



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-4

May 19, 1998

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

From: *for* General Manager
Edward Meany

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

Subject: Informal Approval of Annexation No. 54 Concurrently to Calleguas Municipal Water District and Metropolitan and Approval of the Resolution of Intent to Impose Standby Charges

RECOMMENDATION(S)

It is recommended that the Board:

1. Give informal approval as defined in Administrative Code 3100(b) for the concurrent annexation of Annexation No. 54 to Calleguas Municipal Water District (Calleguas) and The Metropolitan Water District of Southern California (Metropolitan); conditioned upon a cash payment to Metropolitan of the annexation charge of approximately \$211,986.56, if completed by December 31, 1998, or at the then current annexation charge rate, if completed after December 31, 1998, subject to such terms and conditions as may be fixed by your Board in granting formal consent to such annexation when a request therefore has been received;
2. Approve the plans for Implementing Water Use Efficiency Guidelines for this proposed annexation; and
3. Approve the resolution of intention to impose standby charges at the rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation, substantially in the form of Exhibit A to this letter.

EXECUTIVE SUMMARY

Calleguas has requested informal approval for the concurrent annexation of Annexation No. 54 to Calleguas and Metropolitan. This uninhabited territory contains an approximate gross area of 72.34 acres, of which approximately 3.16 acres are located within public streets leaving a net area of 69.18 acres.

Calleguas has submitted acceptable plans for Implementing Water Use Efficiency Guidelines (Plans) pursuant to Section 3107 of Metropolitan's Administrative Code. The total projected water demand of the annexing area is 166 AFY, with half from local sources and half (83 AFY) from imported supplies.

Calleguas has requested that Metropolitan impose standby charges within the annexing territory at the rate of \$9.58 per acre or per parcel of less than one acre (the rate at which standby charges are presently levied in other portions of Calleguas).

DETAILED REPORT

By a letter dated April 27, 1998, Calleguas has requested informal approval as defined in Administrative Code 3100(b) for the concurrent annexation of Annexation No. 54 to Calleguas and Metropolitan. The owners of the vacant site intend to build 330 single-family homes pursuant to their approved subdivision map.

The proposed annexation territory is located in the County of Ventura and soon to be annexed into the City of Oxnard on Rose Avenue between Camino De La Luna and Cesar Chavez (outlined on the attached map). City of Oxnard zoning for the site is R-1-RD and R-2-PD which is consistent with the General Plan designation of low density residential and the County General Plan which shows the area as "Urban Reserve" for the proposed development.

Calleguas has submitted an acceptable Plan pursuant to Section 3107 of Metropolitan's Administrative Code. The total projected water demand is 166 AFY. The water supply for the annexing area is a one-to-one blend of local sources with imported Metropolitan water from Calleguas. The projected annual water demand upon Metropolitan is therefore 83 AFY. A copy of the Plan is attached hereto.

This annexation is subject to the provisions of the California Environmental Quality Act (CEQA). CEQA will be complied with prior to the time that formal approval of this annexation is requested from Metropolitan. At that time, as required by CEQA, your Board will be required to review and consider pertinent environmental documentation.

The annexation charge has been calculated pursuant to Section 3300 of Metropolitan's Administrative Code. Utilizing the current rate of \$2,992 per acre and the sum of \$5,000 for processing costs, the annexation charge amount is \$211,986.56, if completed by December 31, 1998. The \$5,000 processing charge has already been paid. If the annexation is completed after December 31, 1998, the annexation will be calculated based on the then current rate.

Completion of the annexation will be subject to such terms and conditions as may be fixed by your Board in granting formal consent to such annexation. Calleguas has requested that Metropolitan impose standby charges within the annexation territory at the rate of \$9.58 per acre or per parcel of less than one acre (the rate at which standby charges are presently levied in other portions of Calleguas). Under the requirements of Article XIII D of the California Constitution (Proposition 218), such charges must be treated as new assessments, subject to approval by the property owners in the area to be annexed through mailed ballot proceedings. Exhibit A is the form of Resolution of Intention to impose standby charges which, if adopted by your Board, will authorize the Executive Secretary to mail notices to the property owners. The notices to property owners will include ballots which the property owners will be asked to mark and return. Ballots will be tabulated at a public hearing on the assessments scheduled to commence on September 15, 1998, and unless a majority of those ballots received from property owners

(weighted according to the proportionate obligation of each property) protest the charges, imposition of the standby charges in the annexed area will be considered by your Board concurrently with formal approval of annexation.

