

Repeal Administrative Code Sections 4119 and 4405 (Wheeling Service) and rescind Resolution 4520 (Fixing and Adopting Wheeling Rates)

Finance & Insurance Committee
Item 7-9
August 17, 2020



Background

- Administrative Code Sections 4119 and 4405 pre-set a wheeling rate for wheeling to member agencies for a period of up to one year
- Purpose: to facilitate wheeling for member agencies by removing need to negotiate price for short-term wheeling
- Supporting Resolution 8520

Recommended Repeal/Rescission

- A component of the wheeling rate - the Water Stewardship Rate - is suspended in 2021 and 2022 and will no longer be used
- Wheeling rate will become inoperable
- Wheeling rate not currently in use and not often used - no need for replacement
- All wheeling will be negotiated per Wheeling Statute
- Inclusion in Administrative Code no longer necessary and can create confusion

Board Options

Recommendation

- Option #1
 - Repeal Administrative Code Sections 4119 and 4405 (Wheeling Service) and rescind Resolution 8520 (Fixing and Adopting Wheeling Rates)
- **Fiscal Impact:** No fiscal impact because Metropolitan did not budget for any wheeling transactions under these sections in the current budget or Ten-Year Financial Forecast.

Recommendation

- Option #2
 - Do not repeal Administrative Code Sections 4119 and 4405 (Wheeling Service) or rescind Resolution 8520 (Fixing and Adopting Wheeling Rates) and provide guidance to staff regarding inoperative sections
- **Fiscal Impact:** No fiscal impact because Metropolitan did not budget for any wheeling transactions under these sections in the current budget or Ten-Year Financial Forecast.

Staff Recommendation

- Option #1

