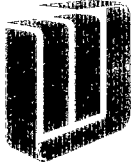


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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Daren Edgett
General Manager

March 23, 1994

To: Board of Directors (Water Problems Committee--Information)
From: General Manager
Subject: Continuance of Seasonal Storage Service

Report

Analysis of supply and demand projections for the near term indicates Metropolitan has the opportunity to store additional water. Pursuant to Section 4514 of the Administrative Code, Seasonal Storage Service (SSS) shall be available between October 1 and the following April 30 whenever and so long as the General Manager determines that water and system capacity are available. Additionally, the General Manager may make this service available at other times of the year at his discretion.

To encourage storage of the surplus supplies, SSS will be continued past the usual ending date of April 30, 1994. This extension of SSS availability will be through June 30, 1994. An evaluation of supplies and demands will be made later in the spring to determine the availability of SSS for the remainder of the summer period.

An agency may qualify for SSS past April 30 by continuing to file the appropriate certifications under Administrative Code Section 4507. The SSS program beginning date on the certifications will remain October 1, 1993. Adjustments of the qualifying criteria may be necessary on a case-by-case basis for those agencies with special circumstances.

Importantly, with regard to the Readiness-to-Serve (RTS) charge, the seasonal deliveries will be considered long-term under the definition in the 1988-89 Seasonal Storage Service Handbook as described in the February 4, 1994, Board letter (attached). As such, under this extension of SSS, the long-term water will be exempt from the RTS in the year of delivery but included in the RTS in

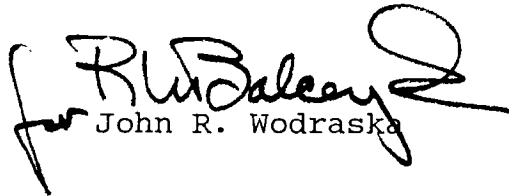
the year of use. It will be necessary to work with the member agencies to develop accounting procedures to guarantee that the RTS charge is levied in the year the water is used.

Board Committee Assignment

This letter is referred for information to the Water Problems Committee pursuant to its authority to study, advise, and make recommendations with regard to the sale and delivery of water for various uses under Administrative Code Section 2481 (d).

Recommendation

For information only.


for John R. Wodraska

NT:hah



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

February 4, 1994

To: Board of Directors (Water Problems Committee--Action)

From: General Manager

Subject: Issues Related to the Readiness-to-Serve Charge

Report

At the first meeting of the Seasonal Storage/Drought Management Plan Workgroup (Workgroup) on February 3, Member Agency Managers and staff discussed how to deal with the issue of long-term seasonal storage deliveries in fiscal year 1993-94. The managers felt that the calculation methodology for the Readiness-to Service (RTS) Charge described in the December 8-2 Board Letter created a financial disincentive for maximizing groundwater storage for regional benefits.

It was the consensus of the Workgroup that the RTS Charge should be based on all water sales for fiscal years 1992-93 and 1993-94 except long-term storage water. Long-term storage water includes direct groundwater replenishment; water taken under the Cooperative Storage Program, the 1993 Demonstration Storage Program, cyclic storage, and the 1993 summer seasonal program; and seasonal storage water defined as long term in the 1988-89 Seasonal Storage Service Handbook (Handbook). In the Handbook, long-term seasonal storage water is that water which an agency leaves in storage for a duration extending past the end of the fiscal year (June 30) through avoided production during a period of availability (normally October 1 through April 30). The seasonal storage services deliveries for fiscal year 1992-93 and 1993-94 would be subject to audit.

This calculation methodology will apply for the remainder of fiscal year 1993-94 and used to allocate the RTS Charge in 1995-96. A more refined definition of long-term seasonal storage water and the conditions for its exclusion from the RTS Charge will be the subject of future Workgroup meetings. The consensus reached by the Workgroup as a result of these additional meetings will be the basis for the allocation of the RTS charge in future fiscal years.

Board Committee Assignment**WATER PROBLEMS COMMITTEE FOR ACTION.**

This letter is referred for action to the Water Problems Committee because of its authority to study, revise, and make recommendations with regard to the selling prices of water and conditions governing sales and exchanges of water, and to the allocation of water standby or availability of service revenue requirements, pursuant to Administration Code Sections 2481(c) and (e).

Recommendation

It is recommended that the Board approve the Readiness-to-Serve Charge allocation based on the average total water sales by agency for fiscal years 1992-93 and 1993-94 except for long-term storage water. Long-term storage water includes direct groundwater replenishment; water taken under the Cooperative Storage Program, the 1993 Demonstration Storage Program, cyclic storage, and the May through September 1993 seasonal storage program; and seasonal storage water defined as long term in the 1988-89 Seasonal Storage Service Handbook. In the Handbook, long-term seasonal storage water is that which an agency leaves in storage for a duration extending past the end of the fiscal year (June 30) through avoided production during a period of availability (normally October 1 through April 30).



John R. Wodraska

JMB:hah