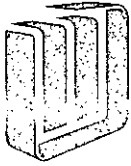


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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

EXECUTIVE SECRETARY

January 30, 1992

To: Board of Directors (Water Problems Committee--Action)
Board of Directors (Finance and Insurance Committee--Information)
From: General Manager
Subject: Deferral of Consideration of Requests for Informal Annexations
Until the Annexation Charge Study Is Completed.

Report

At its January 30, 1992 meeting the Subcommittee to Review Annexations requested staff to evaluate the District's annexation charges and consider alternative methods of calculating these charges. The alternatives in the study will focus on various methods which may include charges based on the District's balance sheets contained in the financial statement, charges based on the replacement cost of District and State facilities, the marginal cost of developing new water supplies, or the projected market value of land to be annexed.

It is anticipated that the study will be completed and a report will be prepared for your Board's consideration within the next few months. The Chairman of the Subcommittee to Review Annexations has suggested that it would be appropriate to defer action on new annexation requests pending the completion of the study. This action would not affect annexations which have previously received informal approval by your Board.

Board Committee Assignments

This letter is referred to:

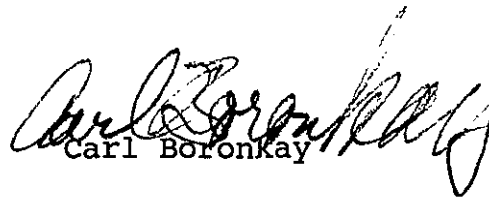
The Water Problems Committee for action because of its authority to review and consider requests for annexation, pursuant to Administrative Code Sections 2481(g) and 3102; and,

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

Water Problems Committee for Action

That your Board defer consideration of all informal annexation requests pursuant to Administrative Code Section 3100 (a) until the Annexation Charge Study has been reviewed and considered by your Board.


Carl Boronkay

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Encl.