

Recommend Approval of a Proposition 218 Notice, Ballots and a Resolution Initiating Proceedings to Adopt Water Standby Charges for Tesoro Del Valle Development, Set a Public Hearing and Other Related Matters

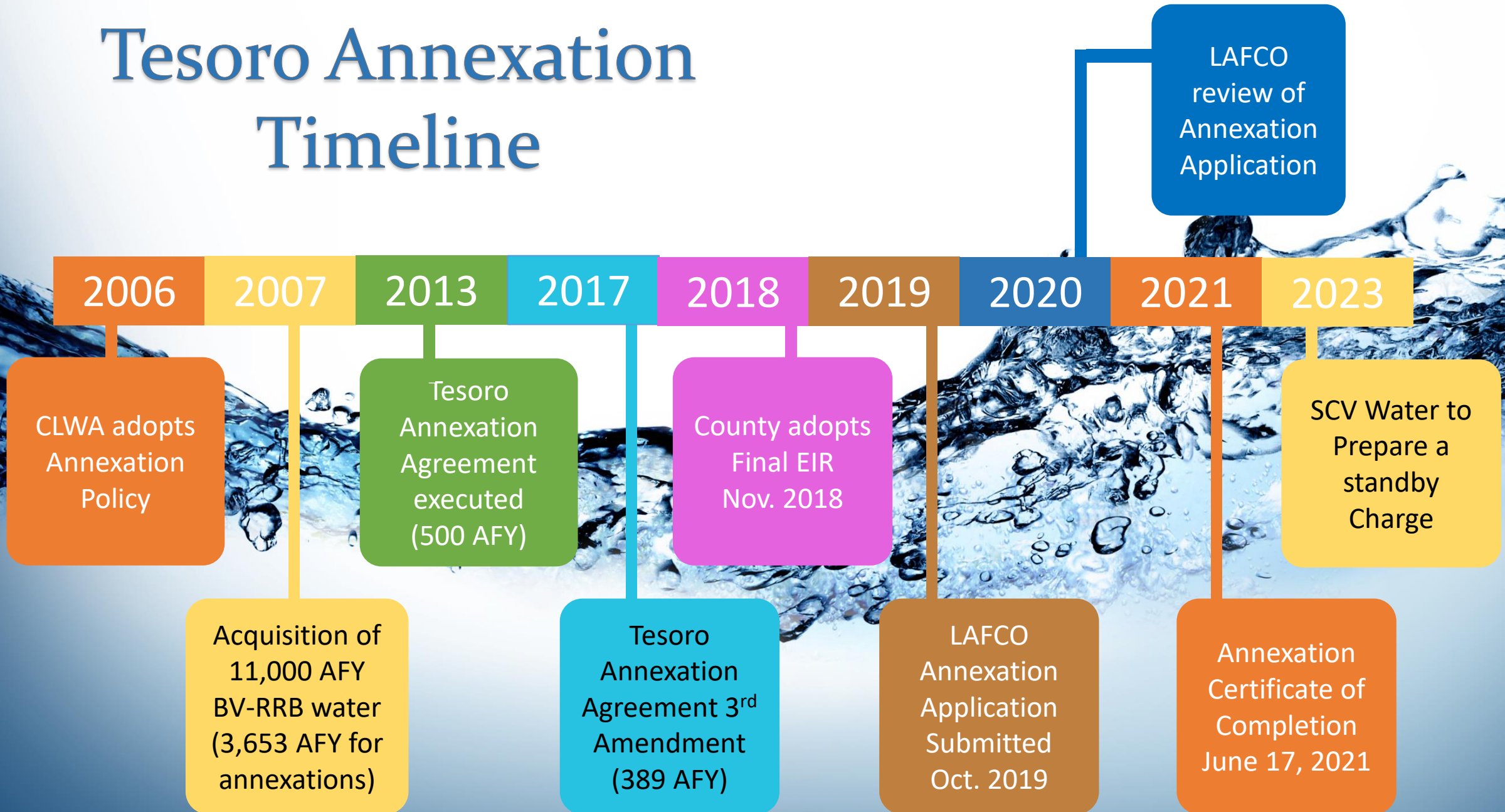
Finance and Administration Committee  
May 15, 2023  
Item 7



