



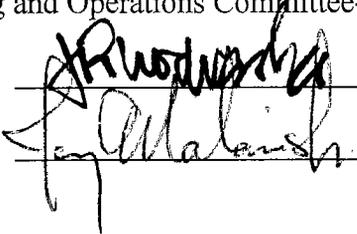
MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-5

September 13, 1996

To: Board of Directors (Water Planning and Resources Committee--Action)
(Engineering and Operations Committee--Information)

From: General Manager 

Submitted by: J. W. Malinowski
Chief of Operations

Subject: 1996 Joint Program Advisory Committee Recommendations

RECOMMENDATION(S)

1. Adopt the recommended administrative procedure changes in the Seasonal Storage Service Program as summarized in Table 1-A of the Executive Summary and described further in the Detailed Report.
2. Amend Administrative Code Sections 4114 and 4514 to reflect modifications made to the Seasonal Storage Service Program as shown in Attachment A.

EXECUTIVE SUMMARY

In March 1995 the Joint Program Advisory Committee (JPAC), comprised of member agency and Metropolitan staff, was established to address the administrative issues surrounding the Seasonal Storage Service (SSS) Program. By August 1995 the JPAC had reached consensus on 23 issues which were recommended to and adopted by your Board. Additionally, several issues were referred to the Integrated Resources Planning Workgroup for resolution.

From October 1995 through April 1996, agencies certified for the SSS Program using the newly established administrative procedures. During that time a few issues which had not been addressed and additional issues, as a result of the Rate Refinement Process Phase 1 recommendations, arose.

The JPAC was reconvened in May 1996 to address the new issues. A third-party facilitator was employed to help the JPAC reach consensus on recommendations in a timely manner. For purposes of JPAC discussions, consensus is defined as "Agreement in general opinion, but not necessarily unanimity." Tables 1-A and 1-B, respectively, outline the recommendations made and additional areas considered by the JPAC for administration of the SSS Program for future availability periods.

TABLE 1-A

1996 JPAC Recommendations for Seasonal Storage Service Program

<u>Issue</u>	<u>Recommendation</u>	<u>Effect</u>
1. Availability of SSS Shift in Dry Years - <i>Requires Board Action</i>	Adopt a policy whereby Shift water is treated as a noninterruptible delivery.	Shift water is treated as part of an agency's firm supply.
2. Calculation Methodology for Determining Long-term v. Shift Credits; Non-Contractual	Adopt a revised calculation methodology - application of a "shift ratio" - for differentiating between Long-term and Shift credits.	Allows implementation of Rate Refinement Process recommendations.
3. Calculation Methodology for Future Long-term Contractual Storage; Relative to Seasonal Storage Service (SSS) Program	Adopt a policy for MWD staff to request Joint Program Advisory Committee (JPAC) to review, in an advisory capacity, Long-term Storage calculation methodology of future contracts, relative to the SSS Program.	Provides consistency and avoids conflict between the SSS Program and contractual storage.
4. Differential in SSS Credits Between Groundwater Basin and Reservoir Operations	Adopt a policy that ensures equivalent credit for groundwater basin and reservoir operations.	Provides a calculation methodology to apply equivalent credits for equivalent operations.

TABLE 1-B

Additional Areas of Seasonal Storage Service Program Considered by JPAC in 1996

<u>Issue</u>	<u>Recommendation</u>	<u>Effect</u>
1. Inclusion of Uncontrolled Runoff in SSS Calculation	Continue current policy; forward issue to Local Resources Program (LRP) for qualification of Uncontrolled Runoff.	Reflects actual agency operation.
2. Concurrent Participation in the Interim Agricultural Water Program (IAWP) and SSS Program	Continue current policy; reflects previous Board policy that IAWP and SSS incentives do not overlap.	Enables agency to receive SSS credits and certify for IAWP credits on different deliveries.
3. Calculation of Local Water to be Treated as Long-term Storage	Continue current practice; Long-term Storage is only reported when placed or left in the basin, not when removed.	Assigns a positive, or zero, value to Line H2 in the SSS certification form.
4. Effect of Operating Yield v. Safe Yield on SSS Program	Continue current policy; qualifying for SSS credits based on operating yield operation.	Validates current methodology.

DETAILED REPORT

The Seasonal Storage Service Program was implemented in fiscal year (FY) 1989-90. This was in response to the request by your Board to develop a permanent version of Metropolitan's temporary in-lieu program, first implemented in 1978 as a drought-related pilot storage program.

Seasonal Storage Service Program Overview

The three principal goals of SSS are to:

1. Achieve greater conjunctive use of imported and local supplies;
2. Encourage construction of additional local production facilities; and
3. Reduce member agencies' dependence on Metropolitan's deliveries during the summer months and periods of shortage.

Regional benefits include enhancing Metropolitan's ability to capture surface flows from both the State Water Project and the Colorado River and improving the region's capability to produce more groundwater and to draft local surface reservoirs during sustained droughts and emergencies.

