquin River reservoirs, in addition to Sacramento River reservoirs. The enhanced Tool will be able to assess response of land-based levee repair to concurrently restore slump restoration and closure of breached levees.

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.

State Water Project and Central Valley Project Regulatory Issues: State Water Resources Control Board— The State Water Resources Control Board granted an extension for a public hearing to consider the petition requesting changes in the point of diversion for the State Water Project and Central Valley Project as part of the California WaterFix Project. The first hearing date is currently scheduled for May 5, 2016 and opening briefs are due March 30. Staff, in collaboration with public water agency attorneys, is preparing for participation in the proceedings.

Staff continues to coordinate with the State Water Contractors to provide input to SWRCB Bay-Delta Water Quality Control Plan planning efforts and enforcement actions related to SWRCB-issued curtailment notices. The SWC are involved in depositions pertaining to SWRCB enforcement actions against two in-Delta water users – Byron-Bethany and Westside Irrigation Districts. State Water Contractors filed a notice to appear in the defense phase of the enforcement action. The hearing was held the week of March 21. Paul Hutton, representing the SWC, provided rebuttal testimony at the hearing. His testimony was focused on issues relevant to the State Water Contractors stored water complaint.

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—A study of longfin smelt larval distribution continued in March. Dr. Hobbs (University of California, Davis) and Dr. Grimaldo (ICF) sampled for longfin smelt larvae both in Suisun Bay marshes and in San Pablo 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 hypothesis that longfin abundance increases in wet years result from downstream production linked to local runoff rather than from upstream production linked to Delta outflow.

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.

Voice Over Internet Protocol Technology—Staff completed the installation of the phone carrier connections to enable the new phone system to call outside of Metropolitan. Furthermore, staff initiated the phone pilot that will be conducted in three phases: (1) pre-pilot, (2) IT pilot, and (3) Water System Operations pilot at Lake Mathews and Soto Street sites.

Network Communication Infrastructure—Staff successfully completed the electrical shutdown at Headquarter building in order to connect to the upgraded electrical power equipment.

Hiram Wadsworth Pumping Plant—Staff started the testing of the pilot unit and is troubleshooting some equipment issues with the project team.

Emergency Two-way Radio—With the success of the vehicle coverage acceptance tests, the project team distributed 48 percent of the radios (Jensen, Diemer, Weymouth, Soto, Headquarters, and Eagle Rock). The remaining radios will be distributed after receiving firmware fix.

Emergency IT Recovery—Staff conducted an IT disaster recovery exercise as part of an ongoing effort to maintain Metropolitan's ability to recover critical business processes in the event of a disaster. The March exercise involved executing recovery strategies that support Metropolitan's Oracle Financials, E-Forms, WINS and ProjectWise system.

Data-center Architecture—Staff conducted meetings with vendors to explore upgrade strategies to replace the end-of-life Storage Area Network in the datacenter.

Foster a culture of innovation.

Mobile Technology—Staff started to roll out SKYPE to existing Lync users. Staff anticipates rolling it out to all employees in Metropolitan.

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.

Eastern MWD Board of Directors approved the request for an extension of service area boundary to the Pechanga Reservation on March 16, 2016. In April 2016, Metropolitan's Board will consider granting final Board approval and fix Metropolitan's terms and conditions to extend the service area boundary to the commercial zone within the Pechanga Indian Reservation located near the city of Temecula, in western Riverside County, California. This request consists of approximately 457.89 acres, of which approximately 3.48 acres are public roads.

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.

Spring Green Expo and ECO Innovators Showcase—Solicitation of the ECO Innovators and vendor participation has been completed and all other event coordination tasks are on schedule.

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

Staff continued to assess, evaluate and enhance IT security infrastructure to allow secure remote access in an effort to develop Mobile Policy.

Simplify access to business information.

Metropolitan's Web Redesign—IT Staff continued to provide support for Metropolitan's website, working collaboratively with External Affairs on development of webpages commemorating the 75th Year Anniversary of Colorado River Aqueduct water deliveries.

Procurement Training Academy—Staff completed development of online training modules to enhance customer knowledge of purchasing and contract administration guidelines.

CHIEF FINANCIAL OFFICER

CORE PRIORITY

MAINTAIN STRONG FINANCIAL POSITION

Provide innovative and proactive financial analyses, planning, and management services to ensure that forecasted revenues are sufficient to cover planned expenditures and provide a prudent level of reserves consistent with Board policy.

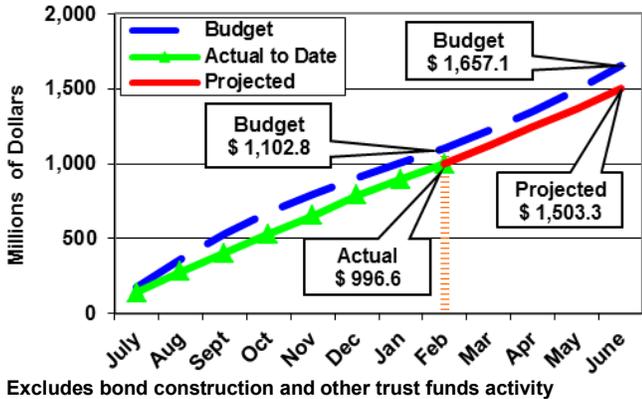
Monitor external impacts on rates and charges to help maintain low rates, minimize their variability, and recover costs consistent with Board policy.

The Board held public hearings for the Proposed Water Rates and Charges effective January 1, 2017 and January 1, 2018, and ad valorem property tax at the March 8, 2016 Board meeting. The Finance and Insurance Committee held Workshop #3 and #4 (March 7 and 22, respectively) to discuss the Proposed Biennial Budget and Revenue Requirements for FY 2016/17 and 2017/18, estimated water rates and charges to meet the Revenue Requirements, and Ten-Year Forecast. A proposal for a fixed treated water charge was discussed further. Workshop #4 also included a presentation and discussion on the Proposed Capital Investment Plan for FY 2016/17 and 2017/18.

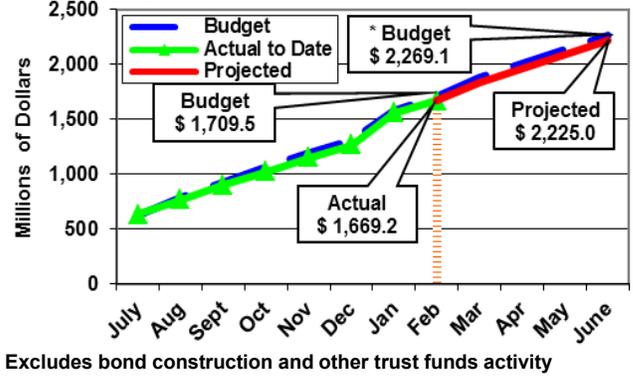
CHIEF FINANCIAL OFFICER

FINANCIAL SUMMARY AS OF FEBRUARY 29, 2016

Total revenues are expected to be \$154 million lower than budget at year end, mainly due to lower water sales.

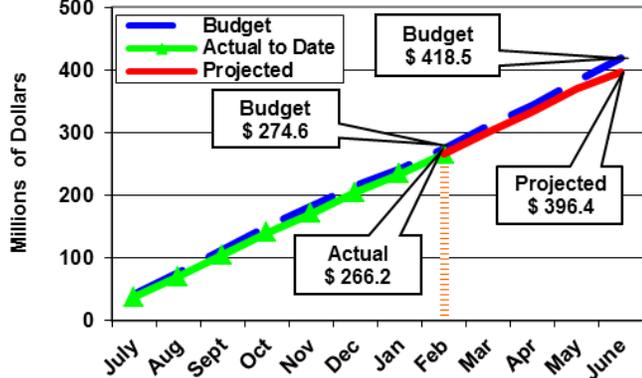


Total expenses are expected to be \$44 million lower than budget by year end, mainly due to lower Capital Program and O&M expenses, and partially offset by higher supply program costs.

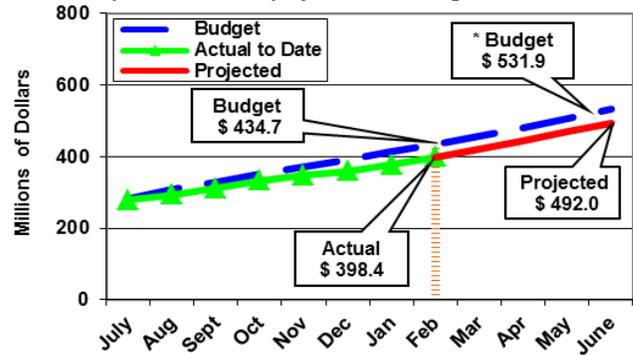


* * Includes \$305.6M, \$264M and \$9.8M Board-approved increases for Conservation, Riverside and Imperial County land purchase, and Water Supply Programs, respectively

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.