ESY/vlh:rev4
(InformalAnnexation54Callegaus.doc)

Attachment

May 19, 1998

8-4

EXHIBIT A**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA****RESOLUTION _____**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
GIVING NOTICE OF INTENTION TO IMPOSE
STANDBY CHARGE
CONTINGENT UPON ANNEXATION**

WHEREAS, at its meeting on December 14, 1993, the Board of Directors ("Board") of The Metropolitan Water District of Southern California ("Metropolitan") approved the rate structure and additional revenue sources described in the Board letter on the Financial Structure Study dated December 1, 1993, including a readiness-to-serve charge;

WHEREAS, under authority of Section 134.5 of the Metropolitan Water District Act, a readiness-to-serve charge may be collected as an availability service charge from the member public agencies within Metropolitan, or may be imposed as a standby charge against individual parcels within Metropolitan;

WHEREAS, under such authority, the water standby charge may be imposed on each acre of land or each parcel of land less than an acre within Metropolitan to which water is made available for any purpose by Metropolitan, whether the water is actually used or not;

WHEREAS, certain member public agencies of Metropolitan (including Calleguas Municipal Water District) have requested the option to provide collection of all or a portion of their readiness-to-serve charge obligation through a Metropolitan water standby charge imposed on parcels within those member agencies;

WHEREAS, the owners of the parcels identified in the attached Engineer's Report dated June 1998 have applied for annexation into Calleguas and Metropolitan;

WHEREAS, upon annexation, Metropolitan water will be available to such properties and such parcels will receive the benefit of the projects provided in part with proceeds of Metropolitan water standby charges, as described in the Engineer's Report; and

WHEREAS, Calleguas has requested that Metropolitan impose water standby charges on such properties at the rate specified in the Engineer's Report and provided herein, following annexation of such properties into Metropolitan;

NOW THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting to be held September 15, 1998, on the General Manager's recommendation to impose a water standby charge for fiscal year 1998-99 on the properties described in the Engineer's Report attached as Attachment 1 to this Resolution and incorporated herein by reference. The Engineer's Report was prepared by a registered professional engineer certified by the State of California.

Section 2. That the proposed standby charge per acre of land, or per parcel of land less than an acre, as shown in the Engineer's Report, shall be \$9.58, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of Calleguas Municipal Water District. The Engineer's Report separates the special benefits from the general benefits and identifies each of the parcels on which a special benefit is conferred. No charge on any parcel shall exceed the reasonable cost of the proportional special benefit conferred on that parcel.

Section 3. That the proposed water standby charge, if imposed following completion of the proposed Annexation No. 54, shall be collected on the tax rolls, together with the ad valorem property taxes which are levied by Metropolitan for the payment of pre-1978 voter-approved indebtedness, or at Metropolitan's election may be billed directly to the property owners. Any amounts so collected shall be applied as a credit against Calleguas Municipal Water District's obligation to pay its readiness-to-serve charge. After such member agency's readiness-to-serve charge allocation is fully satisfied, any additional collections shall be credited to other outstanding obligations of such member agency to Metropolitan or future readiness-to-serve obligations of such agency.

Section 4. That the Executive Secretary is hereby directed to provide written notice of the proposed standby charge by mail to the record owner of each property identified in the Engineer's Report not less than 45 days prior to the date of the public hearing identified in Section 5. Each notice shall be given in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, and shall be in a form approved by the General Counsel. Each notice shall include an assessment ballot whereby the owner may indicate his or her name, reasonable identification of his or her parcel, and his or her support for or opposition to the proposed water standby charge. Each notice shall also include a description of the procedures for the completion, return and tabulation of ballots, which shall be in a form approved by the General Counsel.

Section 5. That the Board will meet in regular session at its meeting on September 15, 1998, to hold a public protest hearing at which interested parties may present their views regarding the proposed standby charges and the Engineer's Report. All written protests and comments presented at the hearings or received by the Executive Secretary on or before the conclusion of the public hearing which contain a description sufficient to identify the land owned by the landowner will be given due consideration by the Board before its final action on the proposed standby charge, and all assessment ballots will be tabulated. If, upon the conclusion of the hearing, ballots submitted in opposition to the water standby charge (weighted according to the proportionate financial obligation of the affected property) exceed the ballots submitted in favor of the water standby charge, the water standby charge shall not be imposed.

