



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

REVISED 8-2

January 10, 1997

**To:** Board of Directors (Finance and Insurance Committee--Action)  
(Water Planning and Resources Committee--Action)

**From:** General Manager Edward S. Meas III

**Submitted by:** Lambertus H. Becker  
Chief Financial Officer Lambertus H. Becker

**Subject:** Use of Revenues from Fiscal Year 1995-96

Attached are revisions to Exhibits G and H to Board Letter 8-2. Revisions are marked in underline and strikeout format.

**REVISED ATTACHMENT G**

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

RESOLUTION \_\_\_\_

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**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA  
APPROVING USE OF REVENUES FROM  
FISCAL YEAR 1995-96**

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WHEREAS, to provide for accountability of public moneys in accordance with applicable federal and state laws and regulations, bond covenants, tax and non-arbitrage certificates and related documents, Metropolitan's Administrative Code establishes certain funds in Metropolitan's Treasury;

WHEREAS, Section 5202(c) of Metropolitan's Administrative Code requires that amounts remaining in the Revenue Remainder Fund and General Fund collectively in each year, after meeting requirements for funding of working capital, self-insured retention and Pay-As-You-Go Fund expenditures for the next fiscal year, shall be transferred to the Water Rate Stabilization Fund;

WHEREAS, moneys in the Water Rate Stabilization Fund are for the principal purpose of reducing water revenue requirements, and also are available for any other lawful purpose of Metropolitan, provided that Metropolitan is then in compliance with its bond and commercial paper note covenants, as set forth in Resolution 8329, as amended, and Resolution 8322, as amended (collectively, the "Bond and Note Resolutions");

WHEREAS, at June 30, 1996, and as of the date of this Resolution, Metropolitan is in compliance with its bond and note covenants (as provided in the Bond and Note Resolutions);

WHEREAS, at June 30, 1996, the amount remaining in the Revenue Remainder Fund and General Fund collectively and required to be transferred to the Water Rate Stabilization Fund pursuant to Section 5202(c) of the Administrative Code was \$70,809,000;

WHEREAS, such amount was generated as a result of reduced expenditures by Metropolitan;

WHEREAS, at June 30, 1996, the Water Rate Stabilization Fund balance was the maximum balance of \$200 million, which required the \$70,809,000 to be transferred in turn to the Pay-As-You-Go Fund pursuant to Sections 5202(c) and (e) of the Administrative Code;

WHEREAS, using amounts in the Water Rate Stabilization Fund to mitigate future rate increases generally provides benefits to water purchasers who purchase water in the years in which rates are mitigated;

WHEREAS, it is within the discretion of this Board to allocate rate mitigation funds so as to more directly benefit the member public agencies whose water purchases assisted in the generation of such funds; and

WHEREAS, pursuant to Administrative Code Section 5109, amounts in the Pay-As-You-Go Fund may be used for capital expenditures of Metropolitan, and other lawful expenditures as determined by the Board.

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 on June 30, 1996, Metropolitan was, and that Metropolitan currently is, in compliance with its bond and note covenants (as provided in the Bond and Note Resolutions).

**Section 2.** That the balance in the Revenue Remainder and General Funds on June 30, 1996, after satisfying all obligations for funding by Metropolitan which were then due and payable, equaled \$70,809,000.

**Section 3.** That such \$70,809,000 was appropriately transferred by the Treasurer to the Water Rate Stabilization Fund and then, because the Water Rate Stabilization Fund held the maximum balance set by this Board, to the Pay-As-You-Go Fund.

**Section 4.** That amounts in the Pay-As-You-Go Fund may be used for any lawful purpose, as determined by this Board.

**Section 5.** That such lawful purposes include mitigation of water rate increases and other costs which must be borne by Metropolitan's member public agencies.

**Section 6.** That this Board finds that the public interest and necessity require that \$70 million of the funds transferred to the Pay-As-You-Go Fund, as described in Section 3 of this Resolution, be used to mitigate costs of imported water for the benefit of Metropolitan's member public agencies.

**Section 7.** That this Board finds that in the interests of equity among member public agencies, such \$70 million should benefit Metropolitan's member public agencies in

proportion to the amounts that they paid to Metropolitan through water revenues, readiness-to-serve charges and connection maintenance charges in fiscal year 1995-96.

