

**CITY OF SIMI VALLEY
MEMORANDUM**

May 16, 2016

TO: Board of Directors, Ventura County Waterworks District No. 8

FROM: Department of Public Works

SUBJECT: A PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION
ESTABLISHING A WATER SERVICE STANDBY CHARGE FOR
FY 2016-17

STAFF RECOMMENDATION

It is recommended that the Board of Directors, at the conclusion of the public hearing, adopt the attached resolution (page 4) continuing the water service standby charge of \$15.70 per acre per year for parcels one acre or larger for FY 2016-17.

DISTRICT MANAGER'S RECOMMENDATION

The District Manager recommends approval. The \$15.70 rate per acre per year is the same rate that went into effect in Fiscal Year 1997-98.

BACKGROUND AND OVERVIEW

The water service standby charge is based upon the nexus between a water service connection's potential value and the cost to facilitate the service opportunity. The charge applies to properties where water service is available and not yet in-service, which is currently 48 properties. Staff recommends that for FY 2016-17, the standby charge remain at \$15.70 per acre per year for parcels of one acre or larger, the same rate in effect since FY 1997-98.

Since 1971, the District has had a water service standby charge collected on the County tax roll. Since 1985, a standby charge has not been assessed on any parcel smaller than one acre. Since 1996, the option to defer payments until the parcel is developed or subdivided, or a water service connection is requested, has been available.

Water service standby charges are authorized pursuant to California Water Code Section 55501.5. The law allows maintaining an unchanged charge by resolution of the agency governing body, while increasing the charge is subject to the assessment procedures under Proposition 218. The charge may be up to \$30 per acre and may be increased proportionally to the Consumer Price Index (CPI) for the past year. The applicable CPI has increased 1.7% in the past year, which equates to a potential charge increase from \$15.70 to \$15.97 per acre per year. However, this would only generate an additional \$94 in annual revenue, and a change is not recommended.

FINDINGS AND ALTERNATIVES

To continue to collect the water service standby charge for FY 2016-17 on the tax roll, the Board of Directors must adopt a resolution and submit it to the County Auditor-Controller. Exhibit A of the resolution (page 5) lists the parcels that would be assessed the standby charge. Staff recommends that the Board of Directors maintain the existing charge of \$15.70 per acre per year with a projected FY 2016-17 revenue of \$5,517.56.

The following alternatives are presented for the Board of Directors' consideration:

1. Adopt the attached resolution (page 4) continuing the water service standby charge of \$15.70 per acre per year for parcels one acre or larger for FY 2016-17;
2. Take no action, but provide other direction to staff.

Staff recommends Alternative No. 1.

SUGGESTED DISTRICT BOARD MOTION

I move to adopt the attached resolution continuing the water service standby charge of \$15.70 per acre per year for parcels one acre or larger for FY 2016-17.

SUMMARY

The District has charged water service standby charges since 1971. The charge has remained at \$15.70 per acre per year since July 1997, and it currently applies to 48 parcels. Staff recommends that the Board of Directors conduct a public hearing, and at the conclusion of the public hearing, adopt the attached resolution maintaining a water service standby charge of \$15.70 per acre per year for FY 2016-17.



Ronald K. Fuchiwaki, Director
Department of Public Works

Prepared by: Steve Benjamin, Associate Engineer

INDEX

	<u>Page</u>
Public Hearing Procedure	3
Resolution	4
Exhibit A	5

PUBLIC HEARING PROCEDURE

HEARING DATE: May 16, 2016

1. CHAIR: This is the time and place set for a public hearing on the consideration of a resolution establishing a water service standby charge for FY 2016-17.

May we have a reading of the proposed resolution?
2. CITY CLERK: (Clerk reads proposed resolution title)
3. CHAIR: May we have an oral report on this matter by staff?
4. STAFF: (Report)
5. ANY BOARD MEMBER: (Questions of staff and staff response)
6. CHAIR: Is there anyone in the Council Chamber wishing to be heard on this matter?
7. AUDIENCE: (Comments)
8. CHAIR: The hearing is closed. Are there any comments or questions from members of the Board?
9. ANY BOARD MEMBER: (Comments)
10. CHAIR: The Chair will now entertain a motion.
11. ANY BOARD MEMBER: Board Actions (by action of any Board Member):
 - 1) Adopt, modify, or not adopt Resolution No. WWD-256 establishing a water service standby charge of \$15.70 per acre per year for parcels of one acre or larger for FY 2016-17 (**requires a second and a vote; requires reading of resolution**).
 - * Any action to refer the matter back to staff or to continue the matter requires a second and a vote.
12. ANY BOARD MEMBER: Second
13. CHAIR: (Call for vote)
14. CHAIR: Proceed to next item.