Section 6. That imposition of the proposed standby charges, if authorized by the Board following the public protest hearing, will be contingent upon completion of the concurrent annexation of Annexation No. 54 to Metropolitan and Calleguas Municipal Water District. If standby charges are approved and such annexation is not completed in time to permit imposition of standby charges for fiscal year 1998-99, Metropolitan may levy standby charges at the rate stated in this Resolution beginning in a subsequent fiscal year.

Section 7. That in the event that the water standby charge, or any portion thereof, is determined to be an unauthorized or invalid fee, charge or assessment by a final judgment in any proceeding at law or in equity, which judgment is not subject to appeal, or if the collection of the water standby charge shall be permanently enjoined and appeals of such injunction have been declined or exhausted, or if Metropolitan shall determine to rescind or revoke the water standby charge, then no further standby charge shall be collected within the territory described in the Engineer's Report and Calleguas Municipal Water District shall pay its readiness-to-serve charge obligation to Metropolitan in full, as if imposition of such water standby charges had never been sought.

Section 8. That this Board finds that the proposed water standby charges provided in this Resolution are exempt from the provisions of the California Environmental Quality Act (CEQA) under State CEQA Guidelines 15378(b)(5) since they constitute the creation of government funding mechanisms which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment or which will be used to fund projects which have CEQA documentation in place prior to construction of any facility or facilities.

Section 9. That the General Manager is hereby authorized and directed to take all necessary action to satisfy relevant statutes requiring notice by mailing or by publication.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on June 9, 1998.

Executive Secretary
The Metropolitan Water District
of Southern California

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
ENGINEER'S REPORT**

**PROPOSED PROGRAM TO LEVY STANDBY CHARGES IN CALLEGUAS
MUNICIPAL WATER DISTRICT ANNEXATION NO. 54**

June 1998

REPORT PURPOSE

The Metropolitan Water District of Southern California (Metropolitan) has built and is building major capital facilities that provide water supplies and delivery throughout its service area. This report has two purposes: (1) to describe the water supply and delivery capital projects and programs, which provide benefits both locally and throughout the service area and will be financed in part by Metropolitan's readiness-to-serve (RTS) charge, including a request by Calleguas Municipal Water District (Calleguas) to collect a portion of its RTS obligation through the levy of a Metropolitan standby charge, and (2) to address the method and basis for levying a standby charge on benefiting properties.

These facilities and programs consist of the State Water Project system, a major regional water storage reservoir, and system-wide improvements and rehabilitation. This combination of facilities and programs is an integral part of the region's and Metropolitan's strategic plan to maintain reliable water supplies and to insulate the service area from disruptions in water service during droughts and natural emergencies.

The RTS charge is imposed by Metropolitan on its member agencies to recover the debt service on bonds issued to finance capital facilities needed to maintain reliable service of good quality water to meet existing demands on Metropolitan's system. The standby charge is an existing charge levied on parcels of land within certain of Metropolitan's member agencies, including Calleguas. At the request of these member agencies, a standby charge is levied as a method of collecting part or all of the RTS charge obligation of the member agency containing the parcel. The standby charge will be utilized for capital payments, and debt service on capital projects.

The properties identified on Attachment A have applied for annexation into Metropolitan. Consent by the property owners to Metropolitan's levying of an annual standby charge in the amount of \$9.58 per acre, or \$9.58 per parcel of less than one acre, is a condition to annexation of these properties into Calleguas and Metropolitan.

BACKGROUND

Delivery of water is one of the essential infrastructure services in an industrial economy. Like electrical energy, natural gas, transportation, and telecommunications, every household and virtually every business and industry in Southern California uses water. Because these services are so widespread in a modern economy, shortages can have far reaching and serious consequences.

Metropolitan imports supplemental water supplies for 16.1 million residents in portions of six counties: Los Angeles, Orange, Ventura, Riverside, San Bernardino, and San Diego. In this 5,200-square mile service area, more than half of the water supplies are imported from the Colorado River and California's State Water Project (SWP). Metropolitan, a public agency, provides these water supplies as a supplement to local groundwater and surface water resources.

Growing Demand for Water

About one out of every two Californians lives in Metropolitan's service area. During the 1980's more than 300,000 people were added to the service area each year, as a result of a strong economy. Regional growth management plans project that Southern California's population will continue to grow by more than 200,000 people each year over the next 23 years -- increasing from the current 16.1 million to over 21.5 million by 2020. Based on this projected growth, regional water demands under normal weather conditions are expected to increase from the current 3.6 million acre-feet to 4.9 million acre-feet by 2020. Above-normal demands, under hot and dry weather conditions, can be about seven to nine percent greater than normal-weather demands.

