



Water Standby Charge for Fiscal Year 2018/19

Finance & Insurance Committee
Item 8-1
May 7, 2018

Standby Charge Program

- Collected within service area of 22 member agencies participating in the program since FY 1993/94
 - Applied towards participants' Readiness-to-Serve (RTS) Charge obligation
- Produces annual revenue of about \$43.6 million
 - Applied towards participating agencies' RTS obligation
- Standby Charge has been collected at rates that do not exceed the rates set in FY 1993/94
 - Charge per acre or parcel if less than an acre ranges from \$5.00 to \$14.20

Board Action – RTS and Standby Charges

- April 2017: Board adopted the Readiness-to-Serve Charge for CY 2018 at \$140 million (July 2017 Correction)
 - May 2017: Board adopted resolution to continue Water Standby Charge for FY 2017/18
- April 2018: Board adopted the Readiness-to-Serve Charge for CY 2019 at \$133 million
 - May 2018: Board to consider Resolution to continue Water Standby Charge for FY 2018/19

Board Options

- Option #1 – Adopt CEQA determination, and
 - Adopt Resolution to continue collecting the Water Standby Charge for fiscal year 2018/19
- Option #2 – Do not approve continuation of the Standby Charge
 - Would require participating member agencies to pay the full RTS Charge directly to Metropolitan, rather than having a portion collected through the Standby Charge

Recommendation

- Option #1 – Adopt CEQA determination, and
 - Adopt Resolution to continue collecting the Water Standby Charge for fiscal year 2018/19

