

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

PENDING

December 12, 1994

To: Board of Directors (Finance and Insurance Committee--Information)
(Water Problems Committee--Action)
(Executive Committee--Action)

From: General Manager

Subject: Recommended Water Rates to Become Effective July 1, 1995

Report

Administrative Code Section 4304(c) requires that the General Manager present to the Water Problems Committee recommendations for water rates for the next fiscal year based on the Finance and Insurance Committee's determination of required water revenues. By letter dated October 26, 1994, as revised November 29, 1994, the General Manager presented his determination of the revenues to be derived from water sales during 1995-96 to the Finance and Insurance Committee for consideration.

The total revenue requirement for 1995-96 was estimated to be \$928.7 million. After accounting for revenues from property taxes, fixed sources (including the readiness-to-serve charge), the connection maintenance charge, the sale of hydroelectric power, interest income, and miscellaneous income, the water revenue requirement for 1995-96 was determined to be \$739.4 million. With the use of \$70.7 million from the Water Rate Stabilization Fund to pay a portion of the 1995-96 costs and hold the member agency fiscal impact of the rate increases to 5.1 percent, the net water revenue requirement was determined to be \$668.7 million. The rates recommended in this letter are sufficient to produce the required water revenue based on a water sales estimate of 1.9 million acre-feet during 1995-96.

The sales projection of 1.9 million acre-feet is based on a forecast of regional water demands less local water production, imports from the Los Angeles Aqueduct, water conservation, and wastewater reclamation. It is anticipated that a full Colorado River Aqueduct will be available supplying 1,200,000 acre-feet, and 730,000 acre-feet will be supplied from the State Water Project.

Overview

At its December 13, 1993, meeting your Board approved a change in revenue structure in concept. The revenue structure addressed Metropolitan's objectives, including equity, stability of rates, and a commitment to firm revenues that matches the needs of Metropolitan's Capital Improvement Program (CIP). At the time this structure was approved, the Board directed the General Manager to complete four tasks. These tasks included the completion of a "nexus study", complete with legal review, by mid-1994; a sensitivity analysis to evaluate the impact of different assumptions on Metropolitan's financial status under the new revenue structure; an evaluation of Metropolitan's seasonal storage program; and an evaluation of the impact of the new rate structure on Metropolitan's ability to meet its water management program goals. These evaluations are in various stages of completion. The "nexus study" and the sensitivity analysis have been completed. The evaluations and analyses associated with the storage programs and water management programs are not yet complete, although substantial progress has been made, with preliminary results shared with your Board and Metropolitan's member agencies.

The past year has afforded Metropolitan and its member agencies the opportunity to work with the structure and evaluate implementation and equity issues associated with the imposition of a new rate and revenue structure. Several suggestions have been made to facilitate the transition to the new structure. These suggestions include:

1. Retention of member agencies' ability to utilize Metropolitan's existing standby charge as a means to collect a portion of an agency's readiness-to-serve charge. This "local" option will help mitigate rate effects, as well as provide a more flexible and diverse source of revenue.

2. The need for a proactive and long-term resource management ("drought management") plan to ensure equity and efficient use of regional resources during shortage periods, as well as effective use of storage during periods of surplus.

3. Development of groundwater storage and local resource programs is an important component of the Integrated Resources Plan (IRP). Incentives must be set at levels that will generate resource development at the levels identified in the IRP. Further it is important that

Metropolitan's financing of groundwater storage and local programs is commensurate with the benefits provided by such programs and that regional benefits are realized. That is, the financing mechanism (whether incentive, grant, or other capital contribution) should be sufficient to generate development to meet IRP targets, and both program participants and non-participants should be able to recognize value from the program.

4. The need to develop cost-effective groundwater storage operations and local resource development within the new revenue and rate structure.

5. The importance of system equity among members, considering both historic contributions and total payments to ensure a reliable water delivery system.

6. The need to provide groundwater basin agencies opportunities for efficient water management through the pooling of purchases for purposes of accounting in the RTS and New Demand Charge.

1995-96 Water Rates

The water rate structure for 1995-96 reflects the form approved by your Board at its meeting of December 14, 1993. The four new components consist of a readiness-to-serve charge, new demand charge, connection maintenance charge, and treated water peaking charge. In addition, it is recommended that Metropolitan offer each member agency the option to have the existing standby charge collected on its behalf as a means to meet its readiness-to-serve obligation. The noninterruptible and seasonal storage classes of service as well as the treatment surcharge will remain in effect.

Table 1 shows the expected sources of annual revenues to Metropolitan, the costs covered by each, the base unit charge, and the party responsible for payment. The estimated revenues from these charges, as well as revenues from interest, power, and miscellaneous sources projected over the next 10 years, are shown in Table 2. The noninterruptible untreated water rate will increase by \$9 per acre-foot, and the treatment surcharge will increase by \$5 per acre-foot in 1995-96.

Readiness-to-Serve Charge

The readiness-to-serve charge (RTS) will be set to recover the principal and interest payments on non-tax supported debt service that has been or will be issued

to fund capital improvements associated with meeting the reliability and quality needs of existing users. The charge is allocated to each member agency on the basis of a rolling average of historic water purchases from Metropolitan, including sales for consumptive demands, agriculture, and storage. For 1995-96, an agency's share of the RTS will be based on the average of Metropolitan sales in 1992-93 and 1993-94, less certain long-term storage water as more particularly defined in Exhibit A, Section 8. Table 3 shows the RTS obligation by member agency and the estimated standby charge revenues that would be available at existing parcel rates.

The proposed form of resolution of your Board declaring its intention to impose the RTS charge and notifying the member agencies of this intention is attached as Exhibit A. Prior to adoption of this resolution, an Engineer's Report explaining the basis for the charge and the allocation of the charge among member agencies will be provided.

This resolution provides member agencies the option to request that Metropolitan impose a standby charge on parcels of land in the agency's service area. Standby charge collections from such member agency's territory would be credited against the member's RTS charge obligation.

A member agency should make such request in the form of a resolution or other official action of its governing body, which must be delivered to Metropolitan's Director of Finance not later than March 1, 1995. This action will not constitute ratemaking by the member agency, but will be a request to be considered by Metropolitan in the process of fixing Metropolitan's rates and charges. The requirements for special notice, public hearing and the like which apply to ratemaking procedures will be satisfied by Metropolitan and will not apply to the member agency action. The member agency resolution or other official action should include the information listed in Exhibit B. The actual resolution or other action should be modified to comply with local procedures and requirements.