The ongoing competition for water to serve the urban, agricultural, and environmental needs of the Western states has resulted in the need to invest in infrastructure and operational improvement, to ensure the continued certainty of firm deliveries to Southern California from the Colorado River and the State Water Project. Coupled with the diverse and competing needs of locally developed water in the region, the problem of providing a reliable water supply becomes even more difficult. What is needed is a coordinated and balanced regional response to growing demands.

METROPOLITAN'S RESPONSE TO GROWING WATER DEMANDS

To respond to growing demands for water, Metropolitan and its member agencies developed an Integrated Resources Planning (IRP) process. The focus of the IRP process was to collectively examine all of the available local and imported resource options in order to develop a least-cost plan that meets the reliability and quality needs of the region. The product of this intensive effort is a 25-year resources plan that offers a realistic means of achieving a reliable and affordable water supply for Southern California into the next century.

The major objective for the IRP was developing a comprehensive water resources plan that ensures: (1) reliability, (2) affordability, (3) water quality, (4) diversity of supply, and (5) adaptability for the region, while recognizing the environmental, institutional, and political constraints to resource development.

As part of the Integrated Resources Plan, Metropolitan is continuing its water supply program to maintain the reliability of its water supply and delivery system and to meet the needs of existing and potential consumers and land uses within its service area. This program includes the construction of capital facilities and implementation of water management programs. Capital facilities, representing substantial current expenditures, include the State

Water Project aqueduct system, the Eastside Reservoir Project, and water distribution system improvements and rehabilitation. These facilities provide the storage and transmission of water required throughout Metropolitan's service area. These capital projects benefit local water users as the facilities directly increase supplies and reliable delivery of water throughout Metropolitan's service area.

State Water Project

The State Water Project (SWP) is a major water source for Metropolitan. Metropolitan, one of twenty-nine agencies that have contracts for water service with the Department of Water Resources, is entitled to over 2 million acre-feet of the total SWP entitlements of 4.2 million acre-feet. The SWP transports water directly from the Sacramento-San Joaquin Delta and Feather River water released from Oroville Dam that has traveled to the Delta, south via the California Aqueduct to Metropolitan's service area. Currently, the State Department of Water Resources (DWR) cannot meet all of its contractors' demands for SWP entitlement water. DWR is planning additional facilities to increase the reliability of SWP supplies.

In 1960, Metropolitan contracted with DWR to receive SWP supplies. Under this contract Metropolitan pays allocable portions of the construction and operation and maintenance costs of the system through at least year 2035, regardless of the quantities of project water Metropolitan takes.

All Metropolitan member agencies benefit from SWP and State project water is distributed to existing consumers in all six counties within Metropolitan's service area. The potential benefit of the State Water Project in fiscal year 1998-99 is shown in Table 1.

Eastside Reservoir Project

The Eastside Reservoir Project, along with water transfers, comprehensive groundwater management, conservation, and recycling programs already implemented, is needed to ensure reliable water supplies and delivery to Metropolitan's consumers throughout the service area. This new reservoir will provide 800,000 acre-feet of storage capacity. Water from the Colorado River Aqueduct and SWP is scheduled for Eastside Reservoir Project storage and subsequent distribution throughout Metropolitan's service area.

Storage within Metropolitan's water system is vital to regulate fluctuating sources of supply, to meet varying customer demands, and to ensure water service during droughts and earthquakes. The water sources available to Metropolitan are subject to extended droughts and to interruption from earthquakes, since both the California Aqueduct and the Colorado River Aqueduct cross major faults. The reservoir will permit Metropolitan to accumulate water from a variety of sources, to be held in storage or scheduled for replenishment delivery to groundwater basins. This stored water provides a reserve against shortages when supply sources are limited or disrupted. The reservoir also preserves Metropolitan's capability to deliver water during scheduled maintenance periods, when facilities must be removed from service for rehabilitation, repair, or maintenance. The potential benefit of the Eastside Reservoir Project in fiscal year 1998-99 is shown in Table 1.

System Improvements

Metropolitan has an ongoing commitment, through physical system improvements, to maintain the reliable delivery of water throughout the entire service area. System improvement projects include additional conveyance facilities to increase dependable water supplies, provide alternative system delivery capacity, and enhance system operations. It also includes projects to upgrade obsolete facilities or equipment, or to rehabilitate or replace spent facilities or equipment. These projects are needed to enhance system operations, comply with new regulations, and maintain a reliable distribution system. A list of distribution system improvement projects is given in Table 2.

