

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

RESOLUTION 9355

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
FIXING AND ADOPTING
A CAPACITY CHARGE
EFFECTIVE JANUARY 1, 2025**

The Board of Directors of The Metropolitan Water District of Southern California (the “Board”) hereby finds that:

1. The Board of The Metropolitan Water District of Southern California (“Metropolitan”), pursuant to Sections 133, 134 and 134.5 of the Metropolitan Water District Act (the “Act”), is authorized to fix such rate or rates for water as will result in revenue which, together with revenue from any water standby or availability of service charge or assessment, will pay the operating expenses of Metropolitan, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by Metropolitan, and provide for the payment of the interest and principal of its bonded debt; and
2. The amount of revenue to be raised by the Capacity Charge shall be as determined by the Board and allocation of such charges among member agencies shall be in accordance with the method established by the Board; and
3. The Capacity Charge is a charge fixed and adopted by Metropolitan and charged to its member agencies, and is not a fee or charge imposed upon real property or upon persons as an incident of property ownership; and
4. The Capacity Charge is intended to recover the debt service and other appropriately allocated costs to construct, operate and maintain projects needed to meet peak demands on Metropolitan’s distribution system, as shown in the FYs 2024/25 and 2025/26 Cost of Service Report for Proposed Water Rates and Charges (the “2024 Cost of Service Report”), as introduced in February 4, 2024, modified to meet alternative rates and charges options proposed to the Board, and finalized following the Board’s approval of the budget, rates, and charges on April 9, 2024; and
5. Pursuant to Resolution 8329, adopted by the Board on July 9, 1991, Resolution 9199, adopted by the Board on March 8, 2016, and Resolution 9201, adopted by the Board on March 8, 2016, and as each is thereafter amended and supplemented, proceeds of the Capacity Charge and other revenues from the sale or availability of water are pledged to the payment of Metropolitan’s outstanding revenue bonds, subordinate revenue bonds and short-term certificates, and to revenue bonds, subordinate revenue bonds and short-term certificates to be issued pursuant to Resolution 8329, Resolution 9199, and Resolution 9201; and

6. The Capacity Charge is charged (on a dollar per cubic-foot-per-second basis) to member public agencies (“member agencies”), based upon the amount of capacity used by such member agency that is designed to recover the cost of providing peaking capacity within the distribution system; and

7. On April 9, 2024, the Board considered the options for rates and charges presented by the General Manager and approved the biennial budget for fiscal years 2024/25 and 2025/26 and adopted water rates for calendar years 2025 and 2026 and charges for calendar year 2025, and received information and documents available at <https://www.mwdh2o.com/who-we-are/budget-finance/>; and

8. In approving the biennial budget and adopting the rates and charges on April 9, 2024, the Board determined the amount of revenue to be raised by the Capacity Charge in calendar year 2025 to be based on a Capacity Charge in such year of \$13,000 per cubic-foot-per-second, based on information and documents available at <https://www.mwdh2o.com/who-we-are/budget-finance/>; and

9. Each of the meetings of the Board were conducted in accordance with the Brown Act (commencing at Section 54950 of the Government Code), for which due notice was provided and at which quorums were present and acting throughout;

NOW, THEREFORE, the Board does hereby resolve, determine and order as follows:

Section 1. That the Board hereby fixes and adopts a Capacity Charge, as described below, to be effective January 1, 2025.

Section 2. That said Capacity Charge shall be in an amount sufficient to provide for payment of the capital financing costs not paid from appropriate *ad valorem* property taxes, as well as other appropriately allocated costs, incurred to provide peaking capacity within Metropolitan’s distribution system.

Section 3. That such Capacity Charge effective January 1, 2025 shall be a charge as specified in Section 5 (set in dollars per cubic-foot-per-second of the peak day capacity) for capacity provided to a member agency, based on the maximum summer day demand placed on the system between May 1 and September 30 for the three-calendar year period ending December 31, 2023.

