



Set Public Hearing for Water Rates and Charges for CYs 2023 and 2024 and Applicability of MWD Act §124.5 on Ad Valorem Property Tax for FYs 2022/23 through 2025/26

Finance and Insurance Committee
Item 7-1
February 7, 2022

Background

- Proposed rates and charges
- Administrative Code Section 4304, paragraph (c)
 - Subsequent to presentations on rates and charges at February Committee meeting, Finance and Insurance (F&I) Committee to hold public hearing before its April meeting
 - F&I Committee shall direct General Manager to publish notice of public hearing in newspapers not less than 10 days prior to the hearing

Background (continued)

- Ad Valorem Property Tax Limit
- Metropolitan Water District Act Section 124.5
 - Limits in Section 124.5 do not apply, if the Board determines a tax in excess is “essential to fiscal integrity”
 - Board must hold a hearing and must file written notice of the hearing with the Speaker of the Assembly and the President Pro Tempore of the Senate at least 10 days in advance

Process

February 7, 2022	F&I Committee, Workshop #1
By February 25, 2022	Notice to Legislature regarding public hearing regarding review of Section 124.5 applicability; notice to member agencies proposed budget, rates, and charges
February 22, 2022	F&I Committee, Workshop #2
March 7, 2022	F&I Committee, Workshop #3
March 8, 2022	Public hearing on proposed water rates and charges and applicability of the tax rate limit for fiscal years 2022/23 through 2025/26 pursuant to Section 124.5 of the MWD Act
March 22, 2022	F&I Committee, Workshop #4, if needed
April 11, 2022	F&I Committee, Recommend Biennial Budget and Calendar Year rates and charges; Workshop #5, if needed
April 12, 2022	Board <u>action</u> regarding Biennial, Calendar Year rates and charges, and applicability of Section 124.5 tax limit

Requested Action

- Set a combined meeting for both hearings
 - Board meeting on March 8, 2022
 - Proposed rates and charges are based on assumption of maintaining current tax rate, based on the inapplicability of Section 124.5 limits
 - Provides opportunity for all interested parties to submit comments on the same date pertaining to the financial matters pertinent to the budget, rates and charges necessary to meet the revenue requirements, and any limit on ad valorem property tax rates.

Board Options

- Option #1

- Set a combined public hearing on March 8, 2022, regarding:
 - (1) the proposed water rates and charges for calendar years 2023 and 2024 necessary to meet the revenue requirements for fiscal years 2022/23 and 2023/24, and
 - (2) review of the applicability of the MWD Act Section 124.5 ad valorem property tax limitation for fiscal years 2022/23 through 2025/26.

Board Options

- Option #2

- Set either separate or combined public hearings on a different date or dates, so long as the hearing on proposed rates and charges is set to be held at least 10 days prior to the Finance and Insurance Committee and the Board's regular April meeting.

Staff Recommendation

- Option #1

