



Water Standby Charge for Fiscal Year 2016/17

Finance & Insurance Committee

Item 8-1

May 9, 2016

Standby Charge Program

- Remained at the same rate since fiscal year 1993/94
- 22 of 26 member agencies have elected to pay a portion of the Readiness-to-Serve Charge obligation through the Standby Charge
- Produces annual revenue of about \$44 million
- No change in Standby Charge rates for fiscal year 2016/17
 - Charge per acre or parcel if less than an acre ranges from \$6.94 to \$14.20

Board Action

- April 2016: Board action fixing and adopting the Readiness-to-Serve Charge for calendar year 2017 at \$135 million
- May 2016: Adopt Resolution to continue the Water Standby Charge

Board Options

- Option #1 – Adopt CEQA determination and
 - Adopt Resolution Continuing the Water Standby Charge for fiscal year 2016/17
- Option #2 – Do not approve continuation of Water Standby Charge
 - Requires member agencies to pay the full Readiness-To-Serve Charge directly, including \$44 million that would have been collected through the Standby Charge

Recommendation

- Option #1 – Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
 - Adopt Resolution Continuing the Water Standby Charge for fiscal year 2016/17

