

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-12

January 24, 1994

To: Board of Directors (Water Problems Committee--Information)
From: General Manager
Subject: Issues Related to the Readiness-to-Serve Charge

Report

At the January meeting of the Water Problems Committee, several agencies addressed the Committee regarding operation of the Seasonal Storage program and its relation to the Readiness-to-Serve (RTS) calculation. The City of Long Beach had taken water during the normal October seasonal storage period and assumed that long-term storage water would automatically be excluded from the RTS charge. The Chino Basin Municipal Water District expressed their concern that the uncertainty about the long-term seasonal storage contractual conditions makes it difficult to maximize groundwater storage now to Metropolitan's advantage.

The December 1993 Board letter describes the RTS calculation methodology. Long-term seasonal storage deliveries during May through September 1993 and water taken under special storage agreements such as the Cooperative Storage Program would be subtracted from the water sales history used in the determination of the RTS charge. Future long-term seasonal storage deliveries would be subtracted from the RTS calculation if contractual arrangements are made for utilization of that water in the future.

Staff met with the Long Beach Water Department staff and resolved their issue by arranging to transfer their long-term seasonal storage water taken since October 1993 into the Cooperative Storage Program. Thus, that long-term storage water will not count towards their RTS charge. We are currently negotiating the terms of an agreement to accomplish this.

The more complex issues regarding the definition of long-term seasonal storage water, the contractual conditions for its exclusion from the RTS charge, and whether seasonal storage purchases should be considered in a prospective manner will be discussed in upcoming working team meetings with our member agencies. Staff plans to reach consensus among the Member Agency Managers and ultimately present the consensus position to the Board for consideration.

Discussion on these issues began at the last Member Agency Managers meeting held on January 14 and will continue during the first meeting of the Seasonal Storage Service/Drought Management Plan working team meeting scheduled for February 3. (This working team meeting was originally scheduled for January 21 but was rescheduled due to the earthquake). Staff will verbally brief the Committee on the outcome of the February meeting.

Board Committee Assignment

This letter is referred for information to the Water Problems Committee because of its authority to study, advise, and make recommendations with regard to policies on the sale and delivery of water for various uses, pursuant to Administrative Code Section 2481(d).

Recommendation

For information only.


John R. Wodraska

JMB:vb