Member agencies are encouraged to take seasonal water through a discounted rate offered by Metropolitan. This economic incentive allows local agencies to invest in new water production, storage and treatment facilities. These facilities are needed to augment local agencies' capability to produce local water, as well as store imported water purchased from Metropolitan during periods of abundance. The FY 1996 SSS rate is \$229 per acre-foot (AF) for untreated water and \$286 per AF for treated water, a discount of \$115 and \$140 respectively from the basic rates.

To receive the lower rates, agencies must certify to Metropolitan the amounts of imported water that they have stored in local reservoirs and groundwater basins by direct and in-lieu means or the amount of Metropolitan water deliveries shifted from summer to winter. Certification forms are provided to agencies to assist in their calculations and standardize the certifications completed by all agencies.

Since implementation of the SSS Program in 1989, about 2.3 million acre-feet of water has been sold as SSS, representing about 17 percent of total Metropolitan water sales. This makes the SSS Program the most utilized storage program that Metropolitan has. Since its inception, 24 member agencies have participated in the SSS Program.

Delivery and Certification Methodology

SSS can be delivered by direct or in-lieu means to groundwater basins or reservoirs. This storage can be for long-term or short-term periods. The following section describes the measurement of the various types of SSS.

Direct Groundwater Deliveries

Direct deliveries to groundwater basins can be accomplished by spreading or injection. Spreading deliveries through meters that are used exclusively at a groundwater replenishment delivery point are the amount of water delivered through the connection as measured through the metering readings. Injection deliveries are simply the amount of water injected into the aquifer less the amount of water pumped if the well is used for both purposes. These deliveries are considered to be SSS if delivered during the period of availability and charged at the SSS rate. Water delivered through these connections at other times is charged at the noninterruptible rate. Metropolitan water sold for the purpose of injection at seawater intrusion barriers is not a part of the SSS Program.

In-Lieu Groundwater Deliveries

When measuring in-lieu groundwater SSS, an annual baseline pattern is established which assumes that an agency would serve a consistent proportion of monthly demands from local sources throughout the year. Credits are received based on the presumed local production less the actual local production during the period in which SSS deliveries are available. An agency can qualify for Seasonal Shift Storage by producing a higher percentage of its demand from local sources in the summer than it did in the winter. The increased amount of water purchased from Metropolitan in the winter, off-setting the reduced summer purchases, may be purchased at the SSS rate as Seasonal Shift Storage. An agency can qualify for in-lieu Long-term Storage by producing less from local sources during winter compared to either its annual baseline percentage or its summer pumping percentage, whichever percentage is less. An agency that qualifies for Seasonal Shift can also qualify for in-lieu Long-term Storage by purchasing Metropolitan deliveries in excess of those needed for repaying the Seasonal Shifting by further reducing winter pumping.

Direct Reservoir Deliveries

An agency can qualify for SSS by shifting reservoir operations to deliver Metropolitan water directly into its reservoir during the SSS period. These deliveries are held in the reservoirs for use in the summer. Direct SSS deliveries into reservoirs are generally calculated as the net gain in storage limited by the delivery of Metropolitan water directly into the reservoir for the month being certified.

In-Lieu Reservoir Deliveries

An agency can qualify for SSS by receiving Metropolitan water directly into its distribution system in excess of its minimum amount of imported water required during the period of availability. Excess Metropolitan water is used to reduce local supply outflow and conserve storage acquired from local sources, i.e., holding direct runoff for summer use. In-lieu deliveries to reservoirs are measured by using a baseline of 50 percent of the local water withdrawn in the summer limited by excess outflow capacity and excess Metropolitan water used to reduce outflow and conserve storage.

Classification of Storage Period

Either type of water, direct or in-lieu deliveries, may be stored for short-term or long-term periods. **Seasonal Shift Storage** is additional summer local production offset by equivalent Metropolitan winter delivery within a 12-month period. **Long-term Put and Take** is water that can be interrupted in the event of a supply shortage but is generally available from Metropolitan and used to increase the operating yield of a groundwater basin above the safe yield operation. Alternatively, **Long-term Storage** is water that is delivered for storage beyond the 12-month SSS period, is considered interruptible, and is not included as part of an agency's firm supply.

Recommendations to Seasonal Storage Service Program

The proposed revisions to the Administrative Code, reflecting the following recommendations, are shown in Attachment A in ~~strikeout~~ and underline format.

1. Availability of SSS Shift in Dry Years

Current Procedure - SSS deliveries are available at the discretion of the General Manager.

Recommendation - The Board adopt a policy whereby the Seasonal Shift water is treated as a noninterruptible delivery as reflected in the changes to Metropolitan Administrative Code Sections 4114 and 4514.

Practical Effects - Seasonal Shift water is considered to be part of an agency's firm annual supply. This policy recognizes the benefits of shifting to any future drought management plan and provides for recovery of capital investments.

2. Calculation Methodology for Determining Long-term v. Shift Credits; Non-Contractual

Current Procedure - Long-term and Seasonal Shift credits are not differentiated on the current SSS certification form. With future implementation of the Rate Refinement Process recommendations, a method to calculate Long-term vs. Shift Storage credits is necessary.

