

**MARCH 7, 2005 - Finance**

Fernandez, Dear

**MARCH 21, 2005 - Board Meeting**

Prepared by: Mary-Ann Rexroad

Submitted by: Margaret Moggia

Approved by: Art Aguilar/Richard Nagel

ACTION CALENDAR

RESOLUTION NO. 3-05-817  
STANDBY CHARGE FOR FISCAL YEAR 2005-06

SUMMARY:

Each year West Basin reviews its financial obligations and sources of revenue as part of the budget process. Included within the budget is a parcel charge that requires the Board to conduct a public hearing.

**West Basin’s Recycled Water Parcel Charge**

In the early 1990’s, West Basin initiated efforts in drought-proofing the District’s region by constructing a recycled water facility and distribution pipelines to provide recycled water to various industrial and irrigation customers. In recognition of the regional drought-proofing benefits of the Recycled Water Program, West Basin implemented a recycled water parcel charge that has been used to develop West Basin’s Recycled Water Program and is used to help offset the outstanding debt service obligations. The charge currently generates approximately \$ 9.6 million. Staff prepared legal notices published in adjudicated newspapers with notification of the public hearing. No comments have been received as of March 1, 2005.

The Standby Charge has been maintained at the same amount since fiscal year 1992-93. The proposed recycled water parcel charge rates are as follows:

\$24/parcel	Single Family Detached Residential
\$16/dwelling unit	Multi-unit Residential
\$120/acre or parcel	Commercial/Industrial Property

At the December 20, 2004 Board meeting, the “Resolution of Intent” initiating the procedures to continue the Standby Charge required by Government Code Section 54984 was adopted by the Board. Also, staff submitted to the Board for approval the draft Engineer’s Report describing the District’s Capital Improvement Program, which states how the Standby Charge is budgeted, and the Negative Declaration that addresses the environmental consequences of implementing the Standby Charge under the California Environmental Quality Act (CEQA).

**Public Hearing**

As required by the Uniform Standby Procedures Act a public hearing regarding the proposed Standby Charges for fiscal year 2005-06 will be held prior to the adoption of the Standby Charge resolution.

The fiscal year 2005-06 water Standby Charge Program information was made available to the public, distributed to the Board, and is included in the water Standby Charge public hearing file.

FISCAL IMPACTS:

West Basin's Standby Charge currently generates approximately \$ 9.6 million and is used for the District's Recycled Water Program revenue bond debt service obligations.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on March 7, 2005 and was recommended for approval at the March 21, 2005 Board meeting.

RECOMMENDED MOTION:

That the Board approves, adopts, and authorizes the President to sign Resolution No. 3-05-817, "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST BASIN MUNICIPAL WATER DISTRICT IMPOSING STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2005," shown as Exhibit "A".

LIST OF EXHIBITS:

Exhibit "A" – Resolution 3-05-817

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