



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

AGENDA NO. 17

MAY 20, 2010 – Finance

Smith (Chair), Dear

JUNE 1, 2010 – Board Meeting

Prepared by: Mary-Ann Rexroad

Submitted by: Margaret Moggia

Approved by: Rich Nagel

ACTION CALENDAR

WATER STANDBY CHARGE FOR FISCAL YEAR 2010-11 PUBLIC HEARING AND ADOPTION

SUMMARY:

Each year West Basin Municipal Water District (West Basin) reviews its financial obligations and sources of revenue as part of the annual budget process. Included in the budget is a Standby Charge that requires the Board to conduct a public hearing. The Standby Charge is as follows:

West Basin's Recycled Water Parcel Charge

In the early 1990's, the West Basin initiated their efforts in drought-proofing its region by constructing a water recycling facility and distribution pipelines to provide recycled water to various industrial and irrigation customers. In recognition of the regional drought-proofing benefits of the water recycling program, West Basin implemented recycled water Standby Charge that has been used to finance West Basin's water recycling program.

The water Standby Charge has been maintained at the same amount since Fiscal Year (FY) 1992-93. The proposed recycled water Standby Charge rates for FY 2010-11 will generate approximately \$9.6-\$9.7 million and are as follows:

\$24/parcel

\$16/dwelling unit

\$120/acre or parcel

Single Family Detached Residential

Multi-unit Residential

Commercial / Industrial Property

At the January 25, 2010 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. Staff also submitted to the Board for approval the draft engineer's report describing West Basin's capital improvement program, which the Standby Charge revenues are used to finance, and the negative declaration, which 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 FY 2010-11 must be held prior to the adoption of the Standby Charge resolution. Staff published legal notices in the newspapers with notification of the public hearing.

Written comments were due by the close of business on May 28, 2010. To date, no comments have been received.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 4: Sound Financial & Resources Management – West Basin is committed to efficient business operations, financial planning and asset management.

FISCAL IMPACTS:

The West Basin Standby Charge currently generates approximately \$ 9.6-\$9.7 million.

ENVIRONMENTAL COMPLIANCE:

A negative declaration was prepared to address the environmental consequences of implementing the Standby Charge.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on May 20, 2010 and recommended for approval at the June 1, 2010 Board meeting.

RECOMMENDED MOTION:

1. That the Board conducts a Public Hearing to receive comments and consideration of adopting the proposed Standby Charge.
2. That the Board of Directors approves, adopts, and authorizes the President to sign Resolution No. 6-10-921 "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST BASIN MUNICIPAL WATER DISTRICT IMPOSING STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2010 AND REPEALING RESOLUTION NO. 6-09-903," shown on Exhibit "A".

LIST OF EXHIBITS:

Exhibit "A" – Resolution 6-10-921

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