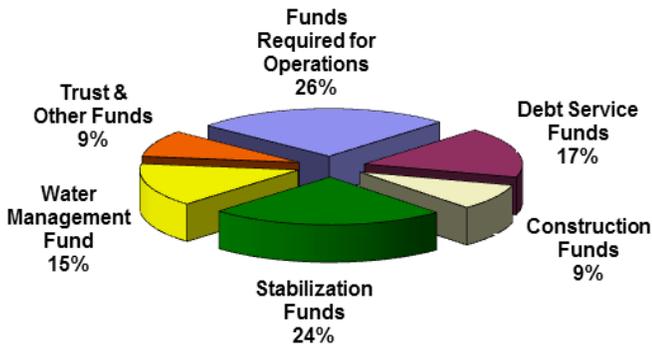


Capital Program expenses are expected to be \$40 million lower than budget by year end, mainly due to work prioritization and project rescheduling.



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

Cash and Investments at Fair Value \$ 1,240.4 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

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.

Continued to work with Fusion Risk Management to complete the upload of Business Impact Analysis data, updates to employee and vendor files, and resolution of system issues experienced by users. Initiated weekly roundtable discussions with plan owners to address topics of concern and provide guidance in the BC Plan development process. Conducted additional training and meetings with management upon request. Initiated plans for a Business Recovery Exercise in May focused on testing the Exchange email system.

CORE

MANAGE RISK

- The Risk Management Unit completed 45 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.
- Risk Management completed 59 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events and film permits.

CORE

FINANCIAL MANAGEMENT

Manage Metropolitan's finances in an ethical and transparent manner and provide consistent, clear, and timely financial reporting

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

The Board adopted the Master Subordinate Resolution authorizing the issuance of subordinate water revenue bonds and other forms of indebtedness and adopted the First Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of subordinate water revenue refunding bonds. The Board also adopted the Short-Term Revenue Certificate Resolution authorizing the sale and issuance of up to \$400 million of short-term revenue certificates and providing for credit facilities and trust agreements.

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

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

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 were recorded in a timely and transparent manner.

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 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 85 percent complete and is scheduled to be complete by October 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 32 percent complete and is scheduled to be complete by December 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. Construction was completed in March 2016 during a planned shutdown. *(see photo below)*
- DVL Inlet/Outlet Tower Fish Screen Replacement—This project replaces the corroded fish screens mounted on the Inlet/Outlet Tower at Diamond Valley Lake. Design was completed in February 2016.
- DVL East Dam Electrical Upgrades—This project extends permanent electrical service to the seepage monitoring structures at the East Dam, and to the microwave communication tower at the East Marina. Design was completed in February 2016.
- Orange County Feeder Lining Repairs—This project replaces the deteriorated internal lining along an 11-mile portion of the Orange County Feeder within the cities of Santa Ana, Costa Mesa, and Newport Beach. Final design of Stage 2 (Bristol Street in Santa Ana) is approximately 99 percent complete and is scheduled to be complete by June 2016. Final design of Stage 3 (Costa Mesa and Newport Beach) is 15 percent complete and is scheduled to be complete by October 2016.
- Middle Feeder Blow-Off Valve Replacement—This project replaces two deteriorated 12-inch diameter lubricated plug valves with new valves along the Middle Feeder within the city of Compton. Design is 95 percent complete and is scheduled to be complete by April 2016.

Garvey Reservoir Valve Replacement – Refurbished 30-inch conical plug valve being lowered into control structure.



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. Construction is 90 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 programmatic environmental impact report for the Orange County region will be recommended for certification in April 2016. A value engineering workshop for improvements within the Orange County region was completed.
- 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 August 2016.
- Riverside/San Diego County Operating Region—Preliminary design of improvements is 40 percent complete and is scheduled to be complete by August 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 33 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 40 percent complete and is anticipated to be complete by July 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 95 percent complete and is scheduled to be complete by April 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 88 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 57 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 25 percent complete and scheduled to be complete by July 2017.

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 55 percent complete and is scheduled to be complete by November 2016.
- LADWP Lagoon Refurbishment—This project rehabilitates four LADWP lagoons for use by Metropolitan. Construction is 54 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 was completed in 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. Construction of the first phase is five percent complete and is scheduled to be complete by February 2019.

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. Construction is scheduled to begin on April 18, 2016 and be completed by June 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.
- Second Lower Feeder Emergency Repairs—This project repairs a PCCP leak on the Second Lower Feeder in the city of Long Beach. On March 10, 2016, the General Manager awarded an emergency construction contract to repair four PCCP segments using carbon fiber lining. The construction was completed and the pipeline returned to service by April 1.

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:

- 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 20 percent complete and scheduled to be complete by February 2017.
- CRA Motor Cables Replacement—This project replaces the aging 6.9kV electrical cables that supply power to each of the nine pump motors at each pumping plant. The power cables run from the 6.9kV switch house to each pump through a cable tunnel. Preliminary design is 92 percent complete and is scheduled to be complete by May 2016.
- Desert Wastewater System Replacement—This project replaces the wastewater collection systems and community septic tanks at all five CRA pumping plants. Construction at the Hinds and Eagle Mountain Pumping Plants is 90 percent complete and is scheduled to be complete by May 2016. Final design for the Iron Mountain and Gene Pumping Plants is 60 percent complete and is scheduled to be complete by December 2016. Preliminary design at Intake Pumping Plant is 50 percent complete and is scheduled to be complete by July 2016.
- 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 December 2016.
- Employee Housing Rehabilitation—This project will construct eight new houses at four pumping plants (Hinds, Eagle Mountain, Iron Mountain, and Gene). Design is 30 percent complete and is scheduled to be complete by July 2016.
- Auxiliary Power Rehabilitation—This project conducts a condition assessment of the auxiliary power systems at the five CRA pumping plants. The auxiliary power systems provide power to critical pumping plant equipment such as cooling water pumps, lubrication oil pumps, and circuit breaker control systems. The condition assessment is five percent complete and is scheduled to be complete by July 2017.



Storage	As of 3/31/16	% of Capacity
DVL	301,274 AF	37
Lake Mathews	171,436 AF	94
Lake Skinner	34,691 AF	79

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.

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—Re-vegetate the Diemer plant's south-facing slope was completed in March 2016. In accordance with the Diemer ORP's Environmental Impact Report, Metropolitan will perform maintenance activities for at least five years to ensure long-term establishment of the plants.

Weymouth ORP

- Main ORP Facilities—The Weymouth plant is the final facility to receive the ozonation process. In March 2016, all planned shutdown work was completed and incoming water now flows through the ozone contactors. Construction of the ozonation system is 95 percent complete and is scheduled to be complete by late 2016. The ozonation system will commence operation in early 2017.
- 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 15 percent complete. The ORP-related upgrades are scheduled to be complete by April 2017, and the bromate control upgrades are scheduled to be complete by May 2018.



Weymouth ORP—Removal of existing 140-inch inlet pipe



Weymouth ORP—Installation of relocated 36-inch washwater return pipe at plant inlet

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.

- Staff presented an overview of Metropolitan and Southern California's water challenges to the Southern California Leadership Network. (March 11)
- Staff met with delegates from the World Bank Global Practice for Water to discuss integrated urban water management. (March 23)
- Assistant General Manager Man presented to the Asian American Architects and Engineers on Building a Sustainable and Reliable Water Infrastructure Supply for Southern California's Future. (March 24)

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.

- Metropolitan was honored by the national organization PR News with the 2016 Diversity Heroes award for excellence in communicating about workplace initiatives, business outreach and successfully reaching diverse audiences through the Take a Turn conservation campaign. The award was presented at the National Press Club in Washington DC. (March 15) (*see photo on page 18*)
- The National Association of Government Communicators, a network of federal, state and local government public affairs professionals, has named Metropolitan's Bob Muir as Communicator of the Year. The honor is given annually for excellence in professional communication by a public agency official on issues of national importance. The award will be presented at the organization's conference in June.
- Set up interview with Chairman Record and General Manager Kightlinger and Bloomberg Businessweek to discuss conservation funding for Metropolitan's turf removal program.
- Arranged interview with Group Manager, Water Resource Management Upadhyay and Washington Post to discuss Metropolitan's conservation rebates and incentives, including turf removal.
- Set up interview with Group Manager Upadhyay and KPCC radio to discuss Metropolitan's turf removal program and conservation budget.
- Provided information and/or set up separate interviews for reporters from various news organizations seeking details about Metropolitan issuing form 1099s for rebates received as part of the turf removal program.

