

**ACTION OF  
SOLANO COUNTY WATER AGENCY**

**DATE:** July 12, 2018

**SUBJECT: SET PROPOSITION 4 APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-2019**

RECOMMENDATION:

Approve Resolution Number 2018-04 of the Solano County Water Agency establishing the fiscal year 2018-2019 state appropriations limit.

FINANCIAL IMPACT:

None

BACKGROUND:

California's state appropriation limit, established by Proposition 4 in 1979, places an "upper bound" each year on the amount of monies that can be spent from state tax proceeds. The original Proposition's intent was to limit the growth of government spending and applies to all local governments including special districts. The state appropriation limit is based on actual appropriations during the base year (1986-87) and increases each year using specified growth factors and calculations provided annually by the California Department of Finance (DOF).

The state appropriation limit for the Solano County Water Agency for fiscal year 2018-2019 is \$15,392,341.

Recommended:   
Roland Sanford, General Manager

☒ Approved as recommended      ☐ Other (see below)      ☐ Continued on next page

Modification to Recommendation and/or other actions:


I, Roland Sanford, General Manager and Secretary to the Solano County Water Agency, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular meeting thereof held on July 12, 2018 by the following vote:

Ayes: Directors Patterson, Bogue, Price, Mahoney, Crossley, Kott, Brown, Vasquez, Thomson, Kluge, Sanchez, Augustine and Sampayan.

Noes: None.

Abstain: None.

Absent: Directors Hannigan and Spering.

  
Roland Sanford  
General Manager & Secretary to the  
Solano County Water Agency



**RESOLUTION NUMBER 2018-04**

**A RESOLUTION OF THE SOLANO COUNTY WATER AGENCY ADOPTING THE  
FISCAL YEAR 2018-19 APPROPRIATIONS LIMIT**

**WHEREAS**, on November 6, 1979 the people of California added Article XIII-B to the State Constitution, placing various limitations – Appropriations Limit - on State and local government appropriations; and

**WHEREAS**, on June 5, 1990 the people of California amended Article XIII-B of the State Constitution and California Government Code sections 7900, *et seq.* to include additional guidance regarding the calculation of an Appropriations Limit, and to require local governments to adopt a resolution setting their respective annual Appropriations Limit; and

**WHEREAS**, the Appropriations Limit is required to be established each fiscal year and may be amended in subsequent years to make corrections; and

**WHEREAS**, the Agency has complied with the provisions of Article XIII-B of the State Constitution and California Government Code sections 7900, *et seq.* in determining the Appropriations Limit for Fiscal Year 2018-19.

**NOW, THEREFORE**, the Board of the Solano County Water Agency does hereby resolve as follows:

In accordance with Article XIII-B of the California Constitution and Government Code sections 7900 *et seq.*, the annual adjustment growth factors to calculate the Fiscal Year 2018-19 Appropriations Limit of \$15,392,341 shall be the change by the Statewide per capita personal income percentage and State Department of Finance estimated change in County population as shown in Exhibit A, attached hereto.


I, ROLAND SANFORD, General Manager and Secretary to the Board of Directors of the Solano County Water Agency, do hereby certify that the foregoing resolution was regularly introduced, passed and adopted by said Board of Directors, at a regular meeting thereof held on the 12th day of July 2018, by the following vote:

Ayes: Directors Patterson, Bogue, Price, Mahoney, Crossley, Kott, Brown, Vasquez, Thomson, Kluge, Sanchez, Augustine and Sampayan.

Noes: None.

Abstain: None.

Absent: Directors Hannigan and Sperring.

  
\_\_\_\_\_  
Roland Sanford  
General Manager & Secretary to the  
Solano County Water Agency



