



Interim General Manager's Monthly Report



Activities for the Month of December 2024

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Message from the Interim General Manager

As I write this, parts of our region are being consumed by wildfire. Some of our own facilities are under evacuation orders and many in our Metropolitan family have suffered losses. While the full scope of the damage is still unfolding, our frontline employees have worked bravely to ensure our system is running smoothly and able to deliver the critical water supplies that protect health and property.

Conditions around the fires are still developing, and we enter 2025 fully aware that they are only a dramatic and tragic start to a year that will be filled with more challenges—as well as key opportunities.

The severity of the fires and the dry conditions underlying them underscore a central common challenge to our water security: the climate crisis. Metropolitan is facing this challenge head-on through the Climate Adaptation Master Plan for Water, a process that will culminate over the next couple of months in a range of important policy and planning actions to ensure we properly incorporate climate considerations in everything we do.

Other critical areas of focus in 2025 include making progress toward key decisions on major water supply investments like Pure Water Southern California and Sites Reservoir. Meanwhile negotiations must proceed to shape the future of the Colorado River. It remains to be seen how the change in the White House may affect how river water will be apportioned and used in the decades to come.

To facilitate investment in the sustainability and modernized management of our water supplies, our member agencies are reviewing possible refinements to Metropolitan’s business model. Considering their recommendations in the first part of 2025 will be a substantial part of an early launch to the budget development process, through which we can better understand the needs for essential staffing and capital investments.

And just as the discussions of the business model consider questions of equity among our member agencies, Metropolitan is committed to resolving a long-standing dispute with the San Diego County Water Authority. If achieved, all our member agencies would be in a better position to envision our shared future.

While these major focus areas will be benchmarks for progress in the new year, the daily core activities of Metropolitan are foremost so that we provide consistent and reliable water deliveries at all times, through both crisis and calm.

Our staff will remain laser focused on this mission, as long as we provide them the stability and resources needed to do their jobs safely in an atmosphere of empowerment and collaboration.

Metropolitan employees understand that high quality water is a foundation of our communities. We work together with our member agencies to keep interruptions to a minimum, even during crises, so that Southern California can effectively respond to challenges and can feel confident about rebuilding after loss.

Deven Upadhyay
Interim General Manager



Strategic Priorities Update

The General Manager's Strategic Priorities guide actions in key areas of change and opportunity that will strengthen Metropolitan and its ability to fulfill its mission. Review the Interim General Manager's [Business Plan for FY24-25](#) and the "[SMART Tracker](#)" dashboard of specific actions that advance the Strategic Priorities.



Empower the workforce and promote diversity, equity, and inclusion



Goal Dashboard

8 Outcomes in progress are on target

■ Build a safe, inclusive, and accountable workplace where all employees feel valued, respected, and able to meaningfully contribute to decisions about their work to fulfill Metropolitan's Mission.

Stage 1 improvements of the District Housing and Property Improvements Program consist of the development of a new housing model concept, new short-term facilities, and upgraded village amenities that will maintain an appropriate standard of living at the Desert facilities and will support the needs of our current and future remote workforce. In November 2024, the Board approved an agreement amendment for design and architectural services for a phased approach to developing new housing.

Meanwhile, improvements to existing housing are well underway. As of December 2024, 60 of the 96 houses designated for employee housing have been updated. This includes 11 new houses, 21 renovated houses, and 28 refurbished houses. Eight houses have been identified as surplus and are scheduled for demolition. Additionally, staff conducted health and safety inspections on 18 houses and received positive feedback from 15 residents, indicating no outstanding health and safety issues.

Currently, nine housing renovations are in progress, and six vacant renovated houses are ready for occupancy.



Housing Design Phase Begins

Concept approved for new workforce housing. Board approval of design contract launches initial implementation stage.

■ Prepare and support the workforce by expanding training and skill development and updating strategies to recruit and retain diverse talent, to meet the evolving needs and expectations of the workplace.

