

Administrative Code Changes
(in strikethrough and underline format)

§ 4401. Rates.

(a) The rates per acre-foot for water sold and delivered for each class of service on order of any member public agency for use therein shall be as follows:

(1) For all water that does not meet criteria for other classes of service or special programs as defined in this Division, each of the following is applicable:

System Access Rate:

Effective Date:	01/01/2006	Rate: \$152.00
	01/01/2007	\$143.00

Water Stewardship Rate:

Effective Date:	01/01/2006	Rate: \$25.00
	01/01/2007	\$25.00

System Power Rate:

Effective Date:	01/01/2006	Rate: \$81.00
	01/01/2007	\$90.00

Treatment Surcharge (Applicable to treated water):

Effective Date:	01/01/2006	Rate: \$122.00
	01/01/2007	\$147.00

Supply Rate:

Tier 1 Supply Rate – The Tier 1 Supply Rate shall apply to water purchases which in the aggregate for any calendar year, are less than or equal to 60 percent (or, if the member agency purchasing the water has executed a Purchasing Order, 90 percent) of the Base Firm Demand of such member Agency.

Effective Date:	01//01/2006	Rate: \$73.00
	01/01/2007	\$73.00

Tier 2 Supply Rate –The Tier 2 Supply Rate shall apply when a member agency’s cumulative total of full service deliveries for the calendar year exceeds 60 percent of the member agency’s Base Firm Demand, or 90 percent of Base Firm Demand for member public agencies that execute a Purchase Order.

Effective Date:	01/01/2006	Rate: \$169.00
	01/01/2007	\$169.00

(2) For Replenishment Service (All water delivered for Replenishment Service as described in this Division and the most current User Handbook for Replenishment Service.)

Effective Date:	01/01/2006	Untreated Water:	\$238.00
	01/01/2007		\$238.00
	01/01/2006	Treated Water:	\$335.00
	01/01/2007		\$360.00

(3) ~~for~~ For Interim Agricultural Water Program Service (all water delivered in accordance with the Interim Agricultural Water Program as described in this Division. Interim Agricultural Water Program water deliveries in excess of reduction targets referenced in Section 4905 shall be subject to a penalty as described in Section 4907.)

Effective Date:	01/01/2006	Untreated Water:	\$241.00
	01/01/2007		\$241.00
	01/01/2006	Treated Water:	\$339.00
	01/01/2007		\$364.00

(b) The rates for water established by Section 4401(a) shall not apply to water sold and delivered by the District to any purchaser other than a member public agency; and said rates for water shall not apply to water sold and delivered by the District for any use outside the District, or to water sold and delivered by the District for any use within the District in substitution for water used outside the District, regardless of whether or not such water be purchased by, or delivered pursuant to the order of, any member public agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

(c) For purposes of agreements existing under the Local Resource Program, Local Project Program, Groundwater Recovery Program and other similar programs, references to the “full service water rate,” “full service treated water rate,” “treated non-interruptible water rate” or “other prevailing rate” or to the “reclaimed water rate” or “recycled service rate” shall be deemed to refer to the sum of the System Access Rate, Water Stewardship Rate, System Power Rate, the expected weighted average of Tier 1 Supply Rate and Tier 2 Supply Rate (equal to the estimated sales revenues expected from the sale of water at the Tier 1 and Tier 2 Supply Rates divided by the total District sales in acre-feet expected to be made at the Tier 1 and Tier 2 Supply Rates), a Capacity Charge expressed on a dollar per acre-foot basis and Treatment Surcharge.

§ 4507. Billing and Payment for Water Deliveries.

(a) **Timeframe for Billing and Payment.** Except as noted herein below, invoices shall be mailed electronically, or, if requested by the member agency, by hardcopy via United States mail, not later than the tenth day of the month following delivery to a member public agency. Each such invoice shall indicate the date of mailing and the date on which the payment thereunder becomes delinquent and shall show the total amount of water delivered for each class of service, the charges for water sold and delivered for each class, the readiness-to-serve and capacity charges, as applicable, and the total amount due and owing, all as determined by the General Manager. Payment of the amount shown on any such invoice shall be due on the last business day of that month and shall be delinquent if not received by the

Treasurer of the District before the close of crediting activity on the last business day of the first month following such date of mailing. When making any such payment the member public agency shall specify the invoice or invoices to which the payment shall be credited by the District.

