Finance & Insurance Committee

Water Standby Charge for Fiscal Year 2022/23

Item 7-1
May 9, 2022

Standby Charge Program

- Collected within service area of 22 member agencies participating in the program since FY 1993/94
- Produces annual revenue of about $44.0 million
  - Applied towards participating agencies' Readiness-to-Serve (RTS) Charge obligation
- Standby Charge has been collected at rates that do not exceed the rates set in 1993/94
  - Charge per acre or parcel if less than an acre ranges from $2.49 to $14.20

Board Action – RTS and Standby Charges

- April 2021: Board adopted the Readiness-to-Serve Charge for CY 2022 at $140 million
  - May 2021: Board adopted resolution to continue Water Standby Charge for FY 2021/22

- April 2022: Board adopted the Readiness to Serve Charge for CY 2023 at $154 million
  - May 2022: Board to consider Resolution to continue Water Standby Charge for FY 2022/23

Board Options

- Option #1 – Adopt the resolution to continue the Standby Charge for FY 2022/23
- Option #2 – Do not adopt the resolution to continue the Standby Charge for FY 2022/23, 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

Recommendation

- Option #1 – Adopt the resolution to continue the Standby Charge for FY 2022/23


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928