Press Releases

- Metropolitan's partnership with the Bard Water District on a \$1.8 million two-year pilot program in which Bard district farmers voluntarily skip their spring and summer plantings and transfer the saved Colorado River water to Metropolitan.
- Announcement with U.S. EPA, Bureau of Reclamation and Western Water Districts on Innovative Conservation Grant Program for Water-Saving Devices of Tomorrow.
- Activities to commemorate the 75th anniversary of Colorado River Aqueduct deliveries.

Communicate and cultivate support for Metropolitan's key initiatives related to Colorado River supplies.

Produced a new fact sheet and a General Manager blog on the benefits to farmers and Metropolitan from a pilot project for fallowing opportunities in the Bard irrigation district in southeast California.

EXTERNAL AFFAIRS

STRATEGIC PRIORITY

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

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

Arranged telephone press conference and individual interviews with General Manager Kightlinger and Bay-Delta Initiatives Manager Arakawa to discuss Metropolitan's potential purchase of islands in the Sacramento-San Joaquin Delta. News organizations included Los Angeles Times, Sacramento Bee, KABC radio L.A., Stockton Record, San Francisco Chronicle, KQED radio San Francisco, KPIX-Channel 5 San Francisco, KOVR-TV Sacramento, and Sacramento Fox News TV.

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.

- Assistant General Manager Patterson spoke to the Water Advisory Committee of Orange County on the Delta, California WaterFix and the importance of these activities to the long-term integrity of the State Water Project. (March 4)
- Chairman Record authored opinion-editorial Pumping Restrictions Mean Lost Opportunity that ran in the Ventura County Star. (March 19)
- Arranged interview with General Manager Kightlinger and Associated Press reporters for a story about California WaterFix and the need for improvements in the Sacramento-San Joaquin Delta to ensure water supply reliability.

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.

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.

- Director Vazquez and Metropolitan staff participated in the Water Education for Latino Leaders conference in San Jose. More than 150 local elected officials and public policy leaders participated in statewide-water discussions. (March 4-5)
- Staff made a presentation to the Los Angeles Economic Development Corporation on enhanced use of recycled water resources in Los Angeles County. (March 9)
- Directors Friedman, Dake and Metropolitan staff attended Climate Resolve event honoring Supervisor Kuehl and other environmental leaders. (March 10)

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

Support Board member and executive management communications. Continued....

Inspection Trips

Metropolitan hosted nearly 200 guests on five inspection trips, including three trips to Hoover Dam and the Colorado River Aqueduct and a special tour of Metropolitan's CRA facilities for the Water Education Foundation.

Metropolitan and member agency staff held the annual planning meeting for the FY 2016/17 Inspection Trip program to discuss policies and program issues, reporting requirements, best practices, use of social media and ideas to improve the educational value of the program. (March 17)

Community Partnering Program

- Provided sponsorship and educational materials on water conservation and protecting water quality and natural resources for San Diego Audubon Society's Bird Festival event. (March 3-6)
- Staff supported an exhibit at the California Council of Land Trusts Conference at the California Endowment. (March 8-9).
- Sponsored and provided educational materials on water conservation to the Elsinore Valley Municipal Water District Splash into Spring Family event. (March 12)
- Provided sponsorship and educational materials to Agua Hedionda Lagoon Foundation's World Water Festival in Carlsbad. (March 12)
- Sponsored and provided educational materials to the Los Angeles County Science and Engineering Fair in Pasadena. (March 17-19)
- Staffed an exhibit booth at the Orange County Water District's 20th Annual Children's Water Education Festival. (March 23-24)

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 participated in community meeting with residents to support the Sepulveda Feeder Urgent Repair project.
- Staff provided over 1,900 notices to property owners for the Second Lower Feeder Urgent Repair, Sepulveda Feeder Urgent Repair, and the Etiwanda Repair Projects.

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

Metropolitan met with the member agency managers to discuss the proposed budget and water rates and charges as well as update the agencies on water supply and conservation. (March 11)

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

GM Blogs

- Posted General Manager video blog H2oTalk to discuss new ozonation tie-in at Weymouth treatment plant and why shutdowns of treatment plants and the Colorado River Aqueduct are necessary to renovate and repair facilities to keep water flowing reliably.
- Posted General Manager blog H2outlook about Metropolitan’s *Charting A Stable Financial Future* amid backdrop of two-year budget discussions by Board of Directors.
- Provided information to Reuters wire service about water supply conditions in Southern California.
- Arranged interview with Chief Financial Officer Breaux and L.A. Daily News to discuss Metropolitan’s proposed two-year budget and proposed rate increases.
- Provided information to the La Cañada Valley Sun about the shutdown of the Weymouth treatment plant.
- Provided information to Daily Pilot reporter about emergency pipeline repairs on the Orange County Feeder.
- Provided information to Riverside Press-Enterprise columnist about the boat ramp at Diamond Valley Lake.
- Media services helped process numerous public record act requests and provide information about Metropolitan’s turf removal program to reporters representing several news outlets such as the Los Angeles Times, L.A. Daily News, San Diego Union-Tribune, BuzzFeed, Orange County Register, KPCC radio and KCAL Channel 2 News.

Online

Paid online search on Google Search continued this month. Links to bewaterwise.com appear when keywords such as “water,” “California weather,” and “water rebates” are searched for by Southern California users.

Website

New web pages were posted to highlight the history of Metropolitan with photographs, timelines, and audio and video from the early days of Metropolitan. In March, nearly 33,000 people visited the English and Spanish versions of bewaterwise.com for tips and ideas on how to conserve water. (see photo right)

New web pages highlighting upcoming 75th Anniversary of Colorado River Aqueduct water deliveries.



LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

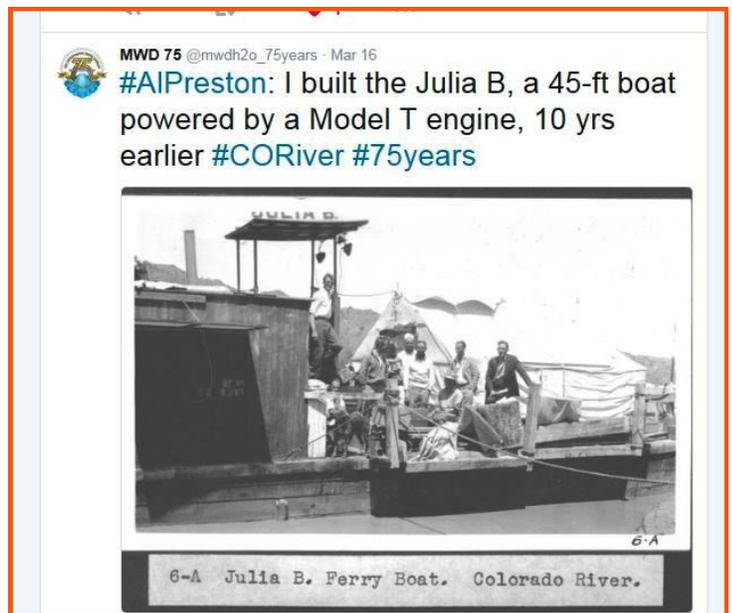
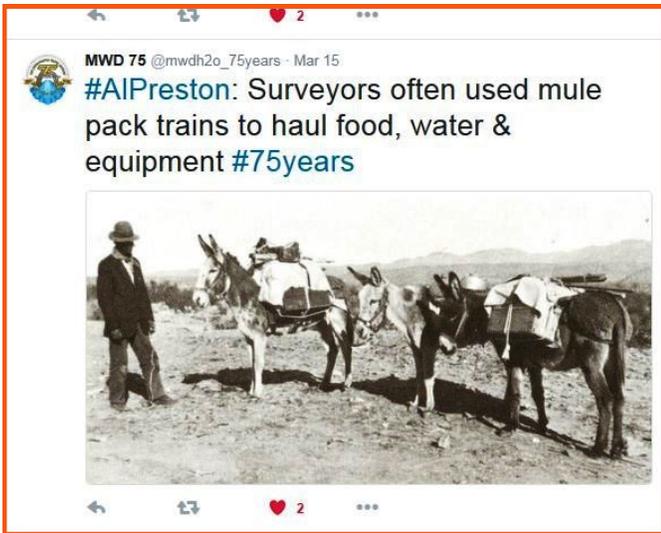
Social Media

A new Twitter handle, @mwdh2o_75 years, was launched to tell the stories of the men and women who worked on the Colorado River Aqueduct project in 1941. The account is being followed by several news reporters, water agencies and museums. *(see photos below)*

Two Metropolitan ‘flip-a-gram’ videos posted on Facebook in March featuring mulch and rain barrels have received more than 100,000 views.

