



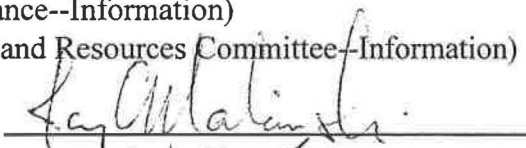
**MWD**


METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-9

November 18, 1997

**To:** Board of Directors (Budget and Finance--Information)  
 (Water Planning and Resources Committee-Information)

**From:** *FOR:* General Manager 

**Submitted by:** Chief Engineer 

**Subject:** *for* 1998 Per-Acre Annexation Charge

**RECOMMENDATION(S)**

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For information only.

**EXECUTIVE SUMMARY**

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The 1998 Per-Acre Annexation Charge has been calculated to be \$2,992 per acre, in accordance with the provisions of Metropolitan's Administrative Code Section 3300 (b). This is an increase of \$264 over the 1997 per-acre charge of \$2,728 per acre.

**DETAILED REPORT**

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In accordance with Administrative Code Section 3300 (b), the Per-Acre Annexation Charge for the 1998 calendar year has been calculated to be \$2,992 per acre.

This charge is calculated by dividing the sum of the estimated replacement costs of Metropolitan's facilities and the unamortized participation rights in facilities of the State Water Project and other applicable non-District owned projects, 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 rate for the previous year was \$2,728 per acre. Therefore, the per-acre charge increased by \$264 (9.6 percent) when compared to the 1997 per-acre charge. The increase was the result of an overall increase in the Net Replacement Cost by approximately \$870 million, and a decrease of approximately 180 acres from the previous year's acreage.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	<b>Calculation Method &amp; Assumptions</b>							<b>Calendar Year 1998</b>	<b>Comments</b>								
2																	
3	ENR Market Trends Cost Report		(7/97 divided by 7/96)				1.043713548	ENR Market Trends Cost Report. (7/97 divided by 7/96)		545.81 / 522.95							
4	Percentage Rate Increase						0.043713548	G3 less 1									
5																	
6	Replacement Value of Facilities																
7	( as of June 30, 1996)							\$ 11,430,513,874.64	Source: Last Year's Calculation File A:Annex-97.xls or the calculation worksheet.								
8																	
9	Increase at ENR index		4.37%				\$ 499,668,318.53	Calculation:		G7 times G4							
10																	
11	Increase in Plant and Equipment																
12	(during 1996-97)							\$ 626,155,000.00	Source: Audited Financial Statements		(4,312,683-3,686,528) times 1000						
13																	
14	Replacement Value of Facilities																
15	(as of June 30, 1997)							\$ 12,556,337,193.17	calculation								
16																	
17	Less Outstanding Bonded Debt							\$ (2,410,971,000.00)	Source: Audited Financial Statements		(2,356,020+54,951) times -1000						
18																	
19	Plus Participation rights-Net																
20	(SWP & Other)							\$ 1,492,525,000.00	Source: Audited Financial Statements								
21																	
22	Less Accumulated Depreciation																
23	( In 1997 Dollars)							\$ (1,743,001,860.58)	Source: Calculation & Audited Financial Statements \$ for Plant & Equipment		(-G15 / 4,312,683) times 598,663 times 1000						
24																	
25																	
26	Net Replacement Value							\$ 9,894,889,332.59	Calculation		G15 - G17 + G20 - G23						
27																	
28	Total Acreage							3,307,371.00	Calculation from Right of Way and Land								
29	Area as of June 30, 1997)							5,168	Miles source: Right of Way and Land								
30	(Conversion to Acreage Factor)							640	Acres per Mile source: Right of Way and Land								
31																	
32																	
33																	
34	Per-Acre Charge For Calendar Year 1996							\$ 2,991.77	Calculation		G26 divided by G28						
35																	
36																	
37	Prepared by: Financial Services			Staff assigned:			WEH			<b>"FOR INTERNAL REVIEW AND USE ONLY"</b>							
38	Date: November 6, 1997			Reviewed by:			KRN										
39	File: Annex98.xls Green disk A: 1997Year & P Drive.																
40																	



