

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Manager's Monthly Activity Report for May 2016

May 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.

14th Annual Solar Cup Competition

Thirty-eight schools and more than 800 students participated in Metropolitan's Solar Cup competition on May 13-15. Boats built and raced by students from Riverside Poly High School and Kaiser High School claimed the top awards. Metropolitan's annual Solar Cup™ competition in Riverside County gives students hands-on learning experiences in water conservation and engineering through solar-powered boat races. ([see photos below](#))



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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—On May 17, the Delta Stewardship Council's Delta Science Program released a report summarizing the Independent Review Panel's review of sections of the draft Biological Assessment (BA), as well as the draft Analytical Approach to developing the Biological Opinion for the California WaterFix. The Panel was convened by the Delta Science Program at the request of the National Oceanic and Atmospheric Administration (NOAA) to provide the National Marine Fisheries Service, U.S. Fish and Wildlife Service, and California Department of Fish and Wildlife (CDFW) with an independent scientific evaluation of the methods and approaches for developing the joint Biological Opinion requirements and analyses prepared for the CDFW 2081(b) Incidental Take Permit application. The Panel found that the best available science was generally used as a basis for the BA's models and analytical methods and that these were adequately described. However, the Panel cautioned that there were significant uncertainties surrounding the current science on Delta species and significant knowledge gaps. This conclusion supports the adoption of a commitment to extensive future research, monitoring, and adaptive management in construction and operational phases. The full report can be found on the NOAA website.

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.

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 Resources Control Board—The State Water Resources Control Board established a revised schedule for the 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. Part 1A of the hearing, dealing with effects on other legal water right holders, is now scheduled to commence on July 26, 2016, and opening briefs by the California Department of Water Resources are due May 31. Part 1A of the hearing will be dedicated to the petitioners' case and cross-examination of petitioners' witnesses, and Part 1B of the hearing will be comprised of testimony from other parties. Part 1B will commence on October 20, 2016, and opening briefs for Part 1B are due September 1, 2016. Staff, in collaboration with other public water agency participants, is preparing for participation in the proceedings.

BAY DELTA INITIATIVES

CORE

BAY-DELTA SOLUTIONS continued...

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 is working with Cramer Fish Sciences to develop an Environmental DNA study for Delta smelt. Environmental DNA is DNA that is released by living organisms into their environment. Fish DNA can be captured in water samples and analyzed to identify the source species. Ultimately, this technique might be used to determine the presence of various species without the need to capture the fish or even to identify the fish visually. The technology is currently in development, and the purpose of this study is to evaluate how far away the Environmental DNA signal of Delta smelt or similar fish can be detected in water and to validate the use of the technology as a tool to study Delta fish.

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 Flood Emergency Management Plan—The California Department of Water Resources is currently relocating a large portion of rock stockpiles originally placed in temporary storage at the Port of Stockton in 2008 to a dedicated, high capacity and readily accessible site at Rio Vista with all-weather ingress and egress. This will be the primary rock storage site for emergency operations in the Delta, and the site will also accommodate rock removed from the temporary West False River drought barrier, which is now dedicated to emergency operations.

At the DWR stockpile site on the San Joaquin River in the City of Stockton, current construction is underway to upgrade drainage to provide all-weather access to facilitate movement of stockpiled materials in emergencies. Water, sewer, electrical service, and lighting to support stockpile, warehouse, and command facilities are being improved as part of the upgrade. A portion of the rock temporarily stockpiled at the Port of Stockton is being relocated to this site, along with rock conveyors and containerized materials.

The Delta Working Group has been developed as a multi-agency coordination team to coordinate Delta emergency response responsibilities on an ongoing basis as a part of the Delta Flood Emergency Management Plan. Quarterly meetings are held with the five Delta counties and the three lead participants California Office of Emergency Services, U.S. Army Corps of Engineers and DWR. Local agencies, including the five counties, are supported by DWR grant programs to improve local emergency response capabilities, flood fighting, training, and exercises to make critical improvements.

BUSINESS TECHNOLOGY

CORE

BUSINESS PROCESSES AND INFORMATION TECHNOLOGY

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

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

IT Collaboration Tools—Staff continued to provide support for existing SharePoint Online collaboration sites and conducted additional SharePoint training sessions for internal staff.

E-form Management Program—Utilized E-Forms Management software program to recreate the ‘Leave Request’ in a one-stop-shop Adobe Experience Manager HTML Workspace environment. The built-in features allow users to initiate, track, store and archive requests, increasing efficiency as well as providing management with the capability of approving leave utilizing mobile technology.

Digital Signature Application—The implementation of DocuSign’s electronic signature solution at Metropolitan achieved key efficiencies in the Professional and Contracting Services process. These key results included faster transactions, greater control over movement of documents, reduction in the amount of staff time dedicated to managing paper documents and folders, and most notably a decrease in agreement processing time.

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

Voice Over Internet Protocol Technology—Staff deployed 14 phones to facilitate system testing of the new telephone system. The next step is to schedule the deployment of an additional 200 phones for the IT pilot at Metropolitan’s Headquarters, 6th and 7th floors.

Network Communications Infrastructure—Staff continued to make progress at Metropolitan’s Headquarters building to connect building power to the upgraded electrical power equipment and cooling for the new HVAC (heating, ventilating, and air-conditioning) units. By the end of May, the 6th and 7th floor equipment rooms will be ready to support the Telephone Replacement Project pilot.

Wadsworth Pump Plant, Controls and Electrical Protection Systems—As part of the final design phase of the control and electrical protection systems at the Hiram Wadsworth Pumping Plant, staff conducted a second round of testing and identified issues with vibration monitoring and Protection Relays. Currently, staff is analyzing the findings. Testing is scheduled to resume in June.

IT Disaster Recovery Exercises—As part of an ongoing effort to refine Metropolitan’s ability to recover critical IT systems in the event of a disaster, staff conducted a disaster-recovery exercise involving selected applications used by key business units (e.g., water quality, engineering) and accessibility to the Internet in the event of an incident/emergency. The exercise was conducted in conjunction with the annual Headquarters power shut-down to test “fail-over” capability and bring up the selected system/application by using Metropolitan’s remote disaster-recovery site. Staff successfully completed both exercises and met its objectives (e.g., validate IT recovery processes; identify opportunities for process enhancements and refinements; and develop and validate recovery procedures).

BUSINESS TECHNOLOGY

CORE

BUSINESS PROCESSES AND INFORMATION TECHNOLOGY continued...

Simplify access to business information.

Procurement Training Academy—Development of the online procurement training module has been completed. The training module is in the test phase, with the rollout of the training scheduled for July 2016.

CHIEF FINANCIAL OFFICER

CFO
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.

On May 10, the Board adopted the resolution to continue collecting the Standby Charge. On April 6, 2016, Metropolitan executed two, \$200 million, revolving credit facilities, with RBC Capital Markets, LLC, and US Bank, N.A., and drew \$125 million from each facility, for a total of \$250 million. These drawn amounts will replenish amounts that had been set aside in financial reserves pursuant to the Exchange Agreement with the San Diego County Water Authority and were transferred to a designated fund established to hold these amounts (the Exchange Agreement Set-Aside Fund).

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.

Continued weekly roundtable discussions and workshops with plan owners to address topics of concern and provide guidance in the BC Plan development process. Conducted a Business Recovery Exercise in conjunction with Information Technology to resolve issues identified in previous exercises with several mission essential applications that relied on Metropolitan's email system.

CHIEF FINANCIAL OFFICER

CORE

MANAGE RISK

- The Risk Management Unit completed 64 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits and spills.
- Risk Management completed 83 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

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

Financial activities are recorded in a timely and transparent manner.

The San Diego County Water Authority under paid its water invoices for December 2015, January 2016, and February 2016. Metropolitan has assessed interest on the late payments. The total amount outstanding through end of February was \$1,880,940.67. Metropolitan staff continues to work with the SDCWA staff to resolve the associated issues.

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.

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.