Participated in Fix a Leak Week (March 14-20) and joined other agencies by tweeting and providing tips with a link to the Environmental Protection Agency’s website for Fix a Leak. *(see photo below)*

Tweets from Al Preston who worked on the Colorado River Aqueduct project in 1941.



Fix a Leak Week information on bewaterwise.com website.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

General Education

The following activities directly reached more than 2,100 students and teachers:

- Career day presentations at Boys and Girls Club of West San Gabriel Valley, Rosa Parks Elementary School, RJ Frank School, and John Muir High School
- Outreach activities during Engineering Week at Sun Valley Magnet, ASCE Engineering Week Elementary School Day, Middle School Day, and Girls' Engineering Day at the Los Angeles Zoo
- Workshops for CEEF Teacher Institute – Los Angeles Department of Water and Power and California State University, Dominguez Hills
- Hosted World Water Forum Advisory Council Meeting
- Attended a conference with the Gold Coast Science Network
- Workshops at Environmental Charter High school.

The Education Unit delivered more than 7,300 curriculum materials to schools.

Tweets

The Education Unit's tweets on Metropolitan's education programs received over 1,700 impressions using #solarcup, #waterart, #thinkh2o, #mwdeducates through @bewaterwiseh2o and @mwdh2o. These numbers capture a narrow subset of a significant number of third-party tweets about education programs.

Diamond Valley Lake Education Program

The education program hosted 855 students on field trips and in-class presentations.

Student Art Program

The Water is Life Art Exhibit toured Inland Empire Utilities Agency, Western Municipal Water District, City of Pomona, and Rowland Water District. These events were captured in articles and on social media.

From story on page 13.
Excellence in communicating to diverse audiences



LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

FEDERAL

Staff continues to coordinate with the Coalition to Protect Water Conservation and other states and organizations to promote a legislative and administrative solution for federal tax parity between energy and water conservation rebate. Representatives Huffman and Rohrabacher have introduced H.R. 4616 to help address this issue. Staff met with House Natural Resources Committee staff to discuss Metropolitan's commitment to help advance the effort for the 114th Congress through a bi-partisan California drought assistance bill this year.

STATE

General Manager Kightlinger, Assistant General Manager Patterson, Assistant General Manager Zinke and staff accompanied 15 staff members from the State Legislature and Governor's Office on an inspection trip to learn more about Metropolitan and its operations at Hoover Dam, Colorado River Aqueduct facilities, Diamond Valley Lake and other facilities. (March 2-3)

Chairman Record, General Manager Kightlinger, Assistant General Manager Zinke and staff met with members of the California State Senate and Assembly in Sacramento to discuss Metropolitan's strategic priorities, water supply conditions, system reliability, the Delta, and local supply development. Meetings were held with Senators Hall (D-San Pedro), Galgiani (D-Stockton), Leyva (D-Chino) and Assembly members Salas (D-Bakersfield), Ridley-Thomas (D-Los Angeles), Mayes (R-Yucca Valley), Eggman (D-Stockton), and Dababneh (D-Encino). (March 14-15)

Joint Hearing on 'No Blank Checks' Initiative

The Senate Committee on Governance and Finance and the Assembly Appropriations Committee convened a joint hearing to discuss the 'No Blank Checks' Initiative. The initiative would require statewide voter approval for state revenue bond sales that exceed \$2 billion. Metropolitan's Board voted to oppose the initiative in December 2015. Legislative committee members registered concerns about the measure, including its impact on the state's ability to respond to natural and manmade disasters and build necessary infrastructure using revenue bonds. Some committee members stated that the measure is vague and ill-defined, making predicting its implications difficult and requiring the courts to interpret its meaning. A representative of the initiative's proponent participated on a panel at the hearing and discussed the need for greater accountability for state long-term debt spending.

Delta Decision Impact on the Bay Area Hearing

Staff attended the California Senate Select Committee on the Sacramento-San Joaquin Delta informational hearing on "Pending Delta Decisions and their Potential Economic and Other Impacts on San Francisco and the Bay Area" in San Francisco. (March 11)

Delta Conveyance

AB 1713 by Assembly Member Eggman (D-Stockton) would subject construction of California WaterFix to a statewide vote. AB 1713 has been assigned to the Assembly Water, Parks and Wildlife Committee. Metropolitan is working with a coalition of water agencies in opposition to the bill.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

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

Foothill Feeder

Assembly Member Dababneh (D-Encino) is authoring the Metropolitan-sponsored measure to grant authorization for take of the unarmored three spine stickleback (UTS) to allow periodic dewatering of the Foothill Feeder pipeline for essential scheduled inspections, maintenance and repairs as well as for unplanned circumstances. The fish is listed as endangered under both federal and state Endangered Species Acts and is also designated as a California fully protected species under state law. The change in law is necessary to ensure reliable water deliveries in Southern California.

LOCAL

- Metropolitan staff participated in the Orange County Business Council's Annual Legislative Advocacy trip to Sacramento. During this trip, the group communicated with legislators about infrastructure issues directly related to Southern California's water supply reliability. The delegation met with Assembly members Gomez, Frazier, Allen, Kim, Daly, Brough, Wagner, Linder, Harper, Calderon, Ling Chang, Holden, Olsen and Mayes and Senators de Leon, Galgiani, Beal, Fuller, Moorlach, Huff and Bates. (February 29-March 1)
- Assistant General Manager Zinke, and Metropolitan and member agency staff participated in a legislative briefing with Assembly Member O'Donnell. The briefing focused on Metropolitan's response to the drought, conservation programs, opposition to AB 1713 (Eggman) and sponsorship of AB 2488 (Dababneh). (March 4)
- Director Dake, Assistant General Manager Zinke, and Metropolitan and member agency staff participated in a legislative briefing with State Senator Mitchell. The briefing focused on Metropolitan's response to the drought, conservation programs, opposition to AB 1713 (Eggman) and sponsorship of AB 2488 (Dababneh). (March 4)
- Staff participated on a water panel for the California Hispanic Chamber of Commerce at the Annual Economic Summit in Long Beach. Speakers included Representative Lowenthal and Long Beach Mayor Garcia. Metropolitan's water policy priorities were communicated during a panel discussion on water issues. (March 18)
- Director Morris and staff participated in the San Gabriel Valley Economic Partnership's 16th Annual Legislative Network Reception with Representatives Chu, Napolitano and Torres; Supervisor Antonovich; State Senator Huff; Assemblymen Rodriguez and Hernandez; and other local officials and community leaders. Attendees heard about the region's economic issues, including water supply conditions and projects. (March 24)

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

- Participated in a panel, *Relationships Matter*, at the Southern California Minority Supplier Development Council Minority Business Opportunity Day to promote contracting opportunities at Metropolitan. Attended by over 1,200 participants. (March 9)
- Participated in a panel discussion at the Heritage Committee of City Club LA Business discussing the drought and how innovation will play a vital role in future water. (March 15)
- In partnership with the Legislative services office, Business Outreach participated on a panel entitled: *Hispanic Small Businesses: The Impact of Sustainable Water & Power* at the California Hispanic Chamber of Commerce Economic Development Conference. (March 18)
- Staff participated in match-making sessions with small businesses at the San Diego Contracting Opportunities Center First Annual Contracting Connections Speed Partnering Event. (March 23)
- Business Outreach staff supported the Disabled Veteran Business Alliance SoCal Construction Expo at Camp Pendleton by exhibiting at the expo and introducing veterans to business opportunities. (March 29)
- Staff participated in the match-making sessions and exhibited at the California Public Utility Commission - Southern California Gas/SDG&E Small Business Expo, including educational workshops with Women's Business Enterprise National Council West at the event. (March 30)



Foster a culture of innovation.

- Business Outreach's Innovation and Technology Program partnered with other staff, member agencies, other water agencies, and Isle Inc. to identify emerging water technologies and accelerate market uptake through a global innovation forum held quarterly at Metropolitan.
- Metropolitan's TechHub team joined entrepreneurs, innovators and public agencies at the PortTechEXPO 2016: Global Technology Solutions for Ports and Beyond. Together with other entrepreneurs, the TechHub team showcased technologies that have been discovered and used by water agencies. (March 10)
- Staff joined other water utilities, including Metropolitan member agencies, at *Fostering Innovation within Water Utilities*, a two day-Water Research Foundation Project Workshop in Washington, DC to discuss Operational Innovation Attributes. This is the second of a series of workshops sponsored by the Water Research Foundation. (March 9-11)
- In collaboration with Water Resource Management, staff launched a Technology Review and Feedback Program. The purpose of this program is to provide Metropolitan's innovation community with an effective and efficient public agency process for emerging technologies. Strategic partners for this program will include incubators, accelerators, engineering firms and other water agencies.

