



# Authorize Cyclic Agreements with USGVMWD and TVMWD

Water Planning and Stewardship Committee

October 7, 2013

Item# 8-1 and Item # 8-2

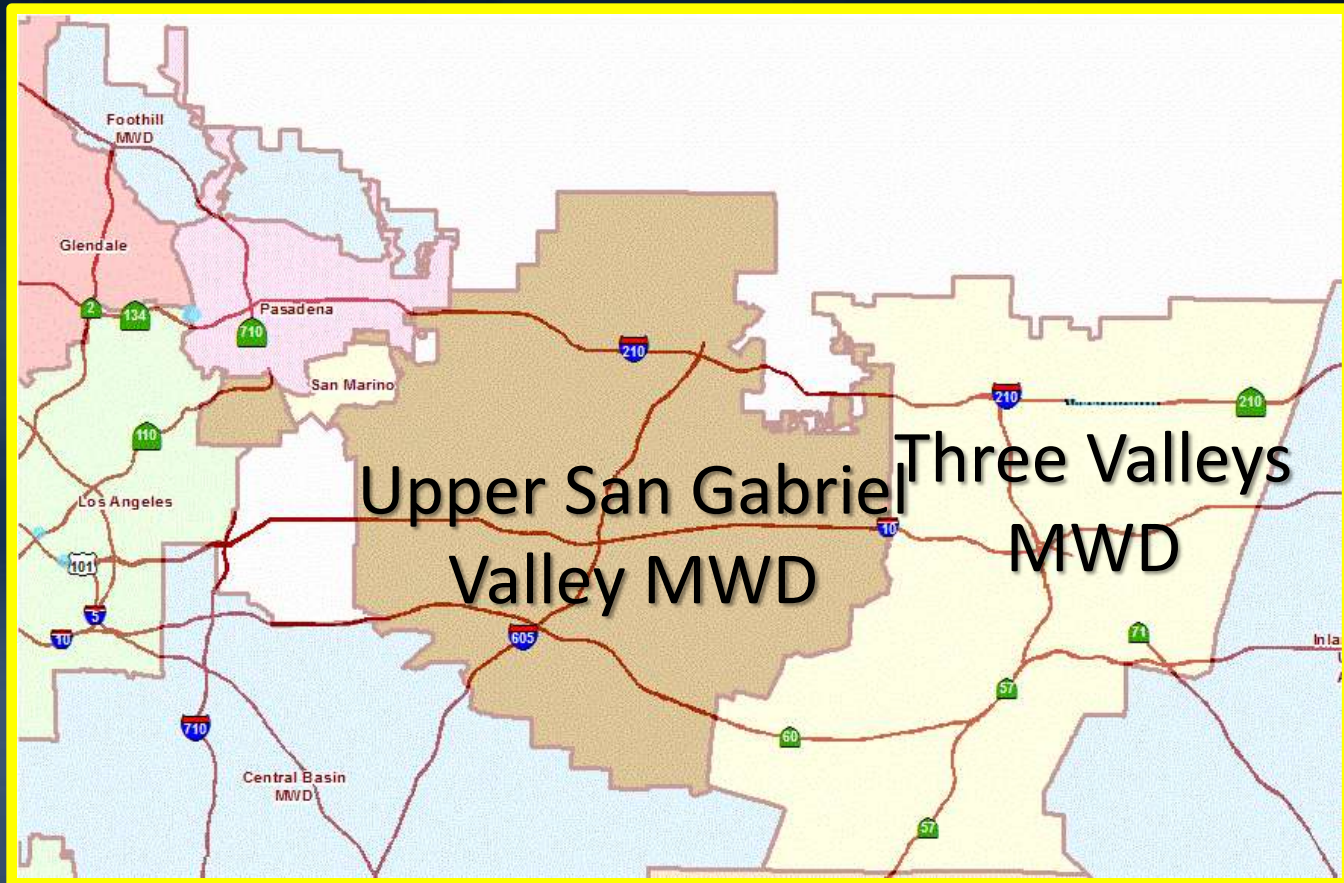
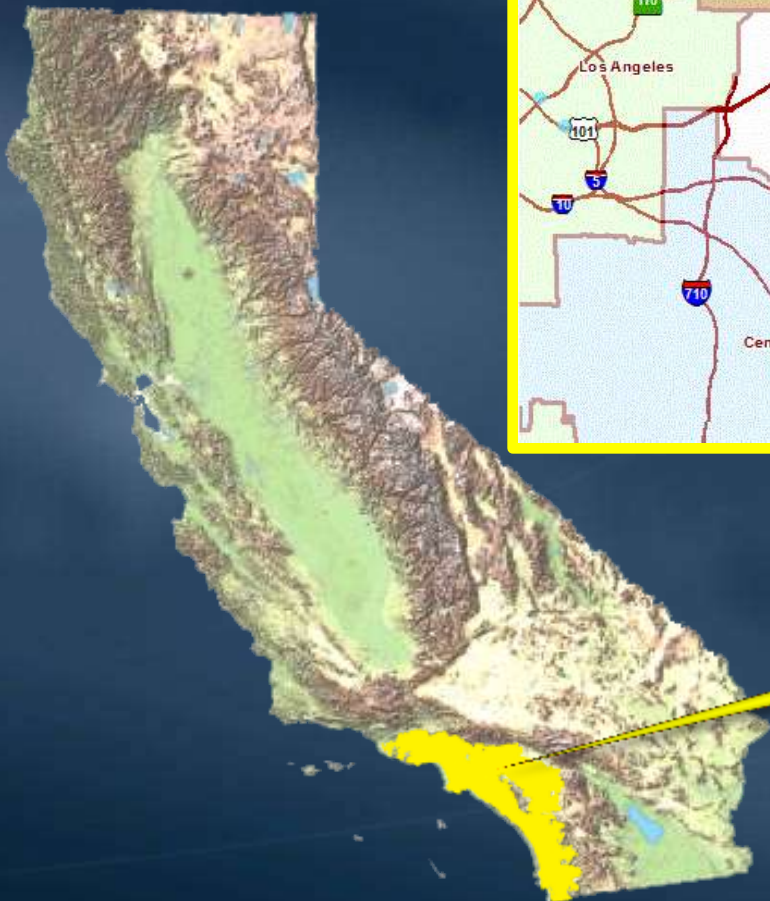
# Background – Cyclic Accounts