Your Board will hold a public hearing on February 14, 1994, on its intention to impose the RTS charge. This hearing will include the water rates and other charges to be levied for fiscal year 1995-96. Additionally, Metropolitan will provide the necessary notice or notices to the public in the areas where standby charges have been requested and your Board will hold a public hearing on April 11, 1995, for interested parties

to present comments or protest the proposed water standby charge. It is anticipated that your Board will take action on the proposed standby charges at its meeting on May 9, 1995.

The resolution of intention to impose the RTS charge (and, upon the request of member agencies, standby charges to be used as credits against the RTS charge) also establishes the criteria under which certain lands may be exempt from the standby charge. Lands which were exempt from standby charges for prior years will continue to be exempt and those property owners will not be required to refile exemption requests.

The New Demand Charge

The new demand charge (NDC) recovers the capital costs associated with meeting new demands on Metropolitan's system. It should be noted that costs associated with treatment facilities will continue to be collected through the treatment surcharge through fiscal year 1995-96. To incur the NDC, an agency's most current four-year average of Metropolitan sales (less certain long-term storage deliveries as more particularly described in Exhibit C, Section 8) must be greater than its historic demands as measured during the base period (as more particularly defined in Exhibit C, Section 9). The NDC would be set at \$1,000 per acre-foot in 1995-96.

The proposed form of resolution of your Board declaring its intention to impose the new demand charge and notifying the member agencies of this intention is attached as Exhibit C.

Connection Maintenance Charge

The connection maintenance charge (CMC) will recover a portion of the costs associated with operating and maintaining service connections. This charge is based on the capacity and number of connections each agency has with Metropolitan. The initial charge is equal to \$50 per cubic-foot per second of connected capacity per month, with a maximum charge of \$5,000 per connection each month.

Treated Water Peaking Charge

The treated water peaking charge will be set to encourage agencies that peak off Metropolitan's treatment facilities during the summer to change their behavior or more equitably share in the cost of facilities to meet their needs. If peak week flow during May through September exceeds 130 percent of average week flow during the calendar year, then an agency pays a charge for each cubic-foot per second above the average. The charge will first be assessed during calendar year 1996 and collected in 1997-1998.

Treatment Surcharge

Capital and O&M costs for the treatment of water will be increasing with the expansions and improvements to meet more stringent water quality regulations at the Jensen, Skinner, and Mills Filtration Plants. Therefore, it will be necessary to increase the treatment surcharge by \$5 per acre-foot for 1995-96 from \$77 per acre-foot to \$82 per acre-foot. The treatment surcharge for seasonal storage water will increase to \$55 per acre-foot. The projected increase in the treatment surcharge is consistent with the Board's policy that all costs pertaining to the treatment of water be recovered through the treatment surcharge. Although the \$5 per acre-foot increase will not fully cover the projected increase in costs for 1995-96, the increase is consistent with the overall recommended rate increase of 5.1 percent over 1994-95 rates. Future increases in the treatment surcharge would be mitigated if a New Demand Charge for treated water is developed and implemented. The cost of capital facilities necessary to meet increases in demands for treated water would be paid through a "treated water" New Demand Charge, reducing the need to fund such expenditures from the treatment surcharge. Further, revenues from the new treated water peaking charge will help to mitigate future increases in the treatment surcharge.

Reclaimed and Emergency Rates

The reclaimed water rate will remain at \$113 per acre-foot for 1995-96. The emergency water rate will continue to be triple the untreated noninterruptible rate.

Seasonal Storage Rates

The seasonal storage rate has increased over the past several years to keep pace with increases in

the costs of delivery of seasonal water. In the two most recent years the rates for seasonal water have increased at a pace equal to eighty percent of the increase in noninterruptible water. Recent analysis indicates that the resulting discount is within the range of dollar benefits estimated for this type of service. Therefore, for fiscal year 1995-96, it is recommended that the untreated seasonal rate increase by \$7 per acre-foot and the treated seasonal rate increase by \$11 per acre-foot. Over the next ten months, analysis of the seasonal program and other water management programs may result in changes to the price for such water service, as well as programmatic changes to the structure of the program (including necessary provisions to assure regional benefits of storage deliveries).

Interim Agricultural Water Rates

In May 1994 your Board adopted the Interim Agricultural Water Program. At that time, the discounts for agricultural water deliveries were set at \$137 per acre-foot for treated water and \$113 per acre-foot for untreated water for the term of the three-year program. Thus, the interim agricultural water rates for 1995-96 will be \$289 per acre-foot for the treated water and \$231 per acre-foot for untreated water. Your Board directed staff to retain a consultant to assess the value of agricultural interruptibility to Metropolitan and report to the Board at the end of the first year of the Program. This study is ongoing and will be completed by May 1995.

Implementing Steps

The process for adopting the required revenues, water rates, and other charges is outlined in Figure 1. In December, the Finance and Insurance Committee will consider the Revenue Requirements letter, and the Water Problems Committee will review the pending letter on Recommended Water Rates. In January 1995, the Water Problems Committee will consider the final Recommended Water Rates letter. Also in January, the Resolution of Intent to impose the RTS (including water standby charges) and the New Demand Charge in fiscal year 1995-96 will be adopted, and a public hearing on water rates will be set. In February, the Water Problems Committee will conduct a public hearing on the proposed water rates and charges. Adoption of the water rates will follow in March. A public hearing on the water standby charge would be held in April, and the Resolution to Impose the 1995-96 water standby charge would be adopted in May.

The recommendation made in this letter is exempt from the California Environmental Quality Act (CEQA) by Public Resources Code Section 21080(b)(8) since it recommends restructuring of rates for the purposes of: 1) meeting operating expenses, 2) purchasing or leasing supplies, equipment or materials, 3) meeting financial reserve needs and requirements, and 4) obtaining funds for capital projects necessary to maintain service within existing service areas; and, additionally, since it constitutes the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation or which will have CEQA documentation in place prior to construction of any facility or facilities.

