




MEMORANDUM

TO: Board of Directors

FROM: Gerald Grijalva, General Manager

SUBJECT: Public Hearing to discuss Fiscal Year 2021 proposed Tax Rate for Maintenance & Operations and Debt Service

PRESENTER: Jose F. Hernandez, Chief Financial Officer 

DATE: September 17, 2020

FISCAL YEAR 2021 PROPOSED TAX RATE:

The Lower Valley Water District will be adopting on September 2020 the FY 2021 Tax Rate. The tax rate consists of the Maintenance & Operation portion and the Debt Service portion. Currently, the tax levy rates per \$100 valuation for maintenance and operations and debt service are \$0.1200 and \$0.033470, respectively. The Debt Service portion is fixed on the principal and interest amounts pertaining to the Unlimited Tax and Subordinate Utility System Revenue Bonds, Series 2005. The District is projecting to do a new \$27.5 million General Obligation bond issuance by February 2021. This bond issuance was authorized by the voters in a Bond Election that was held in November 5, 2019.

The proposed tax levy rates per \$100 valuation for maintenance and operations and debt service for Fiscal Year 2021 are \$0.1200 and \$0.075033, respectively, considering the \$27.5 million bond issuance. The proposed total tax rate will be \$0.195033 per \$100 valuation for FY 2021. This would result in an increase of \$42.81 more to the tax on average residence homestead. Last year, tax revenue was projected to be \$3,146,498 and next year's projection is \$4,221,237.