LONG-RANGE FINANCIAL PLANNING

The development and delivery of a reliable water supply comes at a cost. Since passage of Article XIII A of the California Constitution (Proposition 13 of 1978), Metropolitan has necessarily relied more on water sales revenue than on ad valorem property taxes for the payment of construction debt. Water sales have become the dominant source of revenue, not only for operation and maintenance of the vast network of facilities supplying water to Southern California's coastal plains, but also for replacement and improvement of capital facilities.

The increased reliance on highly variable water sales revenue increases the probability of substantial rate swings from year to year mainly resulting from changing weather patterns and has placed an increasing burden on current rate payers, which might more equitably be paid in part by assessments on land that in part derives its value from the availability of water.

Standby Charge

Metropolitan's standby charge is authorized by the State Legislature and has been levied by Metropolitan since fiscal year 1992-93. The projects to be supported in part by a standby charge are capital projects that are of both local and Metropolitan-wide benefit to existing water users, as well as current landowners. The estimated potential benefits system-wide are several times the amount to be recovered by means of the standby charge.

Standby charges are levied by Metropolitan only within the areas served by member agencies which requested that standby charges be utilized as a means of collecting that agency's RTS obligation. Calleguas has requested that a standby charge be utilized to collect part of its RTS obligation.

The following table lists the parcels included in Annexation No. 54 and the proposed standby charge for fiscal year 1998-99.

Standby Charges for Annexation No. 54

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge (FY 98-99)</u>
215-0-050-050	.13	\$9.58
215-0-050-075	.18	\$9.58
215-0-050-105	13.01	\$124.64
215-0-050-140	54.04	\$517.70
Total	67.36	\$661.50

The estimated potential benefits of Metropolitan's water supply program to property throughout its service area is approximately \$230 million for fiscal year 1998-99, as shown in Table 1. An average total standby charge of \$55.22 per acre of land or per parcel of less than one acre would be necessary to pay for the total potential program benefits. Benefits in this amount will accrue to each acre of property and parcel within Annexation No. 54 upon annexation into Metropolitan, as these properties become eligible to use Metropolitan water. Because only properties located within Metropolitan's boundaries may receive water supplies from Metropolitan, any benefit received by the public at large or by properties outside of the proposed area to be annexed is merely incidental. It is estimated that the general benefit portion of the benefit received from the improvements to be financed in part through the proposed water standby charges is less than five percent of the total benefit.

Table 3 shows that the distribution of standby charge revenues from the various counties and agencies, including Annexation No. 54, would provide a net revenue flow of approximately \$42 million for fiscal year 1998-99. Metropolitan will use other revenue sources, such as water sale revenues, readiness-to-serve charge revenues (except to the extent collected through standby charges, as described above), interest income, and revenue from sales of hydroelectric power, to pay for the remaining program benefits. About eighty percent of the total cost of the improvements benefiting the annexing area will be paid from these other sources, thus ensuring that no parcel within Annexation No. 54 is assessed standby charges in excess of the reasonable cost of the proportional special benefit conferred on that parcel.

SUMMARY

The foregoing and the attached tables describe the current benefits provided by the projects listed as mainstays to the water supply system for Metropolitan's service area. Calleguas has requested that a standby charge be imposed on lands within Annexation No. 54 as a credit against Calleguas' readiness-to-serve charge for fiscal year 1998-99, in the amount of \$9.58 per acre or parcel of less than one acre levied by Metropolitan within Calleguas. The special benefits described in this Engineer's Report far exceed the recommended charge. The standby charges for parcels within Annexation No. 54 total \$661.50.

Prepared Under the Supervision Of:

Wally M. Lieu RCE 27124
Assistant Chief Engineer



Recommended By:

Christine M. Morioka
Principal Resource Specialist

Christine M. Morioka

TABLE 1

**ESTIMATED DISTRIBUTION OF BENEFITS OF WATER SUPPLY
PROGRAM THAT COULD BE PAID BY RTS CHARGE**

Water Transmision Storage and Supply Program	Estimated Potential Program Benefits FY 1998-99	\$ Per Acre or \$ Per Parcel Less Than 1 Acre
Net Capital Payments to State Water Project (Less Portion Paid by Property Tax Revenue)	\$85,128,582	\$20.48
Debt Service for Water Storage Including the Eastside Reservoir Project	\$104,672,318	\$25.18
Debt Service for System Improvements (less Portion Paid by Treatment Surcharge)	\$39,705,730	\$9.55
Total Capital and Debt Service Payments	\$229,506,630	\$55.22
less Estimated Standby Charge Revenues (Including Calleguas Annexation No. 54)	(\$41,835,792)	(\$10.07)
Remaining Capital and Debt Service Costs Recovered by RTS, Water Sales, Interest Income and Other Revenues	\$187,670,838	\$45.15