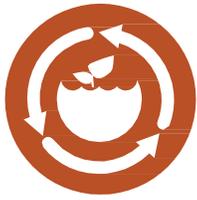
The Organizational Development & Training Unit (OD&T) oversaw and completed the initial rollout phase of the "Civil Workplace" employee training with sessions at Headquarters, Weymouth, Lake Matthews, Gene Camp, and Sacramento. A total of 1380 employees (260 managers and 1120 non-managers) have completed the training over the course of three months.

OD&T also facilitated a training session with the Regulatory Team, which focused on communication under stress and evaluating team processes. In addition, 476 employees also attended virtual and in-person trainings on topics ranging from Communication Strategies, SharePoint, Personal Security Awareness, Recruitment Procedures, and ADA/FEMA Compliance. Employees accessed LinkedIn Learning for Negotiation Skills, Enhancing Emotional Intelligence, Leading and Working in Teams, Strategic Project Risk Management, Internal Interviewing, and HR Foundations.



Civil Workplace Training Initiated

Nearly 1,400 employees completed the training in the first three months



Sustain Metropolitan's mission with a strengthened business model



Goal Dashboard

5 Outcomes in process. 1 Outcome behind schedule.

- **Develop revenue and business model options that support the needs of the member agencies as well as Metropolitan's financial sustainability and climate adaptation needs.**

At the December meeting of the member agency working group discussing possible Business Model refinements, it agreed to create three sub-groups:

- Financial Policies Business Model Support, which will expand upon the analysis of the treated water surcharge to examine other recommendations related to reserve policies, generating new fixed revenues, and assumptions for water transactions in the setting of rates. Member agency feedback on Treated Water Cost Recovery alternatives is due January 3, and the next meeting is planned for January 21.
- Water Resources Business Model Support, which will review and make recommendations related to water conservation and water management programs and on Metropolitan facilitation of local supply exchanges between member agencies. A mid-January meeting is being planned.
- Engineering Business Model Support, which will consider recommendations that address the basic level of service provided to member agencies.

Recommendations from these sub-groups are due to the Ad Hoc Working Group in early March 2025.

■ Identify and secure programmatic cost savings, organizational efficiencies and external funding.

In accordance with agreements signed in December with Imperial Irrigation District (IID) and San Diego County Water Authority (SDCWA), Metropolitan received \$16.6 million in new revenue associated with an increase in full-sale purchases from SDCWA. These purchases are a result of IID’s inclusion of 50,000 AF of water in its system conservation agreement with the U.S. Bureau of Reclamation (USBR) that otherwise would have been transferred to SDCWA and exchanged under the Exchange Agreement in 2024. This adds to the nearly \$96 million Metropolitan has received through the Inflation Reduction Act’s “Bucket 1” funding of activities in Palo Verde and Bard irrigation districts, which also benefit Lake Mead.

Two “Bucket 2” agreements have been executed toward programs funded through the Inflation Reduction Act (CII turf replacement and AVEK), and implementation of the first two agreements has begun. We are working toward a third agreement that, pending board approval, would fund a program of leak repair for Disadvantaged Communities.

Staff completed and posted on the Intranet a resource for all Metropolitan staff with the latest information on grants, research opportunities, processes, and assistance. The site offers all the information staff needs to support their contributions to an expanding grants program, including documents related to applying for a grant, training, events, and more.



Inflation Reduction Act

Metropolitan received \$16.6 million as a result of agreements reached with IID and SDCWA



Adapt to changing climate and water resources



Goal Dashboard

10 Outcomes in process. 1 Outcome behind schedule.

■ Advance the long-term reliability and resilience of the region's water sources through a One Water approach that recognizes the interconnected nature of imported and local supplies, meets both community and ecosystem needs and adapts to a climate change.

Colorado River

Achieving broad agreement among the Colorado River Basin states has proven challenging, and there is a lot of uncertainty around the direction that the Trump Administration will take toward Colorado River negotiations. We anticipated a Basin-wide framework agreement that would be in place in December 2024. However, since we do not have such an agreement, our focus in the next six months is to build support for a seven-state consensus, including to achieve agreement on an alternative that can be included in the Final Environmental Impact Statement for the post-2026 Guidelines.