Recommendations -

- A. The Board adopt the methodology provided on the SSS certification form; a “shift ratio” will be added to the SSS Certification form to differentiate between Seasonal Shift and Long-term Storage.
- B. The Board continue to allow an agency to have the option of receiving monthly credits for its Shift and Long-term Storage or receiving only Shift credits through the SSS period and then receiving the Long-term credits at the end of the period, if an agency elects to claim Long-term credit, except when the General Manager declares Long-term Storage unavailable.

Practical Effects - Provides a calculation methodology for differentiating between Long-term and Shift Storage for future application of rate differentials, as required by the Rate Refinement Process recommendations.

3. Calculation Methodology for Future Long-term Contractual Storage, Relative to the SSS Program

Current Procedure - None.

Recommendation - The Board authorize the JPAC to review, in an advisory capacity only, the Long-term Storage calculation methodology of future contracts of agencies participating in the SSS Program. The purpose of this review is to ensure that the contract is consistent with current SSS performance.

Practical Effects - Allows JPAC to review the contractual terms to determine if the accounting methodology is consistent with the SSS Program and to ensure that the agency is receiving the appropriate SSS credits.

Minority Opinion - *JPAC, or an appropriate member agency committee, should serve in an advisory capacity to review the calculation methodology of future Long-term Storage contracts, regardless of SSS Program participation, to ensure that the agency receives the appropriate credit for its performance.*

4. Differential in SSS Credits Between Groundwater Basin and Reservoir Operations

Current Procedure - Credits for equivalent groundwater basin and reservoir operations, due to an agency’s use of either safe yield or operating yield may not be consistently calculated.

Recommendation - Adopt a policy that ensures equivalent credits for groundwater basin and reservoir operations providing they offer the same water resource management benefits and incur the same operating risks (such as interruptibility). JPAC will continue working with Metropolitan’s staff to refine the reservoir storage calculation methodology to ensure it is equitable with that of the groundwater basins, for implementation in SSS 1997.

Practical Effects - Ensures equivalent credits be disbursed for equivalent operations.

Additional Areas Considered by JPAC

1. Inclusion of Uncontrolled Runoff in SSS Calculation

Definition - Uncontrolled runoff is local surface water that is diverted, treated, and served by an agency as it occurs without any intervening storage.

Current Procedure - Uncontrolled runoff is included in local production and demands on the SSS certification form.

Recommendation - The Board continue the current policy of including uncontrolled runoff in both local production and demands on the certification form. Additionally, Metropolitan will attempt to include uncontrolled runoff in some type of Local Resources Program.

Practical Effects - No change from present policy or previous JPAC recommendation due to lack of consensus to change policy. By including uncontrolled runoff in local production and demands, actual agency operations, with respect to shifting and local water use, are reflected. However, agencies that receive uncontrolled runoff do not know the exact amount of uncontrolled runoff, and thus the effect on shifting, until after the SSS period ends. This calculation methodology reduces the amount of SSS credits that can be received compared to 1994 prior to the current policy being adopted.

2. Concurrent Participation in Interim Agricultural Water Program (IAWP) and SSS Program

Current Procedure - An agency with a reservoir keeps a separate accounting of water bought at the SSS rate and water bought at noninterruptible rates. Therefore, when the agency certifies for IAWP water during the summer and draws down its reservoir to meet its agricultural demands, it does not include the water purchased at SSS rates. This accounting methodology is used so that water purchased at the SSS rate does not receive an additional IAWP discount. Once the summer period is over (October 1), the SSS account is zeroed so that a new SSS accounting period may begin.

Recommendation - The Board continue the current policy. Current policy reflects previous Board policy that IAWP and SSS Program incentives do not overlap.

Practical Effects - No change from current policy. When an agency with a reservoir does not participate in Long-term Storage, it is able to cycle its reservoir seasonally and receive an IAWP discount for noninterruptible water it has previously purchased and then used in the summer.

3. Calculation of Local Water to be Delivered to Long-term Storage

Current Procedure - Line H2 on the certification form only reflects water placed in storage, not water removed from Long-term Storage, and therefore should be a positive, or zero, value.

Recommendation - The Board continue the current practice.

Practical Effects - An agency may be able to store water in the basin one year receiving Long-term Storage credits, and extract it the following year receiving Shift credits. However, the consensus was that this is not a practical concern since it meets the current calculation criteria.

4. Effect of Operating Yield vs. Safe Yield on the SSS Program

Current Procedure - Some groundwater basins are operated based on their natural replenishment, which is called the safe yield. Other groundwater basins are operated based on a safe yield plus artificial recharge, thus creating an operating yield. This yield may include previously stored Metropolitan replenishment deliveries. Replenishment water, considered an interruptible delivery, is delivered at the SSS rate during the period of availability and is then considered local water which will be produced at some time in the future. Increasing the annual production

of a basin through the use of Metropolitan replenishment deliveries raises concern that this practice may not be consistent with the goals of the SSS program.