Section 4. The allocation of the Capacity Charge among member agencies is based on data recorded by Metropolitan and shall be conclusive in the absence of manifest error. Corrections may be made by staff for any incorrect recording or calculation, upon verification by the member agency, in accordance with the Administrative Code.

Section 5. That the Capacity Charge shall be a fixed charge as shown in the following table and collected from each member agency monthly, quarterly or semiannually as agreed to by Metropolitan and the member agency.

Table 1. Calendar Year 2025 Capacity Charge

Table 1					
Calendar Year 2025 Capacity Charge					
	Peak Day Demand (cfs) (May 1 through September 30)				Rate (\$/cfs): \$13,000
	Calendar Year			3-Year Peak	
Member Agency	2021	2022	2023		3-Year Peak
Anaheim	77.2	74.5	64.0	77.2	\$1,003,600
Beverly Hills	24.8	23.7	20.6	24.8	\$322,400
Burbank	15.5	8.4	16.3	16.3	\$211,900
Calleguas	189.6	138.8	159.6	189.6	\$2,464,800
Central Basin	54.1	47.1	53.7	54.1	\$703,300
Compton	0.0	0.0	3.2	3.2	\$41,600
Eastern	179.6	187.3	200.8	200.8	\$2,610,400
Foothill	22.8	16.1	14.9	22.8	\$296,400
Fullerton	20.0	15.1	13.8	20.0	\$260,000
Glendale	32.5	31.8	29.0	32.5	\$422,500
Inland Empire	101.4	95.2	99.5	101.4	\$1,318,200
Las Virgenes	42.9	34.8	37.9	42.9	\$557,700
Long Beach	45.7	44.1	41.4	45.7	\$594,100
Los Angeles	579.4	633.1	452.2	633.1	\$8,230,300
MWDOC	336.3	282.0	233.6	336.3	\$4,371,900
Pasadena	48.2	38.3	33.0	48.2	\$626,600
San Diego CWA	672.5	841.9	543.9	841.9	\$10,944,700
San Fernando	0.0	5.3	5.0	5.3	\$68,900
San Marino	5.4	4.9	4.3	5.4	\$70,200
Santa Ana	18.3	18.0	6.2	18.3	\$237,900
Santa Monica	15.1	18.0	21.0	21.0	\$273,000
Three Valleys	138.3	86.6	110.4	138.3	\$1,797,900
Torrance	27.2	29.0	27.1	29.0	\$377,000
Upper San Gabriel	32.4	25.3	11.5	32.4	\$421,200
West Basin	218.2	173.7	171.7	218.2	\$2,836,600
Western MWD	179.8	177.4	180.6	180.6	\$2,347,800
Total	3,077.2	3,050.4	2,555.2	3,339.3	\$43,410,900
Totals may not foot due to rounding					

Section 6. That the Capacity Charge for each member agency, the method of its calculation, cost allocations and other data used in its determination are as specified in the adopted rates and charges to be effective January 1, 2025, which forms the basis of the Capacity Charge, and the corresponding 2024 Cost of Service Report, and the updated reports presented to the Board in April 9, 2024. The adopted rates and charges and cost of service reports are on file and available for review by interested parties at Metropolitan's headquarters.

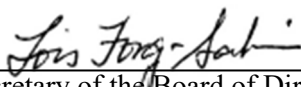
Section 7. That the Capacity Charge specified in Section 5, together with other revenues from Metropolitan's water rates, other charges, ad valorem property taxes, and other miscellaneous revenue, does not exceed the reasonable and necessary cost of providing Metropolitan's water service for which the rates and charges are made, or conferring the benefit provided, and is fairly apportioned to each member agency in proportion to the peak day capacity utilized by each member agency.

Section 8. That if any provision of this Resolution or the application to any member agency, property or person whatsoever is held invalid, that invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid portion or application, and to that end the provisions of this Resolution are severable.

Section 9. That the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation and taking all necessary action to satisfy relevant statutes requiring notice by publication.

Section 10. That the Board Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member agency.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on April 9, 2024.


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