# Past Carrying Cost Payments

TESORO ANNEXATION CARRYING COSTS PAID										
	Carrying Cost (per AF)	Tesoro Demand (AF)	Tesoro Carrying Cost	BVRRB Water Capacity/ Availability (AF)	Kern Water Sale (AF)	Kern Water Unit Cost	Revenue Generated by Kern Water Sale	Credit for each AF of BVRRB Purchase Capacity	Total Credit to Tesoro for 2018 Water Sale	Total Carrying Cost Paid
FY 2018/19	\$857.00	389	\$333,373	11000	5000	\$375	\$1,875,000	\$170	\$66,130	\$267,243
FY 2019/20	\$882.60	389	\$343,331	11000	9900	\$250	\$2,475,000	\$225	\$87,525	\$255,806
FY 2020/21	\$888.09	389	\$345,467	11000	0	\$0	\$0	\$0	\$0	\$345,467
FY 2021/22	\$932.09	389	\$362,583	11000	0	\$0	\$0	\$0	\$0	\$362,583
FY 2022/23	\$996.72	389	\$387,724	11000	0	\$0	\$0	\$0	\$0	\$387,724

# Tesoro Annexation Timeline



# BV-RRB Costs

## PRE-ANNEXATION

## POST-ANNEXATION

## POST-DEVELOPMENT

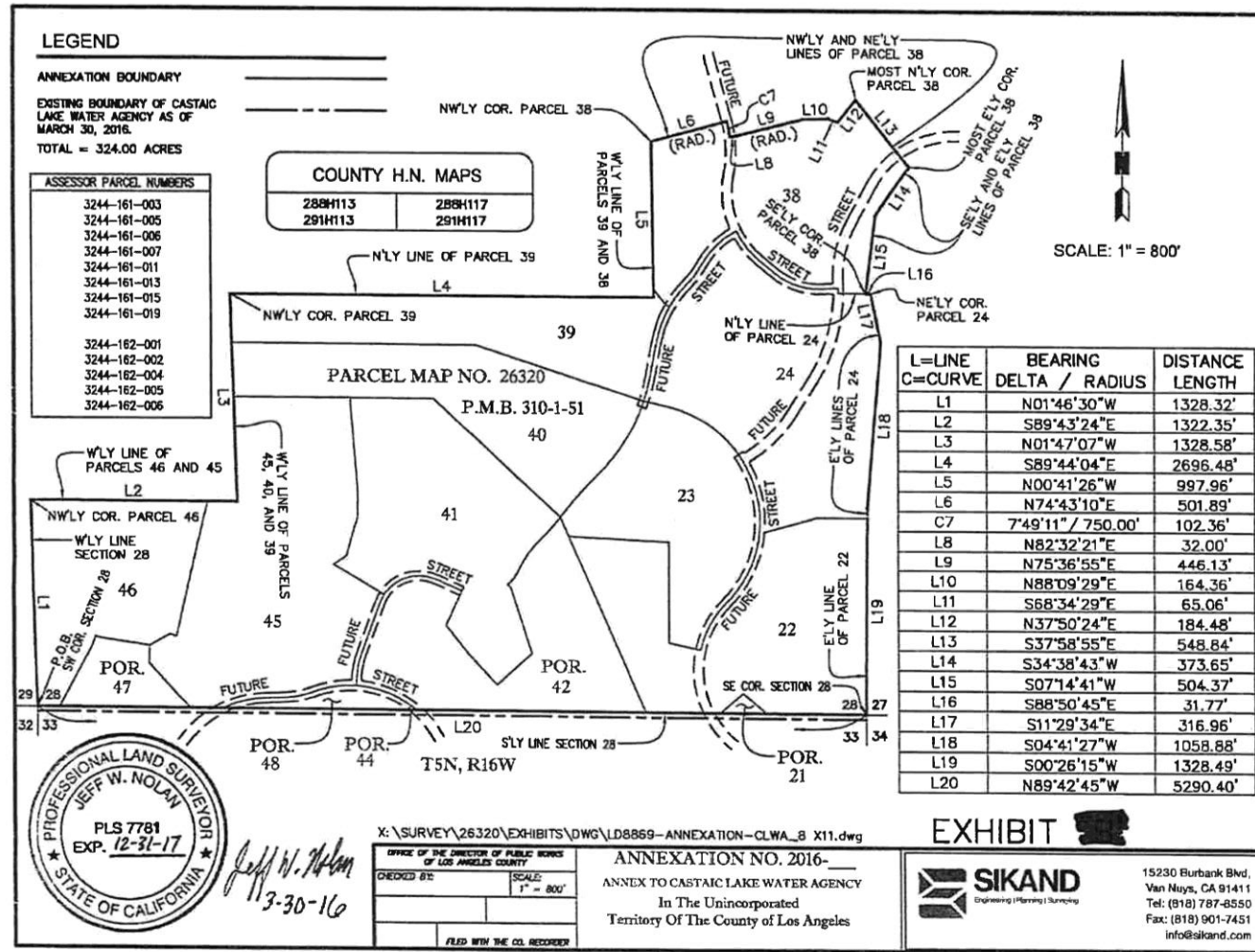
BV-RRB ACQUISITION  
& PAST CARRYING  
COSTS  
PAID UNDER DEPOSIT  
AND FUNDING  
AGREEMENT BY  
DEVELOPER

