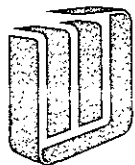


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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Barry L. Duff
EXECUTIVE SECRETARY

February 21, 1992

(Water Problems Committee--Action)
To: Board of Directors (Engineering and Operations Committee--Information)
From: General Manager
Subject: Interruptible Water Service

Report

Pursuant to Section 4601 of Metropolitan's Administrative Code, your Board, at its March meeting, is required to determine or estimate the availability of Interruptible Water Service (IWS) during the next three fiscal years. This procedure has allowed participants in the interruptible program to plan their operations to coincide with imported water supply conditions.

In previous years, the IWS was available at a discount which was suspended by your Board in March 1991. Subsequently, in its rate recommendation for fiscal year 1992-93, staff has assumed that the Board action to suspend the reduced rate for interruptible remains in effect and thus has not included an IWS for 1992-93.

Staff discussions with member agencies regarding transition from IWS to Seasonal Storage Service (SSS) are being undertaken. Included in these discussions will be the disposition of any residual obligations under the IWS. Simultaneously, the consulting firms of Black and Veatch and Price Waterhouse are preparing a Revenue Design study, which might provide input to our future rate structure. Upon agreement regarding the merger of SSS and IWS, and completion of the revenue design study, staff will recommend appropriate Administrative Code changes. At this time, it is recommended that the Board defer action on Section 4601 until the above tasks are completed.

Board Committee Assignments

This letter was referred for action to the Water Problems Committee because of its authority to study, advise, and make recommendations regarding the sale and delivery of water for various uses pursuant to Administrative Code Section 2481 (c) and (d); and as an informational item to the the Engineering and Operations Committee because of its authority to study, advise, and make recommendations regarding the operation of Metropolitan's distribution system pursuant to Administrative Code Section 2431 (c).

Recommendation

WATER PROBLEMS COMMITTEE FOR ACTION, AND ENGINEERING AND OPERATIONS COMMITTEE FOR INFORMATION.

It is recommended that the Board defer its determination under Section 4601 of the Administrative Code regarding the availability of water for Interruptible Water Service until action is taken regarding merger of the Interruptible Water Service and Seasonal Storage Service and/or adoption of a new rate structure.


for Carl Boronkay

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