Metropolitan created a December gathering of a dozen representatives of environmental organizations focused on advocacy related to the Colorado River, but late changes by USBR affected the advocates' availability and led us to cancel the meeting. The Colorado River Water Users Association conference schedule was too full to reschedule the meeting there, so we are committed to reconvening the group in the new year. Metropolitan believes it is important to foster communication and information sharing with and among the environmental advocates to avoid misunderstanding and to identify areas of shared interest.

Pure Water Southern California

In December, the Board authorized entering into one or more agreements with USBR to accept up to \$125.5 million in grant funding through the WaterSMART Large-Scale Water Recycling Program. A draft agreement was received from USBR and is currently being reviewed. It is anticipated that the agreement will be executed in mid-January 2025.

A value engineering review was performed for Reach 1 and recommended additional tunneling instead of open-cut along some of the major roads. It was decided that changing the design for Reach 1 from part open-cut/part tunneling to all tunneling will be incorporated into the preliminary design. Geotech and potholing for Reach 1 is nearly complete, while similar work on Reach 2 is continuing.

Incorporating the additional tunneling will push the Reach 1 Preliminary Design Review (PDR) completion into at least mid-2025. Reach 2 PDR should be final in mid-2025 as well.

At the January 2025 Pure Water Southern California and Regional Conveyance subcommittee, there will be an update on the program including the impacts from incorporation of the Large Scale Water Recycling grant, a presentation of the Pure Water Southern California (PWSC) benefits and how to meet the demand variability, and a further discussion of PWSC phasing.

Direct Potable Reuse pilot testing planning and design continues, while investigations into potential treated water augmentation (TWA) with direct connections to Metropolitan's existing potable water feeders have been initiated and will take approximately 9 – 12 months to complete.



Protect public health, the regional economy, and Metropolitan's assets



Goal Dashboard

9 Outcomes in process and on target

■ Proactively identify, assess, and reduce potential vulnerabilities to Metropolitan's system, operations, and infrastructure.

The annual "Cybersecurity Awareness Training Campaign" was launched in October. As of mid-December, nearly half of employees have completed the annual cybersecurity awareness training.

Metropolitan is establishing a Cybersecurity Executive Steering Committee. This new committee will meet quarterly to approve cybersecurity policy, directives, and process changes, and to determine whether these will affect any area of Metropolitan operations. The first meeting is scheduled for late January 2025.

Preliminary results of the annual per- and polyfluoroalkyl substances (PFAS) monitoring (sampled in November) are similar to those of previous years, with low concentrations of a few PFAS in some of Metropolitan's untreated source waters. The purchase of a liquid chromatography-tandem mass spectrometer is underway and will support in-house PFAS analysis.

Staff worked with the design team and project engineer for the Water Quality Laboratory upgrade to set requirements for "clean agent" fire suppression systems, rather than water sprinklers, to protect sophisticated and expensive equipment in the chemistry laboratories. The final preliminary design is expected to be completed by March 3, 2025, and the final design Board Action should be in April 2025.

A Member Agency Water Quality Managers meeting on emerging issues will be scheduled for the first quarter of 2025 to cover invasive mussels in the State Water Project and unregulated disinfection byproducts.

■ Apply innovation, technology, and sustainable practices across project lifecycles.

Toward the implementation of the Climate Action Plan as well as compliance with state regulations, staff developed a strategy for medium- and heavy-duty vehicle replacements including Zero Emission Vehicles. The strategy was approved by the Board in December. Staff is also tracking CARB regulatory processes, grant opportunities, and renewable energy technologies.