Recommendation - The Board continue the current calculation methodology for Seasonal Shift for groundwater basins. There is no conflict between purchasing an interruptible replenishment delivery and qualifying for SSS credit based on operating yield operation.

Practical Effects - Recognizes that the current calculation methodology for groundwater Seasonal Shift is appropriate.

Next Steps

1. The JPAC will continue to refine the reservoir storage calculation methodology so that it is equitable with the groundwater storage calculation methodology. This refinement will be ready for implementation with the May 1, 1997 SSS year.

2. Metropolitan's Operations staff will prepare a recommendation for Metropolitan's Planning and Resources staff, for inclusion of Uncontrolled Runoff in the Local Resources Program.

3. In consideration of the minority opinion regarding the issue of Calculation Methodology for Future Long-term Contractual Storage, Metropolitan's staff will seek the appropriate forum (member agency committee) to review the calculation methodology of all future Long-term Storage contracts, regardless of SSS Program participation, to ensure that agencies receive the appropriate credit for their performance.

4. Metropolitan's staff will develop a White Paper on the calculation methodology for differentiating between Shift credits and Long-term Storage credits.

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Attachments

Attachment A

Division IV

WATER SERVICE POLICIES

Chapter		Sec.
1	Definitions	4100
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3	Water Sales Revenues	4300
4	Classification and Rates	4400
5	Water Service Regulations - General	4500
[6	Repealed	4600]
7	Service Connections	4700
8	System Interconnections - Hydraulic Transients	4800
9	Interim Agricultural Water Service Regulations	4900

Chapter 1

DEFINITIONS

Sec.	
4100.	General
4101.	Colorado
4102.	State
4103.	Treated Water
4104.	Untreated Water
4105.	Domestic and Municipal Purposes
4106.	Agricultural Purposes
4107.	Groundwater Replenishment
4108.	In-Lieu Groundwater Replenishment
4109.	Reservoir Storage
4110.	In - Lieu Reservoir Storage
4111.	Noninterruptible Service
[4112.	Repealed]
4113.	Recycled Water
4114.	Seasonal Storage Service
4115.	Local Projects Program Yield
4116.	Project Sponsor
4117.	Interim Agricultural Water Service
4118.	Cooperative Storage Program
4119.	Cooperative Storage Program Sale

§ 4100. General.

The definitions in this Chapter shall govern the meaning of the terms when used in this Division.

Res. 7666 - April 13, 1976; Section 313.2 amended by M.I. 33642 - March 10, 1981. Section 312.2 repealed and Section 4100 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4101. Colorado.

"Colorado" as a source of water shall mean water obtained by the District from the Colorado River through facilities owned by the District.

Res. 7666 - April 13, 1976; Section 312.2.1 amended by M.I. 33642 - March 10, 1981. Section 312.2.1 repealed and Section 4101 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4102. State.

"State" as a source of water shall mean water obtained by the District from facilities of the California State Water Project.

Res. 7666 - April 13, 1976; Section 312.2.2 amended by M.I. 33642 - March 10, 1981. Section 312.2.2 repealed and Section 4102 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4103. Treated Water.

"Treated water" shall mean water that is treated by filtration and disinfection at any District water treatment facility.

Res. 7666 - April 13, 1976; Section 312.2.3 amended by M.I. 33642 - March 10, 1981. Section 312.2.3 repealed and Section 4103 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 40976 - August 19, 1994.

§ 4104. Untreated Water.

"Untreated water" shall mean water that is not treated water.

Res. 7666 - April 13, 1976; Section 312.2.4 amended by M.I. 33642 - March 10, 1981. Section 312.2.4 repealed and Section 4104 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4105. Domestic and Municipal Purposes.

"Domestic and municipal purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes commonly, but not exclusively, served by the water supply of a city, town, or other similar population group, but shall not include water used for agricultural purposes.

Res. 7666 - April 13, 1976; Section 312.2.5 amended by M.I. 33642 - March 10, 1981. Section 312.2.5 repealed and Section 4105 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4106. Agricultural Purposes.

"Agricultural purposes" shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefor.

(a) "Agricultural purposes limited to the growing of field and nursery crops and row crops" shall mean those agricultural purposes related to the growing of crops generally planted and harvested annually or more frequently, and other agricultural purposes not included in the definitions of Sections 4106(b) and 4106(c).

(b) "Agricultural purposes limited to the growing of trees and vines" shall mean those agricultural purposes limited to the growing of crops which are planted less frequently than annually in the expectation of long-term yield therefrom.

(c) "Agricultural purposes limited to the feeding of fowl or livestock" shall mean those agricultural purposes encompassing the raising of animals for human consumption or for the market or for the purpose of obtaining their products for human consumption or for the market.

Res. 7666 - April 13, 1976; Section 312.2.6 amended and paragraphs (a), (b) and (c) [formerly Sections 313.2.6.1 - 312.2.6.3] added by M.I. 33642 - March 10, 1981. Section 312.2.6 repealed and Section 4106 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4107. Groundwater Replenishment.

"Groundwater replenishment" shall mean and since 1958 has meant the act of spreading or injecting or causing to be spread or injected, water for the purpose of replenishing natural groundwater basins, without regard to subsequent use of the water.

