



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

AGENDA NO. 28

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

RESOLUTION NO. 6-10-922

PROPOSED FISCAL YEAR 2010-11 WATER RATES AND CHARGES

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.

All proposed rates and charges for Fiscal Year (FY) 2010-11, as shown in Exhibit "B", can be summarized as follows:

- An increase in West Basin's Water Service Charge, increasing from \$28/cfs to \$34/cfs effective July 1, 2010;
- No increase in West Basin's Capacity Charge, remaining at \$6,350/cfs;
- An increase in West Basin's Readiness-to-Serve Charge, from \$94/AF to \$125/AF effective January 1, 2011;
- An increase in West Basin's Water Reliability Charge, from \$51/AF to \$65/AF effective July 1, 2010;
- Direct pass-through of \$43/AF increase in the Metropolitan Water District's (MWD) Tier 1 treated commodity rate for direct and indirect potable use effective January 1, 2011;
- An increase in West Basin's Desalted Water rate, from \$724/AF to \$798/AF effective January 1, 2011; and
- Recycled water rates will increase per customer agreement or will increase inline with the West Basin non-interruptible Tier 1 effective rate.

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:

Approval of the recommended rates and charges will result in sufficient revenues to cover the proposed FY 2010-11 Budget expenses as well as meet West Basin's target overall debt coverage ratio.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

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:

That the Board approves, adopts, and authorizes the President to sign "Resolution No. 6-10-922" A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL WATER DISTRICT RELATING TO WATER RATES AND REPEALING RESOLUTION NO. 06-09-905".

LIST OF EXHIBITS:

Exhibit "A" – Resolution No. 6-10-922

Exhibit "B" – Proposed Fiscal Year 2010-11 Water Rates and Charges