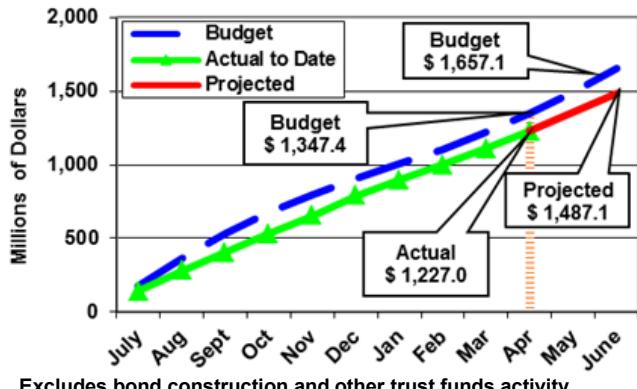
TAF=thousand acre-feet.

MAF=million acre-feet.

CHIEF FINANCIAL OFFICER

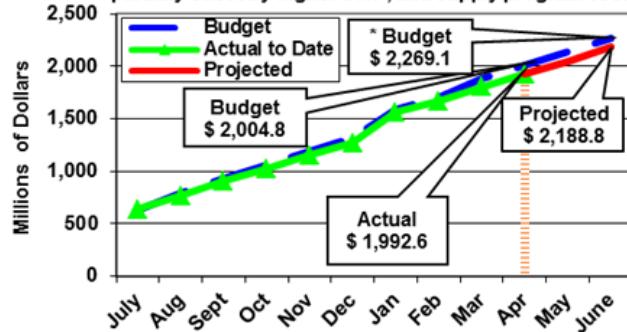
FINANCIAL SUMMARY AS OF APRIL 2016

Total revenues are expected to be \$170 million lower than budget at year end, mainly due to lower water sales.



Excludes bond construction and other trust funds activity

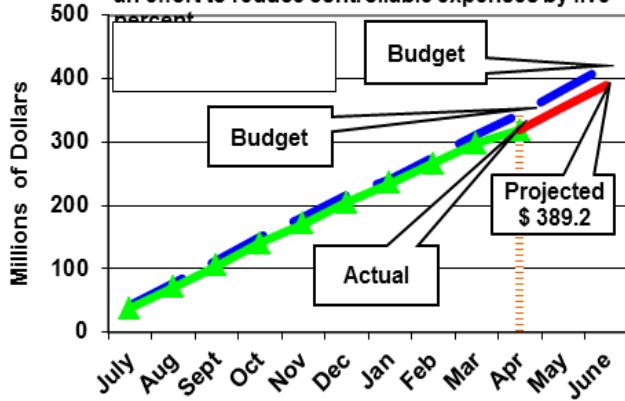
Total expenses are expected to be \$80 million lower than budget by year end, mainly due to lower Demand Management, Capital Program and O&M expenses, and partially offset by higher SWP, and supply program costs.



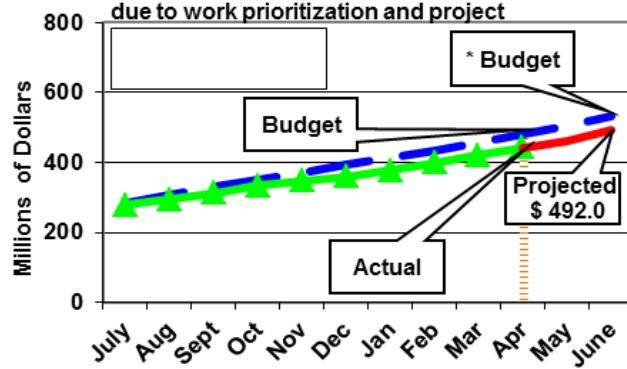
Excludes bond construction and other trust funds activity

** 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 \$29 million lower than budget at year end, mainly due to an effort to reduce controllable expenses by five percent

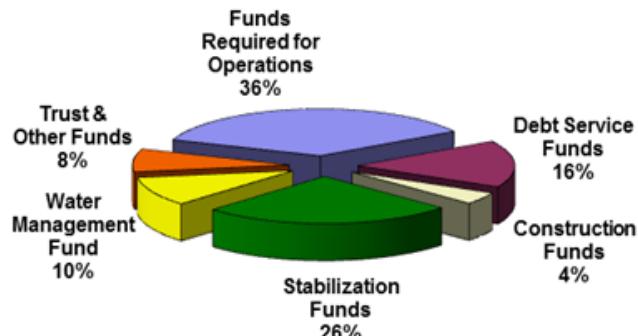


Capital Program expenses are expected to be \$40 million lower than budget by year end, mainly due to work prioritization and project



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

Cash and Investments at Fair Value \$ 1,446.3 million



Summary Financial Statistics

	Target	Year-End Projected
Fixed Charge Coverage	$\geq 1.20 \times$	1.23 x
Revenue Debt Service Coverage	$> 2.00 \times$	1.36 x
Revenue Bond Debt / Equity Ratio	$< 100.0\%$	60.7%

Credit Ratings

	Target	Year-End Projected
- Moody's Investors Service	Aa 2	Aa 1
- Fitch Ratings	AA	AA+
- Standard & Poor's	AA	AAA

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 88 percent complete and is scheduled to be complete by October 2016.
- Middle Feeder Relocation—Metropolitan's 72-inch-diameter Middle Feeder is located within a 40-foot easement that crosses the Southern California Edison Mesa Substation in the city of Monterey Park. SCE intends to expand the existing substation to meet future regional power demands. In December 2015, the Board authorized a cost-sharing agreement with SCE to relocate 3,300 feet of the Middle Feeder to a new alignment within SCE's property. Design was completed in May 2016.
- Etiwanda Pipeline Lining Repairs—This project replaces the Etiwanda Pipeline's damaged interior mortar lining with a polyurethane coating. The first stage of repairs lined approximately 2,800 feet of the pipeline. The remaining five miles of the pipeline will be relined in two stages. Construction of the Stage 2 repairs is 10 percent complete and is scheduled to be complete by March 2017. Design of the Stage 3 repairs is 90 percent complete and is scheduled to be complete by September 2016.
- Sepulveda Canyon Control Facility Bypass—This project enhances 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 28 percent complete and is scheduled to be complete by December 2016.
- Rialto Pipeline Valve Replacement—This project replaces valves at Service Connections CB-12 and 16 and performs electrical improvements. Preliminary design is five percent complete and is scheduled to be complete in August 2016.

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 99 percent complete and commissioning of the system is underway. (*see photo right*)



La Verne Solar Power Plant – Solar panels and inverter canopy

INFRASTRUCTURE RELIABILITY continued...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—Final design of improvements for the Orange County region is scheduled to be complete by September 2016. A value engineering review of the planned improvements has been completed. The programmatic environmental impact report for the Orange County region was certified in April 2016.
 - Western San Bernardino County Operating Region—Final design of improvements for the Western San Bernardino County region is 60 percent complete and is scheduled to be complete by November 2016. The draft programmatic EIR for this region is expected to be released for public review and comment by December 2016.
 - Los Angeles County Operating Region—Preliminary design of improvements is 45 percent complete and is scheduled to be complete by September 2016.
 - Riverside/San Diego County Operating Region—Preliminary design of improvements is 40 percent complete and is scheduled to be complete by October 2016.
-

Colorado River Aqueduct (CRA) Reliability Program

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

- Employee Housing Rehabilitation—This project will construct eight new houses at four pumping plants (Hinds, Eagle Mountain, Iron Mountain, and Gene). Construction is 60 percent complete and is scheduled to be complete by July 2016.
- Sand Trap Rehabilitation—This project replaces deteriorated sand trap equipment located upstream of the Iron Mountain, Eagle Mountain, and Hinds Pumping Plants. Construction is 27 percent complete and is scheduled to be complete by August 2017.
- Expansion Joint Repair—This project repairs 16 expansion joints located on the pump delivery lines at each CRA pumping plant. Repairs will be completed in two stages. The first stage repaired three expansion joints, and the second stage will repair the remaining 13 joints. Stage 1 was completed in February 2016. Design of the Stage 2 repairs is 90 percent complete and is scheduled to be complete by June 2016.
- Sump System Rehabilitation—This project rehabilitates the main and auxiliary sump systems at Metropolitan's five CRA pumping plants. The sump systems include parallel pumps and piping which circulate cooling water and collect drainage water from several sources. Design is 28 percent complete and is scheduled to be complete by July 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 50 percent complete and is scheduled to be complete by February 2017.
- UPS Replacement—This project replaces the uninterruptable power supplies (UPS) at each CRA pumping plant. The UPS systems prevent power surges and serve as a backup supply for critical non-pumping loads in case of loss of station power. Design is 60 percent complete and is scheduled to be complete by November 2016.

