

- **Board of Directors**  
**Engineering and Operations Committee**

November 9, 2004 Board Meeting

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8-4

## **Subject**

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Adopt revisions to Metropolitan Water District Administrative Code § 4503: Suspension of Deliveries

## **Description**

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Metropolitan's Administrative Code §§ 3107 and 4503 currently states that member agencies should have sufficient resources to sustain a seven-day service interruption. As a condition for annexation, Administrative Code § 3107, "Water Efficiency Use Guidelines," requires that, to the extent practicable, local storage, groundwater production capacity, system interconnections, and other resources within a member agency's service area allow a local water purveyor to sustain a seven-day interruption in Metropolitan deliveries. Administrative Code § 4503, "Suspension of Deliveries," restates that the agency is responsible for maintaining a seven-day supply.

Shutdowns of both a scheduled and unscheduled nature periodically occur in Metropolitan's system. Scheduled shutdowns in portions of Metropolitan's treatment, conveyance and distribution facilities are necessary for construction, inspection and maintenance. The season for scheduled shutdowns begins in October and ends in April of the following year. Metropolitan begins working with the member agencies in the spring. A final shutdown schedule is produced, which incorporates input from the member agencies, and is presented to them in September. System emergencies may require unscheduled shutdowns resulting in interruption of an agency's deliveries until the issue is resolved. Regardless of whether or not the shutdown is scheduled, Metropolitan expects its agencies to have needed resources during low demand months to meet demands during any shutdown lasting seven days or less.

Previous shutdowns have demonstrated that not all water purveyors within the member agencies have adequate supplies or system capacity to sustain a seven-day interruption. In some cases, Metropolitan has, at the last minute, had to cancel or postpone a shutdown because agencies were unable to meet demands with alternative resources during the shutdown period. This prolongs the maintenance process and incurs direct costs that are paid by all Metropolitan member agencies. As a result, it is recommended that Metropolitan's Administrative Code be amended to require agencies to maintain the ability to withstand a seven-day interruption in Metropolitan deliveries and to make agencies responsible for direct costs, excluding direct labor costs, incurred by Metropolitan when postponement or cancellation of the scheduled shutdown takes place at the request of the agency.

Amendments to the Suspension of Deliveries provision of the Administrative Code have been recommended by Metropolitan's Water System Operations Group: (1) to require agencies to maintain sufficient local resources to sustain a seven-day interruption in Metropolitan deliveries during low demand months; and (2) if the affected agencies are provided with a 60-day notice, to enable Metropolitan to recover direct costs, excluding labor costs, resulting from an agency-requested postponement or cancellation of the scheduled service interruption. In addition, several minor changes were made to update and clarify Code language.

**Attachment 1** is Division IV, § 4503 of the Code with the recommended deletions shown in strikeout format and the recommended additions underlined. **Attachment 2** is the proposed amended version of § 4503.

## **Policy**

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Metropolitan Administrative Code § 4503: Suspension of Deliveries

## California Environmental Quality Act (CEQA)

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CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2), 15378(b)(4), and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

## Board Options/Fiscal Impacts

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### Option #1

Adopt the CEQA determination and revisions to Metropolitan Water District's Administrative Code Division IV, Chapter 5, § 4503, Suspension of Deliveries.

**Fiscal Impact:** Receipt of unrecoverable costs, excluding labor costs, from the agency delaying the maintenance activity is variable depending upon the magnitude of the shutdown.

### Option #2

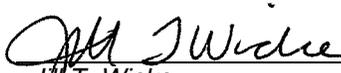
Decline recommended Code amendments.

**Fiscal Impact:** Metropolitan continues to incur additional ramp-up costs and consequences of postponed maintenance activity at variable amounts depending upon the magnitude of the shutdown.

## Staff Recommendation

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Option #1

	10/22/2004
J. T. Wicke	<i>Date</i>
Manager, Water System Operations	

	10/22/2004
Ronald R. Gastelum	<i>Date</i>
Chief Executive Officer	

**Attachment 1 – Division IV, § 4503 of the Code (Strikeout version)**

**Attachment 2 – Division IV, § 4503 of the Code (Clean version)**

BLA #3152

**THE ADMINISTRATIVE CODE OF  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
(Showing additions and deletions)  
DIVISION IV  
WATER SERVICE POLICIES**

**§ 4503. Suspension of Deliveries.**

Whenever repairs or maintenance of the District's system, in the opinion of the Chief Executive Officer of the District, shall require suspension of delivery of water at any point or points, such delivery may be suspended without liability on the part of the District; provided, that except in cases of emergency, as determined by the Chief Executive Officer, notice of such suspension of service shall be given to the affected member public agency in advance of such suspension. Metropolitan will make a concerted effort to notify and work with member public agencies regarding all scheduled interruptions. The District will schedule non-emergency interruptions for the low demand months of the year, typically October through April, in coordination with the member public agencies.

Each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections or alternate supply source to sustain ~~should have~~ a seven-day ~~supply of water in case of an~~ interruption in Metropolitan deliveries based on annual average demands. If a member public agency has been provided with a sixty (60) day notice of when an interruption in service is to occur, the member public agency shall be responsible for and reimburse direct costs, excluding labor costs, incurred by Metropolitan in the event that a scheduled non-emergency interruption of up to seven days is postponed or cancelled at the request of the member public agency as a result of insufficient local resources, and the District agrees to such cancellation or postponement. Direct costs shall be determined by Metropolitan's Chief Executive Officer, in consultation with the affected member agency. These direct costs shall be applied to the member public agency's water invoice following cancellation or postponement of the shutdown.

Except in cases of emergency, the District, working with the member agencies, will produce a shutdown schedule each September for the annual shutdown season from October through April. The District will also develop a three-year shutdown schedule, which will give notice of the proposed shutdowns greater than seven days at least one-year in advance. notice long term (over seven days) shutdowns at least one year in advance and produce a shutdown schedule in September for shutdowns less than seven days.

Replenishment Service certifications will be adjusted for the reduction of credits that are accrued due to shutdowns that are greater than seven days. No adjustments will be made for shutdowns seven days or less unless the member agency provides a service to the District by serving another member agency in-lieu of District deliveries during a shutdown even if the shutdown is seven days or less.

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Each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections or alternate supply source to sustain a seven-day interruption in Metropolitan deliveries based on annual average demands. If a member public agency has been provided with a sixty (60) day notice of when an interruption in service is to occur, the member public agency shall be responsible for and reimburse direct costs, excluding labor costs, incurred by Metropolitan in the event that a scheduled non-emergency interruption of up to seven days is postponed or cancelled at the request of the member public agency as a result of insufficient local resources, and the District agrees to such cancellation or postponement. Direct costs shall be determined by Metropolitan's Chief Executive Officer, in consultation with the affected member agency. These direct costs shall be applied to the member public agency's water invoice following cancellation or postponement of the shutdown.

Except in cases of emergency, the District, working with the member agencies, will produce a shutdown schedule each September for the annual shutdown season from October through April. The District will also develop a three-year shutdown schedule, which will give notice of the proposed shutdowns greater than seven days at least one-year in advance.

Replenishment Service certifications will be adjusted for the reduction of credits that are accrued due to shutdowns that are greater than seven days. No adjustments will be made for shutdowns seven days or less unless the member agency provides a service to the District by serving another member agency in-lieu of District deliveries during a shutdown even if the shutdown is seven days or less.