



# Approve Resolutions Fixing and Adopting the Readiness-to-Serve Charge and Capacity Charge for 2018

Finance & Insurance Committee  
Item 8-2  
April 10, 2017

# Background

- April 12, 2016:
  - Board adopted charges for calendar year 2017
    - Readiness-to-Serve (RTS) Charge set at \$135M
    - Capacity Charge set at \$8,000 per CFS (\$34M)
  - Board approved biennial budget for fiscal years 2016/17 and 2017/18, with revenue assumptions from charges for calendar year 2018, as follows:
    - RTS Charge set at \$140 M
    - Capacity Charge set at \$8,700 per CFS (\$37M)

# Fixed Charges Determinations

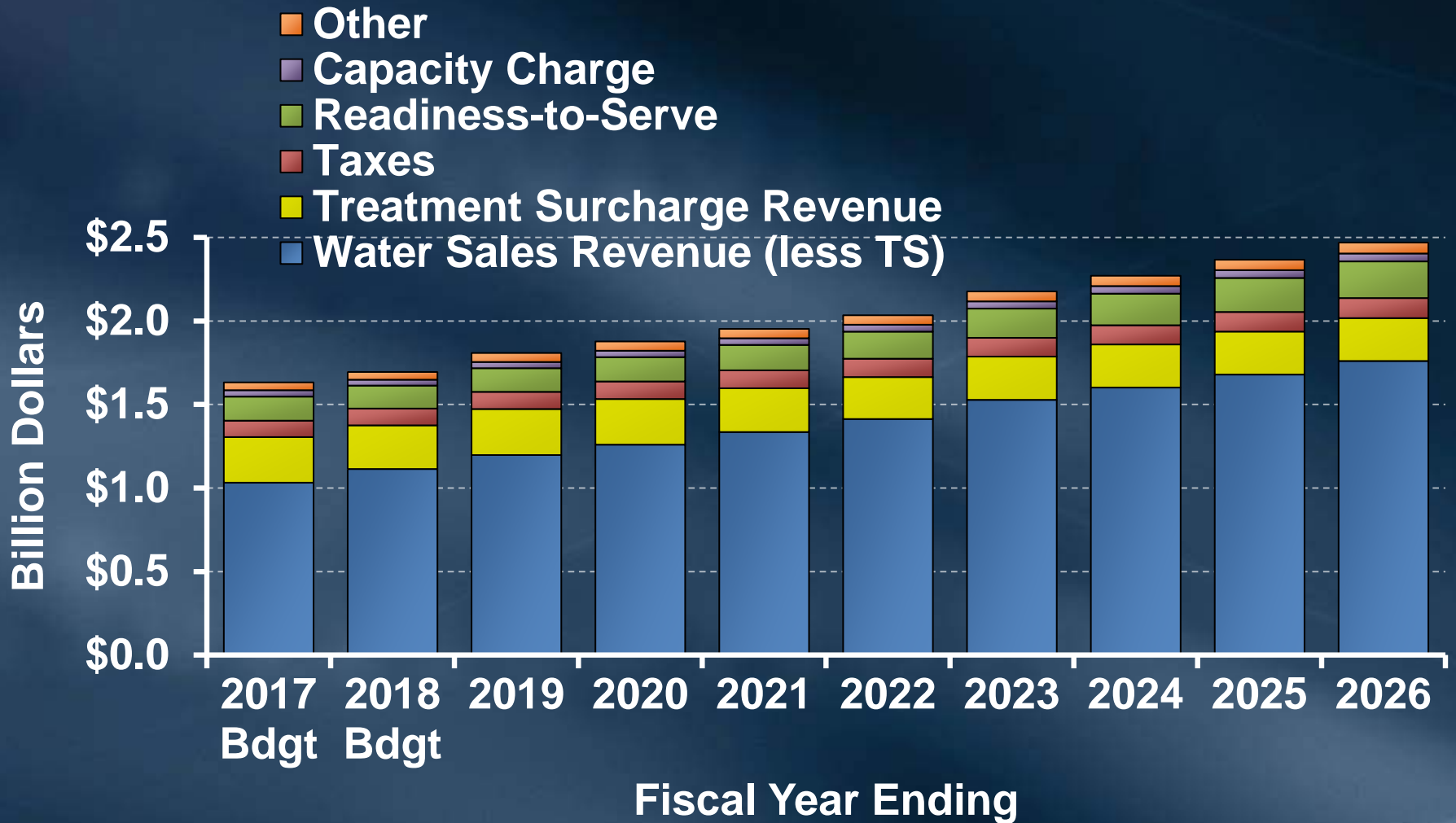
RTS Charge recovers capital costs of portion of Metropolitan's system available for emergency service and available capacity during outages and hydrologic variability

- RTS Charge for calendar year 2018 allocated to member agencies based on their ten-year rolling average firm demands for FY2006/07 to FY2015/16

Capacity Charge recovers capital costs of portion of Metropolitan's system for peaking capacity

- Capacity Charge for calendar year 2018 charged on the member agencies' peak day demand between May and September for 2014 to 2016

# Revenue Forecast



# Requested Action

- Approve the Resolutions fixing and adopting the RTS Charge and Capacity Charge for calendar year 2018 at levels previously determined by the Board

# Board Options

- Option # 1
  - Adopt CEQA determination
  - Approve resolutions fixing and adopting the RTS Charge and Capacity Charge, effective January 1, 2018
- Option # 2
  - Direct staff to revisit fiscal year 2017/18 of the biennial budget and water rates and charges for calendar year 2018

# Staff Recommendation

- Option # 1
  - Adopt CEQA determination
  - Approve resolutions fixing and adopting the RTS Charge and Capacity Charge, effective January 1, 2018