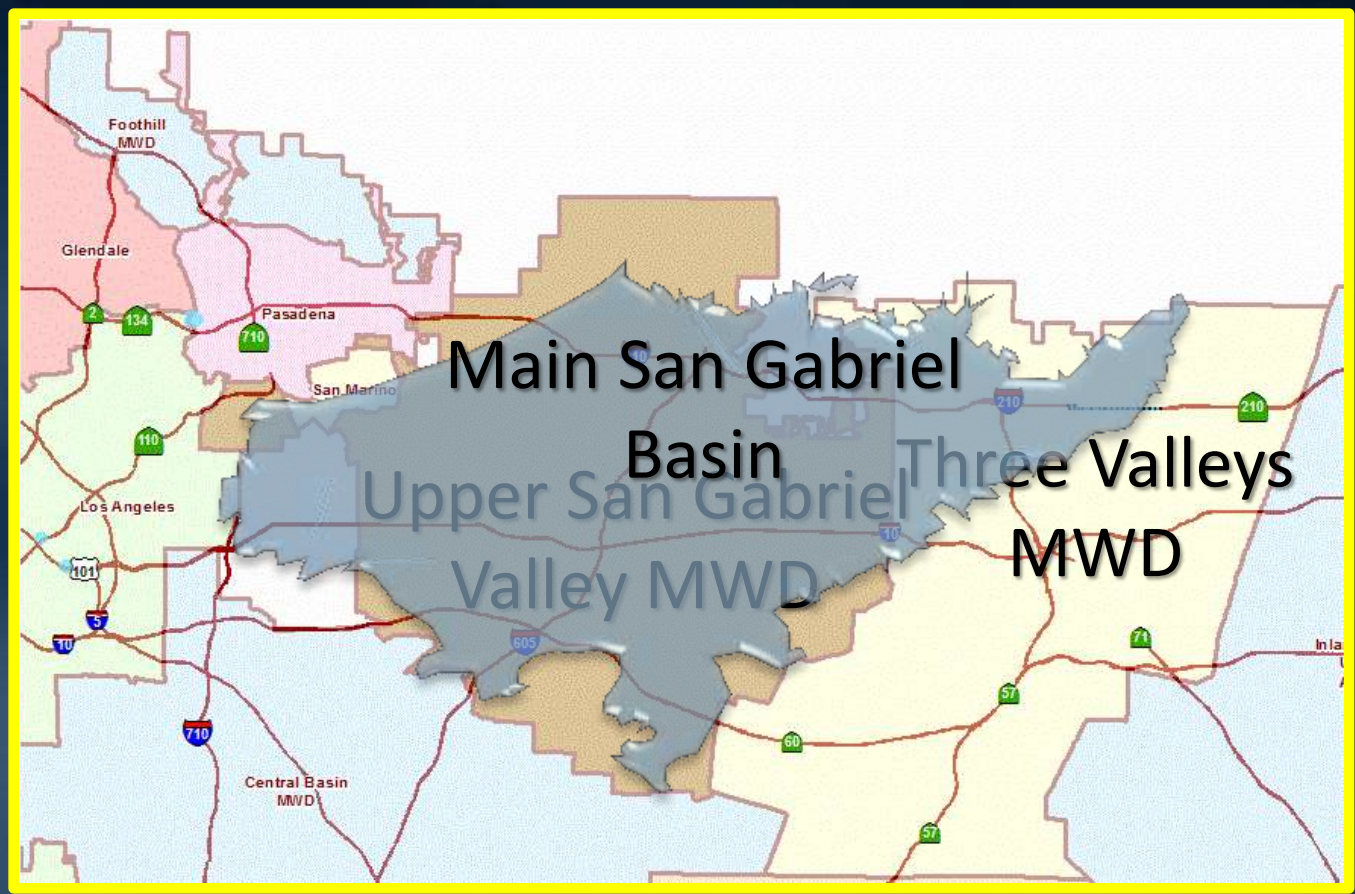
- Purpose to pre-deliver replacement supplies for member agencies that overproduce
- Purchase price historically the discounted replenishment rate
- Current Board adopted rate structure no longer has a discounted replenishment rate
- Two remaining cyclic accounts expire in 2014