**Section 8.** That the proportionate amount of such \$70 million allocable to each member public agency, calculated as described in Section 7 of this Resolution, shall be as follows:

MEMBER AGENCY	Proportionate Amount (%)	Credit or Cash Payment
City of Anaheim	1.23%	\$ 859,089
City of Beverly Hills	0.88%	\$ 616,273
City of Burbank	1.11%	\$ 779,002
Calleguas MWD	5.99%	\$ 4,192,986
Central Basin MWD	5.15%	\$ 3,607,595
Chino Basin MWD	2.46%	\$ 1,723,252
Coastal MWD	2.63%	\$ 1,843,111
City of Compton	0.22%	\$ 156,551
Eastern MWD	3.41%	\$ 2,384,668
Foothill MWD	0.60%	\$ 420,005
City of Fullerton	0.52%	\$ 364,383
City of Glendale	1.89%	\$ 1,324,525
Las Virgenes MWD	1.25%	\$ 876,396
City of Long Beach	3.51%	\$ 2,457,293
City of Los Angeles	7.10%	\$ 4,966,527
MWD of Orange County	12.18%	\$ 8,526,182
City of Pasadena	0.90%	\$ 627,167
San Diego CWA	27.11%	\$18,975,380
City of San Fernando	0.03%	\$ 24,159
City of San Marino	0.08%	\$ 54,884
City of Santa Ana	0.83%	\$ 580,678
City of Santa Monica	0.33%	\$ 228,368
Three Valleys MWD	3.98%	\$ 2,784,925
City of Torrance	1.58%	\$ 1,107,452
Upper San Gabriel Valley MWD	0.88%	\$ 619,221
West Basin MWD	10.38%	\$ 7,267,651
Western MWD of Riverside	3.76%	\$ 2,632,278
<b>ALL MEMBER PUBLIC AGENCIES</b>	<b>100.00%</b>	<b>\$70,000,000</b>

**Section 9.** That such funds may be allocated among the member public agencies, either as a cash payment or in the form of a credit to be used, at the time and in the manner designated by each member public agency, against any rates or charges to be paid by the member public agency to Metropolitan.

**Section 10.** That the allocation and distribution of such funds as provided in this Resolution is a lawful expenditure for the benefit of Metropolitan and its member public

agencies and will not adversely affect the interests of the holders of Metropolitan's water revenue bonds or commercial paper notes.

**Section 11.** 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, correction of technical errors in the allocation set forth in Section 8.

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 14, 1997.

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Executive Secretary  
The Metropolitan Water District  
of Southern California

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

RESOLUTION \_\_\_\_

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**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA  
APPROVING USE OF REVENUES FROM  
FISCAL YEAR 1995-96**

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WHEREAS, to provide for accountability of public moneys in accordance with applicable federal and state laws and regulations, bond covenants, tax and non-arbitrage certificates and related documents, Metropolitan's Administrative Code establishes certain funds in Metropolitan's Treasury;

WHEREAS, Section 5202(c) of Metropolitan's Administrative Code requires that amounts remaining in the Revenue Remainder Fund and General Fund collectively in each year, after meeting requirements for funding of working capital, self-insured retention and Pay-As-You-Go Fund expenditures for the next fiscal year, shall be transferred to the Water Rate Stabilization Fund;

WHEREAS, moneys in the Water Rate Stabilization Fund are for the principal purpose of reducing water revenue requirements, and also are available for any other lawful purpose of Metropolitan, provided that Metropolitan is then in compliance with its bond and commercial paper note covenants, as set forth in Resolution 8329, as amended, and Resolution 8322, as amended (collectively, the "Bond and Note Resolutions");

WHEREAS, at June 30, 1996, and as of the date of this Resolution, Metropolitan is in compliance with its bond and note covenants (as provided in the Bond and Note Resolutions);

WHEREAS, at June 30, 1996, the amount remaining in the Revenue Remainder Fund and General Fund collectively and required to be transferred to the Water Rate Stabilization Fund pursuant to Section 5202(c) of the Administrative Code was \$70,809,000;

WHEREAS, such amount was generated as a result of reduced expenditures by Metropolitan;