TABLE 2**DISTRIBUTION SYSTEM IMPROVEMENT PROJECT BENEFITS**

Distribution System Improvement
All Plants - Replace Power Supply System
All Plants - Replace Water Flowmeter Instruments
All Pump Plants 230KV External Heat Exchangers
Allen-McColloch Pipeline Purchase
Auld Valley Pipeline #1
Box Springs Feeder - Schedule 316
Central Pool Augmentation Project
Centralized Control System - Eagle Rock Area
Centralized Control System - General Design
Centralized Control System - Hdqtrs Monitoring
Chemical Unloading Facility
Chlorination Structure - Foothill Feeder
Chlorination System at Reservoirs
Colorado River Aqueduct - Gene Plant Heat Exchanger
Colorado River Aqueduct - Hinds Pump Plant, Modify Pump Impeller
Colorado River Aqueduct - Install Water Level Alarm System
Colorado River Aqueduct - Modification of Blowoff Structure
Colorado River Aqueduct - Replace Circuit Breakers
Colorado River Aqueduct - Replace Gene Pump Plant Station Service
Colorado River Aqueduct - Replace Transformer Bank No. 1
Colorado River Aqueduct - Water Storage
Colorado River Aqueduct - Intake Pump Plants, Replace Sta Service
CRA Lakeview Siphon - Repair Deteriorated Joints in 1st Barrel
Desalination Demonstration Project
Distribution System - Replace Flowmeter Instruments
District Reservoirs - Aqueous Ammonia Feed
Dist. System Improvements - Chemical Unloading
Eagle Mountain, Hinds - Service Facilities
Eagle Mountain, Hinds - Modify Pumps
Eagle Mountain, Hinds - Pump Modifications
Eagle Mountain, Hinds Rehabilitate 2 Main Transformer
Eagle Mountain, Hinds - Replace Vibration Monitors
East Valley Feeder - Relocate at Hollywood
East Valley Feeder - Structural Modifications
Enlarge Foothill Feeder Control Structure
Enlargement of Chemical Unloading Facility
Etiwanda Pipeline
Foothill Area Study
Foothill Feeder - Devil Canyon Power Plant
Foothill Feeder - Rialto Pipeline
Foothill Feeder - San Dimas Facilities
Foothill Feeder - San Fernando Tunnel
Foothill Feeder - San Fernando Tunnel
Garvey Reservoir Junction Structure
Garvey Reservoir Junction Structure - Replace Valves
Garvey Reservoir - Floating Cover
Garvey Reservoir - Inlet & Outlet Conduit
Garvey Reservoir - Junction Structure
Garvey Reservoir - Modify Desilting Basins

TABLE 2 (CONTINUED)

DISTRIBUTION SYSTEM IMPROVEMENT PROJECT BENEFITS

Distribution System Improvement
Gene Pump Plant - Mechanical Maintenance Shop
Gene Pump Plant - Replace 230KV Circuit Breaker
Gene Pump Plant - Replace Power Cable
Gene Pumping Plants - Testing Lab Addition
Hinds - Rehabilitation Bank 1 Main Transformer
Hinds - Replace 230V Circuit Breakers
Inland Feeder R/W (BSF, Lakeview, SD 4 & 5)
Inland Feeder System - Perris Control Facility
Inland Feeder
Install Chlorine & Ammonia Analyzers
Intake Pumping Plant - Replace Standby Generator
La Verne Facility - Machine Shop
La Verne Facility - Maintenance Shop
La Verne Facility - Paint Drying Facility
La Verne Facility - Replace Machine Shop
La Verne Facility - Wheeler Ave Entrance
La Verne Maintenance Facility Expansion
Lake Mathews - Chlorination Facility
Lake Mathews - Control Tower - Replace Valves
Lake Mathews - Dike #1 - Install Piezometers
Lake Mathews - Forebay Outlet Structure
Lake Mathews - Outlet Tower - Maintenance
Lake Mathews - Domestic Water System
Lake Mathews - Electrical System
Lake Mathews - Lumber Storage Building
Lake Mathews - Propane Storage Tank
Lake Mathews - Rehabilitate Electrical System
Lake Mathews - Replace Electrical Service
Lake Mathews - Replace Howell-Bunger Valve
Lake Mathews - Replace Southerly Security Fence
Lake Mathews - Seepage Alarms
Lake Perris Bypass Pipeline
Lake Perris Pumpback Expansion
Lake Perris Pumpback Facility
Lake Skinner
Lake Skinner - Install Aeration System
Lake Skinner - Propane Storage Tank
Lake View Pipeline - Install Cathodic Protection
Live Oak Reservoir - Foothill Feeder System
Live Oak Reservoir - Improvements
Lower Feeder - Relocation in Imperial Hwy
Lower Feeder - Replace/Protect Imperial Highway
Mathews & Diemer - Modify Chlorine Tanks
Microwave Communication System
Microwave Communication System - ROW
Mills Filtration Plant - Service Connection
Modify Control System
MWD Share Design & Construction LA-35