Recommendation

It is recommended that the Board of Directors:

1) Find that the restructuring and setting of rates recommended in this letter is exempt from the California Environmental Quality Act by Public Resources Code Section 21080(b) (8) since it is for the purposes of: a) meeting operating expenses, b) purchasing or leasing supplies, equipment or materials, c) meeting financial reserve needs and requirements, and d) obtaining funds for capital projects necessary to maintain service within existing service areas; and, additionally, since it constitutes the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation or which will have CEQA documentation in place prior to construction of any facility or facilities, and

2) Set a time for a hearing of the Board at which interested parties may present their views regarding the General Manager's recommendation that the water rates for fiscal year 1995-96 be set by the Board as follows:

<u>Class of Service</u>	<u>Rates (\$/AF)</u>
Noninterruptible	
Untreated	344
Treated	426
Emergency Water	
Untreated	1,032
Treated	1,278
Reclaimed	113
Seasonal Storage	
Untreated	230
Treated	285
Connection Maintenance Charge	\$50/cfs of connected capacity per month
	Maximum charge per connection of \$5,000 per month
Interim Agriculture	
Untreated	231
Treated	289

3) That the Board approve the following resolutions:

a) Resolution of intention to impose the RTS charge in the form shown as Exhibit A to this letter, declaring the Board's intention (i) to consider, at its March 13, 1995 meeting, and act upon the General Manager's recommendation to impose a readiness-to-serve charge and (ii) to consider, at its May 9, 1995 meeting, and act upon the General Manager's recommendation to impose standby charges within the territories of requesting member agencies as a means of collecting such readiness-to-serve charge.

b) Resolution of intention to levy a New Demand Charge in the form shown as Exhibit C to this letter.

4) That the Executive Committee direct the General Manager to complete by November 1995 the studies necessary to address the following issues:

- a) Ensuring that Metropolitan incentives and programs are revised as necessary to meet the local resource and groundwater storage targets identified in the IRP, and that these programs operate in a manner to ensure regional water supply benefits under normal supply and shortage conditions. The incentives associated with such programs will be commensurate with their regional benefit. The studies in support of the resolution of these issues include the completion of the analysis of Metropolitan's existing water management programs, including the seasonal storage program, local projects program, groundwater recovery program, and conservation credits program.
 - b) A Resources Management Program (long-term drought management program) that includes principles for use of water during surplus years and uses of stored water and otherwise available water during periods of shortage. This Resources Management Program would include procedures for allocation of supply.
 - c) The criteria for water market purchases and Metropolitan's operating and pricing policies for the transportation of such water purchases.
- 5) That the Chairman of the Board appoint a special committee to review and make recommendations on system equity, recognizing both the historic preferential rights

of the member agencies and the total contributions of the member agencies to Metropolitan's system capital value.

John R. Wodraska
General Manager

Submitted by:

Debra C. Man
Chief of Planning and
Resources

Concur:

John R. Wodraska
General Manager

JMB:arb

Attachments

Table 1
Summary of Cost Base and Revenue Base
By Charge

Charge	Description of Cost Base	Unit	Revenue Base
Commodity Charge	Debt Service not covered by RTS, NDC; O&M; Water Management Programs; Change in Reserves; PAYGO; SWP Costs; CRA	\$/AF	All Water Users
Seasonal Storage Service	Variable O&M; SWP Variable Costs; Debt Service	\$/AF	Agencies with Storage Capabilities
Readiness-to-Serve Charge	Debt Service for CIP to meet quality and reliability needs for 2.2 MAF of "normal" demands	\$/ year or \$/AF of Historical Demand	Water Users
Standby Charge	Capital improvements, water management programs, SWP, conservation	\$/acre or \$/parcel	Property Owner
New Demand Charge	Debt Service for CIP to meet reliability and quality needs above 2.2 MAF of "normal" demands	\$/AF	New Water Use
Connection Maintenance Charge	O&M needed to maintain connection	\$/CFS	All MWD Connections
Treated Water Peaking Charge	O&M, capital costs associated with additional capacity needed to meet "peak"	\$/CFS	Agencies with peak week use above 130% of average demands
Taxes	General Obligation Bond Debt Service	\$/1,000 of assessed value	Property Owner

Table 2

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PROJECTED REVENUES AND WATER RATES
WITH WATER STANDBY CHARGE
BASE SALES**

**FINAL REVENUE REQUIREMENTS
1995-96**

<u>REVENUES (\$ In Millions)</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Water Revenue - Base	\$604	\$582	\$662	\$697	\$746	\$751	\$797	\$805	\$813	\$817
Treatment Surcharge Revenue	85	87	101	109	120	126	136	142	146	151
Taxes	80	81	82	85	87	90	94	94	94	94
Interest	24	25	26	27	28	31	33	36	37	38
Readiness-to-Serve Charge	0	7	23	50	86	133	137	137	140	141
Standby Charge	50	49	49	49	49	49	49	49	49	49
Power & Miscellaneous	19	22	23	25	26	26	26	26	26	26
Connection Maintenance Charge	0	6	6	6	6	6	6	6	6	6
New Demand Charge	0	0	0	2	4	9	15	21	27	32
Use of WRSF/Other	(45)	71	44	73	46	53	4	(28)	(36)	(11)
Total	\$817	\$929	\$1,017	\$1,122	\$1,199	\$1,273	\$1,295	\$1,288	\$1,301	\$1,343
Treated Peaking Charge	0	0	6	7	8	9	10	11	12	12
Projected Water Sales (AF per 1,000)	1,989	1,900	2,067	2,100	2,140	2,121	2,206	2,220	2,238	2,251
PROJECTED RATES (\$ per AF)										
Noninterruptible-Untreated	\$335	\$344	\$359	\$371	\$379	\$384	\$393	\$393	\$393	\$394
Noninterruptible-Treated	\$412	\$426	\$446	\$463	\$476	\$487	\$499	\$503	\$505	\$509
Untreated Rate Change	\$17	\$9	\$15	\$11	\$9	\$5	\$8	\$0	\$1	\$0
Treatment Surcharge Increase	\$10	\$5	\$5	\$5	\$5	\$6	\$3	\$4	\$2	\$3
MEMBER AGENCY IMPACT:										
-Rates and Charges	6.35%	5.11%	6.74%	6.74%	6.75%	6.74%	2.37%	0.63%	0.56%	0.43%

Minor differences due to rounding.

Seasonal Storage Rate:

Increase equals 80% of noninterruptible rate increase.

