

RESOLUTION 8428

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
GIVING NOTICE OF INTENTION TO CONSIDER AND
ACT UPON RECOMMENDATION TO IMPOSE WATER
STANDBY CHARGES

WHEREAS, pursuant to a 1984 legislative grant of authority embodied in Section 134.5 of the Metropolitan Water District Act (Act), the Board of Directors (Board) of The Metropolitan Water District of Southern California (Metropolitan) may from time to time impose a water standby charge; and

WHEREAS, the provisions of the Uniform Standby Charge Procedures Act (USCPA), sections 54984-54984.9 of the Government Code, are available to any local agency authorized by law to provide water or water service, and authorized to fix, levy, or collect any standby or availability charge or assessment in connection with the provision of that service; and

WHEREAS, the amount of revenue to be raised by a water standby charge shall be as determined by the Board; and

WHEREAS, under such authority, the water standby charge may be imposed on each acre of land or each parcel of land less than an acre within Metropolitan to which water is made available for any purpose by Metropolitan whether the water is actually used or not; and

WHEREAS, the USCPA provides that if standby charges are continued at the same rate and in the same manner from a prior year in which all procedural requirements were met, the Board may determine to dispense with requirement for mailed notice; and

WHEREAS, at its meeting on December 14, 1993, the Board approved the rate structure and additional revenue sources described in the Board letter on the Financial Structure Study dated December 1, 1993, including a readiness-to-serve charge, new demand charge, connection maintenance charge and treated water peaking charge, with implementation to begin in fiscal year 1995-96.

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That the public interest and necessity requires Metropolitan to develop firm net revenue, exclusive of ad valorem property taxes, of approximately \$50 million for fiscal year 1994-1995.

Section 2. That in order to allocate a reasonable share of the costs of benefits made available by Metropolitan throughout its service area in an equitable manner, such firm revenue, exclusive of ad valorem property taxes, should be raised by a water standby charge imposed upon land within Metropolitan's service area to which water is made available by Metropolitan for any purpose, whether the water is actually used or not.

Section 3. Notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held May 10, 1994, on the General Manager's recommendation to impose a water standby charge for fiscal year 1994-1995 under the authority of the Act and the USCPA at composite rates of not more than \$15 per acre of land, or not more than \$15 per parcel of land less than an acre. The composite rates, which may vary by member public agency, shall consist in part of a uniform component of \$5 applicable throughout Metropolitan, and in part of a variable component, not exceeding \$10 in any member public agency, reflecting the allocation of historical water deliveries by Metropolitan to its 27 member public agencies. The standby charge is estimated to raise net revenue of approximately \$50 million.

Section 4. The particular charge, per acre or per parcel, applicable to land within each member public agency, the method of its calculation, and the specific data used in its determination are as specified in the Engineer's Report attached as Exhibit A to this Resolution. The Engineer's Report, which forms the basis of the standby charge, is also on file and available for review by interested parties at Metropolitan's headquarters.

Section 5. The particular charge, per acre or per parcel, applicable to land within each member agency is proposed to be continued at the same rate, and the method of its calculation and the areas proposed to be subject to the charge are the same as the water standby charge imposed by the Board for fiscal year 1993-1994. The Board therefore determines, as provided in the USCPA, that it shall dispense

with the requirement for mailed notice to owners of land proposed to be subject to the charge.

Section 6. The proposed water standby charge, if imposed, shall be collected on the tax rolls, together with the ad valorem property taxes which are levied by Metropolitan for the payment of pre-1978 voter approved indebtedness.

Section 7. The Board will meet in regular session at its meeting on April 12, 1994, to hold a public protest hearing at which interested parties may present their views regarding the proposed water standby charge and the Engineer's Report. Any member of the public may submit a written protest or other comments either at the scheduled hearing or by mail to the Executive Secretary of The Metropolitan Water District of Southern California, at Post Office Box 54153, Los Angeles, California 90054-0153. All written protests and comments presented at the hearings or received by the Executive Secretary on or before May 10, 1994, which contain a description sufficient to identify the land owned by the landowner, will be given due consideration by the Board before its final action on the proposed standby charge. The USCPA provides that if the Board receives written protests (which protests are not withdrawn at the time of determination by the Board) representing 40 percent of the parcels subject to the proposed standby charge, the matter must be tabled for at least one year. If the Board receives such protests representing 15 percent or more of the parcels subject to the proposed charge, the Board may still adopt the charge, but the charge will be ineffective until approved by a majority of the vote in a landowner election within the District.

Section 8. It is the intent of the Board that the following lands or shall be exempt from the water standby charge: (a) lands owned by the Government of the United States, the State of California, or by any political subdivision thereof or any entity of local government; (b) lands permanently committed to open space and maintained in their natural state that are not now and will not in the future be supplied water; (c) lands not included in (a) or (b) above, which the General Manager, in his discretion, finds do not now and cannot reasonably be expected to derive a benefit from the projects to which the proceeds of the water standby charge will be applied; and (d) lands within any member public agency, subagency, or city if the governing body of such public entity elects and commits to pay out of funds available for that purpose, in installments at the time and in the amounts established by Metropolitan, the entire amount of the water standby charge which would otherwise be imposed upon lands within those public entities. The General Manager may develop and implement additional criteria and guidelines for exemptions in order to effectuate the intent expressed herein.

Section 9. The General Manager shall establish and make available to interested applicants procedures for filing and consideration of applications for exemption for the water standby charge pursuant to subsections (b) and (c) of Section 8 above. All applications for such exemptions and documents supporting such claims must be received by Metropolitan in writing on or before December 31, 1994. The General Manager is further directed to review any such applications for exemption submitted in a timely manner to determine whether the lands to which they pertain are eligible for such exemption and to allow or disallow such applications based upon those guidelines. The General Manager shall also establish reasonable procedures for the filing and timing of the appeals from his determination, pursuant to Section 10 below.

Section 10. An Ad Hoc Committee of the Board shall be appointed by the Chairman of the Board for the purpose of considering, in the Committee's discretion, appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge pursuant to Section 9 above. The Ad Hoc Committee shall consider such appeals and make recommendations to the Board to affirm or reverse the General Manager's determinations. The Board shall act upon such recommendations and its decision as to such appeals shall be final.

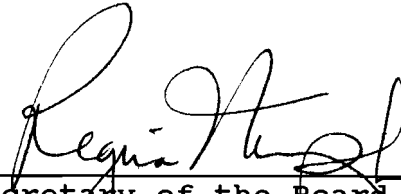
Section 11. The General Manager is hereby authorized and directed to take all necessary action to satisfy relevant statutes requiring notice by publication.

Section 12. Notice is hereby given of the intention of the Board to implement a readiness-to-serve charge, new demand charge, connection maintenance charge and treated water peaking charge commencing in fiscal year 1995-96, as provided in the Board action on December 14, 1993, and following compliance with requirements of law and the District's Administrative Code for imposition of rates and charges.

Section 13. Notice is hereby given of the intention of the Board to cease imposing its water standby charges upon implementation of the charges described in Section 12 above for fiscal year 1995-96.

Section 14. The Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member public agency.

I HEREBY CERTIFY, that the foregoing resolution was adopted by the Board of Directors of The Metropolitan Water District of Southern California on January 11, 1994.



Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California