(1) For purposes of Section 4507(a), "business day" shall mean any day other than a Saturday, a Sunday, or a Holiday (as defined in Section 1106).

(2) For purposes of Section 4507(a), "received by the Treasurer of the District" shall mean receipt either (1) in the office of the Treasurer or (2) by crediting pursuant to advance agreement with the Treasurer to the District's general demand account at the District's principal depository bank, in such form that the funds are immediately available for investment or other use or disposal by the District.

(3) For purposes of Section 4507(a), "crediting activity" shall mean either (1) 2:00 p.m. if payment is delivered to the office of the Treasurer, or (2) the cutoff time for crediting by the District's principal depository bank of that day's transactions if payment is initiated by wire transfer, automated clearinghouse transfer, interbranch transfer, direct deposit, or by other means pursuant to advance agreement with the Treasurer.

If, under advance agreement with the Treasurer, a member agency has authorized payment of any invoice by automated clearinghouse transfer initiated by the Treasurer, the Treasurer shall initiate such transfer for processing two business days prior to the business day on which such payment shall be delinquent. Failure of such transfer shall not relieve such member agency from liability for such payment or charges in the event such payment should become delinquent, except as specifically provided under advance agreement with the Treasurer.

(b) Exclusive Interim Agricultural Water Program Facility. In the event water delivered by the District through a particular facility is used exclusively for Interim Agricultural Water Program purposes and the member public agency desires to be charged therefor at the rates for water sold and delivered for Interim Agricultural Water Service provided in Section 4401, a statement relating the facts concerning the use of water delivered through each such facility must be certified to the District in writing by a responsible officer of the member public agency at least 30 days prior to the end of each one-month period during which such deliveries are made. In cases where such use of all water delivered through a particular facility will remain the same for an extended period the initial or current certification will remain in effect until the use of the water from a certified exclusive use service connection changes. At that time a new statement relating the facts concerning the use must be re-certified to the District within 30 days.

(c) Full Service and Interim Agricultural Water Program Facility. In cases where water through a particular facility is delivered during any month for both full service and Interim Agricultural Water Service, the bill for water delivered in such month will be prepared by applying the rates for water sold and delivered in full service to the total quantity of water delivered. If the member public agency desires to receive credit for such water so delivered as was used in Interim Agricultural Water Service the facts concerning the quantities of water so used must be certified to the District in writing by a responsible officer of the member public agency purchasing such water as set forth in Sections 4507(f) and (g), and each such certification shall cover a period of not more than one calendar month. The value of such credits shall be based on the difference in water rates in effect at the time the water is used, regardless of the date of delivery.

(d) **Exclusive Direct Groundwater Replenishment Facility.** In the event water delivered by the District through a particular facility is used exclusively for direct groundwater replenishment through spreading the member public agency shall be charged therefore at the rates for water sold and delivered for Replenishment Service as set forth in Section 4401, when Replenishment Service water is available as determined by the General Manager. When Replenishment Service is not available, the member public agency shall be charged at the rates for water sold and delivered set forth in Section 4401(a) (1).

(e) **Full Service, Interim Agricultural Water Program, Emergency Storage Program, and Replenishment Water Facility.** In cases where water through a particular facility is delivered during any month for full service or Interim Agricultural Water Service or both, and for Emergency Storage Program Service or Replenishment Service, the bill for water delivered in such month will be prepared by applying the rates for water sold and delivered in full service to the total quantity of water delivered. In addition to the procedures for crediting Interim Agricultural Water Program Service, if the member public agency desires to receive credit for water used in Emergency Storage Program Service or Replenishment Service the facts concerning the quantities of water so used must be certified to the District in writing or electronically by computer modem or otherwise by a responsible officer of the member public agency purchasing such water as provided for in Section 4507 (f) and (g). The amount of such credits shall be based on the difference in water rates in effect at the time the water is used.

(f) **Late Certifications.** Based on available information, the District will notify a member agency for any certification that it has not received, if known, three months from the end of the month for which the agency would normally certify. No certification received after six months following the end of any month in which such a credit is claimed will be accepted. Certifications must be received by Metropolitan before 3:30 p.m. on the third working day after the end of the month to receive credit for any preceding month on the next bill, subject to the provisions with respect to late certifications in this Section. This Section applies to all cases where a certification is required to receive a credit, whether or not specifically named in this Section, unless otherwise provided by this Code.

