



General Manager's Monthly Report



Activities for the Month of **August 2025**

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Message from the General Manager

Labor Day marks the end of summer and the beginning of fall. For school kids, that means getting back to work. For Metropolitan's staff and board, it means our important work continues. While I certainly hope we all took some time to relax this summer, I know our staff and board have been extraordinarily productive over the past few months. This report highlights progress in August on three business plan goals to implement refinements to our business model, protect our Delta interests and provide organizational stability. I also want to recognize the foundation that has been laid this summer for important decisions ahead.

It is still not clear where state lawmakers will go with the Delta Conveyance Project streamlining legislation that Gov. Gavin Newsom proposed back in May. But it is clear that Metropolitan staff, directors, and member agencies made incredible strides in educating lawmakers about the project and why time-consuming hurdles in its planning are hurting California. Our board won't make a decision on the DCP until 2027, but that date will come fast and we need planning work to continue.

Staff also laid important groundwork for Pure Water Southern California, with the completion of the draft Environmental Impact Report's public comment period. Staff are now reviewing and preparing responses to the comments provided during that process, and this fall will finalize the EIR for board consideration in early 2026.

In addition, after months of discussion and collaboration, our board last month approved the Local Supply Exchange Framework – one of the first big changes to emerge from our ongoing Business Model review process, work that will continue this fall.

And in the midst of all this planning work, our staff has also shown impressive leadership managing through other challenges, including providing a lifeline to 9,000 Los Angeles Department of Water and Power customers when a valve failed in a key service pipeline.

As we move into the fall, I am looking forward to seeing the benefits of this summer's progress continue to grow.

Deven Upadhyay
General Manager



The Metropolitan Water District of Southern California is a state-established regional cooperative of 26 cities and public water agencies, which collectively serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and supports its members through the development of increased conservation, recycling, storage and other resource management programs.

Following are important highlights for this month on three goals of the GM Business Plan



Goal: Follow through on Business Model Refinement Recommendations

In August, Metropolitan's Board approved a framework to enable member agencies to exchange locally produced water supplies, enhancing regional resilience amid climate challenges. This is a transformative policy shift that will strengthen Southern California's long-term water reliability, creating an opportunity for member agencies to benefit financially from investments in supplies and demand management programs.

The framework is one of many strategies that has emerged from Metropolitan's ongoing Business Model review process. It is an important step in preparing the region for increasing climate and water supply challenges, crafted through months of collaboration with water agency leaders across the region.

For decades, Metropolitan has incentivized the development of local water projects. Now, under the Local Supply Exchange Framework, Metropolitan can facilitate exchanges through coordinated accounting and billing. Aside from Metropolitan subsidies, the funding to support investment in new local supply projects can flow between member agencies. One agency will produce and consume the local water supply and in exchange, Metropolitan will use existing infrastructure to deliver an equivalent amount of imported water to another agency. The local water itself doesn't move physically between agencies, but the benefits of having a locally produced supply that is more resilient in times of scarcity will be shared by the agencies. This collaborative approach ensures that the region's overall water resources are being used in the most efficient way possible, while protecting our core system operations and water reliability.



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Goal: Decide on Sites Reservoir and Protect our Bay Delta Interests

Metropolitan is pursuing a portfolio of science-based risk-reduction strategies necessary to protect the Bay Delta and the important water supplies that it provides to Southern California. Following board action this month, we are moving forward with new agricultural leases on two Delta islands that are owned by Metropolitan. These leases will convert current agricultural lands to rice farming on Webb Tract in Contra Costa County and on Bacon Island in San Joaquin County.

The conversion to rice can help address land subsidence, improve carbon sequestration, and support habitat for migratory birds and other Delta species. The leases are one part of a multi-benefit approach to support the sustainability of the Delta's vital ecosystem. In addition, the new long-term leases will generate revenue for Metropolitan and increase the land's market value.

Land in the Delta is affected by subsidence, with some areas as much as 24 feet below sea level. With support from state grants and collaborative partnerships, the district is working to transform Webb Tract into a multi-benefit landscape that strengthens the Delta's ecological and water management future. In addition to rice farming, Metropolitan is restoring 2,400 acres of wetlands, with the support of approximately \$16 million in funding from a Delta Conservancy grant.