Partner with interested parties and the communities we serve



Goal Dashboard

6 Outcomes in progress and on target

- **Grow and deepen collaboration and relationships among member agencies, interested parties and leaders on the issues most important to them and toward mutual and/or regional benefits.**

Metropolitan hosted a cohort of community-based organizations for a tour of the Weymouth Water Treatment Plant and Water Quality Lab. Following the tour, the group provided insights on their key takeaways from the tours, and Water Quality staff provided information on how to read a Consumer Confidence Report. The discussion ended with an update on the Climate Adaptation Master Plan for Water and ideas on how they can share the information learned with their communities. This convening included a live interpretation in Spanish so that all could fully participate.

- **Reach disadvantaged communities and non-traditional interested parties to better understand their needs and ensure their inclusion in decision making.**

Staff hosted a meeting of interested tribal representatives and the Webb Tract Wetland Restoration Project's Ecocultural Working Group to hear ideas and discuss potential partnerships for ecocultural activity/use on the island.

Executive Summary

This executive summary is added to this report to provide a high-level snapshot of key accomplishments from each area of the organization.

Bay-Delta Resources

The California Department of Water Resources (DWR) is moving forward with the next steps in securing various state and federal permits and authorizations, including those required by the State Water Resources Control Board and state Endangered Species Act. In October, DWR filed a certification of consistency with the Delta Plan for geotechnical work planned for 2024–2026. Four appeals were filed with the Delta Stewardship Council (Council), which held a hearing on the appeals on December 19, 2024. The Council is anticipated to issue a ruling in January 2025. DWR is concurrently preparing a certification of consistency for the Delta Conveyance Project, which it anticipates filing by the end of 2025.

Chief Financial Officer

In December, an informational report was provided to the Finance and Asset Management Committee summarizing challenges Metropolitan is facing in the current biennial budget, challenges foreseen for the next biennial budget, and providing a schedule of future meetings to evaluate impacts in advance of the proposed budget posted January 2026.

Colorado River Resources

USBR described alternatives for future Colorado River operations it plans to analyze in the Draft Environmental Impact Statement (EIS) for the post-2026 Guidelines. Earlier this year, the Lower Basin States submitted a detailed alternative to USBR for consideration, but that alternative was not included for incorporation in the Draft EIS document. Metropolitan will continue to work with California and our Basin States partners to attempt to develop a Basin States consensus alternative that could be included in the Final EIS later in 2025.

Diversity, Equity & Inclusion

Metropolitan Diversity, Equity & Inclusion (DEI) staff continued to make an impact in December, garnering recognition for their great efforts. Staff attended the Small Business Diversity Network Small Business Awards luncheon on December 3, during which Metropolitan was honored as the Small Business Program of the Year. Metropolitan staff also accompanied the NAACP on a Colorado River Inspection Trip during which staff shared about workforce development and small business opportunities and engaged in dialogue about how we might better serve our diverse communities in partnership with the NAACP. Our efforts at advancing a more inclusive and equitable culture at Metropolitan continues, with more than 70 percent of Metropolitan staff having attended Civil & Inclusive Workplace Training at year end. Last, but certainly not least, Metropolitan staff continued to advance our engagement with the Colorado River Indian Tribes (CRIT) community through continued support of Chemehuevi language classes as well as engagement with the local library and community events to share information about our apprenticeship programs and job opportunities. We look forward to continuing to advance equity, inclusion, and affordability in water with a true commitment to our employees, suppliers, and the diverse communities we serve in 2025 and beyond.

Engineering Services

Among the 2024 Engineering accomplishments, two projects are highlighted to demonstrate Metropolitan capabilities to effectively execute urgent/unplanned and planned activities. In January, Engineering updated the Board on the unanticipated Prestressed Concrete Cylinder Pipeline (PCCP) wire breaks discovered in the Allen-McColloch Pipeline (AMP). Through collaboration with local member agencies and subsequent board approvals, urgent rehabilitation was performed using construction change orders and a competitively bid contract. All shutdown-related work will be completed on schedule in January 2025, while other PCCP priority work, such as Second Lower Feeder Reach 3B rehabilitation, is progressing according to schedule. Another

achievement is Metropolitan's first Progressive Design-Build project, which will construct two new Sepulveda Feeder pump stations to improve supply reliability for the western State Water Project-dependent area. To expedite the project's schedule, all major long-lead equipment was specified, and advanced procurements were approved in September 2024. A board action to amend the design-build agreement and approve construction is expected in Spring 2025.