(g) **Late Agricultural Certifications During an Interim Agricultural Water Program Reduction Period.** Certifications for Interim Agricultural Water Program use during a reduction period will be considered late if not received within three months of the month being certified. The Member Agency will be assessed a \$10,000 penalty for each month that a certification, or multiple certifications for the same month, are turned in after the three-month deadline.

(gh) **Ratio of Water Use for Full Service and Interim Agricultural Water Program Service.** In the event water is delivered by the District into facilities into which water from other sources also is delivered, and the combined waters are used for Interim Agricultural Water Program Service and for full service, then the quantity of water for which the member public agency shall, upon filing the required certifications of usage, be charged at the rates charged for water sold and delivered in Interim Agricultural Water Program Service during any month shall be a ratio equal to (1) the total District Full Service supply to the participating agency's system divided by (2) the total quantity of combined waters supplied for all purposes during such month. This ratio shall be applied to total agricultural use which is intended for participation in the Interim Agricultural Water Program. This ratio will also be applied to system gains, losses and differences because of timing of meter readings attributable to Interim Agricultural Water Program use and in accordance with Section 4501 (c) of this Code.

(hi) Provisions Regarding the Sale, Delivery, and Use of Interim Agricultural Water Program Water. In order for any member public agency to be charged at the rate charged for water sold and delivered in Interim Agricultural Water Program Service, such member public agency shall be subject to and shall observe the following provisions regarding the sale, delivery, and use of such water:

(1) All water sold for use for Interim Agricultural Water Program Service shall be metered, either at the District's meter where all downstream water deliveries are exclusively for Interim Agricultural Water Program purposes, or at the point where the downstream section of an agency's distribution system is used exclusively to deliver water for Interim Agricultural Program Water service, or at the point of delivery to the Interim Agricultural Program Water user.

(2) When the water delivered to a final user through a single meter is used for Interim Agricultural Water Program Service and incidental domestic uses related to residency, such final user shall be charged for, and the Interim Agricultural Water Program certification submitted to the District shall reflect, at least .06 acre-feet of water per month per single family dwelling as water sold and delivered in full service, and the balance as water used for Interim Agricultural Water Program Service. If a higher constant than .06 acre-feet is used under the retail rate structure, the certification shall reflect that higher constant.

(3) All certifications as to the Interim Agricultural Water Program use of District supplied water must be on forms provided by the District and be accompanied by data and calculations reflecting the method used in determining the quantities certified.

In the absence of the submission of certificates reciting the facts concerning the usage of water for Interim Agricultural Water Program Service, and stating that such usage was in conformity with the provisions described herein, it shall be conclusively presumed that the water was used for full service, and the District's billing shall be on this basis as provided for in Section 4507 (f) and (g).

(ij) Determination by General Manager as to Type of Delivery. In the event the respective quantities of water sold and delivered in any month on order of any member public agency for use therein in Interim Agricultural Water Program Service, Emergency Storage Program Service, or Replenishment Service are not determinable to the satisfaction of the General Manager in time for preparing regular monthly bills therefor, then billing and payment for all water sold and delivered in such month to such member public agency shall be made at the rates prescribed for water used in full service in Section 4401(a)(1) hereof. Upon the determination by the General Manager of the correct quantities of water sold and delivered and used in Interim Agricultural Water Program Service, Emergency Storage Program Service, or Replenishment Service, any adjustment which is necessary to give effect to the reduced rates applicable to water used in Interim Agricultural Water Program Service, Emergency Storage Program Service, or Replenishment Service shall be made by application of credits on subsequent purchases of water from the District by such member public agency. Such adjustments shall not be made in cases where a claim for the reduced rates is not submitted within the period provided in Section 4507(f) and (g).

(jk) Obligation to Pay for Appropriate Class of Service. If water has been sold and delivered at the rates prescribed for water sold in Interim Agricultural Water Program Service, Emergency Storage Program Service, Replenishment Service, or other water program or contract and appropriate certifications have been submitted for the water so used, but the water has in fact been used in full service or another class of service, the member public agency shall be obligated to pay the difference

between the rates prescribed for water sold for Interim Agricultural Water Service, Emergency Storage Program Service, Replenishment Service, or other water program or contract and the rates prescribed for the class of service actually used.