On Bacon Island, we are partnering with a leader in regenerative agriculture, Lundberg Family Farms, who will farm approximately 5,000 acres transitioning to rice. Showcasing best practices for a sustainable future for the Delta, Bacon Island will feature advanced rice farming techniques compatible with the Delta's unique soils, while supporting wildlife-friendly habitats, and potentially generating carbon credits to enhance long-term land stewardship.

This work expands on the conversion to rice which has already begun on Metropolitan's Holland Tract island. As part of an updated lease agreement, the farmer on Holland Tract is replacing corn with rice, converting 250 acres of rice this year and planning to more than double that acreage next year.



New leases will convert current agricultural lands to rice farming on Webb Tract in Contra Costa County and on Bacon Island in San Joaquin County.



Goal: Provide Organizational Stability and Deliver Operational Excellence

The Facilities Services Team at the Gene Pumping Plant is transitioning to an improved staffing structure that will provide greater regularity and reliability for essential services that support operations at the desert pump plants.

This change was studied through an 18-month pilot program in partnership with AFSCME Local 1902. Facility services such as janitorial work, warehouse support, and water quality sample transport, were previously based on unstable, on-call work schedules. By shifting to regular, part-time work weeks, facility managers can better plan staff availability to deploy resources, manage costs, and respond to dynamic business needs.

The new structure also provides a mutual benefit to the workers who provide these support services. Regular part-time status results in wage stabilization for the employees and standardized hours that allow them to plan their other responsibilities. By offering access to more potential job duties, the new structure creates greater opportunity for cross-training and career development.



Ultimately, consistent staffing provides greater ability to complete the time-sensitive work that supports the critical operations of pumping water through the Colorado River Aqueduct.



Desert Pump Maintenance Team

PROGRAM DESCRIPTION

The Desert Section Pump Maintenance Team is responsible for all heavy maintenance and repair of Colorado River Aqueduct (CRA) equipment. The team consists of highly skilled mechanics, welders and machinists who work together to repair and overhaul critical equipment. With shops at both the Eagle Mountain and Gene Camp facilities, the team is able to quickly respond to emergency repairs across the Desert service area. The highly specialized skills required to repair everything from 12,500 horsepower synchronous motors to machining small components for our Discharge Valve Governor systems is what sets this team apart.

IMPORTANCE TO METROPOLITAN

Much of the CRA equipment illustrated in the very first MWD Annual Report published in 1939 is still in service today. Dedicated, highly skilled employees are required to ensure the operational reliability expected from the CRA. The Pump Maintenance Team collaborates with engineering, the La Verne shops, and other teams within Metropolitan to often providing solutions that will enhance efficiency and reliability. They understand the importance of maintaining 100 percent reliability, even as the equipment nears 100 years old.



Discharge valve plug being installed after coating at Iron Mountain

MEMORABLE MOMENT

The Pump Maintenance team worked closely with engineering and the La Verne shops to rebuild the internal components of a pump discharge valve at Iron Mountain Pump Plant. The discharge valve protects the pumps from reverse flow that would damage equipment when a pump trips offline. Working with engineering to evaluate the valve internal components and with the La Verne shops to manufacture the parts, the Pump Maintenance Team rebuilt the discharge valve over a two-year period and placed it back into service this summer, extending the equipment's life and ensuring its reliability.