Equal Employment Opportunity Office

On December 6 – 7, 2024, Metropolitan's Equal Employment Opportunity (EEO) Manager participated in an inspection trip with the NAACP, board members, DEI, and other partner departments to Hoover Dam and the Colorado River Aqueduct. The purpose of this trip was to introduce participants to Metropolitan, our infrastructure, and key priorities. For this particular group, an additional goal was to strengthen the relationship between Metropolitan and the NAACP and to explore opportunities to work together. EEO provided information to the group about EEO's role in the recruitment process to include EEO's oversight and the concurrence process. EEO partnered with DEI to provide information on how EEO compliance and DEI work together to improve diversity initiatives and support Affirmative Action and Non-Discrimination Program requirements in accordance with federal and state law.

External Affairs

Metropolitan hosted the Student Art Calendar event celebrating the work of 37 students that is featured in the 2025 calendar. Chair Ortega, Vice Chair Camacho, and Directors Alvarez, Dennstedt, and Faessel attended the event. (December 12)

Human Resources

The Business Support Team planned, organized, and coordinated a "Family Health" wellness webinar. The live webcast was held on November 20, 2024, and was hosted by Kaiser Permanente. The webinar invited employees to learn ways to keep health on their minds and practice self-care. The webinar navigated common health concerns, reviewed screenings, and identified strategies to keep every member of the family healthy. Employees were invited to create a realistic action plan to keep their family healthy.

Information Technology

To support the ongoing efforts of the District Housing Upgrade and Property Improvements program, the Information Technology Group was tasked to deploy new security cameras for the dorm facilities and kitchens at Gene Camp. The IT staff performed the following to enable the installation:

- Delivered a design that included the need for new mini-racks for the dorm facilities and kitchens, as well as a new server rack in the main telecom room to support the new camera system (Genentech).
- Procured all IT-related materials (racks, switches, power distribution units, etc.)
- Configured the network switches for the new locations.

Safety, Security and Protection

Metropolitan's Security and Emergency Management staff used the holiday season to strengthen partnerships with critical infrastructure stakeholders at local and federal levels. These collaborations fostered mutual understanding and advanced shared solutions for threat mitigation and future challenges. A key focus was the growing drone threat to critical infrastructure. Efforts included identifying risks, exploring mitigation strategies and detection capabilities, and working with local and federal partners to evaluate and address the threat. By enhancing partnerships and proactively managing risks, Metropolitan continues to safeguard critical infrastructure and serve its communities effectively. Staff continues to expand emergency management response capabilities and inclusive emergency planning.

The Safety Team posted a new Safety Talk on preventing slips, trips, and falls and a Near Miss Safety Advisory to help employees identify potential unsafe conditions related to equipment integrity. The Environmental Team is currently preparing 20 regulatory-required submittals, due by March 2025. Also, staff obtained a South Coast Air Quality Management District emergency variance for an emergency back-up generator at Pleasants Peak Telecommunications site because of the Southern California Edison extended power outage. This variance allowed Metropolitan to keep the critical communication hub powered. Safety and Technical Training provided a hazardous material safe-handling and clean-up training series to staff at Pure Water, including the Los Angeles County Sanitation District.

Sustainability, Resiliency and Innovation

Metropolitan hosted the Los Angeles County Water Plan Blue Ribbon Panel on Nature-based Solutions. The panel is working to increase the use of nature-based water management solutions to improve the health of communities and ecosystems. Nature-based solutions support the Climate Adaptation Master Plan for Water's priorities for community equity and projects with environmental co-benefits.