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graph LR; A[BV-RRB ACQUISITION & PAST CARRYING COSTS PAID UNDER DEPOSIT AND FUNDING AGREEMENT BY DEVELOPER] --> B[STANDBY CHARGES TO BE PAID BY DEVELOPER UNTIL INDIVIDUAL PROPERTIES ARE SOLD AND COUNTY FEES COLLECTED]; B --> C[COSTS COVERED IN NORMAL RATES AND FEES (TAXES) CHARGED TO THE NEW SCV WATER CUSTOMERS];
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STANDBY CHARGES  
TO BE PAID BY  
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# standby Charge Basis Map



Original 13 Parcels

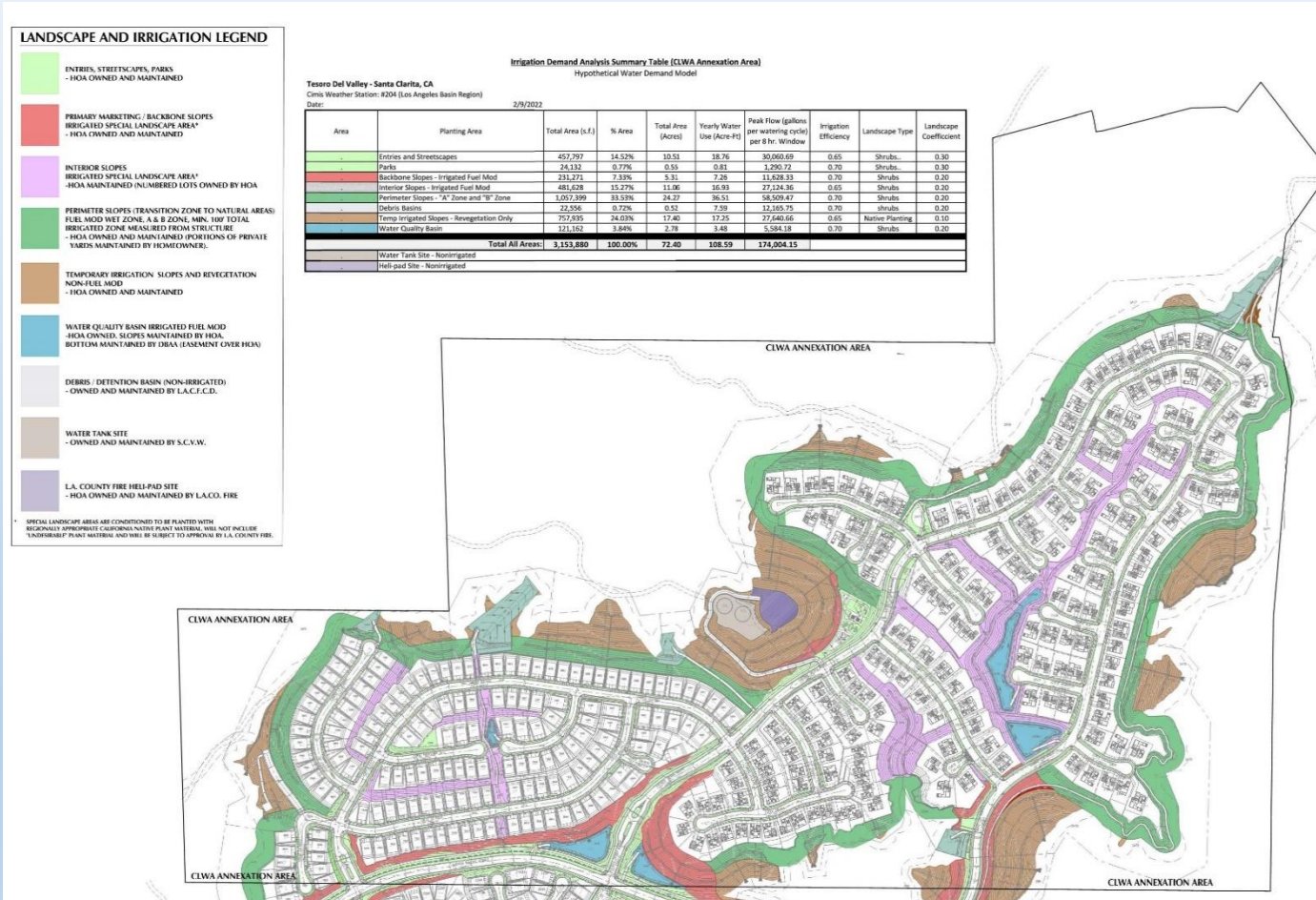
## Single Family Residential standby Charge Summary