(k) **Submission of Documentation by Member Agency.** With respect to water sold and delivered at the rates prescribed for water sold in Interim Agricultural Water Program Service, or other water programs (unless otherwise specified in an agreement with the District or excluding Replenishment Service which shall follow the provisions outlined in its Handbook) original documentation supporting the use of such water as certified must be submitted no later than December 31 following the end of the fiscal year in which a certification is submitted. If the documentation is not submitted by December 31 following the end of the fiscal year in which a certification is submitted, an agency will receive a late penalty of \$2,500. If the agency does not submit documentation by February 28/29 following the end of the fiscal year in which a certification is submitted, it shall be conclusively presumed that:

(1) The water sold from the District was used for full service, and the District's next monthly billing shall reflect such adjustment; or

(2) The yield was not produced as certified and the District's next monthly billing shall reflect such adjustment.

This provision will apply individually to each program or agreement that an agency or sub-agency participates in separately.

(lm) **Review Process.** With respect to water sold and delivered at the rates prescribed for water sold in Interim Agricultural Water Program Service, or other water programs (excluding Replenishment Service which shall follow the provisions outlined in its Handbook) the District will complete its review within twelve months from date of receipt of the original supporting documentation.

(1) Should the District not complete its review within twelve months of the submittal of all source documentation, the review will be considered complete and the certifications final.

(2) When the review is completed, the District will notify the member agency of its initial findings for its comments. The member agency will provide its comments within 60 days. Metropolitan staff and the agency will work together to reconcile any differences.

(3) If the member agency and Metropolitan staff cannot reconcile the differences, Metropolitan's Water System Operations' Group Manager has the responsibility to consult with the member agency and make a final ruling, subject to the General Manager's oversight. If the ruling is unsatisfactory to the agency, it can be appealed to Metropolitan's Business and Finance Committee.

(4) If the member agency does not provide further documentation correcting Metropolitan staff findings within the 60 day comment period as specified in (m) (2), then it shall be conclusively presumed that the District's findings are correct and the District's next monthly billing shall reflect such adjustment.

(mn) **Discovery of Mistakes or Errors.** In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake

or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.

(1) A District water sales record shall include a water billing invoice, or district invoice for other water-related charges.

(2) If the District finds the mistake or error, the discovery of the mistake or error shall be documented in writing to the member agency. The date of discovery for corrective action purposes shall be the date notice is sent to the member agency.

(3) If the member agency discovers the mistake or error, the discovery of the mistake or error shall be documented in writing to the District by either a revised certification form or letter, whichever is applicable. The date of discovery for corrective action purposes shall be the date the certification or letter is received by the District.

(4) If an incorrect invoice has been issued to a member public agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

(5) Mistakes or errors shall also include but are not limited to mistakes or errors in metering or recording deliveries to member agencies, entry or calculation errors in fixed charges, discovery of errors in either a member agency or sub-agency submitted certification(s), or processing of a certification(s) for the Local Projects Program, the Local Resources Program, the Groundwater Recovery Program, Conservation Credit Program, Interim Agricultural Water Program, Replenishment Service Program, or any other water management program or storage programs or agreements unless specified otherwise in the contract.

(6) Any mistakes or error for a fiscal year period that is less than five acre-feet cumulative by agency or sub-agency, by program or agreement, shall be waived.

(#Q) Rate Change. In the event that deliveries of water are made by the District to member public agencies over a billing period during which the District's water rates change, the General Manager may cause the meters recording deliveries of water during such period to be read at the end of the period and the statement of charges for such deliveries of water may be based on a proration between the previous and new water rates for the periods of time during which each were in effect as determined by the General Manager.

(ep) Supply Rates. Deliveries to a member public agency shall be charged at the Tier 2 Supply Rate when the cumulative total of full service deliveries to the member public agency for the year exceeds 60 percent of the member agency's Base Firm Demand. A member public agency that executed a Purchase Order shall be charged at the Tier 2 Supply Rate when the cumulative total of full service deliveries to the member public agency for the year exceeds 90 percent of the member public agency's Base firm Demand.

Chapter 9

INTERIM AGRICULTURAL WATER PROGRAM SERVICE REGULATIONS

Sec.