28-Nov-94
P:\FINSERV\MASTER(RATES).XLS

41134

TABLE 3
PROPOSED 1995-96 READINESS TO SERVE CHARGE

MEMBER AGENCIES	READINESS TO SERVE CHARGE	ESTIMATED STANDBY CHARGE REVENUES AT EXISTING PARCEL RATES
City of Anaheim	\$784,351	\$568,344
City of Beverly Hills	\$455,232	\$136,170
City of Burbank	\$697,144	\$402,201
Calleguas MWD	\$3,162,813	\$2,586,753
Central Basin MWD	\$2,069,704	\$3,552,367
Chino Basin MWD	\$1,039,588	\$1,772,963
Coastal MWD	\$1,386,305	\$1,015,244
City of Compton	\$180,845	\$161,836
Eastern MWD	\$1,768,310	\$2,671,588
Foothill MWD	\$279,158	\$313,982
City of Fullerton	\$273,034	\$355,658
City of Glendale	\$941,912	\$543,624
Las Virgenes MWD	\$626,834	\$557,170
City of Long Beach	\$1,453,303	\$1,076,732
City of Los Angeles	\$8,812,038	\$6,703,182
MWD of Orange County	\$5,674,874	\$5,751,754
City of Pasadena	\$361,956	\$430,374
San Diego CWA	\$14,801,215	\$12,437,982
City of San Fernando	\$7,509	\$40,916
City of San Marino	\$47,240	\$40,994
City of Santa Ana	\$468,844	\$423,747
City of Santa Monica	\$178,634	\$278,260
Three Valleys MWD	\$2,058,448	\$1,886,897
City of Torrance	\$723,143	\$467,516
Upper San Gabriel MWD	\$317,764	\$1,940,665
West Basin MWD	\$5,499,886	\$3,759,330
Western MWD of Riverside Co.	\$1,929,915	\$3,370,187
Grand Total	\$56,000,000	\$53,246,434

Figure 1

IMPLEMENTING STEPS

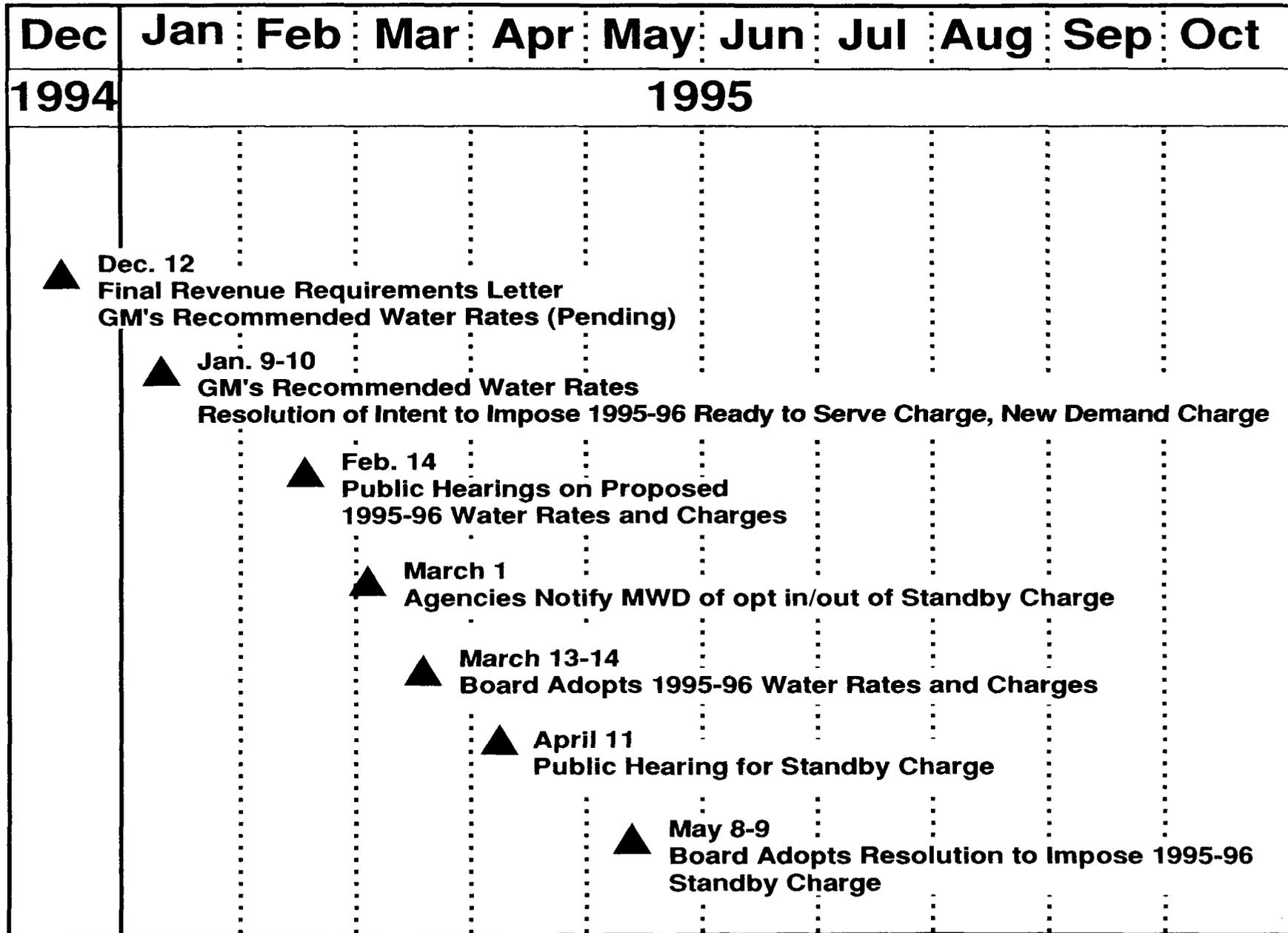


EXHIBIT ATHE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

RESOLUTION [____]

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
GIVING NOTICE OF INTENTION TO IMPOSE
READINESS-TO-SERVE CHARGE**

WHEREAS, at its meeting on December 14, 1993, the Board of Directors ("Board") of The Metropolitan Water District of Southern California ("Metropolitan") approved the rate structure and additional revenue sources described in the Board letter on the Financial Structure Study dated December 1, 1993, including a readiness-to-serve charge, with implementation of these charges to begin in fiscal year 1995-96;

WHEREAS, providing firm revenue sources is a primary goal of such revenue structure;

WHEREAS, the amount of revenue to be raised by the readiness-to-serve charge shall be as determined by the Board and allocation of the readiness-to-serve charge among member public agencies shall be in accordance with the method established by the Board;

WHEREAS, Metropolitan has legal authority to impose such readiness-to-serve charge as a water rate pursuant to Section 134 of the Metropolitan Water District Act, as an availability of service charge pursuant to Section 134.5 of the Metropolitan Water District Act, and as a capital facilities fee pursuant to Section 54999.2 of the California Government Code;