TABLE 2 (CONTINUED)

DISTRIBUTION SYSTEM IMPROVEMENT PROJECT BENEFITS

Distribution System Improvement	
Oak St Pressure Control Station - Valve Replacement OC Reservoir - Modify Electrical Control Center Orange County Feeder Relocation Orange County Feeder - Pressure Relief Structure Orange County Feeder - Relocation at Kimber Orange County Feeder - Service Connection PM-1 Orange County Reservoir - Floating Cover Orange County Reservoir - Replace Chlorination Equipment PABX Communication System Palos Verdes Feeder - Modifications of L.A. City Palos Verdes Feeder - Relocation (MWD's Portion) Palos Verdes Feeder - Washington Palos Verdes Reservoir - Bypass Pipelines Pump Plants - Rehabilitate Main Pumps Pumping Plants - Replace Recorders Replace 75 Underground Storage Tanks Replace Flowmeters on Service Connections Rialto Pipeline - Delivery Facilities San Diego Aqueduct Rep San Jacinto San Diego Canal Enlarge Phase 2 San Diego Pipe #5 - Schedule SD-17 San Diego Pipeline Nos. 2, 3 - Modifications San Diego Pipeline No. 5 Schedule SD-16 San Diego Pipeline No. 6 Santa Ana River Crossing - Seismic Santa Monica Feeder - Modify Control Structure Santa Monica Feeder - Repair/Retrofit 28 Manhole Risers Sepulveda Feeder System, West Valley Feeder No. 2 Sepulveda Feeder System - Calabasas Feeder Sepulveda Feeder - Balboa Inlet Sepulveda Feeder - Sepulveda Canyon Control Skinner Filtration Plant - Area Maintenance Center Soto Street Maintenance Center - Propane Storage South (Orange) County Pipeline - Joint Participation & Purchase Supervisory Control of Copper Basin Facility Upgrading Communication System West Orange County Feeder - Relocation West Valley Area Study West Valley Feeder No. 1 - Modifications West Valley Feeder No. 2 White Water Siphon Delivery Structure Yorba Linda Feeder Other System Reliability/Rehabilitation Projects	Estimated Fiscal Year 1998-99 Benefit \$39,705,730

TABLE 3
PROJECTED FOR FISCAL YEAR 1998-99
STANDBY CHARGE
ESTIMATED REVENUE

Member Agencies	Total Parcel Charge	These items estimated (a,b)	
		Number Of Parcels Or Acres	Gross Revenues (Dollars)
Beverly Hills			
Burbank	\$14.20	28,200	\$400,433
Central Basin MWD	\$10.44	338,386	\$3,532,748
Compton	\$8.92	18,036	\$160,883
Foothill MWD	\$10.28	30,151	\$309,952
Glendale	\$12.23	44,448	\$543,601
Las Virgenes MWD	\$8.03	64,953	\$521,575
Long Beach	\$12.16	88,319	\$1,073,964
Los Angeles			
Pasadena	\$11.73	36,654	\$429,957
San Fernando	\$7.87	5,154	\$40,563
San Marino	\$8.24	4,972	\$40,970
Santa Monica			
Three Valleys MWD	\$12.21	152,341	\$1,860,083
Torrance	\$12.23	37,834	\$462,713
Upper San Gabriel Valley MWD	\$9.27	208,715	\$1,934,784
West Basin MWD			
Los Angeles County Total		1,058,164	\$11,312,226
Anaheim	\$8.55	65,619	\$561,039
Coastal MWD	\$11.60	86,041	\$998,081
Fullerton	\$10.71	32,960	\$353,001
MWD of Orange County	\$10.09	591,927	\$5,972,547
Santa Ana	\$7.88	53,466	\$421,313
Western MWDRC in Orange County	\$9.23	29	\$270
Orange County Total		830,043	\$8,306,251
Eastern MWD	\$6.94	377,266	\$2,618,226
Western MWD of Riverside Co.	\$9.23	354,364	\$3,270,776
Riverside County Total		731,630	\$5,889,003
Chino Basin MWD	\$7.59	220,596	\$1,674,321
San Bernardino County Total		220,596	\$1,674,321
Calleguas MWD	\$9.58	254,145	\$2,434,709
Calleguas Annexation No. 54	\$9.58	67	\$662
Ventura County Total		254,212	\$2,435,371
San Diego CWA	\$11.51	1,061,566	\$12,218,620
San Diego County Total		1,061,566	\$12,218,620
TOTAL	\$10.07	4,156,210	\$41,835,792