# Background – Cyclic Accounts

- Main San Gabriel Basin Cyclic Accounts
  - Upper San Gabriel Valley MWD – 100,000 AF
  - Three Valleys MWD – 40,000 AF
- Watermaster party to agreements
- No cost to Metropolitan
- No losses to place water into accounts









# Cyclic Amendment Key Terms

- Full service rate applies when water sold from the cyclic accounts
- Capacity charge not applied because deliveries at Metropolitan's discretion
- Agreements extended an additional five years and renewable upon mutual agreement

# Metropolitan Cyclic Storage Account Benefits

- Full service water sale applies when water is sold
- No cost to Metropolitan and no put losses
- Delivery Point for exchange and purchase supplies with San Gabriel Valley MWD
- Maintains storage to improve Metropolitan's water supply reliability

# Two Separate Board Actions

- Item # 8-1 USGVMWD Cyclic Account
- Item # 8-2 Three Valleys MWD Cyclic Account



# Item 8-1: USGMWD Cyclic Account

- Option #1

- Adopt the CEQA determination that the proposed project is not subject to CEQA
- Authorize the General Manager to amend the cyclic agreement with USGVMWD and Main San Gabriel Basin Watermaster

- Option #2

- Do not authorize the General Manager to amend the cyclic agreement with USGVMWD and Main San Gabriel Basin Watermaster

# Recommendation

- Option #1

# Item 8-2: Three Valleys Cyclic Account

- Option #1

- Adopt the CEQA determination that the proposed project is not subject to CEQA
- Authorize General Manager to amend the cyclic agreement with Three Valleys MWD and Main San Gabriel Basin Watermaster

- Option #2

- Do not authorize the General Manager to amend the cyclic agreement with Three Valleys MWD and Main San Gabriel Basin Watermaster

# Recommendation

- Option #1