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 5 of the second cohort of the *Water System Operations Management Academy* at Eagle Rock, focused on Day-to-day Operations.
- Classes delivered this month include: 2-hour modules of *EXCEL: Pivot Tables, WORD: Professional Reports, Advanced Features, and Images, shapes and Hyperlinks; VISIO*; a full-day *EXCEL 2010 Part 2; Project Management Essentials; Success Signals*; and a two-day *Everyday Business Writing* class.
- Information sessions were held at Headquarters and Skinner plant by Ashford University, offering a leader development grant for employees.
- Staff provided feedback to employees who took the CPI 260 personal assessment to improve individual interpersonal skills and explore areas for career development.

Acquire talent.

- During the past month Staffing has filled 17 positions and received 29 new requisitions. Staffing is currently recruiting for 72 positions, of which 13 are in the final stages.
- Staff continues to evaluate our processes and the use of technology and social media to enhance our abilities to recruit a diverse workforce. We are in the process of making offers to the next apprentice class which will consist of 17 new apprentices.

Foster management excellence.

- Module 2 of Metropolitan Management University, designed for team managers, focused on business acumen, was delivered on Mar 22. In-house subject matter experts presented modules on finance, budget, contracts, procurement, records retention and avoiding litigation landmines.
- Management development classes delivered this month includes: *Reasonable Suspicion Training* and *Motivating and Engaging Employees*.
- Continuing to provide coaching, change-management and team building support through internal staff and external consultants to seven managers and their teams.

Manage leadership talent pools and succession.

Implemented a pilot Executive Development program to provide learning and development in the legislative and regulatory functions.

Foster workforce diversity.

Metropolitan's workforce diversity initiatives were a component in the Diversity in PR Award from the PR News association that recognized Metropolitan's leadership in promoting and supporting the culturally diverse communities, beliefs and values that comprise its own workforce and the entire Southern California region.

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 excellent Human Resources customer service.

Coordinated a guest speaker on Caregiving to provide information to interested employees in a lunch and learn format.

Enhance Human Resources' professionalism.

- Conducted another HR staff lunch-and-learn session on Seismic Upgrade Project as part of the HR Fitness series.
- Staff presented Metropolitan's experience with Workforce Development and Career Launch for engineers at the Western Region Inter-Personnel Advisory Council Conference in Los Angeles.
- Staff attended the Water Technology Advisory Council of the College of the Canyons to provide counsel and update information on industry practices to validate curriculum, and inform faculty members about new developments in the workplace.

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

- During the month of March, Employee Relations staff worked with Water System Operations and Metropolitan's four bargaining units in securing agreement on a Desert Remote Location Pay, which is designed to bolster recruitment and retention at select desert facilities. Discussions are continuing on other initiatives designed to improve staffing and working conditions in the desert.
- EEO Investigations staff successfully resolved an employee's discrimination complaint filed with the State Department of Fair Employment and Housing. The complaint was resolved using the Department's mediation process.

Manage total compensation benefits.

- HR Benefits issued the 2015 Affordable Care Act 1095-C IRS mandated forms to all employees.
- For *Day 2 New Hire Orientation at La Verne*, coordinated speakers from CalPERS, Financial Finesse, Social Security, TIAA-CREF and HR Benefits to provide instructor-led education on topics that included financial planning, investments options, and understanding other benefits offered such as preparing and planning for retirement.
- Conducted *Day 2 New Hire* presentations and *Mid-Career Retirement Planning* with speakers from Financial Finesse and Human Resources at Gene.
- Conducted *Personal Financial Basics* at Lake Skinner, which is an introduction to basic money management and debt control.
- HR Benefits hosted a *Stepping Into Retirement* and *New Fund Lineup* workshops.

HUMAN RESOURCES

CORE

HUMAN RESOURCES EXCELLENCE continued...

Control leave and disability costs.

- Conducted initial investigations on 15 injury incidents.
- Submitted 9 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 1 claim and 4 claim files were closed.
- Conducted MedVan evaluations at Lake Mathews and Union Station facilities.
- Arranged 16 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.

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.

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 37 percent of capacity. In the first nine months of FY2015/16, Diamond Valley Lake had 10,742 visitors, a drop of 60 percent from the same period in the previous year, and 78 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. The seasonal Flower Trail was also opened this month. *(see chart on page 26)*

CopperTop Enterprises, Inc. is providing submittals and awaiting approvals 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.

The DVL East Dam Electrical Upgrades and East Marina Restroom Building projects are progressing. Requests for approval to award contracts are scheduled for the May Board.

Work has begun to install monument and permanent directional signage on the east and west sides of DVL. Clear signage is necessary for the protection of Metropolitan's property and assets and to enhance security and public safety. The signage will ensure that the public reaches their intended destinations and enjoys the public access areas offered by Metropolitan and its lessees.

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

Seek revenue-generating opportunities.

- Water and Power Community Credit Union was issued a one-day entry permit to park vehicles at the Sunset Garage to attend a nearby event.
- A permanent easement was granted to the County of Riverside for public road and utility purposes across a portion of the San Diego Canal.

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

- Seven consent letters were acquired from the Federal Aviation Administration to allow cranes and other construction equipment to enter airspace near the flight path for Van Nuys Airport in conjunction with the Sepulveda Feeder Urgent Repair Project.
- Two leases were acquired for construction staging and laydown area for the Sepulveda Feeder Urgent Repair Project. One lease was acquired from the city of Los Angeles and the other lease from ANJ Properties.
- Staff prepared an appraisal for a permanent easement to access the Lake Mathews weir.
- Staff completed a cost study for a potential pipe connection on the Allen McColloch Pipeline.
- 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.

Foster staff training and development.

- Staff attended the International Right of Way Association sponsored course, *Right of Way Acquisition for Pipeline Projects*.
- Staff attended The Appraisal School sponsored course, *Federal Laws and Regulations*.
- Staff attended Metropolitan-sponsored training courses: *Developing Your Emotional Intelligence*, *Word Professional Reports*.
- Staff attended the informational session regarding the New Bid Threshold Amount of \$75,000 for the Acquisition of Goods, Materials, Professional and Non-Professional Services
- Managers within the Facility Management Unit began a 12-week Leadership Challenge. The challenge is comprised of weekly reading assignments and participation in leadership development sessions.

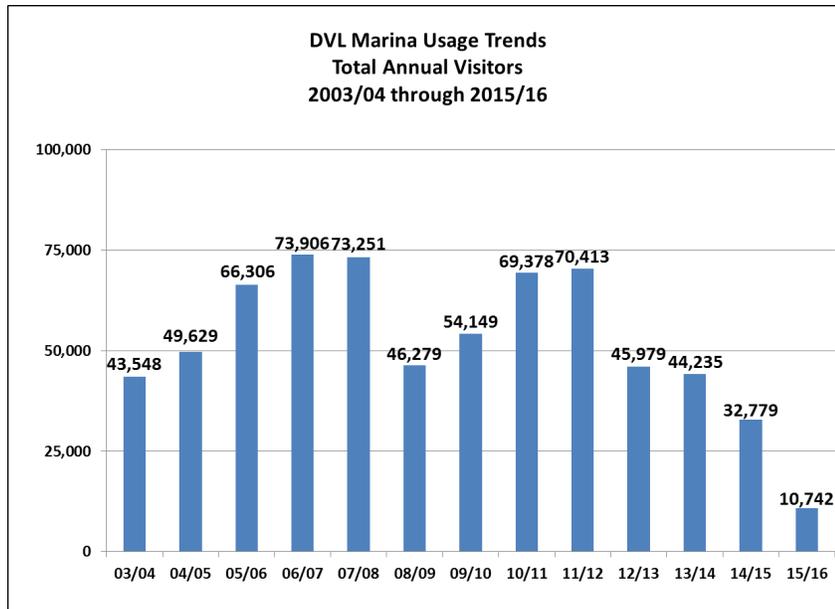
Efficiently maintain and operate Metropolitan's Headquarters building, the Diamond Valley Lake Visitor Center, and the Diamond Valley Lake Education Center.

