



Finance, Audit, Insurance, and Real Property Committee

Water Standby Charge for Fiscal Year 2023/24

Item 8-6
May 9, 2023

Standby Charge Program

- Collected from properties within area of 22 member agencies participating in program since FY 1993/94
- Applied towards participating agencies' Readiness-to-Serve (RTS) Charge obligation
- Produces annual revenue of about \$43.9 million for those agencies' RTS Charge obligation

Standby Charge Rates

- 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, for FY 2023/24 ranges from \$1.65 to \$14.20

Board Action RTS and Standby Charges

- April 2022: Board adopted the Readiness-to-Serve Charge for CY 2023 at \$154 million
 - May 2022: Board adopted resolution to continue Water Standby Charge for FY 2022/23
- April 2023: Board adopted the Readiness-to-Serve Charge for CY 2024 at \$167 million
 - May 2023: Board to consider Resolution to continue Water Standby Charge for FY 2023/24

Board Options

- Option #1 – Adopt the resolution to continue the Standby Charge for fiscal year 2023/24
- Option #2 – Do not adopt the resolution to continue the Standby Charge for fiscal year 2023/24, 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 2023/24