(a) "Groundwater replenishment by spreading or injecting" shall mean groundwater replenishment that results from the act of spreading or injecting, other than water used for seawater barrier groundwater replenishment.

(b) "Seawater barrier groundwater replenishment" shall mean groundwater replenishment having as a principal purpose the injection of water for the purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

Res. 7666 - April 13, 1976; Section 312.2.7 amended and paragraphs (a) and (b) [formerly Sections 313.2.7.1 - 312.2.7.2] added by M.I. 33642 - March 10, 1981. Section 312.2.7 repealed and Section 4107 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987.

§ 4108. In Lieu Groundwater Replenishment.

"In lieu groundwater replenishment" shall mean maintenance or replenishment of water supplies in groundwater basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to consumers from surface distribution facilities in lieu of such extraction.

Section 312.2.8 - M.I. 33642 - March 10,1981. Section 312.2.8 repealed and Section 4108 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41468 - June 13, 1995.

§ 4109. Reservoir Storage.

"Reservoir storage" shall mean the act of storing water in surface reservoirs by delivering water directly into a reservoir.

Section 312.2.9 - M.I. 33642 - March 10,1981. Section 312.2.9 repealed and Section 4109 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41617 - October 10, 1995.

§ 4110. In-Lieu Reservoir Storage.

"In-Lieu Reservoir Storage" shall mean the act of storing water in surface reservoirs by reducing or eliminating local supply outflow, through substitution of deliveries of water to consumers from surface distribution facilities in lieu of such withdrawals, thus conserving storage acquired from local sources.

Previous Section 4110 renumbered to Section 4111 and new Section 4110 added by M.I. 41617 - October 10, 1995.

§ 4111. Noninterruptible Service.

"Noninterruptible service" shall mean service of water for domestic or municipal purposes not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act.

Section 312.2.10 - M.I. 33642 - March 10,1981. Section 312.2.10 repealed and Section 4110 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; renumbered to Section 4111(previous Section 4111 repealed by M.I. 41468 - June 13, 1995) by M.I. 41617 - October 10, 1995.

[§ 4112 repealed by M.I. 41468 - June 13, 1995]

§ 4113. Recycled Water.

"Recycled water," which is sometimes referred to as subpotable water, is water that does not meet criteria established by the State Department of Health Services for domestic use, and shall mean wastewater which has been collected in a sanitary sewer system and treated within a water reclamation plant, or untreated low quality water extracted from groundwater basins, both types of water being suitable for selected nonpotable uses.

Section 312.2.13 - M.I. 34866 - September 13, 1983. Section 312.2.13 repealed and Section 4113 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41652 - November 14, 1995.

§ 4114. Seasonal Storage Service.

"Seasonal Storage service" shall mean service of water for groundwater replenishment by spreading or injecting, in-lieu groundwater replenishment, in-lieu reservoir storage, or for direct reservoir storage, ~~available during periods designated by the General Manager.~~ Such service shall be governed by the provisions of Section 4514.

M.I. 37006 - February 9, 1988; amended by M.I. 37764 - July 11, 1989; amended by M.I. 41468 - June 13, 1995.

§ 4115. Local Projects Program Yield.

"Local Projects Program Yield" shall mean recycled water developed by a project in the District's Local Projects Program which is available for purchase by the District, and which can be resold by the District to meet a demand on the District for all beneficial uses.

M.I. 39080 - July 9, 1991; amended by M.I. 41652 - November 14, 1995.

§ 4116. Project Sponsor.

"Project Sponsor" shall mean a public agency that owns and operates, or proposes to own and operate, a project that will produce Local Project Program Yield.

M.I. 39080 - July 9, 1991.

§ 4117. Interim Agricultural Water Service.

"Interim Agricultural Water Service" shall mean service of water for agricultural purposes, as defined in Section 4106, pursuant to the Interim Agricultural Water Program and the provisions of Chapter 9 of this Division IV.

M.I. 40865 - June 14, 1994

§ 4118. Cooperative Storage Program.

"Cooperative Storage Program" shall mean the program that provides a means for coordinating the District's carryover storage needs with storage capacity available to member public agencies, on the basis that the stored water will eventually be released to respective participating member public agencies pursuant to the regulations provided by Section 4517.

M.I. 40976 - August 19, 1994.

§ 4119. Cooperative Storage Program Sale.

"Cooperative Storage Program Sale" shall describe the transaction that occurs at the time a water delivery is made by the District under the Cooperative Storage Program. That delivery is deemed a sale to the receiving member public agency when delivered to

it for storage, with payment to the District deferred as provided in subsection 4517(i). For administrative record keeping purposes, such a transaction will be recorded as an advance delivery until invoiced as a sale by the District at the time of release.

M.I. 40976 - August 19, 1994; amended by M.I. 41404 - May 9, 1995.

CLASSIFICATION AND RATES

- Sec.
- 4400. Basic Statement
- 4401. Rates
- 4402. Readiness-to-Serve Charge
- 4403. New Demand Charge
- 4404. Connection Maintenance Charge

§ 4400. Basic Statement.