Water Resource Management

Water Resource Management (WRM) staff exhibited leadership and outreach on the Colorado River. Imported Supply Unit staff attended the Lower Colorado River Multi-Species Conservation Plan technical workgroup, and Water Use Efficiency Team staff provided the knowledge behind a landscape conservation exhibit at the Colorado River Water Users Association annual conference. WRM staff finalized two "Bucket 2" grant-funding agreements and received board authorization to enter into the agreements. WRM staff attended and participated in the annual State Water Project Operations Workshop. The Water Use Efficiency Team staff furthered statewide and local planning and outreach by attending the annual California Water Efficiency Partnership (CalWEP) plenary meeting and showcasing conservation programs and options for LA City Golf facility staff. The Resource Development Team staff finalized two Future Supply Actions funding program agreements with Foothill Municipal Water District and the San Diego County Water Authority.

Water System Operations

Staff successfully completed the installation of the Battery Energy Storage System (BESS) capital project at the Weymouth plant. The BESS project allows the plant to store surplus energy generated by its solar farm in a dedicated battery bank. During periods of peak energy pricing or when supplemental power is required, the stored energy can be used to supply portions of the plant—improving energy efficiency and lowering operating costs.



PROGRAM DESCRIPTION

Each year, Metropolitan partners with its member agencies to hold a region-wide student art contest focused on water conservation themes. Winners are selected and featured in a calendar that is widely distributed to thousands of people throughout Southern California.

On December 12, Metropolitan hosted its annual Student Art Calendar Event at Headquarters, marking the 36th anniversary of this beloved program. It was the first in-person celebration since 2019. The event celebrated the creativity of 37 talented student artists, from kindergarten to high school, whose work is featured in the 2025 calendar.

Dozens of students, teachers, and parents attended the event, showcasing the enthusiasm and support for this long-standing tradition. Coordinated by External Affairs' Brian Martz, with support from Benita Horn, Tuannee Holmes, and Vanessa Novoa, the program received 296 entries from 31 member and retail agencies this year.

IMPORTANCE TO METROPOLITAN

The calendar, beautifully designed by Christina Montoya Dapper, combines the students' artwork with a powerful call to action, emphasizing the importance of water conservation. This aligns with Metropolitan's mission to ensure a reliable water supply for Southern California through rebate programs, innovative water efficiency initiatives, and the development of the Climate Adaptation Plan for Water. The student art program highlights how creativity and education can inspire communities to take action toward a more sustainable future.

MEMORABLE MOMENT

This year's event would not have been possible without the unwavering support of Metropolitan's member agencies, teachers, school administrators, and water education representatives. Their efforts, both during the celebration and year-round, amplify the message of sustainability and water awareness. The enthusiasm in the room reflected a shared commitment to empowering the next generation to envision and build a brighter, waterwise future for all.

If you would like one of the calendars, please contact bmartz@mwdh2o.com.



"I'm incredibly proud to be part of a program that showcases the creativity and passion of our young artists while highlighting the importance of water conservation."