**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**  
*Finance and Business Services Division*

## InterOffice Memo

**To:** Mark T. Mendoza, Real Estate Services Branch  
**From:** Antoinette D. Christovale, Assistant Chief Financial Officer  
**Date:** November 18, 1997  
**Subject:** Annexation Charge Computation for Calendar Year 1998

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This memo is in response to your memorandum dated October 22, 1997, requesting the Financial Services Branch to calculate the per acre-foot annexation charge for 1998. On the basis of our calculation, the net replacement cost per-acre charge for the 1998 calendar year is **\$2,991.77**. The rate was calculated in accordance with Metropolitan's Administrative code Section 3300 (b). Attached is a spreadsheet that details how the charge was calculated. In addition, the calculations performed and methodology employed have been reviewed by the Internal Auditor for Code compliance and propriety. Based upon staff review and the Internal Auditor's testing, the charge is proper and in compliance with the provisions of the Administrative Code.

The rate for the previous year was **\$2,728.44** per-acre. Therefore, the per-acre rate increased by \$263.33 ( 9.6%) per-acre when compared to the 1997 per-acre charge. The increase was the result of an overall increase in the Net Replacement Cost of approximately \$870 million, and a decrease of approximately 180 acres from the previous years in acreage.

The attached table regarding the annexation charge calculation is for internal review only, and should not be included as part of a letter to the Metropolitan Board. Should you have any questions or comments concerning this memo and the attached worksheet, please direct them to Bill Hazlett at extension 7513.

*Antoinette D. Christovale*

Antoinette D. Christovale  
Assistant Chief Financial Officer

CC: Lambertus H. Becker  
Keith R. Norris  
David I. Furukawa  
Thomas E. DeBacker  
Ann Marie Yang

OCT 22 1997

Assistant Chief Financial Officer A. D. Christovale  
Manager, Real Estate Services  
Per-Acre Annexation Charge for Calendar Year 1998

1. Please calculate the 1998 per-acre annexation charge rate in accordance with Section 3300 of Metropolitan's Administrative Code. Metropolitan's service area as of June 30, 1997 is 5167.76 square miles which is approximately 3,307,371 acres. The per-acre rate will be needed no later than November 12, 1997.

2. Thank you for your assistance. If you have any questions, please contact Ethel Young at extension 7677.

**ORIGINAL SIGNED BY  
MARK T. MENDOZA**

Mark T. Mendoza

ESY\perAc98\wtemM320

*Young*  
cc: A. Yang *ml*  
W. E. Hazlett  
K. R. Norris  
M. T. Mendoza  
L. H. Cetina  
E. S. Young  
Internal Corr.  
File

E.S. Young



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-14

January 20, 1998

**To:** Board of Directors (Water Planning and Resources Committee--Information)

**From:** General Manager

*Edward L. McCombs III*  
*Gary M. Snyder*

**Submitted by:** Gary M. Snyder  
Chief Engineer

**Subject:** Statement of Metropolitan's Boundary Changes

**RECOMMENDATION(S)**

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For information only.

**DETAILED REPORT**

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In accordance with the requirement of Section 380 of the Metropolitan Water District Act, The Metropolitan Water District of Southern California (Metropolitan) filed the annual Statement of the Change of Boundaries (Statement) and map with the State Board of Equalization and the County Assessors of the six counties within Metropolitan's service area on November 24, 1997. Changes which occurred between November 30, 1996 and November 30, 1997 in Metropolitan's boundaries were provided by the affected member public agencies and are noted in the Statement and map. A copy of the Statement is on file in the office of the Executive Secretary.

As of November 30, 1997, Metropolitan's total service area consisted of 5,167.78 square miles, an increase of approximately 12.95 acres through two completed annexations as follows:

Member Agency	Designation	Effective Date	Area (sq. mi.)
Calleguas MWD	Annexation No. 49	December 18, 1996	0.004
Eastern MWD	64th Fringe Area	August 28, 1997	0.016
TOTAL			0.02

Metropolitan's Board granted approval to four formal annexations and three informal annexations in 1997, as follows:

Member Agency	Informal	Formal
Calleguas Municipal Water District	1	3
SDCWA	1	0
Western Municipal Water District	1	1

ESY/aj:rev5  
(Boundary)