INFRASTRUCTURE RELIABILITY continued...

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 38 percent complete and is scheduled to be complete by December 2017.

Mills Plant

- Chemical Unloading Facility Chlorine Containment—Construction of containment facilities is 80 percent complete and is scheduled to be complete by February 2017.

Diemer Plant

- 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 76 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 30 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 80 percent complete and is scheduled to be complete by November 2016.
- LADWP Lagoon Refurbishment—This project rehabilitates four LADWP lagoons, which will be used for a period of 50 years by Metropolitan. Construction is 58 percent complete and is scheduled to be complete by January 2017.
- 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 25 percent complete and is scheduled to be complete by February 2019. (*see photo right*)



Jensen Electrical Upgrades, Stage 1 – Preparations for duct bank excavation

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:

Weymouth ORP

- Main ORP Facilities—Construction of the ozonation system is 96 percent complete and is scheduled to be complete by late 2016. Incoming water now flows through the ozone contactors. The ozonation system will commence operation in mid-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 18 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 – Inlet bypass structure



Weymouth ORP – Inlet bypass structure

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—This project repairs approximately 8,300 feet of existing PCCP segments with steel liner in two separate reaches. Consistent with the long-term rehabilitation effort planned for the Sepulveda Feeder, the steel liner has been designed as a stand-alone pipe that can accommodate full internal and external pressures on the line. Construction is 65 percent complete and is scheduled to be complete 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 of the valve and pipe procurement is approximately 44 percent complete and is scheduled to be complete by September 2016. The programmatic EIR is expected to be released for public review and comment by July 2016.

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.

- Hosted the League of California Cities' Los Angeles County Newly Elected Officials Training and Membership meeting. More than 60 elected officials, including Bill DeWitt, Mayor of South Gate; Carolyn Petty, Mayor of Hermosa Beach; and Chin Ho Liao, Mayor of San Gabriel, attended and were briefed on the statewide drought and Metropolitan's initiatives and investments to ensure water supply reliability. (May 5)
- Metropolitan sponsored and staff made presentations to local elected officials, California Public Utilities Commission staff and representatives of state and local water resource agencies on the Water Education Foundation's two-day tour of San Diego area water projects. The approximately 30 participants heard about Metropolitan's investments and planning, including the Integrated Water Resources Plan and the coordinated role of imported and local water supplies. (May 19-20)
- Sponsored the Orange County Water Summit hosted by the Municipal Water District of Orange County. Directors Ackerman, McKinney, Assistant General Manager/Chief External Affairs Officer Zinke and Metropolitan staff attended. Assistant General Manager Man participated in a panel discussion on the proposed Regional Recycled Water Program and California WaterFix. (May 20)

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

Chairman Record, General Manager Kightlinger and several staff assisted with Colorado River Board tour of Southern California water projects, providing presentations on a variety of issues, including local supplies and conservation initiatives.

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.

Opinion-editorial by General Manager Kightlinger was published in the San Jose Mercury News about Metropolitan's purchase of Delta Wetlands properties.

Steve Arakawa, Bay-Delta Initiatives Manager, made a presentation to the Central Basin Water Association on the Delta, Metropolitan's actions and investments to improve water supply reliability and ecosystem improvements, and California WaterFix. (May 12)

Arranged interviews with Metropolitan legal counsel and provided information to the Associated Press, Sacramento Bee, Stockton Record, Capital Public Radio, Greenwire, Bloomberg News, Lodi Sentinel, KQED radio, Bay Area News Group, and Journal of Water regarding a lawsuit challenging Metropolitan's purchase of islands in the Sacramento-San Joaquin Delta.

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

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.

- Arranged meeting for Chairman Record and General Manager Kightlinger with the Los Angeles Times editorial board to discuss actions by Metropolitan and the State of California to address current water supply issues, planning and investments to increase reliability and conservation strategies.
- General Manager Kightlinger appeared on KNBC-TV New Conference Extra program to discuss drought-related issues, the State Water Project allocation and water supply issues. (May 8) ([see photo below](#))
- Arranged interviews with Chairman Record, Director Kurtz and General Manager Kightlinger and KNBC-TV Los Angeles on the Board action to change its allocation plan, reaction to Governor Brown's executive order regarding water conservation and Metropolitan's purchase of islands in the Sacramento-San Joaquin Delta. (May 10)
- General Manager Kightlinger was interviewed by the New York Times for a story about the actions that Metropolitan and its member agencies are taking to maintain conservation and ensure water supply reliability following changes to California's statewide drought emergency regulations and mandatory conservation requirements. (May 19)
- Launched Metropolitan's 2016 \$2.2 million multi-lingual, multi-media advertising and outreach campaign. In addition to paid advertising on radio, digital, and 53 community and in-language newspapers featuring *Let's all Take a Turn* messaging and water-saving tips for homeowners and businesses, the campaign introduced a new graphic element, H2♥, which will be promoted on social and other outreach materials and advertising. The new logo received positive attention from the media, member agencies and other organizations, and on social media where the 'reveal' video garnered more than 13,000 views on Facebook on the first day. ([see photo below](#))
- The ongoing drought and new state actions for water reporting and conservation generated a large number of media requests for interview and information. Metropolitan's senior management, led by General Manager Kightlinger, conducted interviews with Harper's magazine, Los Angeles Times, KNX radio, KNBC-TV, KABC-TV, Riverside Press-Enterprise, KPCC, Colorado Public Radio and City News Service writer on Metropolitan's response to the drought, including water conditions and allocation, conservation investments and rebates and the *Turn* advertising campaign.



NBC4's Conan Nolan and GM Kightlinger on KNBC News Conference,



New graphic element.

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS

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

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

FEDERAL

- Senate Energy and Natural Resources Subcommittee on Water and Power conducted a hearing on a Western States Drought Assistance package of bills including S. 2533 (Feinstein) as the California provision of a comprehensive package of federal bills to assist multiple states in connection with drought preparation and resiliency. The Association of California Water Agencies and Colorado River Board provided comments regarding interests of California. (May 17)
- Director Barbre and staff participated in the Orange County Business Council's annual legislative trip to Washington DC. Meetings were held with the Orange County Congressional caucus and other Congressional leaders to discuss the federal response to California's drought, resource issues and taxability of water conservation rebates. (May 23-26)

STATE

- The Assembly unanimously passed AB 2488 (Dababneh, D-Encino) to allow Metropolitan to perform important maintenance and repairs on the Foothill Feeder pipeline by authorizing Department of Fish and Wildlife to issue incidental take permit for potential take of unarmored threespine stickleback, a California fully protected species. The measure now goes to the Senate Natural Resources and Water Committee.
- Two measures on California WaterFix were heard in the Assembly Water Committee, Parks and Wildlife Committee. AB 2583 (Frazier, D-Antioch) sought to impose regulatory, financial and operational requirements on the proposed project. The bill was opposed by a broad coalition of urban and agricultural water suppliers, business and labor leaders and failed to pass out of the committee. AB 1713 (Eggman, D-Stockton), which would prohibit the project's construction unless authorized by voters statewide, passed and went to the Assembly Appropriations Committee where the Bill was held due to costs.
- Governor Brown released the May Revision, an update of estimated state revenues and proposed expenditures for FY 2016/17. The revised budget reflects concern over lagging state revenues, due in large measure to lower income tax collections. The budget proposes an additional \$11.4 million of spending funded through the water bond, Proposition 1, cap-and-trade auction revenues and the state's General Fund to benefit Delta smelt habitat restoration and food production, aquatic weed control and species monitoring. (May 13)

LOCAL

- Metropolitan participated in the Southern California Association of Governments Regional Conference and General Assembly, attended by more than 180 elected officials and 800 total attendees. Engineering Group Manager Johnson spoke on disaster resilience and described Metropolitan's decades of planning for seismic and drought emergencies as part of a panel discussion on preparing for future disaster scenarios. (May 5)
- Director Vasquez Wilson and staff attended the California Contract Cities Association's Annual Spring Conference in Indian Wells. More than 600 local elected officials, city managers and business leaders were present to hear from members of Congress and state and local officials about many issues impacting cities, including how to deal with the impacts of the recent drought. (May 12-15)

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.