WHEREAS, under authority of Sections 133 and 134 of the Metropolitan Water District Act, the Board has the authority to fix the rate or rates for water as will result in revenue which, together with other revenues, will pay Metropolitan's operating expenses and provide for payment of other costs, including payment of the interest and principal of Metropolitan's bonded debt;

WHEREAS, pursuant to Resolution 8329, adopted by the Board on July 9, 1991, proceeds of the readiness-to-serve charge and other revenues from the sale or availability of water are pledged to the payment of Metropolitan's outstanding revenue bonds issued and to be issued pursuant to Resolution 8329;

WHEREAS, under authority of Government Code Section 54999.2 Metropolitan may impose a capital facilities fee to pay the capital cost of facilities for the provision of water service; and

WHEREAS, the readiness-to-serve charge is intended to recover the debt service, not paid from taxes, of expenditures for projects needed to meet the reliability and quality needs of existing users of Metropolitan's water;

WHEREAS, under authority of Section 134.5 of the Metropolitan Water District Act, a readiness-to-serve charge imposed as an availability of service charge may be collected from the member public agencies within Metropolitan, or may be imposed as a standby charge against individual parcels within Metropolitan;

WHEREAS, under such authority, the water standby charge may be imposed on each acre of land or each parcel of land less than an acre within Metropolitan to which water is made available for any purpose by Metropolitan, whether the water is actually used or not;

WHEREAS, certain member public agencies of Metropolitan have requested the option to provide collection of all or a portion of their readiness-to-serve charge obligation through a Metropolitan water standby charge imposed on parcels within those member agencies;

WHEREAS, Metropolitan may fix different standby charge rates for parcels situated within different member public agencies, and Metropolitan is willing to comply with the requests of member public agencies opting to have Metropolitan levy water standby charges within their respective territories, on the terms and subject to the conditions contained herein;

WHEREAS, the provisions of the Uniform Standby Charge Procedures Act (USCPA), sections 54984-54984.9 of the Government Code, are available to any local agency authorized by law to provide water or water service, and authorized to fix, levy, or collect any standby or availability charge or assessment in connection with the provision of that service;

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That the public interest and necessity require the District to develop a reliable source of revenues less susceptible to seasonal and annual variation, through imposition of a readiness-to-serve charge to be collected from the District's member public agencies.

Section 2. That said readiness-to-serve charge should be in an amount sufficient to provide for payment of the debt service, not paid from ad valorem property taxes, of capital expenditures for projects needed to meet the reliability and quality needs of existing users of the District's water.

Section 3. That such readiness-to-serve charge for 1995-96 shall be a water rate equal to \$33 per acre foot, which shall be charged on a historic basis for each acre foot of water included in Metropolitan's average water deliveries to its member agencies for the two fiscal year period ending June 30, 1994, for an aggregate readiness-to-serve charge for 1995-96 of \$56,000,000.

Section 4. That in the alternative, and without duplication, the readiness-to-serve charge shall be a capital facilities fee in the aggregate amount of \$56,000,000, which shall be allocated as provided in Section 8 below.

Section 5. That this Board finds that the proposed readiness-to-serve charge is necessary for the purpose of financing construction costs of public utility facilities furnished by Metropolitan, and does not exceed the proportionate share of the cost of the public utility facilities of benefit to each person or property being charged, based upon the proportionate share of use of those facilities, as shown in the attached Engineer's Report.

Section 6. That in the alternative, and without duplication, the readiness-to-serve charge shall be an availability service charge pursuant to Section 134.5 of the Metropolitan Water District Act.

Section 7. That notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held March 13, 1995, on the General Manager's recommendation to impose a readiness-to-serve charge in the amount of \$56,000,000 for fiscal year 1995-96.

Section 8. That the readiness-to-serve charge shall be allocated among the member public agencies in proportion to the average of Metropolitan water sales (in acre feet) to each member public agency initially during the past two fiscal year period ending June 30, 1994. Long-term seasonal storage service, cyclic storage, and direct groundwater replenishment deliveries and water taken under the one-time drought storage agreements, Cooperative Storage Program through April 12, 1994, and 1993 Demonstration Program will be subtracted from the water sales calculation in the past two fiscal year period ending June 30, 1994. Long-term seasonal storage service water is defined as water that a member public agency leaves in storage past the end of the fiscal year through avoided production during a period of availability (normally October 1 through April 30). The amount of the readiness-to serve charge proposed to be imposed on each member agency for fiscal year 1995-96 is as follows:

Proposed 1995-1996 Readiness-to-Serve Charge

<u>Member Agency</u>	<u>Amount</u>
Anaheim	\$ 784,351
Beverly Hills	455,232
Burbank	697,144
Calleguas MWD	3,162,813
Central Basin MWD	2,069,704
Chino Basin MWD	1,039,588
Coastal MWD	1,386,305
Compton	180,845
Eastern MWD	1,768,310
Foothill MWD	279,158
Fullerton	273,034
Glendale	941,912
Las Virgenes MWD	626,834
Long Beach	1,453,303
Los Angeles	8,812,038
MWD of Orange Co.	5,674,874
Pasadena	361,956
San Diego CWA	14,801,215
San Fernando	7,509
San Marino	47,240
Santa Ana	468,844
Santa Monica	178,634

Three Valleys MWD	2,058,448
Torrance	723,143
Upper San Gabriel MWD	317,764
West Basin MWD	5,499,886
Western MWD of Riverside Co.	<u>1,929,915</u>
TOTAL	\$56,000,000

Section 9. That the allocation of the readiness-to-serve charge among member agencies set forth in Section 8 above is consistent with the per-acre-foot water rate imposed pursuant to Section 3 above.

Section 10. That it is the intent of the Board that for fiscal years 1995-96, 1996-97, and 1997-98, a member public agency's readiness-to-serve allocation will be based on the average of Metropolitan water deliveries to each member public agency during the two fiscal years prior to the most recent fiscal year. For fiscal year 1998-99, a member public agency's readiness-to-serve allocation will be based on the average of Metropolitan water deliveries to each member public agency during the past three fiscal year periods ending June 30, 1997. For fiscal year 1999-2000 and thereafter, a member public agency's readiness-to-serve allocation will be based on the average of Metropolitan water deliveries to each member public agency during the four fiscal year period prior to the most recent fiscal year. Long-term seasonal storage service, cyclic storage, Cooperative Storage Program, and contractual long-term storage water deliveries will be excluded from the readiness-to-serve calculation during the year of delivery but will be included in the year of use. Member public agencies shall indicate the amount and year in which the long-term stored water is used. Long-term seasonal storage service water must be accounted within seven years from the year in which the water was placed into storage. Member public agencies overlying a common groundwater basin shall be allowed to account for their purchases as a single, common purchaser.