WHEREAS, at June 30, 1996, the Water Rate Stabilization Fund balance was the maximum balance of \$200 million, which required the \$70,809,000 to be transferred in turn to the Pay-As-You-Go Fund pursuant to Sections 5202(c) and (e) of the Administrative Code;

WHEREAS, using amounts in the Water Rate Stabilization Fund to mitigate future rate increases generally provides benefits to water purchasers who purchase water in the years in which rates are mitigated;

WHEREAS, it is within the discretion of this Board to allocate rate mitigation funds so as to more directly benefit the member public agencies whose water purchases assisted in the generation of such funds; and

WHEREAS, pursuant to Administrative Code Section 5109, amounts in the Pay-As-You-Go Fund may be used for capital expenditures of Metropolitan, and other lawful expenditures as determined by the Board.

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**Section 2.** That the balance in the Revenue Remainder and General Funds on June 30, 1996, after satisfying all obligations for funding by Metropolitan which were then due and payable, equaled \$70,809,000.

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**Section 4.** That amounts in the Pay-As-You-Go Fund may be used for any lawful purpose, as determined by this Board.

**Section 5.** That such lawful purposes include mitigation of water rate increases and other costs which must be borne by Metropolitan's member public agencies.

**Section 6.** That this Board finds that the public interest and necessity require that \$47.5 million of the funds transferred to the Pay-As-You-Go Fund, as described in Section 3 of this Resolution, be used to mitigate costs of imported water for the benefit of Metropolitan's member public agencies.

**Section 7.** That this Board finds that in the interests of equity among member public agencies, such \$47.5 million should benefit Metropolitan's member public agencies in

proportion to the amounts that they paid to Metropolitan through water revenues, readiness-to-serve charges and connection maintenance charges in fiscal year 1995-96.

**Section 8.** That the proportionate amount of such \$47.5 million allocable to each member public agency, calculated as described in Section 7 of this Resolution, shall be as follows:

MEMBER AGENCY	Proportionate Amount (%)	Credit or Cash Payment
City of Anaheim	1.23%	\$ 582,954
City of Beverly Hills	0.88%	\$ 418,185
City of Burbank	1.11%	\$ 528,608
Calleguas MWD	5.99%	\$ 2,845,241
Central Basin MWD	5.15%	\$ 2,448,011
Chino Basin MWD	2.46%	\$ 1,169,349
Coastal MWD	2.63%	\$ 1,250,682
City of Compton	0.22%	\$ 106,231
Eastern MWD	3.41%	\$ 1,618,168
Foothill MWD	0.60%	\$ 285,004
City of Fullerton	0.52%	\$ 247,260
City of Glendale	1.89%	\$ 898,785
Las Virgenes MWD	1.25%	\$ 594,697
City of Long Beach	3.51%	\$ 1,667,449
City of Los Angeles	7.10%	\$ 3,370,143
MWD of Orange County	12.18%	\$ 5,785,623
City of Pasadena	0.90%	\$ 425,578
San Diego CWA	27.11%	\$12,876,151
City of San Fernando	0.03%	\$ 16,393
City of San Marino	0.08%	\$ 37,243
City of Santa Ana	0.83%	\$ 394,031
City of Santa Monica	0.33%	\$ 154,964
Three Valleys MWD	3.98%	\$ 1,889,771
City of Torrance	1.58%	\$ 751,486
Upper San Gabriel Valley MWD	0.88%	\$ 420,185
West Basin MWD	10.38%	\$ 4,931,620
Western MWD of Riverside	3.76%	\$ 1,786,189
<b>ALL MEMBER PUBLIC AGENCIES</b>	<b>100.00%</b>	<b>\$47,500,000</b>

**Section 9.** That such funds may be allocated among the member public agencies, either as a cash payment or in the form of a credit to be used, at the time and in the manner designated by each member public agency, against any rates or charges to be paid by the member public agency to Metropolitan.

**Section 10.** That the allocation and distribution of such funds as provided in this Resolution is a lawful expenditure for the benefit of Metropolitan and its member public



agencies and will not adversely affect the interests of the holders of Metropolitan's water revenue bonds or commercial paper notes.

**Section 11.** 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, correction of technical errors in the allocation set forth in Section 8.

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