During the next quarter, staff will continue testing and evaluating the option of installing lighting motion sensors in the Headquarters building conference rooms and restrooms as recommended by the energy audit. The pilot is proceeding, with sensors installed in two conference rooms and one women's restroom. Approval was granted to proceed with installing lighting motion sensors in all men's restrooms at Headquarters.

REAL PROPERTY DEVELOPMENT AND MANAGEMENT

CORE

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



*Actual thru March 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.

Local Resources Program—Staff has met with interested member agencies and sub-agencies to discuss the Local Resources Program and help them with the application process for their proposed projects. Staff is currently reviewing LRP applications for six new recycled water and seawater desalination projects with a collective yield of about 68,000 acre-feet per year. In addition, member agencies have identified 66 proposed recycled water, groundwater recovery, and seawater desalination projects with a combined yield of about 86,000 AFY that may apply for LRP funding during 2016-2018.

On-site Retrofit Pilot Program—Under the On-site Retrofit Pilot Program, Metropolitan has committed to provide about \$7.2 million for converting 8,072 acre-feet per year of potable water to recycled water at 251 sites including schools, parks, golf courses, cooling towers, and one ice rink.

WATER RESOURCE MANAGEMENT

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 (WSAP), which places an annual limit 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 February, total water purchases have been approximately 360,000 acre-feet lower than the total WSAP Baseline. This is an approximate reduction of 28 percent from the total WSAP Baseline.

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.

Outside Witness Testimony—Submitted testimony to United States House and Senate appropriations subcommittees in support of the Department of the Interior and the Department of Agriculture federal budgets for the Colorado River Basin salinity control program in 2017. The testimony highlighted that the salinity control program reduces salinity by preventing salts from dissolving and mixing with the River's flow. Over the past years, the Salinity Control Program has proven to be a very cost-effective approach to help mitigate the impacts of increased salinity in the Colorado River, thereby improving the water quality of Metropolitan's Colorado River supplies. Adequate federal funding of this important Basin-wide program is essential.

Colorado River Citizens Forum—International Boundary and Water Commission provided an update on U.S.-Mexico Agreements for Cooperation on Colorado River issues at the Colorado River Citizens Forum. Starting with the 1944 Treaty between Mexico and the United States to deliver Colorado River water, various agreements (Minutes) were covered, leading up to Minute No. 319. Both the U.S. and Mexican Sections of the International Boundary and Water Commission desire to execute an extension to Minute No. 319 before the end of President Obama's term.

Ensure reliable and cost-effective water management programs.

Palo Verde Valley Community Improvement Fund (CIF)—Metropolitan staff hosted CIF Board members on a field inspection of the Gene Camp facilities. Members of the Palo Verde community sit on the CIF Board and manage \$6 million provided by Metropolitan to offset third party impacts that may result from the land fallowing program. Through the use of short- and long-term loans, the CIF endeavors to help local businesses grow through job creation opportunities.

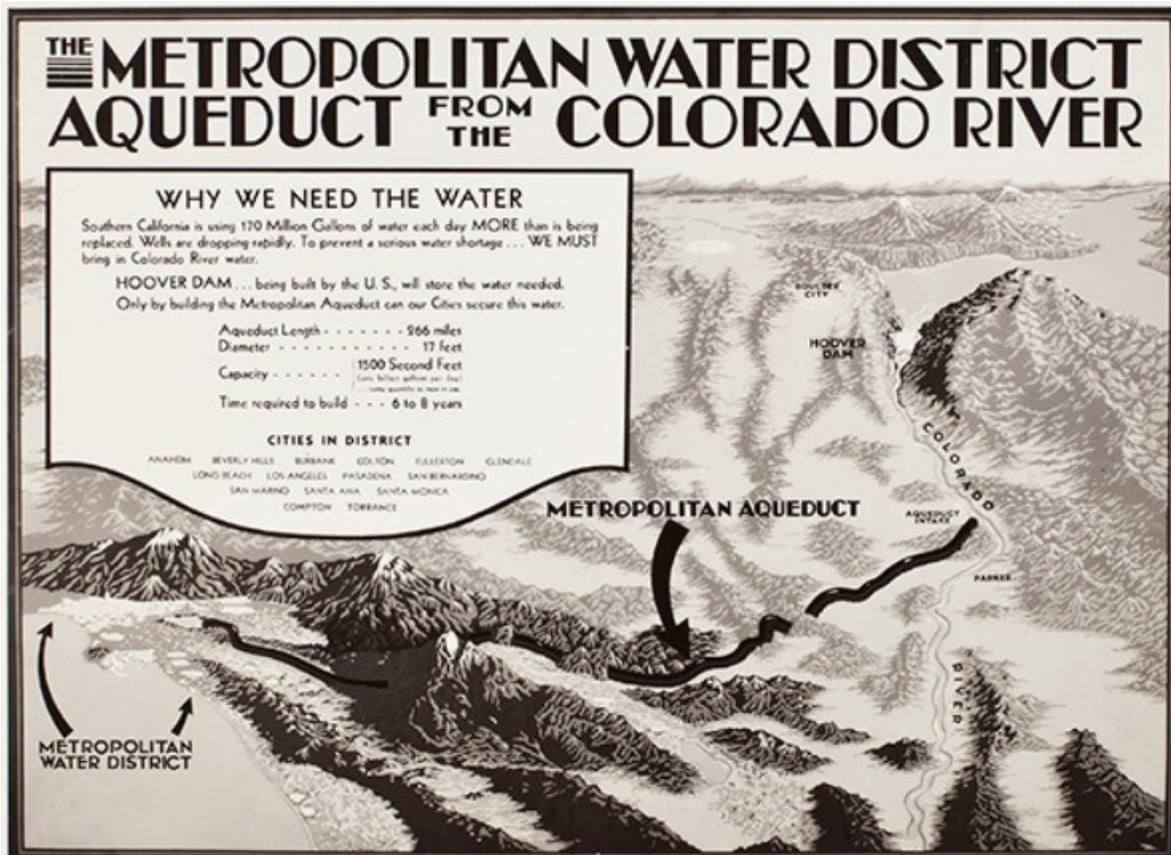
Implement the Conservation Program effectively.

Long Term Conservation Plan Agreements

Executed the following three new agreements to support advancement of the Long Term Conservation Plan:

- Green Media Creations to provide curriculum review and instruction for the residential California Friendly Landscape Training Program.
- WaterWise Consulting, Inc. to provide landscape irrigation auditors for the commercial Large Landscape Survey Program.
- Green Media Creations to provide curriculum development and instruction for a residential Turf Removal class.

Seventy-five years ago this year, water from the Colorado River Aqueduct was first delivered to a rapidly growing and thirsty Southern California.



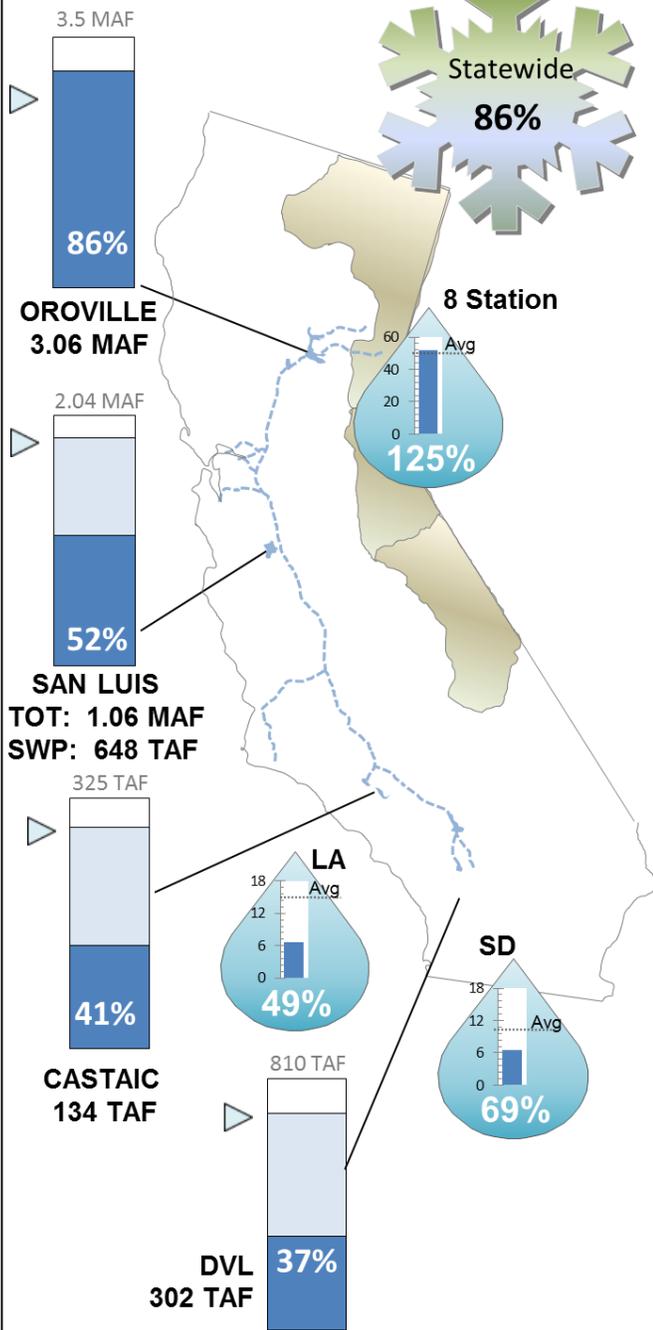
WATER SUPPLY CONDITIONS as of March 31, 2016