RESOLUTION NO. WWD-256

A RESOLUTION OF THE BOARD OF DIRECTORS OF
VENTURA COUNTY WATERWORKS DISTRICT NO. 8
ESTABLISHING A WATER SERVICE STANDBY CHARGE
FOR FY 2016-17

WHEREAS, to provide for the expense of maintaining and operating water supply facilities that were installed but not yet used to serve water, a water service standby charge is levied; and

WHEREAS, the California Water Code Section 55501.5 provides for establishing a water service standby charge for the express purpose of recovering payment from parcels for facilities that a water district installs to serve them before the land generates usage revenue; and

WHEREAS, assessments of water service standby charges placed on the FY 2016-17 secured tax bills are in conformance with provisions of Proposition 218.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF VENTURA COUNTY WATERWORKS DISTRICT NO. 8 DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The water service standby charge for parcels of one acre or larger shall be \$15.70 per acre per year for FY 2016-17.

SECTION 2. The standby charge shall be levied against those properties listed on Exhibit "A", attached hereto and made a part hereof, in the amount tabulated for each specific assessor's parcel for FY 2016-17.

SECTION 3. The District Secretary shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the District Secretary.

PASSED and ADOPTED this 16th day of May 2016.

Attest:

Ky Spangler, District Secretary


Robert O. Huber, Chair of Ventura
County Waterworks District No. 8

Approved as to Form:

Lonnie J. Eldridge, District Counsel

Approved as to Content:

Eric J. Levitt, District Manager



Ronald K. Fuchiwaki, Director
Department of Public Works

EXHIBIT A

NAME: VENTURA COUNTY WATERWORKS DISTRICT NO. 8
 ZONE 16: 0816A

	PARCEL NUMBER	CURRENT YEAR ASSESSMENT	DISTRICT 8 ZONE 16
SA	500-0-370-325	114.82	0816A
SA	500-0-370-575	1570.74	0816A
SA	579-0-050-205	104.60	0816A
SA	597-0-150-045	43.18	0816A
SA	579-0-150-055	73.46	0816A
SA	611-0-080-045	31.56	0816A
SA	611-0-080-145	64.08	0816A
SA	614-0-010-215	185.50	0816A
SA	614-0-010-265	197.12	0816A
SA	614-0-010-275	57.96	0816A
SA	625-0-150-370	18.52	0816A
SA	625-0-161-020	31.42	0816A
SA	630-0-112-015	43.04	0816A
SA	630-0-112-135	73.52	0816A
SA	631-0-101-080	20.88	0816A
SA	631-0-150-085	199.48	0816A
SA	631-0-150-100	22.78	0816A
SA	637-0-070-110	143.10	0816A
SA	638-0-300-050	21.82	0816A
SA	648-0-200-030	15.70	0816A
SA	648-0-210-085	483.78	0816A
SA	648-0-210-220	31.72	0816A
SA	648-0-240-120	90.46	0816A
SA	649-0-010-280	23.58	0816A
SA	649-0-010-405	106.18	0816A
SA	649-0-010-415	123.14	0816A
SA	649-0-020-020	219.90	0816A
SA	649-0-020-030	31.42	0816A

	PARCEL NUMBER	CURRENT YEAR ASSESSMENT	DISTRICT 8 ZONE 16
SA	649-0-020-040	62.82	0816A
SA	649-0-020-050	15.70	0816A
SA	649-0-020-060	15.70	0816A
SA	649-0-020-070	15.70	0816A
SA	649-0-020-090	15.70	0816A
SA	649-0-020-100	15.70	0816A
SA	649-0-020-110	15.70	0816A
SA	649-0-020-120	23.58	0816A
SA	649-0-020-130	15.70	0816A
SA	649-0-020-140	15.70	0816A
SA	649-0-020-150	15.70	0816A
SA	649-0-020-160	420.32	0816A
SA	649-0-070-540	94.52	0816A
SA	649-0-070-550	34.54	0816A
SA	649-0-320-100	31.42	0816A
SA	649-0-320-350	78.50	0816A
SA	649-0-330-050	121.74	0816A
SA	649-0-340-080	64.08	0816A
SA	650-0-260-030	201.58	0816A
SA	650-0-280-025	99.70	0816A
TOTAL		\$5,517.56	