



Finance, Affordability, Asset Management, and  
Efficiency Committee

# Adopt resolution to continue Metropolitan's Water Standby Charge for Fiscal Year 2026/27

Item 8-3

May 12, 2026

Presented by: Nancy Warfel

Item 8-3

# Water Standby Charge for Fiscal Year 2026/27

## Subject

Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2026/27

## Purpose

Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2026/27

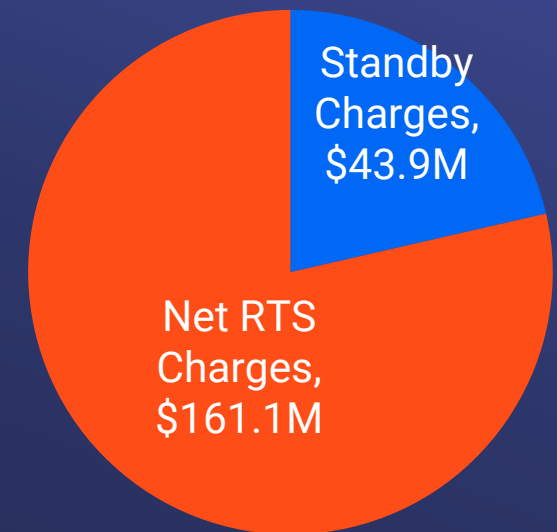
## Next Steps

None

# Standby Charge Background

- Section 134.5 of the Metropolitan Water District Act authorizes the Board to collect a service charge from member agencies or, as an alternative, to collect a service charge as a standby charge against individual parcels within the district
- Since FY 1993/94, 22 member agencies of Metropolitan have previously elected to pay all or a portion of their Readiness-to-Serve (“RTS”) Charge obligation through the continuance of the Metropolitan water standby charge (“Standby Charge”) collected from parcels within those member agencies;
  - Option to start participating is no longer available

RTS Charges for  
FY 2026/27  
(\$205.0 million)



# Standby Charge Rates

- Standby Charge, per acre of land, or per parcel of land less than an acre, may vary by member agency, and shall not exceed the amount of the fiscal year 1993/94 Standby Charge for the member agency
  - Engineer's Report specified the method of Standby Charge calculation, and the specific data used in its determination
- Charge per acre or parcel, if less than an acre, for FY 2026/27 ranges from \$0.10 to \$14.20
- Produces annual net revenue of about \$43.9 million for those 22 electing agencies' RTS Charge obligation in FY 2026/27
- Standby Charges ~ 2% of \$2.30 billion total revenues or 24% of \$205.0 million RTS revenues for FY 2026/27

# Board Actions on RTS and Standby Charges

- April 2026: Board adopted the Readiness-to-Serve Charge for CY 2027 at \$239.0 million
- May 2026: Board to consider Resolution to continue Water Standby Charge for FY 2026/27

# Board Options

**Option #1** – Adopt the resolution to continue the Standby Charge for fiscal year 2026/27

**Option #2** – Do not adopt the resolution to continue the Standby Charge for fiscal year 2026/27, which would require the participating member agencies to pay the full RTS Charge directly to Metropolitan, rather than having a portion collected through the Standby Charge

# Staff Recommendation

**Option #1** – Adopt the resolution to continue the Standby Charge for fiscal year 2026/27