2016 SWP Allocation

860,175 AF

45% of Table A

(Does not include CVWD & DWA Table A)

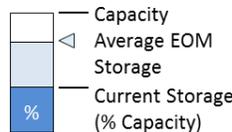
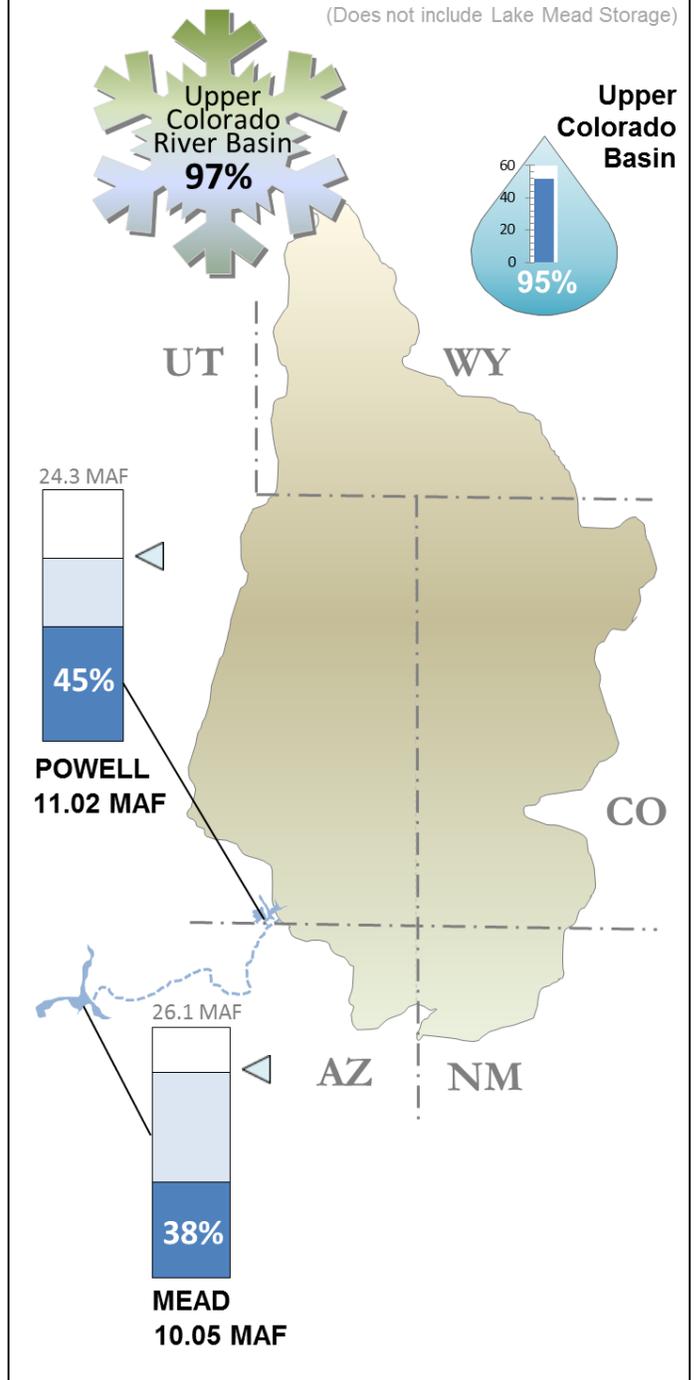


2016 Colorado River

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 110,000 acre-feet of water to meet member agency demands in March, which averaged approximately 3,550 AF per day. Treated water deliveries for March totaled 45,000 AF, or 41 percent of total deliveries for the month. In March, 85,000 AF of Colorado River water was pumped averaging 2,740 AF per day. Year to date CRA diversions are 196,000 AF. State Water Project imports averaged 1,935 AF per day for 60,000 AF for the month. This 15,200 AF increase from February 2016 resulted from system operational changes to support shutdowns and increased ground water deliveries. 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 54 percent of Metropolitan's deliveries.

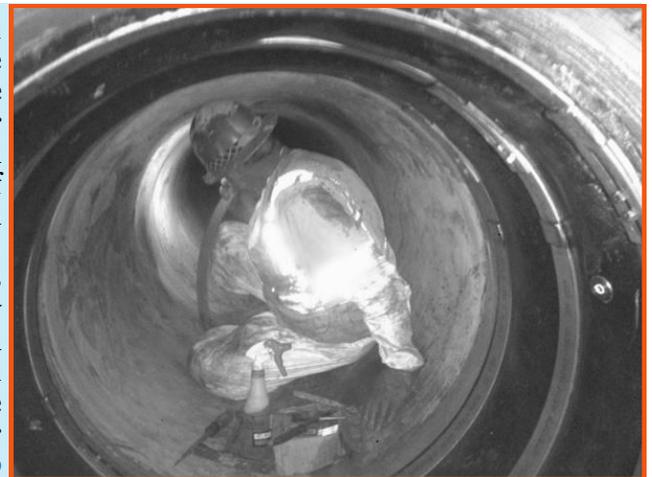
Storage at Diamond Valley Lake increased to 301,000 AF or 37 percent full as Inland Feeder deliveries began on March 21 at 100 cubic feet per second. This represents the first substantial delivery of water into DVL since February 2013. SWP blends to the Skinner plant remained at zero percent to conserve SWP for storage. The Greg Avenue pump station remained off line in March due to system operational changes to support various shutdowns.

System Operations continued to maximize power generation throughout the month. In March, Metropolitan's hydroelectric plants generated an average of 14.7 megawatts per hour for 10,900 megawatt-hours.

CORE

OPTIMIZE MAINTENANCE

At the end of February, two leaks were detected in Metropolitan's distribution system. Once detected, the pipelines were safely isolated and the leaks were controlled. One leak of approximately two gallons per minute was discovered on the Orange County Feeder in the City of Newport Beach. A second leak of approximately 60 gallons per minute was discovered on the Second Lower Feeder in the City of Long Beach. These two leaks were not associated with each other as they were on separate pipelines that are not hydraulically connected. Metropolitan staff, with the assistance of a contractor, applied an internal band to seal the leak in Newport Beach. A capital project was approved by the Board of Directors in March to repair the Second Lower Feeder leak with a carbon fiber composite. *(see photo right)*



Contractor installing an internal band to seal the Orange County Feeder in Newport Beach

The Weymouth plant shutdown provided an opportunity for staff to maintain the treated water distribution system downstream of the plant. The maintenance included replacement of two large control valves at the junction of three pipelines and Garvey Reservoir. After 63 years of operation, these valves were at the end of their service life. Other activities at Garvey Reservoir included rehabilitation of the chlorine bleach feed system, inspection of the reservoir junction structure, and inspection and maintenance of a five-mile segment of the Middle Feeder pipeline.

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE MAINTENANCE *continued...*

In addition to shutdown activities, staff responded to operational events such as storm damage and minor pipeline leaks. Staff repaired eroded areas along the Colorado River Aqueduct caused by the recent storms that have moved through California. A two-mile section of the aqueduct had substantial erosion that exposed a small portion of a buried siphon. Staff worked quickly to make repairs from materials that had been previously stockpiled in strategic locations. Approximately 200 cubic yards of soil and rock were used to backfill the area and make the repairs. *(see photos below)*



Eroded area where a siphon was partially exposed (left) and completed repair (right)

CORE

MANAGE THE POWER SYSTEM

Negotiations are nearing completion on a new Hoover power contract. Metropolitan staff and Hoover power contractors met regularly with the Bureau of Reclamation and Western Area Power Administration (Western). Final draft contracts are anticipated in April. The new contract will become effective on October 1, 2017. Western and Metropolitan staffs have also been discussing a new contract for the existing interconnection of Metropolitan's Colorado River Aqueduct transmission lines into Western's Mead electrical substation in Boulder City, Nevada, near the Hoover Dam. The current interconnection agreement expires on May 31, 2017.

