

**WEST BASIN MUNICIPAL WATER DISTRICT****MARCH 26, 2001**Prepared by: Fernando Paludi  
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Approved by: Darryl G. Miller

## ACTION CALENDAR

PUBLIC HEARING FOR FISCAL YEAR 2001-02 RATES AND CHARGESSUMMARY:

In a February 2001 memorandum to your Board (Subject: Proposed Schedule to Adopt Fiscal Year 2001-02 Water Rates), staff outlined a schedule for completing the process to adopt the District's water rates in April 2001. The schedule calls for a workshop with the District's purveyors to discuss proposed rates and charges, and a public hearing. These meetings have been scheduled as follows:

- The purveyors' workshop will be held on March 19, 2001 from 1:00 p.m. to 2:00 p.m. in the District's Boardroom.
- The public hearing will be held during the Board meeting on March 26, 2001.

**Proposed Rates and Charges**

Attached for your information is a table reflecting the proposed water rates and charges for the fiscal year 2001-02. The shaded areas represent those rates or charges where staff anticipates there may be changes. Current rate issues and proposed rates and charges are summarized as follows:

1. Recycled Water Rates: The District recovers the cost of operating and maintaining the recycled water system through a commodity rate structure. Despite the recent upward trend in energy prices, no change in recycled water rates is being proposed.
2. No Change to WBMWD's Administrative Surcharge and Meter Charge: No change in either the Administrative Surcharge or Meter Charge is being proposed.
3. MWD Seasonal Storage Shift Water Rate: MWD will continue to transition its seasonal storage shift rate for the next year. The shift rate will increase by \$11/AF effective January 1, 2002, and will be passed through by WBMWD.
4. No Change in MWD RTS Surcharge: For the last five years, MWD has assessed an annual RTS charge to all of its member agencies. The breakdown of this obligation is based on a three-year average of fiscal years 1993-94 through 1995-96. MWD is not increasing its RTS charge next fiscal year so the RTS surcharge will remain the same.

5. WBMWD Water Recycling Parcel Charge: In 1991, the WBMWD implemented a recycling water parcel charge that has been used to finance the WBMWD's water recycling project. WBMWD has developed a long-term model to analyze various options to develop long-term strategies and options to reduce or eliminate the WBMWD's recycled water parcel charge earlier than the current life of the outstanding debt. The model reflects various assumptions relative to WBMWD's and MWD's projected water rates, charges, and increases. WBMWD has developed strategies that could enable the District to establish an early debt retirement reserve that would allow the District to reduce or eliminate the recycled water parcel charge. This reserve would be funded only after the District has determined that all other reserve levels are adequate.

FISCAL IMPACTS:

The recommended water rates and charges will be incorporated into the proposed fiscal year 2001-02 budget.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

The Finance Committee reviewed this item on March 8, 2001 and agendized to the March 26, 2001 Board meeting for a public hearing to receive comment.

RECOMMENDED MOTION:

That your Board conducts a Public Hearing on March 26, 2001 to receive comments on West Basin Municipal Water District's fiscal year 2001-02 proposed water rates and charges.

LIST OF EXHIBITS:

Exhibit "A" – Fiscal Year 2001-02 Rates and Charges, West Basin Municipal Water District