- 4900. Interim Agricultural Water Program Term
- 4901. Maximum Amount of Annual Water Deliveries
- 4902. Member Public Agency Certifications
- 4903. Program Reviews
- 4904. Member Public Agency Plan to Meet Mandatory ~~Cuts-Reductions~~ to Interim Agricultural Water Program
- 4905. Interim Agricultural Water Program Reductions During a Shortage
- 4906. Agencies to Pass Through Entire Interim Agricultural Water Program Discount
- 4907. Penalty Fee for Non-Compliance During an Interim Agricultural Water Program Reduction Period.**

§ 4900. Interim Agricultural Water Program Term.

The Interim Agricultural Water Program (Program) is an interim program for service of water for agricultural purposes as described in Section 4106 and shall be governed by the Metropolitan Water District Act, this Chapter 9 and other applicable provisions of this Division IV.

§ 4901. Maximum Amount of Annual Water Deliveries.

The maximum amount of water delivered annually under the Program available to each member public ~~aAgency under the Program~~ is as follows:

Member Public Agency	Maximum Annual Amount of Interim Agricultural Water Program Discount Water Member Public Agency May Purchase (acre-feet)
Anaheim	115
Calleguas MWD	7,164
Inland Empire Utilities Agency	122
Eastern MWD	6,761
Fullerton	60
Las Virgenes MWD	207
MWD of Orange County	7,657
San Diego CWA	100,459
Three Valleys MWD	106
Torrance	22
West Basin MWD	170
Western MWD	<u>32,347</u>
Total	155,190

§ 4902. Member Public Agency Certifications.

Member Public Agencies shall provide monthly Interim Agricultural Water Program certifications in conformance with Section 4507.

§ 4903. Program Reviews.

The Program will be reviewed by Metropolitan at the end of each fiscal year in accordance with Section 4507. Member public agencies shall provide to Metropolitan the following monthly information: (1) total water use, (2) Metropolitan deliveries, (3) local water use, (4) Metropolitan deliveries to agriculture for Interim Agricultural Water Program purposes, and (5) local deliveries to agriculture for Interim Agricultural Water Program purposes and any other information the General Manger deems necessary to complete the review. Reviews may be provided sooner or more frequently if requested by the member public agency or Metropolitan.

§ 4904. Member Public Agency Plan to Meet Mandatory ~~Cuts~~ Reductions to Interim Agricultural Water Program.

~~On or before November 30, 1994, E~~each member public agency ~~which plans to~~participatinge in the Interim Agricultural Water Program shall submit a written Reduction plan-Plan to Metropolitan showing how it will meet the mandatory ~~cuts-reductions~~ to Interim Agricultural Water Program water during a shortagereduction period. The Reduction Pplan shall describe the member public agency's drought management strategy and how ~~it-it planss~~ to ~~either cut-reducebaek~~ Interim Agricultural Water Program water use and/or use local resources to supply agricultureagricultural demands. -being supplied by Interim Agricultural Water Program water during a shortage. The Reduction Plans shall be updated on an annual basis and shall be submitted to Metropolitan by the end of each fiscal year.

§ 4905. Interim Agricultural Water Program Reductions During a Shortage.

Should a supply shortage occur, the General Manager may exercise discretion to reduce Interim Agricultural Water Program deliveries up to 30 percent prior to imposing any mandatory allocation under the Water Surplus and Drought Management Plan.

As soon as practical after the General Manager makes a determination to reduce or interrupt delivery of water for Interim Agricultural Water Program ~~-service~~, the General Manager shall give written notice of such determination to affected member public agencies.

§ 4906. Agencies to Pass Through Entire Interim Agricultural Water Program Discount

The member public agency shall pass the entire Interim Agricultural Water Program discount through to its sub-agencies, and shall use its best efforts to assure that its subagencies pass the entire discount through to the Interim Agricultural Water Program users.

§ 4907. Penalty for Non-Compliance During an Interim Agricultural Water Program Reduction Period.

During a period when the District has called for a reduction of Interim Agricultural Water Program water use, a member public agency will be billed a penalty fee for Interim Agricultural Water

Program deliveries exceeding reduction requirements. The penalty fee for each acre-foot of Interim Agricultural Water Program deliveries exceeding reduction requirements established pursuant to Section 4905 shall be equivalent to the difference between twice Metropolitan's bundled Tier 2 water rate and the applicable Interim Agricultural Water Program rate. The penalty fee for Interim Agricultural Water Program deliveries exceeding reduction requirements established pursuant to any allocation plan adopted by the Board shall be as provided in the allocation plan.