- Director Dake and staff attended the Los Angeles Neighborhood Land Trust event honoring Senate President Pro Tem Kevin de León (D-Los Angeles). Assemblymember Reginald Jones-Sawyer (D-South Los Angeles) was also in attendance. Metropolitan sponsored the event, which supported programs to create urban parks and gardens as well as water conservation education. (May 22)
- Numerous Metropolitan directors and staff attended the Association of California Water Agencies' 2016 Spring Conference in Monterey. The conference focused on impending decisions on Delta conveyance and ecosystem restoration activities, drought conditions, and various legislative and regulatory issues. Concurrent with the conference, ACWA held meetings of its regional boards and standing committees including Communications, Federal Affairs, Legal, and Local Government. (May 3-6)
- Director Dake and staff attended, and Metropolitan sponsored, the Central City Association's Annual Treasures of Los Angeles Awards luncheon. More than 500 business leaders and local elected officials were present. (May 12)
- General Manager Kightlinger and Education unit staff attended, and Metropolitan sponsored, the Grades of Green annual event to increase opportunities for environmental education. (May 20)
- Metropolitan staff attended the National Water Research Institute's Drought Response Conference in Irvine. More than 50 representatives from water agencies and other public agencies were present to hear updates from federal, state, local officials on drought conditions and mitigation measures. (May 12-15)

Community Partnering Program

- Sponsored and staffed exhibit booth at Long Beach Garden Tour. (May 14)
- Sponsored the Newport Beach Environmental Nature Center Spring Faire. (May 15)
- Sponsored the Water Replenishment District Groundwater Festival. (May 21)

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 continued outreach in the Van Nuys area for the Sepulveda Feeder urgent repair project. Staff met with local businesses, provided notices regarding traffic and additional construction activity and regularly updated the public through social media.

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

Metropolitan met with Member Agency managers to discuss proposed changes to the state emergency drought regulation, conservation programs, Drinking Water Regulatory Program and other water issues. (May 13)

EXTERNAL AFFAIRS

CORE

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

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

- Arranged interview with General Manager Kightlinger and Desert Sun reporter on talks between California, Arizona and Nevada regarding Colorado River drought contingency.
- Conducted on-site interviews to inform the public about the reopening of Diamond Valley Lake to recreational boating. A GM video blog on the subject was also produced.
- Arranged interview with Bay-Delta Initiatives Manager Arakawa and California Spigot blog reporter for a story about the seismic safety of levees in the Delta and protection of a fresh water corridor.
- General Manager Kightlinger was interviewed by KPCC radio, KABC-TV, Channel 35 TV and USC Annenberg Online for stories about Metropolitan's Spring Green Expo.

Presentations and Outreach

Distributed e-newsletter with information on Metropolitan's FY 2016/17 budget, conservation programs and outreach, Diamond Valley Lake reopening to boating, Solar Cup, and other news items. (May 17)

Media Releases

- Statement by General Manager on Governor's Executive Order on water conservation and drought response. (May 9)
- Four releases on Solar Cup activities. (May 9-16)
- Action by Board of Directors to rescind mandatory water restrictions and declare a Condition 2 Water Supply Alert for FY 2016/17. (May 10)
- Launch of Metropolitan's 2016 advertising campaign. (May 12)

Bewaterwise.com

Over 44,000 people visited the English and Spanish versions of bewaterwise.com for tips and ideas on how to conserve water.

Online and Social Media

- Google Search and activities for Google content network continued.
- Participated in the Know the Flow Twitter party sponsored by Heal the Bay. (May 19)
- Mobile impressions on Facebook were approximately two million and the engagement rate was high during this period due to the number of video assets leveraged. The top performing post was the Rain Barrels video. Instagram posts reached over 900,000 people and nearly two million impressions. On average, each MWD_75 historic Twitter tweet has received 38,000 impressions. For the first time, Metropolitan placed a Snapchat geofilter for Solar Cup.

Inspection Trips

Metropolitan hosted approximately 100 guests on three inspection trips to the State Water Project, Colorado River Aqueduct and Diamond Valley Lake.

EXTERNAL AFFAIRS

CORE

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

- Attended and supported Earth Day, STEM day and Career Day events at California State University, Fullerton, Santa Ana College, Long Beach City College, Sanitation Districts of Los Angeles County, Phoenix Ranch School, Diego Rivera Learning Complex, Hawthorne High School and Rio Vista Middle School.
- Conducted outreach and workshop presentations for One Water LA, Our Redeemer Kindergarten, Inspired Garden, and Girl Scout Troop 15851.
- Hosted a Diamond Valley Lake field trip for Day Middle school and a tour of the Weymouth and the Water Quality Lab for Southern California section of American Chemical Society (students and professors).
- Worked with history teachers throughout the service area to promote the 75th anniversary of Metropolitan's delivering water through the Colorado River Aqueduct.
- The Education unit distributed more than 400 pieces of water curriculum and directly interacted with over 8,300 students and teachers.

Diamond Valley Lake Education Program

- Nearly 800 students participated in water education programs through the Visitor Center.
- Education staff convened monthly docent meetings and coordinated programs with Valley Wide Recreation. The center hosted 750 visitors.
- The Education unit is working with staff from Real Property, IT, Facilities, External Affairs and Security to make and plan improvements to the Visitor Center.

Tweets—The Education Unit's tweets on education programs received over 23,000 impressions using #solarcup, #waterart, #thinkh2o, #mwdeducates through @bewaterwiseh2o and @mwdh2o. .

Student Art Program—The Student Water is Life Art Exhibit toured Elsinore Valley Municipal Water District and Diamond Valley Lake Visitor's Center. These events were promoted in articles and on social media.

Solar Cup

Chairman Record, Directors Camacho, De Jesus, Murray, Peterson, Touhey, Tu and General Manager Kightlinger attended the event on May 13-15. Also in attendance was Joel Greene, host of the PBS show Curiosity Quest, who interviewed students, teachers, parents and water industry professionals from Metropolitan and member agencies for a future broadcast focused on water stewardship. (*see photos on pages 1 and 19*)

EXTERNAL AFFAIRS

CORE

LEGISLATIVE, COMMUNICATIONS AND COMMUNITY RELATIONS continued...

Foster a culture of innovation.

- Metropolitan's TechHub team held a Lunch and Learn workshop, Igniting Innovation to encourage employees to submit ideas for new technologies and innovations that streamline processes, benefit Metropolitan's mission, and support a culture of innovation and technology. (April 11)
- Business Outreach's Innovation and Technology programs partnered with Environmental Entrepreneurs (E2) and the Los Angeles Cleantech Incubator for presentations by Los Angeles Department of Water and Power's Marty Adams and other water policy experts on water entrepreneurship. (April 13)
- Staff hosted a H2O TechTalk corner at Spring Green that featured a self-driving car, 3D printing and virtual reality displays. (April 28)
- Metropolitan's TechHub team partnered with Green LAVA to host a workshop on the Innovative Conservation Program. More than 80 water and energy innovators attended the event at the Los Angeles Cleantech Incubator. (April 29)
- The Technology Review and Feedback program convened experts from Metropolitan, member agencies, Southern California Edison and Incubator/Business Accelerator Partners to review four emerging technologies: an Internet-enabled automated water quality sampler; household water/energy/gas budgeting and predictive analytics software; a rapid bacteria diagnostic using DNA; and a virtual reality company. (May 5)
- Business Outreach's H2O Techhub team participated in the 2016 Water Technology Conference at California State University, Fresno to learn more about new water conservation technologies, precision agriculture innovations and sensor technologies. (May 12)
- The H2O Techhub team participated in From Sputnik to Endeavour Achievement Rewards for College Scientists (ARCS) event with keynote speaker astronaut Mark Kelly. Metropolitan staff is on the ARCS Board. Since its founding in 1958, ARCS Foundation has awarded more than \$90 million to 9,000 scholars at leading U.S. universities. (May 15)
- The H2O Techhub team joined more than 800 attendees at the 2016 OCTANE Investor's Forum, the largest technology innovation and investment conference in Southern California.
- A 'Lunch and Learn' workshop was organized for Metropolitan employees to learn about biomimicry, the study of evolution and the function of biological structures. These events help promote ideas for new technologies that streamline processes, benefit Metropolitan's mission and support a culture of innovation. (May 19)

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

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

- Joined Los Angeles Mayor Garcetti at City Hall to kick off National Small Business Week. (May 2)
- As part of Small Business Month, Business Outreach was an exhibitor at the City of Los Angeles Access to Capital Seminar/Contract Expo. More than 300 small businesses attended the event. (May 3)
- Sponsored the San Diego Small Business Association/North County Small Business Development Center Small Business Awards program. One of Metropolitan's strategic partners, California Department of General Services, was a recipient of an award. (May 5)
- Participated with the Governor's Office of Business and Economic Development (GO-Biz) at the Grow California Business summit at Long Beach City College. (May 5)
- Partnered with the Southern California Minority Supplier Development Council for Supplier of the Year awards to promote small business. (May 11)

EXTERNAL AFFAIRS

CORE

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. Continued...