SFR			
Parcel	Sq. Ft	\$ Cost/Sq. Ft.	Total Annual standby Charge
1	6,100	\$0.647	\$395
2	651,547	\$0.647	\$42,165
3	563,013	\$0.647	\$36,436
4	229,665	\$0.647	\$14,863
5	0	\$0.647	\$0
6	0	\$0.647	\$0
7	294,262	\$0.647	\$19,043
8	412,299	\$0.647	\$26,682
9	36,347	\$0.647	\$2,352
10	726,196	\$0.647	\$46,996
11	66,262	\$0.647	\$4,288
12	258,195	\$0.647	\$16,709
13	229,521	\$0.647	\$14,853
Total	3,473,407		\$224,782

## HOA Landscape standby Charge Summary

Landscape			
Parcel	Sq. Ft	\$ Cost/Sq. Ft	Total Annual standby Charge
1	215,192	\$0.0340	\$7,318
2	808,456	\$0.0340	\$27,492
3	273,213	\$0.0340	\$9,291
4	433,565	\$0.0340	\$14,743
5	149,032	\$0.0340	\$5,068
6	0	\$0.0340	\$0
7	708,931	\$0.0340	\$24,107
8	598,731	\$0.0340	\$20,360
9	38,854	\$0.0340	\$1,321
10	539,545	\$0.0340	\$18,347
11	108,075	\$0.0340	\$3,675
12	575,910	\$0.0340	\$19,584
13	342,161	\$0.0340	\$11,635
Total	4,791,665		\$162,942

# standby Charge Basis Map



## standby Charge Calculation Example

Major Parcel	Lot No.	Landscape Sq. Ft.	SFR Sq. Ft.	Landscape Unit Cost of Service (UCOS)	SFR Unit Cost of Service (UCOS)	standby Charge Landscape	standby Charge SFR
1	2477	174,013		\$0.0340	\$0.0647	\$5,917.35	
	2139		2,775	\$0.0340	\$0.0647		\$179.58
	2138		3,325	\$0.0340	\$0.0647		\$215.18
	2435	41,179		\$0.0340	\$0.0647	\$1,400.30	

Final Layout of 346 Homesites and 95 HOA Landscape Areas

# Proposition 218 Process for Uniform standby Charges

1. SCV Water Board of Directors adopts a Resolution to Initiate Proceedings
2. Notices sent to all owners of parcels within standby charge area
  - i. Notice explains charges and annual adjustments
  - ii. Individual ballots sent with Notice
  - iii. Owners have 45 days to return ballots
  - iv. Engineer's Report posted to SCV Water's website
  - v. Public hearing to open ballots (August 1, 2023)
3. If no opposition, the SCV Water Board of Directors can adopt a second resolution to formally adopt the standby charge and send to the Los Angeles County Assessor for processing

# Recommendation

Staff recommends the Finance and Administration Committee recommend the Board of Directors Approve a Proposition 218 Notice, Ballots and a Resolution Initiating Proceedings to Adopt Water Standby Charges for Tesoro Del Valle Development, Set a Public Hearing and Other Related Matters



# QUESTIONS?