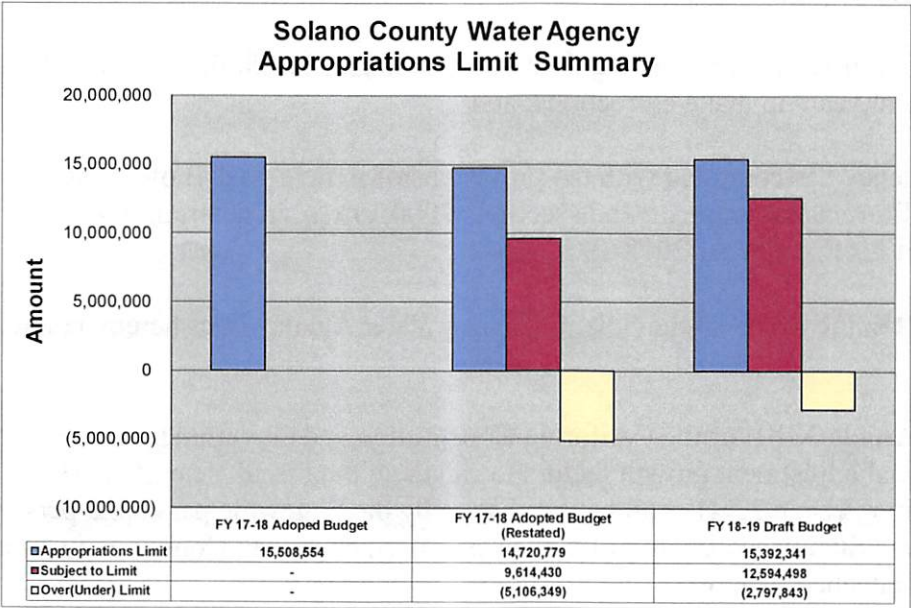
Attachment: **Exhibit A** – Appropriations Limit Calculation Summary for FY 2018-19



Solano County Water Agency  
Appropriations Limit Calculation Summary  
Fiscal Year 2018-19 Adopted Budget

EXHIBIT A

|  |                |
|--|----------------|
| Prior Year Appropriation Limit <sup>[4]</sup>                                    | \$ 14,720,779  |
| Allowed Compounded Percentage Increase from Prior Year <sup>[1]</sup>            |                |
| Statewide Per Capita Personal Income   | 3.670%         |
| County Population Growth From State Dept of Finance                              | 0.860%         |
| Compounded Percentage as an Adjustment Factor                                    | 4.562%         |
| Growth Factor Adjustment Amount to Appropriation Limit                           | 671,562        |
| Current Year Appropriation Limit From Growth Factors                             | 15,392,341     |
| Annual Other Adjustments to Limit <sup>[1]</sup>                                 | -              |
| Current Year Appropriations Limit  | 15,392,341     |
| Current Year Adopted Budget Appropriations From Proceeds of Taxes <sup>[2]</sup> |                |
| Proceeds of Taxes From Adopted Budget <sup>[3]</sup>                             | 26,579,036     |
| Less Allowable Exclusion of Certain Appropriations <sup>[3]</sup>                | (13,984,538)   |
| Current Year Appropriations Subject to Appropriation Limit                       | 12,594,498     |
| Current Year Appropriations Over or (Under) the Appropriation Limit              | \$ (2,797,843) |
| Percentage Over or (Under) the Limit   | -18%           |



|  |                            |                                |                      |
|--|----------------------------|--------------------------------|----------------------|
| <sup>[1]</sup> Article XIIIb allowed annual adjustments to the Appropriations Limit after calculation of annual growth factors. See worksheet for details.                                       |                            |                                |                      |
| <sup>[2]</sup> Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIIIb Appropriations Limit Uniform Guidelines. See Worksheets for details. |                            |                                |                      |
| <sup>[3]</sup> Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.   |                            |                                |                      |
| Summary of Appropriations From Proceeds of Taxes   | From Non Proceeds of Taxes | From Proceeds of Taxes         | Total Appropriations |
| Total Proceeds and Non Proceeds of Taxes   | 10,353,982                 | 26,579,036                     | 36,933,018           |
| Summary of Exclusions  | From Proceeds of Taxes     |                                |                      |
| Court Order Costs  | 1,892,352                  | Pitah Creek and Lake Berryessa |                      |
| Federal Mandates   | 180,556                    | FICA/Medicare/Unemployment     |                      |
| Qualified Capital Outlay Over \$100,000 and 10+ year life  | 130,000                    | Capital Improvements           |                      |
| Qualified Debt Service for Capital Improvements  | 11,781,630                 | State Water Project            |                      |
| Total Exclusions to Appropriations Subject to Limit  | 13,984,538                 |                                |                      |

<sup>[4]</sup> In FY 17-18, corrections were made to prior year calculation of Appropriations Limit from FY 04-05 to FY 17-18. See worksheet details.