- Hosted and participated in an event to support the Asian America Architects/Engineers Association (AAa/e) Foundation. Metropolitan's Chief Engineer Johnson welcomed the attendees and spoke to the importance of diversity and collaboration between the private and public sectors. (May 12)
- Participated on a procurement panel for the Black Business Association 19th Annual Procurement Summit. This event focused on Veteran-owned businesses. (May 13)
- Attended and supported events for the National Association of Women Business Owners, San Diego and Orange County Awards and Los Angeles Chambers. (May 18, 19 and 24)
- Supported the California Department of Veterans Affairs Disabled Veteran Business Enterprise forum. Staff scheduled one-on-one matchmaking appointments and provided information on Metropolitan's business opportunities. (May 27)

Solar Cup 2016 Photos



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 7 of the second cohort of the Water System Operations Management Academy at the Mills plant. The session focused on recruitment and selection, and employee relations.
- Classes delivered this month included: 2-hour modules of *WORD* and *EXCEL*; a full-day *WORD II* module, *Success Signals*, *Project Management Essentials*, *Effective Business Writing*, *The Brand of You*, *Presentation Skills* and *Developing Emotional Intelligence*.
- Staff continued to provide feedback to employees who took the *CPI 260* and *Strengths Finder* personal assessment to improve individual interpersonal skills and explore areas for career development.

Acquire talent.

During the past month Staffing has filled 20 positions and received 17 new requisitions. These included 17 new employees who entered into the Apprenticeship Program. Staffing is currently recruiting for 74 positions. We continue to evaluate our processes and the use of technology and social media to enhance our abilities to recruit a diverse workforce.

Foster management excellence.

- Module 4 of the Metropolitan Management University (MMU), held on May 25 at the Weymouth plant, focused on performance management.
- The Second Session of MMU was kicked off on May 24 at Headquarters with 20 participants, including one Section Manager and two Unit Managers.
- Continued to provide coaching, change-management and team building support through internal staff and external consultants to eight managers and their teams.
- Assisted in the planning and facilitated the Water System Operations Managers Meeting. Provided feedback on personality assessment and learning modules on Strategic Communication.

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.

Foster a high-performance culture.

Facilitated a *Transition Workshop* for the Real Property Development and Management Group with new Group Manager Shraibati. Also worked to set up and facilitate employee-led Quality Talk Circles in the Group to identify and solve problems and look for improvement opportunities.



HUMAN RESOURCES

CORE

HUMAN RESOURCES EXCELLENCE continued...

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

During the month of May, the Employee Relations Section, including Equal Employment Opportunity staff, presented training in two different venues: Water System Operations' Management Academy and the Metropolitan Management University for New Managers. Employee Relations staff, including the EEO Program Manager, also took part in WSO's Annual All-Hands Managers Meeting in Ontario, CA.

Manage total compensation benefits.

HR Benefits conducted a Stepping Into Retirement class, Mid-Career Retirement class and presented at the Day 2 New Employee Orientation on Tuesday, May 3.

Affordable Care Act reporting to the IRS is being tested, set-up and registered to ensure internal staff can submit necessary information on time.

Manage Human Resources Information Systems.

- Finalized draft of HR's Business Continuity plan.
- Partnered with IT and WSO to evaluate reverse 911 and emergency response employee communication system functionality.

Enhance Human Resources' professionalism

Conducted another HR staff lunch and learn session on *Understanding Metropolitan's Board and Member Agencies* as part of the HR Fitness series.

Provide excellent Human Resources' customer service.

- Provided coaching and consultation for Flash Mentoring activity as part of the Mentoring Program in Engineering Services.
- Facilitated the planning, design, scheduling and roll-out of a 1-hour Personal Security Awareness Training for all employees. Sessions are scheduled for employees at all facilities. Eighty seven employees attended four sessions of the kickoff at Headquarters on May 23.
- Provided information and talking points to Chairman of the Board for outside presentation regarding learning and development initiatives and opportunities to partner with universities.

Control leave and disability costs.

- Conducted initial investigations on 12 injury incidents.
- Submitted 8 new claims to Metropolitan's workers' compensation claim administrator.
- Settlements were negotiated in 4 claims, and 12 claim files were closed.
- Conducted MedVan evaluations at Soto Street facility.
- Arranged 6 medical evaluations (DMV, medical surveillance, hearing conservation, etc.).
- Coordinated random drug/alcohol tests at 1 facility.
- Addressed 3 accommodation issues.

HUMAN RESOURCES

Employee Separations

LAST	FIRST	CLASSIFICATION	EFF DATE	REASON	GROUP
Clark	Karen	Sr IT Quality Analyst	1/1/2016	Retirement	BUS TECH
Rocha	Richard	Wtr Trtment Plant Opr III	1/15/2016	Retirement	WSO
Dove	Shannon	Sr Admin Analyst	1/22/2016	Retirement	BTG
Loucks	Aubrey	O&M Tech IV	1/29/2016	Retirement	WSO
Niehus	Joseph	Planner Scheduler	1/29/2016	Retirement	WSO
Magallanes	Vicente	O&M Tech IV	2/17/2016	Retirement	WSO
Eguchi	Rand	Team Manager V	2/27/2016	Retirement	BUS TECH
Henry	David	Unit Manager V	3/12/2016	Retirement	BUS TECH
Montez	Leonard	Team Manager IV	3/12/2016	Retirement	WSO
Shutt	Edward	Sr Engineer	3/12/2016	Retirement	ENG
Parrish	Denician	Admin Assistant II	2/20/2016	Resign	WSO
Diaz	Samuel	Wtr Trtment Plant Operator II	3/5/2016	Resign	WSO
rotness	Steven	Construction Inspector IV	5/5/2016	Retirement	ENG
Espejel	Alejandro	O&M Tech IV	5/18/2016	Retirement	WSO
Peterson	Barry	Team Manager V	5/18/2016	Retirement	WSO
Janer	Jonathan	Assoc Engineer	5/9/2016	Deceased	ENG

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.

Implement strategies for right-of-way planning and acquisition support of infrastructure reliability,

A consent letter was acquired from the Federal Aviation Administration to allow construction equipment to enter airspace near the flight path for Van Nuys Airport in conjunction with the Sepulveda Feeder Urgent Repair Project. The term for this consent letter is for 18 months beginning May 2016.

A Property Use Agreement was obtained from World Oil Corp. for use of their property as a contractor storage and laydown area as part of Orange County Feeder Relining Project - Reach 1. The term for this agreement is for seven months beginning December 2016.

Seek revenue-generating opportunities.

An entry permit was issued to Southern California Gas Company (SoCal Gas) to allow use of property as a temporary construction staging and laydown area for SoCal Gas' Pipeline Safety Enhancement and Replacement Project located on a portion of the Foothill Feeder right of way in Newhall, California.

Marketing efforts continue for the sale of the 133-acre Gilman Springs property in the city of Moreno Valley in Riverside County. Interest has been expressed from potential buyers.

Foster staff training and development.

