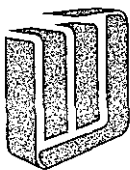


APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

39670

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUN -9 1992

(Signature)
EXECUTIVE SECRETARY

May 19, 1992

To: Board of Directors (Water Problems Committee--Action)
From: General Manager
Subject: Cost of Water Service to Meet District's Operating Needs

Report

The District is using a specific service connection, Central Basin 36 (Cen.B-36), to serve as a "safety valve" to protect the distribution system from overpressurization while Garvey Reservoir is out of service. Essentially, changes in demands and supply involving the Middle Feeder and Garvey-Ascot Feeder normally would be regulated at Garvey. Without that regulation, water is being released at Cen.B-36 in order to accommodate fluctuations in demand. Water delivered through this connection is treated and has to be dechlorinated because it flows through an environmentally sensitive area.

Since this operation is primarily for the benefit of the District and only incidentally benefits the member agency--Central Basin Municipal Water District in this case--water sales through this service connection have been made at the lowest rate available and outside the member agency's allocation under the Incremental Interruption and Conservation Plan (IICP). Absent this lower rate and IICP exemption, there is no incentive for the member agency to purchase this water.

During 1991/92, water had been sold at the lowest rate available either as seasonal storage service (SSS) or at interruptible rates when SSS was not available. In May 1990, your Board approved the sale of water at Cen.B-36 at the untreated interruptible water rate. Your Board has now taken action to discontinue the rate for water sold under the interruptible categories effective July 1, 1992. It is still desirable, however, to allow the relatively small amount of water delivered through Cen.B-36 to continue to be sold at the lowest rate available. Since the first of the year, about 8,000 acre-feet of water have been delivered through this service connection, and it is anticipated that monthly average deliveries through Cen.B-36 during the period that Garvey

remains out of service will be 1,200 to 1,800 acre-feet. Absent the interruptible water rate, it is proposed that all water delivered through this service connection be sold at the SSS rate until Garvey returns to service.

This proposed action is exempt from the provisions of the California Environmental Quality Act because it does not have the potential for causing a significant effect on the environment.

Board Committee Assignments

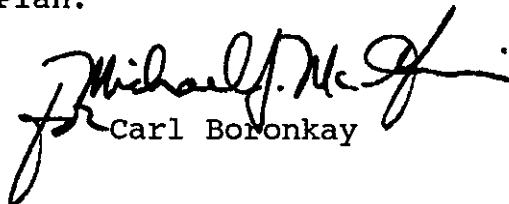
This letter was referred for action to the Water Problems Committee because of its jurisdiction over the setting prices of water and conditions governing sales and exchanges of water, and policies regarding the sale and delivery of water for various uses, pursuant to Administrative Code Sections 2481(c) and (d).

Recommendation

WATER PROBLEMS COMMITTEE FOR ACTION

It is recommended that during the period when Garvey Reservoir is out of service, the General Manager be authorized to allow water delivered to Cen.B-36 for system regulation to be sold at the untreated seasonal storage service rate and that this water be exempt from allocations under the Incremental Interruption and Conservation Plan.

JWM/MY/jp


for Carl Boronkay