



Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2021/22

Finance and Insurance Committee

Item 7-1

May 10, 2021

Standby Charge Program

- Collected within service area of 22 member agencies participating in the program since FY 1993/94
- Produces annual revenue of about \$43.9 million
 - Applied towards participating agencies' Readiness-to-Serve (RTS) Charge obligation
- 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 ranges from \$5.00 to \$14.20

Board Action – RTS and Standby Charges

- April 2020: Board adopted the Readiness-to-Serve Charge for CY 2021 at \$130 million
 - May 2020: Board adopted resolution to continue Water Standby Charge for FY 2020/21
- April 2021: Board adopted the Readiness-to-Serve Charge for CY 2022 at \$140 million
 - May 2021: Board to consider Resolution to continue Water Standby Charge for FY 2021/22

Board Options

- Option #1 – Adopt the resolution to continue the Standby Charge for fiscal year 2021/22.
- Option #2 – Do not adopt the resolution to continue the Standby Charge for fiscal year 2021/22, 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.

Recommendation

- Option #1 – Adopt resolution to continue the Standby Charge for fiscal year 2021/22.