- Staff is 99 percent complete on all required training.
- Staff attended Metropolitan-sponsored training courses: High Rise and Fire Life Safety, Defensive Driver, Word Professional Reports, Excel If Functions and Conditional Formatting Workshop, Project Management Essentials, Word 2010: Part 2, and Developing Your Emotional Intelligence.
- Additionally, one staff member attended the International Right of Way Association sponsored course Bargaining Negotiations, which will enhance technical skills.
- The Facility Management Unit completed a comprehensive 12-week Leadership Challenge. The challenge focused on five principles of exemplary leadership. The sessions provided growth opportunities for both leadership and employee development.

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

- The annual certification of the fire life safety system at Headquarters was completed.
- Installation of lighting motion sensors in all restrooms and conference rooms at Headquarters, as recommended by the energy audit, has been initiated. To date, work is 20 percent complete and is estimated to be completed during the first quarter of FY 2016/17.
- New service contracts were executed for DVL central plant maintenance and Headquarters HVAC water treatment services.
- The Business Continuity Plans for Headquarters have been updated.

REAL PROPERTY DEVELOPMENT AND MANAGEMENT

CORE

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

Evaluate additional use and rental of Metropolitan Headquarters building space.

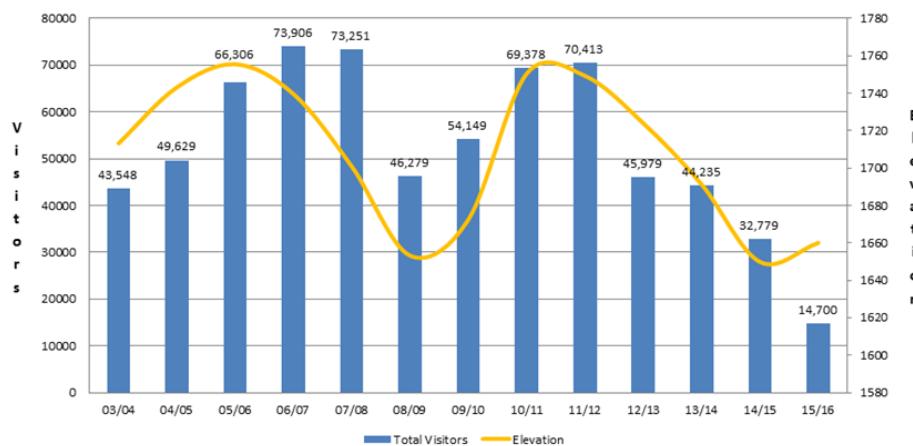
Termination notices to the tenants located at Headquarters are being prepared in support of the Headquarters Improvements Program.

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.

Total visitors to the DVL Marina in May increased as a result of rising elevations and the reopening of the launch ramp to private boats on May 18. The increased SWP allocation allowed the lake elevation to increase to 46 percent of capacity.

The contractor began work on the DVL Visitor Center Building Improvements project, which includes improvement of over 2,000 square feet of usable space. Construction includes installing drywall, doors, windows, electrical, lighting, HVAC ducting, and automatic fire sprinklers with alarm panel. Project completion is expected by September 2016.

Diamond Valley Lake Visitor / Elevation Data



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.

Local Resources Program Applications—Staff met with 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 eight 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.

On-site Retrofit Pilot Program—Under the On-site Retrofit Pilot Program, Metropolitan has committed to provide about \$7.5 million for converting 8,029 acre-feet per year of potable water use to recycled water use at 290 sites including schools, parks, golf courses, cooling towers, and one ice rink.

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.

Colorado River Accounting—Staff coordinated with the U.S. Bureau of Reclamation to finalize the 2015 Decree Accounting of diversions, return flows, and consumptive use for all users in the Lower Colorado Region. Ensuring accurate calculations for all diversions, return flows, and consumptive use enables Metropolitan to receive its full entitlement of Colorado River water.

System Conservation Pilot Program—Two funding agreements for Pilot System Conservation Projects selected in the Upper Basin have been executed this month. The Upper Colorado River Commission announced two separate requests for proposals, with the second occurring for projects to be implemented in 2016. The two newly executed agreements are for the first program project with a farmer in Wyoming and a municipal project with the City of Bloomfield in New Mexico.

Draft Annual Operating Plan Published—The U.S. Bureau of Reclamation has published its draft Annual Operating Plan for Colorado River Reservoirs 2017. Reclamation forecasts the water year 2017 release from Glen Canyon Dam to be 9 million acre-feet. Reclamation projects that the Intentionally Created Surplus (ICS) Condition will govern the operation of Lake Mead for calendar year 2017, permitting delivery of ICS as well as annual pumping and release from Lake Mead sufficient to satisfy 7.5 million acre-feet of consumptive use in Arizona, California, and Nevada collectively as reduced by creation of ICS and system conservation.

Ensure reliable and cost-effective water management programs.

Withdrawals Stopped—Metropolitan had stopped withdrawing water from its State Water Project Groundwater Storage Programs as a result of the recent 60 percent SWP allocation. The increased supplies provide Metropolitan the flexibility to reposition its supplies to reservoir storage and increase water supply reliability to the region.

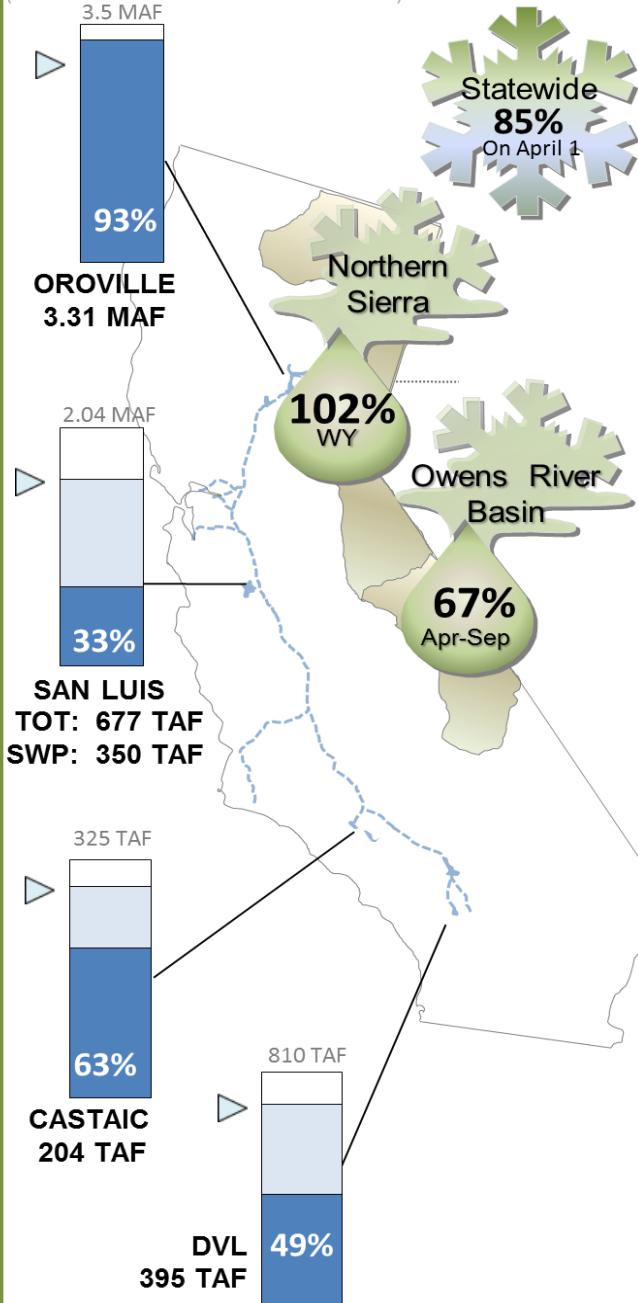
WATER SUPPLY CONDITIONS as of May 31, 2016

2016 SWP Allocation

1,146,900 AF

60% of Table A

(Does not include CVWD & DWA Table A)