Section 11. That the proposed readiness-to-serve charge and the amount applicable to each electing member public agency, the method of its calculation, and the specific data used in its determination are as specified in the Engineer's Report filed attached as Exhibit A to this Resolution. The Engineer's Report, which forms the basis of the readiness-to-serve charge, is on file and available for review by interested parties at Metropolitan's headquarters.

Section 12. That except as provided below with respect to any readiness-to-serve charge collected by means of a Metropolitan water standby charge, the readiness-to-serve charge shall be due in equal monthly installments on the last business day (as defined in MWD Admin. Code, § 4507(a)(1)) of the month, commencing September 30, 1995.

Section 13. That such readiness-to-serve charge may, at the request of any member agency obligated to pay such readiness-to-serve charge, be raised by a Metropolitan water standby charge imposed upon land within Metropolitan's (and such member public agency's) service area to which water is made available by Metropolitan for any purpose, whether the water is actually used or not.

Section 14. That the rates of any standby charge proposed to be levied to collect all or a portion of a member public agency's readiness-to-serve charge, per acre of land, or per parcel of land less than an acre, as shown in the Engineer's Report, may vary by member public agency, and shall not exceed the readiness-to-serve charge obligation of the member agency divided by the number of acres and/or parcels of less than one acre within such member agency or, if less, the amount of Metropolitan's 1994-95 standby charge for the member public agency. The maximum standby charge applicable to each electing member public agency, the method of its calculation, and the specific data used in its determination are as specified in the Engineer's Report attached as Exhibit A to this Resolution.

Section 15. That the maximum standby charge, per parcel or per acre, applicable to land within each member public agency as allocated in the Engineer's Report shall be as follows:

Maximum 1995-1996 Standby Charge

<u>Member Agency</u>	<u>Amount</u>
Anaheim	\$ 8.55
Beverly Hills	15.00
Burbank	14.20
Calleguas MWD	9.58
Central Basin MWD	10.44
Chino Basin MWD	7.59
Coastal MWD	11.60
Compton	8.92
Eastern MWD	6.94
Foothill MWD	10.28
Fullerton	10.71
Glendale	12.23
Las Virgenes MWD	8.03
Long Beach	12.16
Los Angeles	8.68
MWD of Orange Co.	10.09
Pasadena	11.73
San Diego CWA	11.51
San Fernando	7.87
San Marino	8.24

Santa Ana	7.88
Santa Monica	13.07
Three Valleys MWD	12.21
Torrance	12.23
Upper San Gabriel MWD	9.27
West Basin MWD	15.00
Western MWD of Riverside Co.	9.23

Section 16. That the proposed water standby charge, if imposed, shall be collected on the tax rolls, together with the ad valorem property taxes which are levied by Metropolitan for the payment of pre-1978 voter approved indebtedness. Any amounts so collected shall be applied as a credit against the applicable member agency's obligation to pay a readiness-to-serve charge. Any member agency requesting to have all or a portion of its readiness-to-serve charge obligation collected through standby charge levies within its territory as provided herein shall pay any portion not collected through net standby charge collections to Metropolitan within ninety days after June 30, 1996.

Section 17. That any member public agency which requests to provide for collection of all or a portion of its readiness-to-serve charge obligation by a Metropolitan water standby charge imposed upon land within its service area to which water is made available by Metropolitan for any purpose shall do so by furnishing to Metropolitan (Attn: Director of Finance) not later than March 1, 1995, a certified copy of a resolution of its governing body electing such option. By making such request and providing such resolution to Metropolitan, a member agency will demonstrate that it agrees to all the terms and conditions of this Resolution.

Section 18. That notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held May 9, 1995, on the General Manager's recommendation to impose a water standby charge for fiscal year 1995-96 under authority of Section 134.5 of the Metropolitan Water District Act and the USCPA on land within the member public agencies providing such resolution to Metropolitan on or before March 1, 1995, at the rates, per acre of land, or per parcel of land less than an acre, specified in such resolution (or, if less, or if no rate is specified in such resolution, at the rate specified in Section 15 above.)

Section 19. That the Board will meet in regular session at its meeting on April 11, 1995, to hold a public protest hearing at which interested parties may present their

views regarding any proposed standby charges and the Engineer's Report. Any member of the public may submit a written protest or other comments either at a scheduled hearing or by mail to the Executive Secretary of The Metropolitan Water District of Southern California, at Post Office Box 54153, Los Angeles, California 90054-0153. All written protests and comments presented at the hearings or received by the Executive Secretary on or before April 11, 1995, which contain a description sufficient to identify the land owned by the landowner will be given due consideration by the Board before its final action on the proposed standby charge. The USCPA provides that if the Board receives written protests (which protests are not withdrawn at the time of determination by the Board) representing 40 percent of the parcels subject to the proposed standby charge, the matter must be tabled for at least one year. If the Board receives such protests representing 15 percent or more of the parcels subject to the proposed charge, the Board may still adopt the charge, but the charge will be ineffective until approved by a majority of the vote in a landowner election within the District.

Section 20. That it is the intent of the Board that the following lands shall be exempt from the water standby charge: (a) lands owned by the Government of the United States, the State of California, or by any political subdivision thereof or any entity of local government; (b) lands permanently committed to open space and maintained in their natural state that are not now and will not in the future be supplied water; (c) lands not included in (a) or (b) above, which the General Manager, in his discretion, finds do not now and cannot reasonably be expected to derive a benefit from the projects to which the proceeds of the water standby charge will be applied; and (d) lands within any member public agency, subagency, or city if the governing body of such public entity elects and commits to pay out of funds available for that purpose, in installments at the time and in the amounts established by Metropolitan, the entire amount of the water standby charge which would otherwise be imposed upon lands within those public entities. The General Manager may develop and implement additional criteria and guidelines for exemptions in order to effectuate the intent expressed herein.

Section 21. That the General Manager shall establish and make available to interested applicants procedures for filing and consideration of applications for exemption from the water standby charge pursuant to subsections (b) and (c) of Section 20 above. All applications for such exemption and documents supporting such claims must be received by Metropolitan in writing on or before December 31, 1995. The General Manager is further directed to review any such applications for exemption submitted in a timely

manner to determine whether the lands to which they pertain are eligible for such exemption and to allow or disallow such applications based upon those guidelines. The General Manager shall also establish reasonable procedures for the filing and timing of the appeals from his determination, pursuant to Section 22 below.

