Set Public Hearing for Water Rates and Charges for CYs 2021 and 2022 and Applicability of MWD Act §124.5 on AV Valorem Property Tax for FYs 2020/21 and 2021/22

Finance & Insurance Committee
Item 8-1
February 10, 2020
Background

Proposed Rates and Charges

Administrative Code Section 4304, paragraph (c)

Subsequent to presentations on rates and charges at February Committee meeting, Finance and Insurance Committee to hold public meeting before its April meeting

F&I Committee shall direct General Manager to publish notice of hearing in newspapers 10 days in advance of hearing
Background

- AV Property Tax Limits
- Metropolitan Water District Act Section 124.5

Limits in Section 124.5 do not apply, if the Board determines a tax in excess is “essential to fiscal integrity”

Must hold a hearing and must file written notice of the hearing with the Speaker of the Assembly and the President pro Tempore of the Senate at least 10 days in advance
# Process

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>February 10, 2020</td>
<td>Board action to set public hearing on applicability of the tax rate limit pursuant to Section 124.5 of the MWD Act</td>
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<tr>
<td>February 28, 2020</td>
<td>Notice to Legislature of public hearing</td>
</tr>
<tr>
<td>March 10, 2020</td>
<td>Public Hearing</td>
</tr>
<tr>
<td>April 14, 2020</td>
<td>Board action to adopt resolution on the applicability of the tax rate limit</td>
</tr>
<tr>
<td>August 2020</td>
<td>Board action to adopt resolution establishing the tax rate for FY 2020/21</td>
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<tr>
<td>August 2021</td>
<td>Board action to adopt resolution establishing the tax rate for FY 2021/22</td>
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</tbody>
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Requested Action

Set a combined meeting for both hearings

- Board meeting on March 10, 2020
- Proposed rates and charges are based on assumption of maintaining current tax rate, based on the inapplicability of Section 124.5 limits
Option # 1

Set a combined public hearing on March 10, 2020, regarding:
(1) the proposed water rates and charges for calendar years 2021 and 2022 necessary to meet the revenue requirements for fiscal years 2020/21 and 2021/22, and
(2) applicability of the MWD Act Section 124.5 ad valorem property tax limitation for fiscal years 2020/21 and 2021/22.
Board Options

Option # 2

Set either separate or combined public hearings on a different date or dates, so long as the hearing on proposed rates and charges is set to be held prior to the Finance and Insurance Committee and the Board’s regular April meeting.
Staff Recommendation

Option #1