

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 8, 1992

To: Board of Directors (Finance and Insurance Committee--Information)
 (Special Budget Committee--Information)

From: General Manager

Subject: **Determination of Firm Revenue Source**

Report

At yesterday's Water Problems Committee meeting, the Committee voted to approve the General Manager's recommendation in the letter dated November 30, 1992, and, in addition, to select alternative 2 as stated in that letter as the basis for allocation of the standby charge for fiscal year 1993-94, subject to the provision that the selection of the water standby charge as the source of firm revenue and its method of allocation are approved for the next fiscal year only. The revised recommendation is set forth below.

Recommendation

FINANCE AND INSURANCE AND SPECIAL BUDGET COMMITTEES FOR INFORMATION.

- 1) That the Water Problems Committee make a determination that net firm revenue exclusive of ad valorem property taxes recommended by the Finance and Insurance Committee for fiscal year 1993-94 be raised by means of a water standby charge on land within the District's service area;
- 2) That the method of allocation of the water standby charge be as stated in alternative 2 of the original letter (uniform base component plus variable component based on historical water use); and
- 3) That the water standby charge as the source of firm revenue and the allocation method recommended herein, be approved for fiscal year 1993-94 only, and that further

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consideration be given to the source of firm revenue for subsequent fiscal years at a future date.


Carl Boronkay

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