On March 24, Metropolitan met with representatives of an Arizona electric agency to discuss possible cooperative arrangements for the operation of Metropolitan's CRA transmission system. The existing CRA Service and Interchange Agreement for electrical service will expire September 30, 2017.

WATER SYSTEM OPERATIONS

CORE

IMPROVE SECURITY AND EMERGENCY RESPONSE

On February 19 and March 4, representatives on Metropolitan's Board of Directors from Calleguas and Foothill Municipal Water Districts and the City of San Marino toured the Emergency Operations Center as part of their visit to the Eagle Rock Operations Control Center facility. While in the Center, the Directors and their guests received presentations describing how Metropolitan prepares for and responds to emergencies.

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. This month, Class of 2016 mechanical apprentices traveled to an international manufacturer of automatic control valves. Their seventh period of instruction covers all aspects of valving including cross-connection prevention; large valves; flow control and pilot-valve operation; dewatering; and surge protection. This two-day session provided the apprentices with exposure to flow control valves that are used throughout Metropolitan's systems. *(see photo right)*



Apprentice adjusting pressure on flow control pilot valve

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 2016. The flow-weighted running annual averages for total dissolved solids from January 2015 through December 2015 were 647, 651, and 616 mg/L for Weymouth, Diemer, and Skinner plants, respectively.

On February 10, 2016, the California Department of Fish and Wildlife published new regulations pertaining to the control, monitoring, and possession of quagga mussels. The new rules become effective April 1, 2016. Metropolitan has a control plan in place based on the existing regulation. The new regulation primarily changes reporting requirements and permits needed to transport quagga mussels for scientific purposes. Staff is developing new procedures to comply with this rule.

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE WATER TREATMENT AND DISTRIBUTION

The Weymouth plant was shut down from February 29 through March 9 to complete the last major shutdown required for installing the ozone process. During this shutdown, the new ozone contactors were connected to the pipelines entering the water treatment plant.

In addition to the ozone tie-in, a number of other repair-and-rehabilitation projects were performed to maintain the reliability of the treatment plant. A contractor repaired or replaced isolation gates for various segments of the treatment process including the finished water reservoir. The isolation gates allow maintenance activities to be performed in smaller portions of the treatment plant and minimize the need for full plant shutdowns. *(see photo right)*

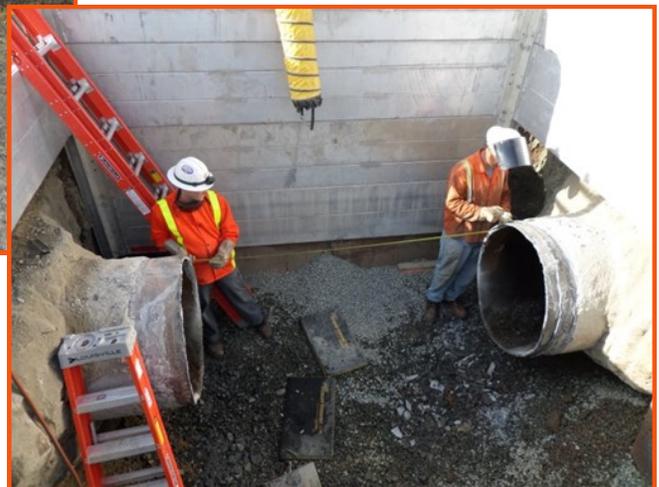
Metropolitan staff conducted several projects during the shutdown. These projects included removing quagga mussel shells, installing new pipe segments to improve energy efficiency, replacing flowmeters, installing vibration monitoring equipment and cleaning chemical injection systems. *(see photos below)*



Contractor removal and replacement of the finished water reservoir gates.



Removal of quagga mussel shells from inlet of treatment plant



Installation of piping connection in wash water return line at Weymouth. This will eliminate the need to double pump 5.5 million gallons per day of water from the oxidation demonstration project that is returned to the plant influent.

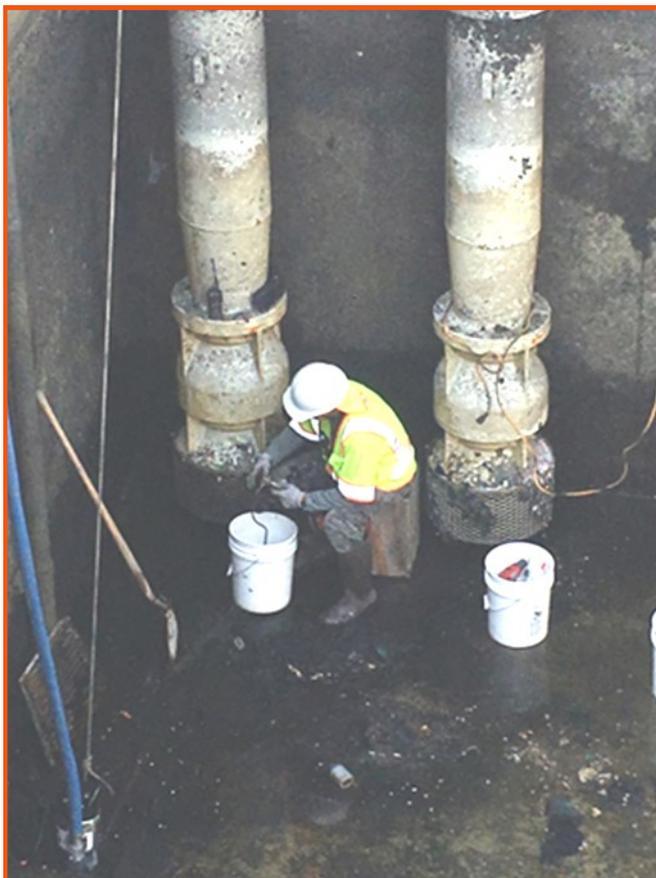
CORE

OPTIMIZE WATER TREATMENT AND DISTRIBUTION

Staff installed a vibration sensor on pumps that recycle water within the Weymouth plant. The sensor, called an accelerometer, is used to detect low levels of abnormal vibration in rotating machinery to ensure optimized performance. Plant staff can then maintain or repair the equipment before the vibration becomes severe or damages other parts of the pump.

Finally, staff inspected all conduits and chemical injection points. Because the plant adds concentrated chemicals into the water, some localized precipitation forms at the injection point and must be periodically removed. All locations were cleaned as needed. A new free-moving skirt was installed over the ammonia and caustic chemical injection lances to reduce future chemical precipitate buildup. *(see photos below)*

In addition to the Weymouth shutdown, staff submitted a letter to the State Water Resources Control Board documenting the hydraulic performance of the ozone contactors at the Mills plant. Based on the results of a tracer study, staff determined that the ozone contactors provided better performance than normally granted by the regulatory agency. With the Control Board's acceptance of these results, the Mills plant will be able to reduce chemical costs.



Installation of vibration accelerometer sensors on impeller bowls of the pumps at the Weymouth plant.



Close-up view of vibration sensor installed on an impeller bowl of the pump at the Weymouth plant

WATER SYSTEM OPERATIONS

CORE

PROVIDE TECHNICAL SUPPORT TO MEMBER AGENCIES

Metropolitan held a Member Agency Water Quality Managers Meeting on March 10 that was attended by more than 90 participants from water agencies and organizations in Southern California. Topics included a presentation by Water Research Foundation staff who described new research initiatives, a regulatory update on California's regulation of the industrial chemical 1,2,3-trichloropropane, and the latest developments in the Flint, Michigan water crisis.

CORE

SUPPORT EDUCATION AND OUTREACH INITIATIVES

Staff assisted with three, three-day tours of the Colorado River Aqueduct this month. A total of 120 participants (40 per tour) visited key sites along the CRA and received information relating to agricultural water use, water conveyance and storage, power production, and coordination of resources related to the Colorado River users. Additionally, staff supported a helicopter tour of Diamond Valley Lake for California legislative staff. Staff conducted six plant tours during the month of March at the Jensen, Diemer, Skinner and Weymouth plants.



Water Quality retired staff touring the Water Quality lab in La Verne.

Metropolitan's Mission is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

General Manager: Jeffrey Kightlinger
Office of the GM No. 213-217-6139
Email: OfficeoftheGeneralManager@mwdh2o.com

700 No. Alameda Street
Los Angeles, CA 90012
General No. 213-217-6000

www.MWDH2O.com

www.BEWATERWISE.com