Discharge valve actuator open during functional testing

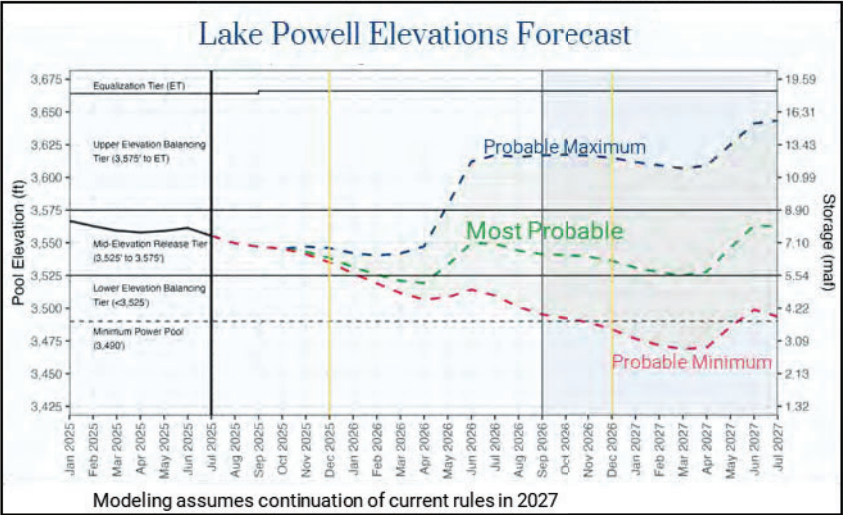
"Pump Maintenance Team has been actively engaged in overhauling Eagle Mountain Unit 9 Pump and discharge Valve, Iron Mountain Unit 5 Pump and Discharge Valve, and Gene Unit 1 Discharge Valve. This has been a major undertaking with assistance from the La Verne Machine shop. The amount of work the team has been producing shows their dedication to achieving Metropolitan's goal of delivering reliable water to Southern California."