Section 22. That an Ad Hoc Committee of the Board shall be appointed by the Chairman of the Board for the purpose of considering, in the Committee's discretion, appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge pursuant to Section 20 above. The Ad Hoc Committee shall consider such appeals and make recommendations to the Board to affirm or reverse the General Manager's determinations. The Board shall act upon such recommendations and its decision as to such appeals shall be final.

Section 23. That no exemption from the water standby charge shall reduce the applicable member agency's readiness-to-serve charge obligation, nor shall any failure to collect, or any delay in collecting, any standby charges excuse or delay payment of any portion of the readiness-to-serve charge when due. All amounts collected as water standby charges pursuant to this Resolution shall be applied solely as credits to the readiness-to-serve charge of the applicable member agency, with any excess collections being carried forward and credited against readiness-to-serve charge obligations in future fiscal years.

Section 24. That in the event that the readiness-to-serve charge is determined to be an unauthorized or invalid availability of service charge by a final judgment in any proceeding at law or in equity, which judgment is not subject to appeal, or if the collection of the readiness-to-serve charge as an availability of service charge shall be permanently enjoined and appeals of such injunction have been declined or exhausted, or if Metropolitan shall determine to rescind or revoke the readiness-to-serve charge, then no availability of service charge shall be imposed on any member agency until the procedures for collection of water standby charges by the applicable county have been completed (not including extraordinary procedures for collection of delinquent amounts, which the General Manager may waive on behalf of Metropolitan). Immediately upon revocation of the readiness-to-serve charge under these circumstances, any member agency which has not requested that Metropolitan impose a standby charge upon parcels of land within its territory as a means of collecting the readiness-to-serve charge shall be deemed to have made such request, and all readiness-to-serve charges previously paid or to be paid by member agencies to Metropolitan shall be deemed to be cash payments in lieu of

standby charges. Following collection of standby charges by the counties, the readiness-to-serve charge shall be reimposed for the remainder of the fiscal year and the uncollected portion shall be due and payable on the last business day of the fiscal year and shall become delinquent if not paid within ninety days.

Section 25. That the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation.

Section 26. That this Board finds that the proposed readiness-to-serve charge and other charges provided in this Resolution are exempt from the provisions of the California Environmental Quality Act (CEQA) since they are rates and other charges which are for the purposes of meeting operating expenses; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas; and, additionally, since they constitute the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation or will have CEQA documentation in place prior to construction of any facility or facilities.

Section 27. That if any provision of this Resolution or the application to any member agency, property or person whatsoever is held invalid, that invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid portion or application, and to that end the provisions of this Resolution are severable.

Section 28. That the General Manager is hereby authorized and directed to take all necessary action to satisfy relevant statutes requiring notice by mailing or by publication.

Section 29. That the Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member public agency.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on January 10, 1995.

Executive Secretary
The Metropolitan Water District
of Southern California

res\RTS-A1.chr
8-9-94

EXHIBIT B

[MEMBER AGENCY]

**INFORMATION TO BE INCLUDED IN RESOLUTION OR
OTHER ACTION OF THE [GOVERNING BODY]
OF [MEMBER AGENCY] REQUESTING
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
TO IMPOSE ITS STANDBY CHARGE FOR FISCAL YEAR 1995-96**

Each member agency should provide a certified copy of its Resolution or other official action requesting that Metropolitan impose standby charges as a means of collecting the readiness-to-serve charge. Such resolution or other action should be provided to Metropolitan's Director of Finance not later than March 1, 1995.

Such Resolution or other action should contain the following:

1. That [Member Agency] has received, and hereby acknowledges, notice of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held March 13, 1995, on the General Manager's recommendation to impose a readiness-to-serve charge for fiscal year 1995-96.

2. That the [Governing Body] requests that such readiness-to-serve charge be raised by a Metropolitan water standby charge imposed upon land within [Member Agency's] service area to which water is made available by Metropolitan for any purpose, whether the water is actually used or not.

3. That the rate of such standby charge per acre of land, or per parcel of land less than an acre, as shown in the Engineer's Report attached to Resolution _____, shall be \$_____, [insert amount, not to exceed the amount of Metropolitan's 1994-95 standby charge for [Member Agency]].

4. That such water standby charge, if imposed by Metropolitan, shall be collected on the tax rolls, together with the ad valorem property taxes which are levied by Metropolitan for the payment of pre-1978 voter approved indebtedness. Any amounts so collected shall be applied as a credit against [Member Agency's] obligation to pay a readiness-to-serve charge.

5. That [Member Agency] hereby agrees to pay any portion of its readiness-to-serve charge, not collected through net standby charge collections to Metropolitan not later than ninety days after June 30, 1996.

6. That [Member Agency] hereby agrees to all the terms and conditions of Resolution _____.

7. That [Member Agency] acknowledges and agrees that readiness-to-serve charges paid to Metropolitan (including net collections of standby charges, as provided above) shall be amounts paid by [Member Agency] on taxes and otherwise toward the capital cost and operating expense of Metropolitan's works, for purposes of [Member Agency]'s preferential right to purchase water from Metropolitan.

EXHIBIT CTHE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

RESOLUTION _____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
GIVING NOTICE OF INTENTION TO IMPOSE
NEW DEMAND CHARGE**

WHEREAS, at its meeting on December 14, 1993, the Board of Directors ("Board") of The Metropolitan Water District of Southern California ("Metropolitan") approved the rate structure and additional revenue sources described in the Board letter on the Financial Structure Study dated December 1, 1993, including a new demand charge, with implementation of these charges to begin in fiscal year 1995-96;

WHEREAS, providing firm revenue sources is a primary goal of such revenue structure;

WHEREAS, the amount of revenue to be raised by the new demand charge shall be as determined by the Board and allocation of such charge among member public agencies shall be in accordance with the method established by the Board;

WHEREAS, Metropolitan has legal authority to impose such new demand charge as a water rate pursuant to Section 134 of the Metropolitan Water District Act, as a capital facilities fee pursuant to Section 54999.2 of the California Government Code and as an availability of service charge pursuant to Section 134.5 of the Metropolitan Water District Act;

WHEREAS, under authority of Sections 133 and 134 of the Metropolitan Water District Act, the Board has the authority to fix the rate or rates for water as will result in revenue which, together with other revenues, will pay Metropolitan's operating expenses and provide for payment of

other costs, including payment of the interest and principal of Metropolitan's bonded debt;

