



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 14

JUNE 10, 2009 – Finance

Smith (Chair), Dear

JUNE 22, 2009 – Board Meeting

Prepared by: Mary-Ann Rexroad

Submitted by: Margaret Moggia

Approved by: Rich Nagel

ACTION CALENDAR

PROPOSED FISCAL YEAR 2009-10 WATER RATES AND CHARGES RESOLUTION NO. 06-09-905

SUMMARY:

In setting the recommended rates and charges, staff considers all of West Basin Municipal Water District's (West Basin) program expenses, debt service, cost to deliver water and projected revenues, as well as its target overall debt ratio coverage. The recommended increase in West Basin's rates fall in line with the budget revenue requirements.

The relevant components of West Basin recommended water rates and charges for Fiscal Year (FY) 2009-10 can be summarized as follows:

- An increase in West Basin's Water Service Charge, increasing from \$23/cfs to \$28/cfs effective July 1, 2009;
- An increase in West Basin's Capacity Charge, increasing from \$6,000/cfs to \$6,350/cfs effective January 1, 2010;
- An increase in West Basin's Readiness-to-Serve Charge, from \$69/AF to \$94/AF effective September 1, 2009;
- An increase in West Basin's Water Reliability Charge, from \$41/AF to \$51/AF effective July 1, 2009;
- Direct pass-through of \$122/AF increase in the Metropolitan Water District's (MWD) treated commodity rate for direct and indirect potable use effective September 1, 2009;
- An increase in West Basin's Desalted Water rate, from \$608/AF to \$721/AF effective September 1, 2009 and an additional increase to \$724/AF effective January 1, 2010;
- An increase in recycled water rates ranging from \$159/AF to \$241/AF.

All proposed rates and charges for FY 2009-10 are included in Exhibit "B".

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 8, Finance – Manage finances to optimize the public's investment return and minimize risk.

COMMITMENT STATEMENT:

Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

Approving the recommended rates and charges, including the increase in recycled water rates, will result in sufficient revenues to cover the proposed Fiscal Year 2009-10 Budget expenses, as well as meet the West Basin's target overall debt ratio coverage.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on June 10, 2009 and recommended for approval at the June 22, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board approves, adopts, and authorizes the President to sign "Resolution No. 06-09-905" A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT RELATING TO WATER RATES AND REPEALING RESOLUTION NO. 08-08-875," included as Exhibit "A" and that reflects the following rates and charges for Fiscal Year 2009-10 on the attached Exhibit "B".

LIST OF EXHIBITS:

Exhibit "A" – Resolution No. 06-09-905

Exhibit "B" – Proposed Fiscal Year 2009-10 Water Rates and Charges