Steve Solaiza
Team Manager, Desert Pump Maintenance Team

August 2025 Report

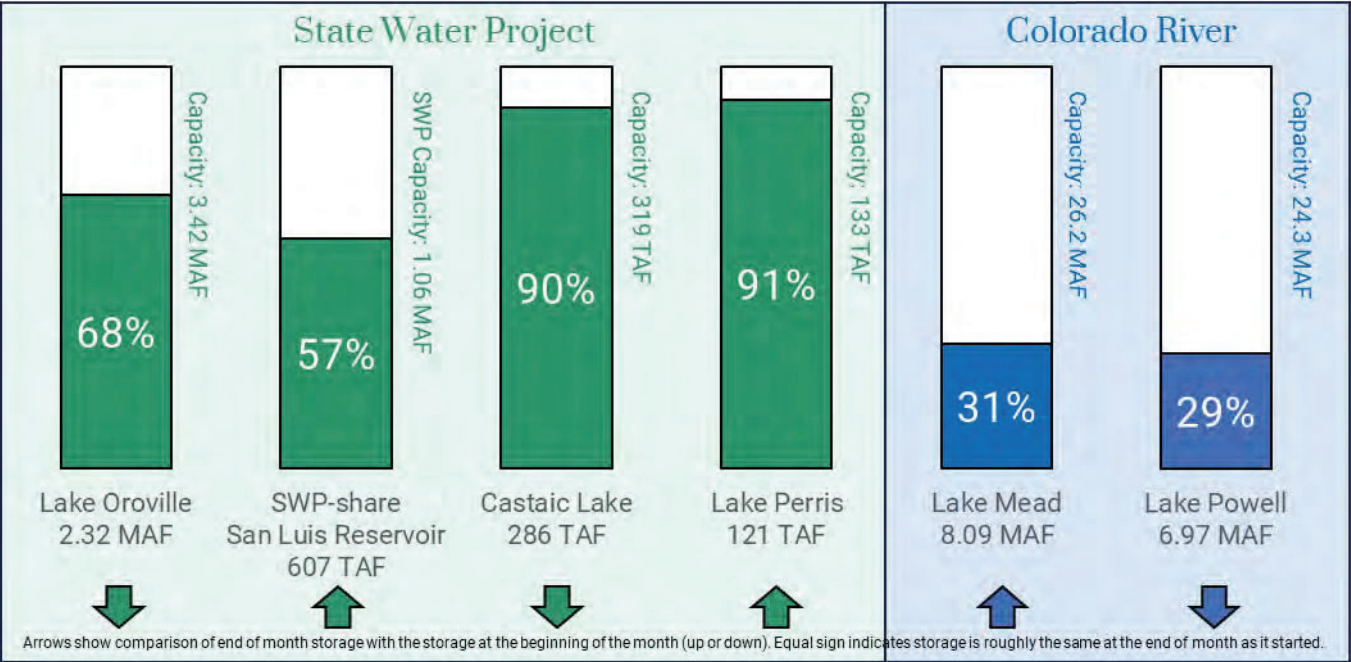
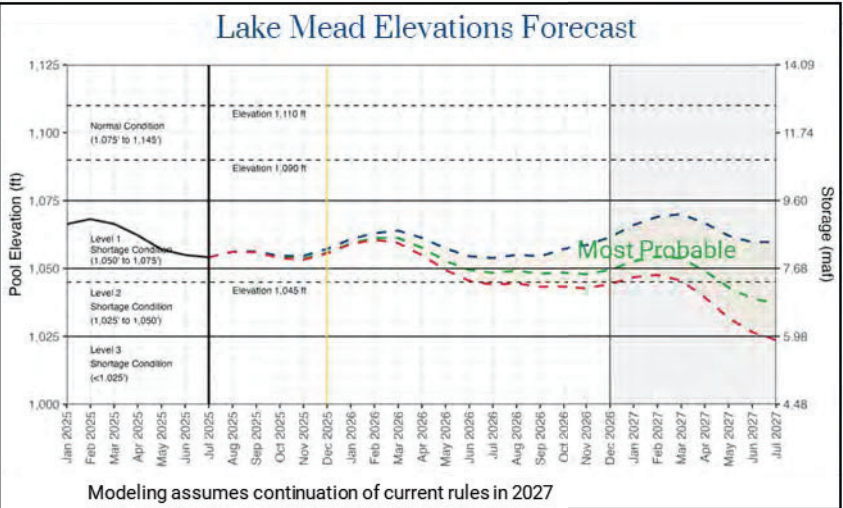
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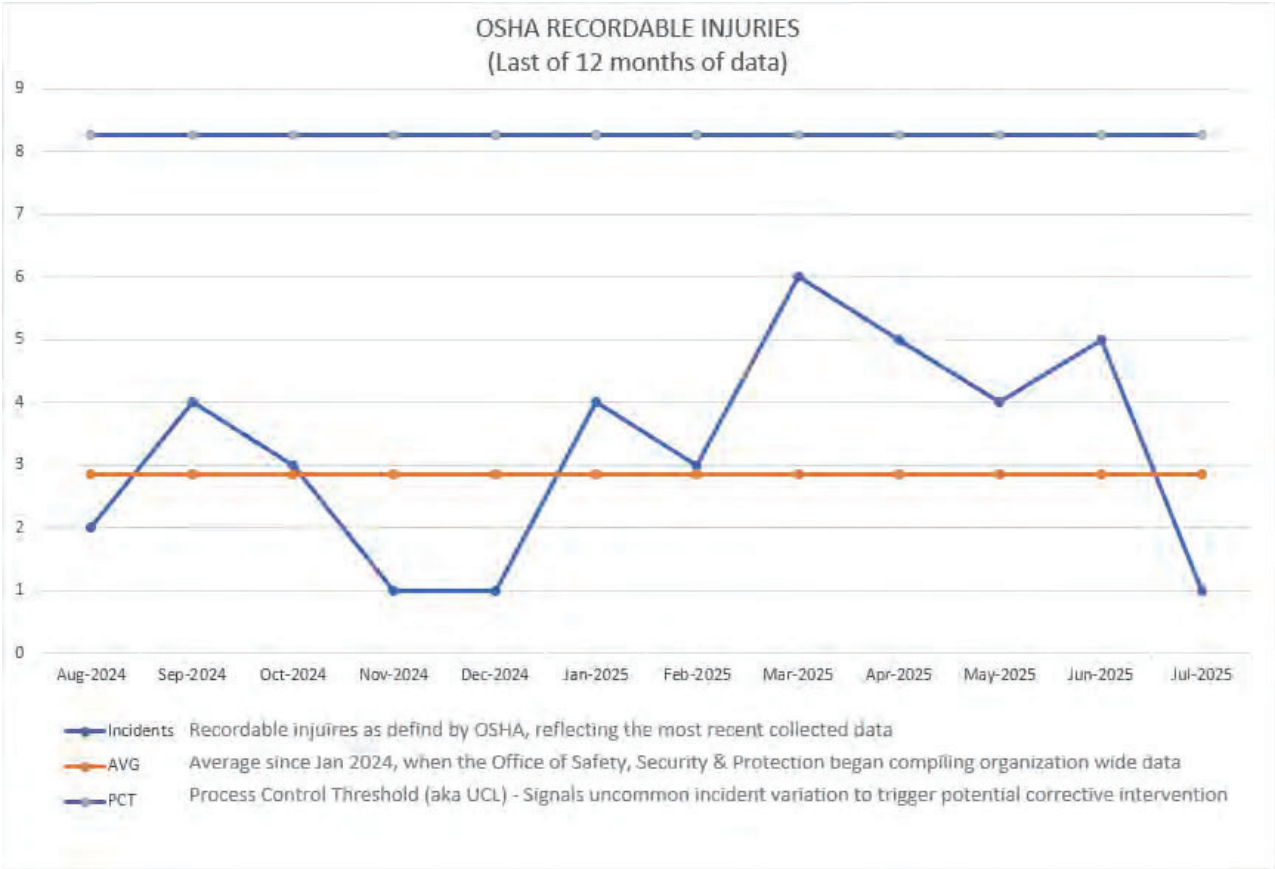
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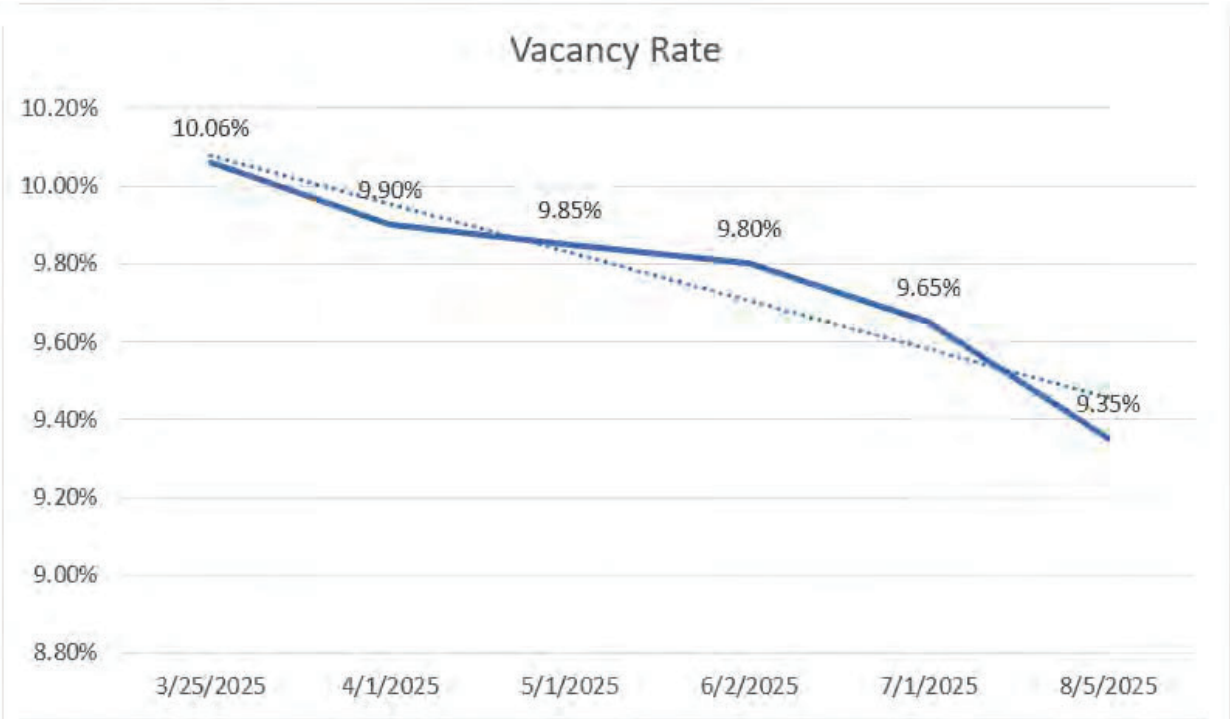
Reclamation has announced that Lake Powell will operate in mid-elevation release tier for the Water Year 2025-26 with a planned release of 7.48 million acre-feet. The most probable trace (green dashed line on the chart) is for Lake Powell to end calendar year 2025 at 3,538.47 feet and calendar year 2026 at 3,536.22 feet (yellow lines on the chart) at 27% of storage capacity.

Lake Mead is forecasted to continue in the Level 1 Shortage Condition for calendar year 2026, with mandatory water reductions to Arizona, Nevada, and the Republic of Mexico.





Districtwide Vacancy Rate





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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