***Brian Martz, Coordinator,
Student Art Program***

Water Supply Conditions Report

Water Year 2024-2025

As of 12/31/2024

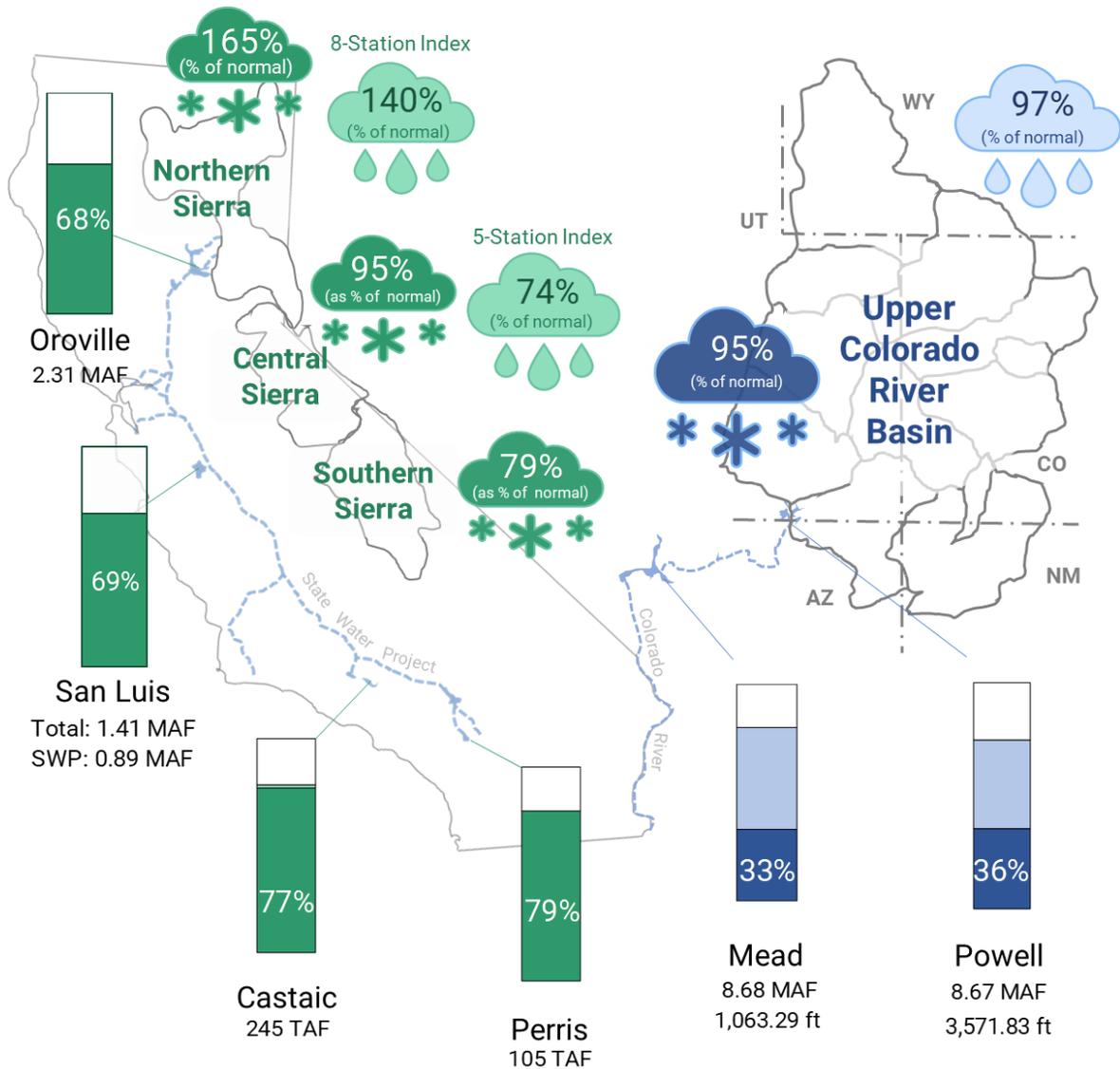
Extended Report: <https://www.mwdh2o.com/WSCR>

State Water Project Resources

SWP Allocation
40% Table A: 764,600 acre-feet

Colorado River Resources

Projected CRA Diversions
958,000 acre-feet



Reservoir Report

End of Month Reservoir Report

Monthly Update as of:

12/31/2024

<u>Reservoir</u>	<u>Current Storage</u>	<u>Percent of Capacity</u>
Colorado River Basin		
Lake Powell	8,656,696	36%
Lake Mead	8,681,000	34%
DWR		
Lake Oroville	2,336,664	68%
Shasta Lake	3,499,217	77%
San Luis Total	1,408,440	69%
San Luis CDWR	887,053	84%
Castaic Lake	247,830	77%
Silverwood Lake	71,406	95%
Lake Perris	105,347	80%
MWD		
DVL	787,962	97%
Lake Mathews	147,179	81%
Lake Skinner	40,682	92%



Hoover Dam



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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