WHEREAS, pursuant to Resolution 8329, adopted by the Board on July 9, 1991, proceeds of the readiness-to-serve charge, new demand charge and other revenues from the sale or availability of water are pledged to the payment of Metropolitan's outstanding revenue bonds issued and to be issued pursuant to Resolution 8329;

WHEREAS, under authority of Government Code Section 54999.2 Metropolitan may impose a capital facilities fee to pay the capital cost of facilities for the provision of water service;

WHEREAS, the new demand charge is intended to recover the debt service of expenditures for projects needed to satisfy anticipated new demands on Metropolitan; and

WHEREAS, under authority of Section 134.5 of the Metropolitan Water District Act, an availability of service charge may be collected from the member public agencies within Metropolitan;

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That the public interest and necessity require Metropolitan to develop firm net revenues, exclusive of ad valorem property taxes, through imposition of a new demand charge on all sales representing new demands on Metropolitan, as described below, to be collected from Metropolitan's member public agencies.

Section 2. That such new demand charge should be in an amount sufficient to provide for payment of the debt service, not paid from ad valorem property taxes, of capital expenditures for projects needed to serve anticipated increases in demands on Metropolitan.

Section 3. That such new demand charge for 1995-96 shall be a water rate of \$1,000 per acre foot for all new demands by a member agency on Metropolitan, determined as provided in Section 8 below.

Section 4. That in the alternative, and without duplication, the new demand charge shall be a capital facilities fee in the amount of \$1,000 per acre foot of new demand on Metropolitan, determined as provided in Section 8 below.

Section 5. That this Board finds that the proposed new demand charge is necessary for the purpose of financing construction costs of public utility facilities furnished by Metropolitan, and does not exceed the proportionate share of the cost of the public utility facilities of benefit to each person or property being charged, based upon the proportionate share of use of those facilities.

Section 6. That in the alternative, and without duplication, the new demand charge shall be an availability service charge pursuant to Section 134.5 of the Metropolitan Water District Act.

Section 7. That notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held March 13, 1995, on the General Manager's recommendation to impose a new demand charge of \$1,000 per acre foot of water on all sales representing new demands on Metropolitan in fiscal year 1995-96.

Section 8. That the new demand charge shall be imposed on a member public agency when the average of the member public agency's purchases (in acre feet) from Metropolitan in the preceding three fiscal years and the current fiscal year, after adjustment for long-term storage water, exceed such member agency's new demand charge base. Such new demand charge shall be payable in the fiscal year following the year in which it is imposed. Long-term seasonal storage deliveries during May through September 1993 and May and June 1994, and water taken under one-time drought storage agreements, Cooperative Storage Program through April 12, 1994, and the 1993 Demonstration Program are subtracted from the water sales calculation through the fiscal year period ending June 30, 1994. Long-term seasonal storage service water is defined as water that a member public agency leaves in storage past the end of the fiscal year through avoided production during a period of availability (normally October 1 through April 30). Long-term seasonal storage service, cyclic storage, Cooperative Storage Program, and contractual long-term storage water deliveries will be excluded from the new demand charge calculation during the year of delivery but will be included in the year of use. Member public agencies shall indicate the amount and year in which the long-term stored water is used. Long-term seasonal storage service water must be accounted within seven years from the year in which the water was placed into storage. Member public agencies overlying a common groundwater basin shall be allowed to account for their purchases as a single, common purchaser.

Section 9. That each member public agency's new demand charge base (in acre feet) will be determined on the largest of three averages: 1) the average of its purchases from Metropolitan in the three fiscal years 1989-90 through 1991-92, excluding one-time drought storage sales; 2) the average of its purchases from Metropolitan in the four fiscal years 1989-90 through 1992-93, excluding one-time drought storage agreement sales and long-term seasonal storage deliveries attributable to May and June 1993; or 3) its readiness-to-serve charge allocation for fiscal year 1995-96. Each member public agency's new demand charge base is as follows:

Proposed New Demand Charge Base

<u>Member Agency</u>	<u>Base Amount (AF)</u>
Anaheim	24,943
Beverly Hills	13,614
Burbank	20,446
Calleguas MWD	99,025
Central Basin MWD	115,834
Chino Basin MWD	76,265
Coastal MWD	41,441
Compton	4,849
Eastern MWD	55,858
Foothill MWD	9,610
Fullerton	12,261
Glendale	25,683
Las Virgenes MWD	18,525
Long Beach	42,539
Los Angeles	358,504
MWD of Orange Co.	243,828
Pasadena	22,638
San Diego CWA	552,047
San Fernando	903
San Marino	1,287
Santa Ana	15,840
Santa Monica	8,889
Three Valleys MWD	69,664
Torrance	20,139
Upper San Gabriel MWD	71,889
West Basin MWD	167,187
Western MWD of Riverside Co.	<u>77,260</u>
TOTAL	2,170,978

Section 10. That this Board finds and determines that such new demand charge base is a reasonable approximation of each member agency's current demands on Metropolitan's system.

Section 11. That upon payment of any new demand charge by a member agency, that member agency's new demand charge base shall be increased by an amount equal to the quantity of water on which the new demand charge was paid.

Section 12. That the new demand charge shall be due and payable within sixty days following Metropolitan's determination that a member agency's historic average deliveries of Metropolitan water in the immediately preceding four-year period have exceeded such member agency's new demand charge base.

Section 13. That such new demand charge may be paid, without penalty, in equal monthly installments over a period of up to fifteen (15) years, provided that amounts subject to deferred payment shall bear interest at a rate determined by Metropolitan (which shall be equal to Metropolitan's cost of funds at the time of such determination), from the date due until payment is received by Metropolitan.

Section 14. That the new demand charge and the new demand charge base for each member public agency, the method of its calculation, and the project costs, cost allocations and other data used in its determination are as specified in the Nexus Study attached as Exhibit A to this Resolution. The Nexus Study is on file and available for review by interested parties at Metropolitan's headquarters.

Section 15. That the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation.

Section 16. That this Board finds that the proposed new demand charge is exempt from the provisions of the California Environmental Quality Act (CEQA) since it constitutes the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation or which will have CEQA documentation in place prior to construction of any facility or facilities.

Section 17. That the General Manager is hereby authorized and directed to take all necessary action to satisfy relevant statutes requiring notice by publication.

Section 18. That the Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member public agency.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on January 10, 1995.

Executive Secretary
The Metropolitan Water District
of Southern California

res\ndc-int.chr