The rates and charges set forth herein, so far as practicable, shall result in revenue to meet the obligations set forth in Section 134 of the Metropolitan Water District Act.

Section 312.1 based on Res. 7666 - April 13, 1976; amended by M.I. 33642 - March 10, 1981. Section 312.1 repealed and Section 4400 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; amended by M.I. 41468- June 13, 1995.

§ 4401. Rates.

(a) The rates per acre-foot for water sold and delivered for each class of service on order of any member public agency for use therein shall be as follows:

(1) For Noninterruptible Service

Effective Date	Untreated Water	Treated Water
7/1/95	\$344.00	\$426.00
1/1/97	\$349.00	\$431.00

(2) For Seasonal Storage Service

Effective Date	Untreated Water	Treated Water
7/1/95	\$229.00	\$286.00
1/1/97	\$233.00	\$290.00

(3) For Recycled Service

Effective Date	Rate
7/1/95	\$113.00
1/1/97	\$113.00

(4) For Interim Agricultural Water Service

Effective Date	Untreated Water	Treated Water
7/1/95	\$231.00	\$289.00
1/1/97	\$236.00	\$294.00

(b) The Connection Maintenance Charge is \$50/cfs of connected capacity per month, not to exceed a maximum charge per connection of \$5,000 per month.

(c) The rates for water established by Section 4401(a) shall not apply to water sold and delivered by the District to any purchaser other than a member public agency; and said rates for water shall not apply to water sold and delivered by the District for any use outside the District, or to water sold and delivered by the District for any use within the District in substitution for water used outside the District, regardless of whether or not such water be purchased by, or delivered pursuant to the order of, any member public agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

Section 312.3 based on Res. 7666 - April 13, 1976; paragraphs (a)(1) through (a)(3) [formerly Sections 312.3.1 through 312.3.3] amended by M.I. 31919 - August 19, 1977, M.I. 33644 - March 10, 1981; amended by M.I. 33642 - March 10, 1981; paragraphs (a)(1) through (a)(3) amended by M.I. 34156 - March 9, 1982, effective July 1, 1982, M.I. 34635 - March 8, 1983 effective July 1, 1983, M.I. 34851 - September 13, 1983 effective January 1, 1984; paragraphs (a)(4) and (a)(5) [formerly Sections 312.3.4 and 312.3.5] added and paragraphs (b) and (c) [formerly Sections 312.3.4 and 312.5] renumbered by M.I. 34867 - September 13, 1983; paragraph (a)(4) amended by M.I. 34930 - November 8, 1983, effective January 1, 1983; paragraphs (a)(1) through (a)(3) amended by M.I. 35064 - March 13, 1984 effective July 1, 1984; paragraph (a)(4) amended by M.I. 35482 - January 8, 1985; paragraphs (a)(1) through (a)(3) amended by M.I. 35558 - March 12, 1985 effective July 1, 1985, M.I. 36001 - March 11, 1986. Section 312.3 repealed and Section 4401 adopted by M.I. 36464 - January 13, 1987, effective April 1, 1987; paragraph (a)(1) through (a)(3) and (a)(5) amended by M.I. 36540 - March 10, 1987, effective July 1, 1987; paragraph (c) deleted by M.I. 36811 - September 22, 1987; paragraph (a)(4) amended by M.I. 37006 - February 9, 1988; paragraphs (a)(1) through (a)(3) and (a)(5) amended by M.I. 37045 - March 8, 1988, effective July 1, 1988; par. (a)(4) amended by M.I. 37566 - March 14, 1989 and pars. (a)(1)

through (a)(3) and (a)(5) amended by M.I. 37574 - March 14, 1989, effective July 1, 1989; paragraph (a)(4) amended by M.I. 37764 - July 11, 1989, effective August 1, 1989; paragraphs (a)(1) through (a)(5) amended by M.I. 38196 - April 17, 1990, effective July 1, 1990; paragraph (b) renumbered to (c) and new paragraph (b) added by M.I. 38196 - April 17, 1990; paragraphs (a)(1) through (a)(5) amended by M.I. 38867 - April 9, 1991, effective July 1, 1991; paragraph (b) repealed and paragraph (c) renumbered by M.I. 39370 - December 10, 1991; paragraph (a)(1), and (a)(3) through (a)(5) amended by M.I. 39503 - March 10, 1992, effective July 1, 1992; paragraphs (a)(1), and (a)(3) through (a)(5) amended by M.I. 40142 - March 9, 1993, effective July 1, 1993 and April 1, 1993 respectively; paragraph (a)(5) amended for rate to become effective July 1, 1993 by M.I. 40173 - April 13, 1993; paragraphs (a)(1), (a)(3) through (a)(6) amended by M.I. 40731 - March 8, 1994; paragraphs (a)(1) through (a)(3) and (a)(5) amended and (a)(6) added by M.I. 40865 - June 14, 1994; paragraph (a) amended, paragraph (b) added and paragraph (c) amended and renumbered by M.I. 41468 - June 13, 1995; paragraph (a)(3) amended by M.I. 41652 - November 14, 1995; paragraph (a) amended by M.I. 41816 - March 12, 1996.

