

Item Number: {{item.number}}

City Council / Board of Directors

Public Hearing(s)

Meeting of: July 20, 2021

Submitted By:

Doug Mathews, Director of Public Works and Water

Subject:

Consideration of Resolution Nos. VWD 21-009 and VWD 21-010 - Resolutions of the Board of Directors of the Victorville Water District making its determination to Fix, Levy, and Collect Standby Charges for Fiscal Year 2021-2022.

Recommendation:

That the Honorable Victorville Water District Board of Directors:

- (1) Conduct a public hearing, receive testimony for the adoption of proposed Resolution Nos. VWD 21-009 and VWD 21-010, and close the public hearing;
- (2) Approve Resolution No. VWD 21-009 entitled, "A Resolution of the Board of Directors of the Victorville Water District making its determination to Fix, Levy, and Collect Standby Charges for Water Improvement District One for Fiscal Year 2021-2022; and
- (3) Approve Resolution No. VWD 21-010 entitled, "A Resolution of the Board of Directors of the Victorville Water District making its determination to Fix, Levy, and Collect Standby Charges for Water Improvement District Two for Fiscal Year 2021-2022.

Fiscal Impact:

The Victorville Water District ("District") will incur nominal costs, estimated under \$500, from publishing required notices, which have been budgeted for in the current fiscal year.

- 4100030-52170, Water Admin Advertising and Notices
 - o 410 = Water Fund
 - o 0030 = Administration Group
 - o 52170 = Advertising and Notices

Proposed Resolution Number VWD 21-009 authorizes the District to have all Victorville Water District Improvement District Number One ("WID1") Standby Charges for Fiscal Year 2021-2022 assessed by the County Assessor; assessments to be submitted total 5,451 parcels for \$94,370.

Proposed Resolution Number VWD 21-010 authorizes the District to have all Victorville Water District Improvement District Number 2 ("WID2") Standby Charges for Fiscal Year 2021-2022 assessed by the County Assessor; assessments to be submitted total 11,854 parcels for \$330,705.

Background:

On June 1, 2021, the Board of Directors of the District approved and adopted Resolution Nos. VWD 21-003 and VWD 21-004, Initiating Proceedings to Fix, Levy and Collect Standby Charges for WID1 and WID2 respectively, for Fiscal Year 2021-2022. In compliance with those Resolutions, the scheduled actions have been completed. Notices of the Public Hearing and availability of the written report were mailed to all affected parcel owners, and notice was further posted on the City's website and published twice in the newspaper (on July 2, 2021 and July 9, 2021).

Discussion:

Proposed Resolution Nos. VWD 21-009 and VWD 21-010 finalize the proceedings by having the District Board of Directors make the determination to fix, levy and collect the Standby Charges, following the close of the public hearing.

Standby Charges must be assessed annually, on an uninterrupted basis, in order to maintain the assessment rate. The proposed attached resolutions do not change the rate or calculation by which these charges are assessed. If Standby Charges are discontinued, they may not be reinstated in a subsequent year, except as noted in California Government Code Section 53753 and in compliance with notice, protest, and hearing procedures applicable to increased assessments under Proposition 218.

Water Improvement District Number One

Since 1975, WID1 (formerly known as the Victor Valley Water District) has assessed a Water Standby Charge. This charge, authorized by California Water Code §31031, may not exceed \$10.00 per acre per year for each acre of land, or ten dollars per year for each parcel of land less than an acre. For example: 0.2 acres = \$10.00; 5.0 acres = \$50.00; and 5.2 acres = \$60.00. By means of the proposed Resolution No. VWD 21-009, the District is fixing, levying and collecting this charge (at the same rate as last year) as to all parcels within WID1 for which water service facilities have been constructed within close proximity thereto (660 feet). Any parcel of land which is connected to and obtains water from the District's water system as well as any governmental or public agency is exempt from the assessment.

The revenues from the Water Standby Charge directly offset WID1's actual cost to maintain facilities, including water mains, which are immediately available to provide water service to those parcels.

Water Improvement District Number Two

Since 1969, WID2 (formerly known as the Baldy Mesa Water District) has assessed a Water Standby Charge. This charge, authorized by California Water Code §31032.1, may

not exceed \$30.00 per acre per year for each acre of land, or \$30.00 per year for each parcel of land less than an acre. The proposed charge remains unchanged at \$15.00 rather than the allowable maximum of \$30.00 and is prorated based on the number of acres in excess of one acre. For example: 0.2 acres = \$15.00; 5.0 acres = \$75.00; and 5.2 acres = \$78.00. By means of the proposed Resolution No. VWD 21-010, the District is fixing, levying and collecting this charge (at the same rate as last year) as to all parcels within WID2 for which water service facilities have been financed and constructed. All governmental or public agencies are exempt from the assessment.

The revenues from these charges directly offset WID2's actual cost of financing water infrastructure capital facilities within the Improvement District. These revenues are pledged to the debt service on the issuance of a Certificate of Participation (bond). Provisions of the LAFCO consolidation action requires debt incurred in one improvement district to be paid by the rate payers of that same improvement district.

Staff recommends that the Board of Directors approve Resolution Nos. VWD 21-009 and VWD 21-010, making its determination to Fix, Levy, and Collect Standby Charges for WID1 and WID2 for Fiscal Year 2021-2022.

Staff will remain available for any questions the Board of Directors might have.

Attachments: A. Resolution No. VWD 21-009

B. Resolution No. VWD 21-010

C. Water Code §31031 through 31032.9