

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 15, 1993

To: Board of Directors (Finance & Insurance Committee--Information)
(Water Problems Committee--Information)

From: General Manager

Subject: 1994 Per-Acre Annexation Charge

Report

In accordance with Section 3300(b) of The Metropolitan Water District of Southern California's (Metropolitan) Administrative Code the Per-Acre Annexation Charge has been calculated for the 1994 calendar year and is \$2,132 per acre.

This charge is calculated by dividing the sum of the estimated replacement cost of Metropolitan's facilities and the unamortized participation rights in facilities of the State Water Project, less outstanding bonded indebtedness of Metropolitan and the accumulated depreciation of facilities on the replacement cost basis by the total acreage within the service area of Metropolitan, all as of the end of the recently completed fiscal year.

The per-acre charge for 1993 was \$2,156. The decrease was the result of revenue bonds that were sold in July 1992 and additional bond refunding that occurred during the fiscal year. In calculating the annexation charge, outstanding long-term debt is excluded because it is assumed that annexing areas will share in the future repayment of such debt. Therefore, if long-term debt increases more than the increase in plant and equipment, the annexation rate decreases.

Board Committee Assignments

This letter is referred to:

The Water Problems Committee for information because of its authority to review and consider requests for annexation, pursuant to Administrative Code Sections 2481(g) and 3102; and,

The Finance and Insurance Committee for information because of its authority to study, advise and make recommendations with regard to the financial impact and requirements of policies concerning annexations pursuant to Administrative Code Sections 2441(f) and 3300.

Recommendation

For information only.


John R. Wodraska

LSP\betb36