§ 4402. Readiness-to-Serve Charge.

(a) The readiness-to-serve charge shall be set by the Board from time to time to recover the principal and interest payments on non-tax supported debt service that has been or will be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current demand. The readiness-to-serve charge will be allocated among the member public agencies in proportion to the rolling average of Metropolitan water sales in acre feet to each member public agency.

(b) In no event shall any member public agency's readiness-to-serve charge be based on less than the following minimum sales (in acre feet) for each member public agency:

<u>Member Public Agency</u>	<u>Minimum Readiness- To-Serve Sales (AF)</u>
City of Anaheim	8,386.9
City of Beverly Hills	6,393.2
City of Burbank	9,790.4
Calleguas MWD	43,534.3
Central Basin MWD	32,130.0
Chino Basin MWD	15,200.9
Coastal MWD	19,457.5
City of Compton	2,512.9
Eastern MWD	24,810.5
Foothill MWD	3,920.4
City of Fullerton	3,834.4
City of Glendale	13,228.0
Las Virgenes MWD	8,796.2
City of Long Beach	18,902.9
City of Los Angeles	113,942.2
MWD of Orange County	79,695.8
City of Pasadena	5,083.2
San Diego CWA	203,910.3
City of San Fernando	105.4
City of San Marino	663.5
City of Santa Ana	6,072.6
City of Santa Monica	2,508.6

Three Valleys MWD	28,908.1
City of Torrance	10,155.7
Upper San Gabriel Valley MWD	4,462.6
West Basin MWD	74,669.7
Western MWD of Riverside Co.	<u>27,033.7</u>
TOTAL	768,109.6

(c) Deliveries of Metropolitan water which are in excess of a member public agency's new demand charge base will not be used in calculating such member public agency's readiness-to-serve charge.

(d) The readiness-to-serve charge shall be due monthly, quarterly or semiannually, as agreed upon by Metropolitan and the member public agency. If a standby charge is collected on behalf of a member public agency, the member public agency will be credited for the amount of net collections. This charge is subject to the provisions of Sections 4507 and 4508.

(e) The General Manager shall establish and make available to member public agencies procedures for administration of the readiness-to-serve charge, including filing and consideration of applications for reconsideration of their respective readiness-to-serve charge. The General Manager shall review any applications for reconsideration submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals from his determination.

M.I. 41468 - June 13, 1995; paragraph (b) amended by Resolution 8492 adopted by M.I. - 41816.

§ 4403. New Demand Charge.

(a) The new demand charge shall be set by the Board from time to time to recover the capital costs associated with meeting new demands on Metropolitan's system.

(b) Each member public agency's new demand charge base (in acre feet) is established as follows:

<u>Member Public Agency</u>	<u>Base Amount (AF)</u>
City of Anaheim	24,944
City of Beverly Hills	13,614
City of Burbank	20,446
Calleguas MWD	99,025
Central Basin MWD	120,257
Chino Basin MWD	76,265
Coastal MWD	42,243
City of Compton	5,206
Eastern MWD	55,603
Foothill MWD	9,610
City of Fullerton	12,253
City of Glendale	26,456
Las Virgenes MWD	18,525
City of Long Beach	42,539
City of Los Angeles	358,128
MWD of Orange County	242,576
City of Pasadena	22,638
San Diego CWA	559,220
City of San Fernando	903
City of San Marino	1,327
City of Santa Ana	15,840
City of Santa Monica	8,889
Three Valleys MWD	69,664
City of Torrance	20,311
Upper San Gabriel Valley MWD	71,899
West Basin MWD	167,634
Western MWD of Riverside Co.	<u>78,260</u>
TOTAL	2,184,095

(c) Beginning with fiscal year 1995-96, a new demand charge will be incurred upon Metropolitan's determination that a member public agency's historic average deliveries of water have exceeded such member public agency's new demand charge base. Upon payment of any new demand charge by a member public agency, that member public agency's new demand charge base will be increased by an amount equal to the quantity of water on which the new demand charge was paid.

(d) Deliveries of Metropolitan water which are in excess of a member public agency's new demand charge base, as shown in Section 4403(b), will not be used in calculating such member public agency's readiness-to-serve charge.

(e) The new demand charge may be remitted over a period of up to 15 years, including an interest charge, and is subject to the provisions of Sections 4507 and 4508. The interest charge will be based on Metropolitan's weighted average cost of debt at the time the new demand charge is determined, as shown in the most recent Annual Financial Report.

(f) The General Manager shall establish and make available to member public agencies procedures for administration of the new demand charge, including filing and consideration of applications for reconsideration of their respective new demand charge. The General Manager shall review any applications for reconsideration submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals from his determination.

M.I. 41468 - June 13, 1995.

§ 4404. Connection Maintenance Charge.

(a) The connection maintenance charge shall be due monthly, and is subject to the provisions of Sections 4507 and 4508.