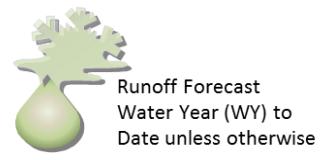
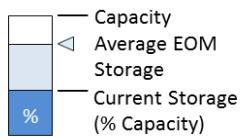
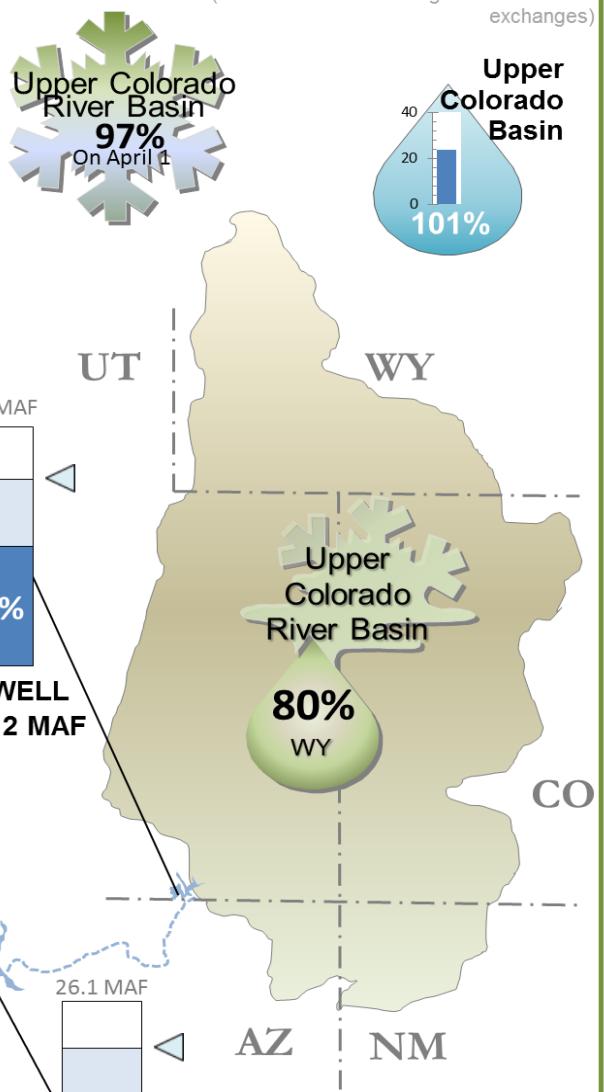


2016 Colorado River

865,000 AF

69% of full CRA

(Does not include storage withdrawals or exchanges)



WATER SYSTEM OPERATIONS

CORE

PROVIDE RELIABLE WATER SUPPLIES

System Operations delivered approximately 137,500 acre-feet of water to meet member agency demands in May, which averaged approximately 4,440 AF per day. This was an increase of 800 AF per day from the April daily delivery pattern. Treated water deliveries for May totaled 63,000 AF, or 43 percent of total deliveries for the month. This was an increase of 16,000 AF from April deliveries. In May 95,600 AF of Colorado River water was pumped. This was an average 3,085 AF per day. Year to date CRA diversions are 384,000 AF. State Water Project imports averaged 2,975 AF per day for 92,500 AF for the month. This was an increase of 18,000 AF from April imports. For the month of May, the use of SWP water accounted for 29 percent of Metropolitan's deliveries excluding deliveries into Diamond Valley Lake.

The increased SWP allocation to 60 percent has provided additional SWP supplies to increase surface storage levels. Storage at Diamond Valley Lake increased to 395,000 AF or 48.7 percent full as Inland Feeder deliveries continued at 850 cubic feet per second. Storage increased by 52,000 AF in May. Additionally, Metropolitan is refilling its flexible storage account in Department of Water Resources' Castaic Lake. Storage at Castaic Lake increased by 22,000 AF in May to 200,000 AF. The Greg Avenue pump station remained off-line in the month of May and is expected to remain off-line for the rest of the calendar year.

System Operations continued to maximize power generation throughout the month. In May, Metropolitan's hydroelectric plants generated an average of 18.9 megawatts per hour for 14,100 megawatt-hours for the month.

CORE

OPTIMIZE MAINTENANCE

Staff continued the system-wide coatings program aimed at preventing corrosion and extending the life of pipelines and infrastructure. This month projects included structures and equipment on San Diego Pipeline No. 6, Auld Valley Pipeline, Yorba Linda Feeder Bypass Pipeline, the San Diego Canal, Foothill Feeder Pressure Control Structure, and Service Connection B-06 in the city of Burbank. Staff also repaired a small section of mortar coating on one of the San Diego Pipeline No. 4 air stacks. The mortar coating prevents corrosion of the underlying steel. The small section of coating that sloughed off was discovered during regular patrolling of the pipeline. (*see photo below*)

Service Connection (B-06) metering structure before and after coatings.



WATER SYSTEM OPERATIONS

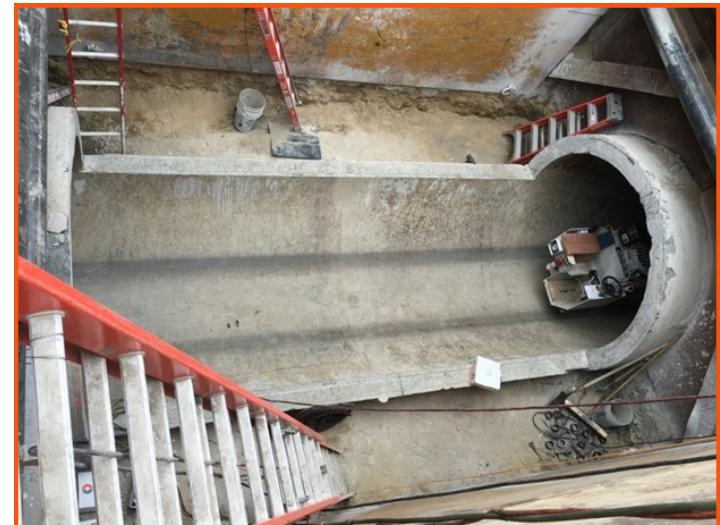
CORE

OPTIMIZE MAINTENANCE **continued...**

During routine maintenance at the Coyote Creek Pressure Control Structure in Fullerton, staff noted that a 12-inch pressure relief valve was drifting from its set pressure range. The valve is designed to protect a section of the Lower Feeder Pipeline from high pressure and surges. Staff isolated the valve and made repairs to the internal components while the rest of the system remained in service. These repairs ensure consistent and reliable performance of the valve. (*see photo right*)



Reinforcement of 8,300 feet of the Sepulveda Feeder's prestressed concrete cylinder pipe with steel liner continued this month. The installation contractor is on track to complete the work by June 17, 2016. The steel liner segments are introduced through an open section of the pipeline, allowing insertion of the liner on a traveling cradle. As the segments are welded in place, the contractor works in reverse toward the insertion point and then grouts the annular space between the liner and the existing pipe to prevent corrosion. Flexibility in the system has allowed service connections to be fed by alternate connections during extended pipeline outages. (*see photos below*)



Sepulveda Feeder liner installation opening at the Van Nuys Airport site.

Contractor staff welding steel liner pipe joints on the Sepulveda Feeder.

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE MAINTENANCE continued...

Employees responsible for maintaining reliable operation of the Colorado River Aqueduct pumping plants attended annual 16-hour training focused specifically on pump operations and rapid response to equipment and power outages that can impact operations. Training is accomplished using a specially built simulator that replicates a real pumping plant control room. The simulator can be programmed and operated to mimic real-life scenarios with flashing lights, alarms, and ringing phones. These training sessions reinforce skills of seasoned technicians and train newer staff on how to troubleshoot, respond, and get the pumps back online as quickly as possible. (*see photo right*)



The La Verne Shops are manufacturing 100 nuts and studs for Department of Water Resources' Gianelli Pumping Plant. These new studs and nuts will replace corroded and damaged studs that are currently in place on the Gianelli pump head covers. Metropolitan's manufacturing services to DWR help improve State Water Project reliability and cost-effectiveness. (*see photo left*)

Finished hex stock ready for saw operation

Staff attended electrical test training for insulation systems, which is part of Metropolitan's preventive maintenance program. The training consisted of both classroom and field training, and provided staff with updates on current industry high-voltage testing techniques. The training helps to ensure implementation of a consistent testing methodology, which in turn provides the engineers with repeatable and reliable test data from the field technicians.