(b) For purposes of Section 4401(b), connected capacity shall mean the peak week average flow through each connection, measured in cubic foot per second (cfs), during the five-year period immediately preceding the beginning of the current fiscal year, but in no case will connected capacity be less than 10% of the rated capacity and not more than the rated capacity of the meter.

(1) Peak week shall mean the meter reading period with the highest average flows; the meter reading period is the time interval between two consecutive meter readings.

(2) Flows will be rounded up to the nearest .5 cfs.

(c) The General Manager shall establish and make available to member public agencies procedures for administration of the connection maintenance charge, including filing and consideration of applications for reconsideration of their respective connection maintenance charge. The General Manager shall review any applications for reconsideration submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals from his determination.

M.I. 41468 - June 13, 1995.

§ 4514. Seasonal Storage Service.

(a) General - The goals of the seasonal storage service program are to:

1. Achieve greater conjunctive use of imported and local supplies.
2. Encourage construction of additional local production facilities.
3. Reduce member agencies' dependence on deliveries from Metropolitan during the summer months and periods of shortage.

Member agencies are encouraged to take seasonal water through a discounted rate offered by Metropolitan. This economic incentive encourages local agencies to invest in new water production, storage, treatment and transmission facilities, or to fully utilize existing facilities. These facilities are needed to augment local agencies' capability to produce local water, as well as store imported water purchased from Metropolitan during periods of abundance.

To receive the lower rates, agencies must certify to Metropolitan the amounts of imported water that they have stored in local reservoirs and groundwater basins by direct and in-lieu means and/or the amount of deliveries shifted from the summer to winter period. Certification forms are provided to agencies to assist in their calculations and standardize the certifications. Agencies shall comply with the administrative procedures as set forth in the most current Seasonal Storage Service Handbook, as amended from time to time by the General Manager, to receive the seasonal storage service rate on water purchased from Metropolitan.

(b) Storage Types - seasonal storage service water shall be stored for either seasonal shift or long-term storage.

1. Seasonal Shift Storage is additional summer local production offset by an equivalent Metropolitan winter delivery within a 12-month period. Under this concept, the member public agency's total annual purchases of Metropolitan water are unchanged from the purchases that would have occurred had Seasonal Storage Service not been in place.

2. Long-Term Storage is that water delivered by Metropolitan to a member public agency or subagency for storage, by direct or in-lieu methods, beyond the 12-month seasonal storage service period. Under this concept, total annual purchases from Metropolitan increase by the amount of Seasonal Storage water which qualifies for long-term storage. Water that an agency leaves in storage to replace groundwater overdraft in any previous drought year when Seasonal Storage Service was declared unavailable is considered long-term storage.

(c) Normal Period of Availability - Seasonal Shift storage water service shall be available between October 1 and the following April 30, treated as a noninterruptible delivery, subject to the ability of the District to sell and deliver such water under operating conditions determined by the General Manager, and, to the extent not inconsistent herewith, shall be subject to the provisions of this chapter and Chapter 9. ~~whenever and so long as the General Manager determines that water and system capacity are available.~~ Long-Term Storage water service 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. If required for Metropolitan's system regulation, groundwater replenishment by spreading or injecting or water deliveries/sales pursuant to any storage agreement, may be offered to specific member public agencies during any time of the year at the seasonal storage service rate at the General Manager's discretion.

In the event that excess supplies are available between April 30 and October 1, the General Manager may make such supplies available to all agencies at the seasonal storage service rate in accordance with the objectives of this program, unless limited by system constraints. If an agency should take Long-Term Storage water service when it is deemed not available by the General Manager then it shall pay the noninterruptible rates for that water. With respect to service for direct reservoir storage and for groundwater replenishment by spreading or injecting, service availability may be activated or terminated immediately upon notice by the General Manager to affected member public agencies. With respect to service for in-lieu groundwater replenishment or in-lieu reservoir storage, service availability may be activated upon notice to the member public agencies and terminated upon 15 days notice to the member public agencies.

(d) Certification - Member public agencies may receive seasonal storage water service only upon filing of the required certifications specified in Section 4507. Receipt of a certification electronically by computer modem or otherwise shall be considered identical to receipt of a written and signed certification binding on the member public agency for all purposes. The General Manager may make or cause to be made such investigations as the General Manager may require in order to determine the quantities of water to which the seasonal storage rates shall apply. Such investigations may result in revisions either upward or downward in the amount of water actually received in seasonal storage service. No such investigation shall be made unless the member public agency has requested seasonal storage service and submitted the requisite certifications. The General Manager may reject any certification if the certifying agency is unable to furnish sufficient documentation as to the facts of the certification.

M.I. 37006 - February 9, 1988; paragraph (a) amended by M.I. 37566 - March 14, 1989; rewritten by M.I. 37764 - July 11, 1989; amended by M.I. 40389 - August 24, 1993; amended by M.I. 41617 - October 10, 1995.

[Section 4515 - M.I. 38295 - June 12, 1990; repealed by M.I. 41468 - June 13, 1995.]