Staff performing high voltage transformer testing and training in the switchyard at Etiwanda Hydroelectric Power Plant.



WATER SYSTEM OPERATIONS

CORE

MANAGE THE POWER SYSTEM

The Bureau of Reclamation and Western Area Power Administration provided the final versions of new Hoover power contracts. Staff is reviewing the latest versions and anticipates the contracts will be ready for Board consideration and approval this summer. These contracts will become effective when the current agreements expire on September 30, 2017.

CORE

IMPROVE SECURITY AND EMERGENCY RESPONSE

On April 19, staff participated in a planning conference for a future emergency exercise at the Union Station transportation center in downtown Los Angeles. Metropolitan may be one of numerous agencies, including Metrolink, Amtrak, the Los Angeles County Sheriff's Department, and the Los Angeles Fire Department, participating in this full-scale exercise this summer.

Staff also participated in the State of California's Capstone Exercise on May 12. This tabletop exercise included high-level emergency managers from four of the six counties in Metropolitan's service area, as well as the California Office of Emergency Services (Cal OES). The exercise focused on coordinating the distribution of essential supplies from local, state and federal government, and private businesses after a large earthquake in Southern California. The exercise was run by Cal OES and hosted by the Riverside County Emergency Management Department.

In May, security management began providing employee training on personal security awareness. This new training class ensures that employees are aware of Metropolitan's security policies and procedures and prepares them to respond during the potential event of a security or workforce violence incident.

CORE

DEVELOP WORKFORCE

The Water System Operations Apprentice and Technical Training Programs help develop and train personnel to become qualified electricians and mechanics responsible for maintaining Metropolitan's water treatment and distribution systems.

The Class of 2020 Mechanics and Electricians began employment as pre-apprentices with Metropolitan on May 2, 2016. The 17 students will be officially enrolled into the Apprenticeship Program after successful completion of a six-month probationary period. During their first week, the pre-apprentices attended the Apprenticeship Program Orientation and Safety Orientation Program to prepare them for work in the field. (*see photo next page*)

Water System Operations and Human Resources partnered to provide the WSO Management Academy, a training program designed to prepare eligible employees for the potential transition into a Team Manager position. The program consists of a series of classes intended to help employees determine if management is right for them; develop necessary management skills such as communication and leadership; and provide a realistic preview of management roles and responsibilities. On May 18, Session 7 was held at the Henry J. Mills Water Treatment Plant. This session focused on recruitment and employee development. Topics included recruitment, selection and development of employees; preparing for interviews; and an overview of employee relations, equal employment opportunities, and the memoranda of understanding. The session concluded with an overview of Metropolitan's water treatment plant functions and a tour of the Mills plant ozone facilities. As an example of the program's success, six Management Academy graduates or current attendees have been promoted to WSO Management positions.

WATER SYSTEM OPERATIONS

CORE

DEVELOP WORKFORCE continued...



Class of 2020
Mechanical and
Electrical Pre-
Apprentices.

CORE

ENSURE WATER QUALITY COMPLIANCE, WORKER SAFETY AND ENVIRONMENTAL PROTECTION

Metropolitan issued the 2015 Consumer Confidence Report for staff living at the desert pumping plants. The Report provides a summary of water quality testing results at these facilities. Metropolitan complied with all water quality regulations and primary drinking water standards in 2015 for Metropolitan desert facilities. Metropolitan also complied with all water quality regulations and primary drinking water standards for the water delivered to member agencies during the month of May 2016.

Staff worked with the Association of Metropolitan Water Agencies and American Water Works Association to prepare comment letters (submitted May 13) on the Environmental Protection Agency's proposed changes to the Risk Management Program. Metropolitan is covered under that program for use of chlorine for the water disinfection process. Staff participated in an AWWA Risk Management Program workgroup, along with other water agencies/utilities that use chlorine, to provide input in the comment letter. Both associations emphasized that the record of safety and the low, 10-year baseline accident rate for the water sector (as compared to other industry sectors) does not demonstrate the need for additional risk management requirements for water agencies. AWWA's letter included comments on several of the proposed revisions including: (1) third party audits, (2) information disclosure, (3) safer technology and alternatives analysis, and (4) emergency planning and response. The current revisions do not require the water sector to examine alternatives to chlorine gas. EPA is expected to finalize the Risk Management Program revisions by the end of this year. Staff will continue to track EPA's efforts, and their response to comments.

WATER SYSTEM OPERATIONS

CORE

OPTIMIZE WATER TREATMENT AND DISTRIBUTION

State Water Project target blends at the Weymouth, Diemer, and Skinner water treatment plants were zero percent for May. Flow-weighted running annual averages for total dissolved solids from February 2015 through January 2016 were 649, 653, and 618 mg/L for Weymouth, Diemer, and Skinner plants, respectively.

Ozone construction continues at the Weymouth plant. The overall \$1.3 billion Water Quality/Oxidation Retrofit Program improvement adds ozonation facilities to the water treatment process, which reduces disinfection by-products and improves water quality at Metropolitan's five water treatment plants. Construction of the ozonation system at Weymouth is 97 percent complete and is scheduled to be fully complete by late 2016. Present work is focused on the installation of ozone generation, building mechanical and electrical items, completion and commissioning of sulfuric acid equipment, and building finishes. The ozonation system will commence operation in early 2017.

Diemer staff continues to work in conjunction with the Electrical System Upgrade contractor to coordinate the tie-in of newly installed electrical systems and prevent disruption to Diemer plant operations. The \$25 million capital project to upgrade aged electrical equipment improves the electrical design, adds redundancy to onsite plant electrical power centers, and provides improvement to onsite emergency power system generators to ensure plant operation reliability. ([see photo below](#))



Aerial view of Weymouth plant ozone facilities.

CORE

PROVIDE TECHNICAL SUPPORT TO MEMBER AGENCIES

Water Quality facilitated a two-day training course on May 10 - 11 for staff and Member Agency Water Quality personnel to raise the awareness of scientists, engineers, data managers, quality assurance staff and others on data integrity issues related to field and laboratory activities. The training, provided by an external consultant, is required on an annual basis for state accredited laboratories. Training topics focused on preventing, identifying, and resolving root causes related to water sampling, analysis, and reporting water quality data. All aspects were covered including documentation, record-keeping, standard operating procedures, training, and manager/oversight roles.

WATER SYSTEM OPERATIONS

CORE

PROVIDE TECHNICAL SUPPORT TO MEMBER AGENCIES continued...

Metropolitan hosted a quarterly meeting with the State Water Resources Control Board, Division of Drinking Water on May 5 at Metropolitan's Headquarters building. Key discussion topics of the meeting included Metropolitan's Capital Improvement Projects and related funding; spring shutdowns; implementation logistics of the Revised Total Coliform Rule; pending California regulatory activities related to 1,2,3-trichloropropene (1,2,3-TCP); and electronic document submittal issues.

CORE

SUPPORT EDUCATION AND OUTREACH INITIATIVES

Staff assisted with one, three-day tour of the Colorado River Aqueduct this month for a group of 40 participants. The group 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.

Staff conducted four plant tours for approximately 110 participants during the month at the Skinner and Mills plants. Of note, staff conducted lab and plant tours and provided presentations on pertinent topics for a group of Metropolitan staff and members of the Los Angeles Department of Water and Power. Additional tour participants included Board members, member agencies, local government officials, university science and engineering students and non-profit organization members who learned about water treatment processes, source water protection, and drought response initiatives.

CORE

PREPARE FOR FUTURE LEGISLATION AND REGULATION

On May 19, the United States Environmental Protection Agency (US EPA) released health advisories for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS). The new health advisories recommend that drinking water which contains PFOA or PFOS individually or in combination at concentrations greater than 0.07 µg/L undertake further testing and efforts to limit exposure. The source of these common perfluorinated compounds are nonstick surfaces (e.g., Teflon), fabric protection coatings, and firefighting foam, which can be transported to surface water through industry discharge points including runoff from firefighting activities, industrial factory runoff, and wastewater treatment plant discharges. Metropolitan's monitoring did not find any perfluorinated compounds in treated drinking water. Metropolitan staff will continue to work with the American Water Works Association on related efforts to track and participate in any contaminant prioritization and regulatory process.

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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