Notes: a. The revenues and parcels are only estimates. Actual revenue collected could be less than projected due to tax payment delinquencies.

b. Based on estimates provided 10/28/97 by Reiter-Lowry Consultants, excepting Annexation No. 54.

ATTACHMENT-A

Calleguas Annexation No. 54

OWNER(S)

- Sean H. Mc Grath
- Brianne Mc Grath & Thomas F. Mc Grath III
- Lee C. Mc Grath & Thomas F. Mc Grath III
Co- Trustees

CURRENT LAND USE

Vacant

PROPOSED USE

Property will be developed with 330 single family homes

PROPOSED WATER USE

TOTAL DEMAND

166 AFY

1/2 Local Ground Water

1/2 Calleguas/MWD Water

Demand on Calleguas/MWD = 83 AFY

ANNEXATION CHARGE

(69.18 net acres x \$2,992) + \$5,000 = \$211,986.88

RESOLUTION NO. 1125

RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
INITIATING PROCEEDINGS FOR THE CONCURRENT
ANNEXATION OF TERRITORY WITHIN THE
COUNTY OF VENTURA TO THE METROPOLITAN
WATER DISTRICT OF SOUTHERN
CALIFORNIA AND TO THE CALLEGUAS
MUNICIPAL WATER DISTRICT

Calleguas Annexation No. 54 - McGrath Ranch

WHEREAS, the Calleguas Municipal Water District desires to initiate a proceeding for the adjustment of boundaries specified herein;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF CALLEGUAS MUNICIPAL WATER DISTRICT RESOLVES AS FOLLOWS:

1. This proposal is made, and it is requested that proceedings be taken, pursuant to the Cortese/Knox Local Government Reorganization Act of 1985, commencing with Section 56000 of the California Government Code.

2. This proposal is a concurrent annexation to the Calleguas Municipal Water District and to the Metropolitan Water District of Southern California.

3. A description of the boundaries and a map of the affected territory are set forth in Exhibit A attached hereto and by this reference incorporated herein.

4. It is desired that the proposal be subject to the terms and conditions set forth in Exhibit B attached hereto and by this reference incorporated herein.

5. The reason for the proposal is to provide a source of

water supply to the annexing territory.

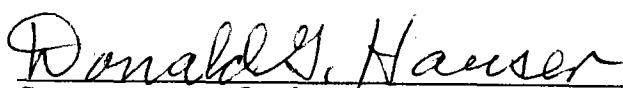
6. The proposal is consistent with the Spheres of Influence of the Calleguas Municipal Water District and the Metropolitan Water District of Southern California.

ADOPTED, SIGNED AND APPROVED the 4th day of February, 1998.



Peter A. Miller
President of the Board of Directors

ATTEST:



Donald G. Haaser
Secretary of the Board of Directors

**ANNEXATION NO. 54
TO THE
CALLEGUAS MUNICIPAL WATER
DISTRICT**

That portion of Subdivision No. 26 of Rancho El Rio De Santa Clara O'La Colonia, in the County of Ventura, State of California, as shown on the partition map filed in the office of the County Clerk of said County in the action entitled "Thomas A. Scott, et al, plffs. vs Rafael Gonzales, et al, defts.", described as follows:

Beginning at the west terminus of the 3rd course of Parcel No. 64 of the Oxnard Second Fringe Area Annexation to the Calleguas Municipal Water as recorded in the office of the County Recorder of said County on November 13, 1969, in Book 3579, Page 129 of Official Records; thence, along the existing boundary of said Calleguas Municipal Water District by the following three courses:

1st - EAST 632.07 feet; thence,

2nd - NORTH 160.95 feet; thence,

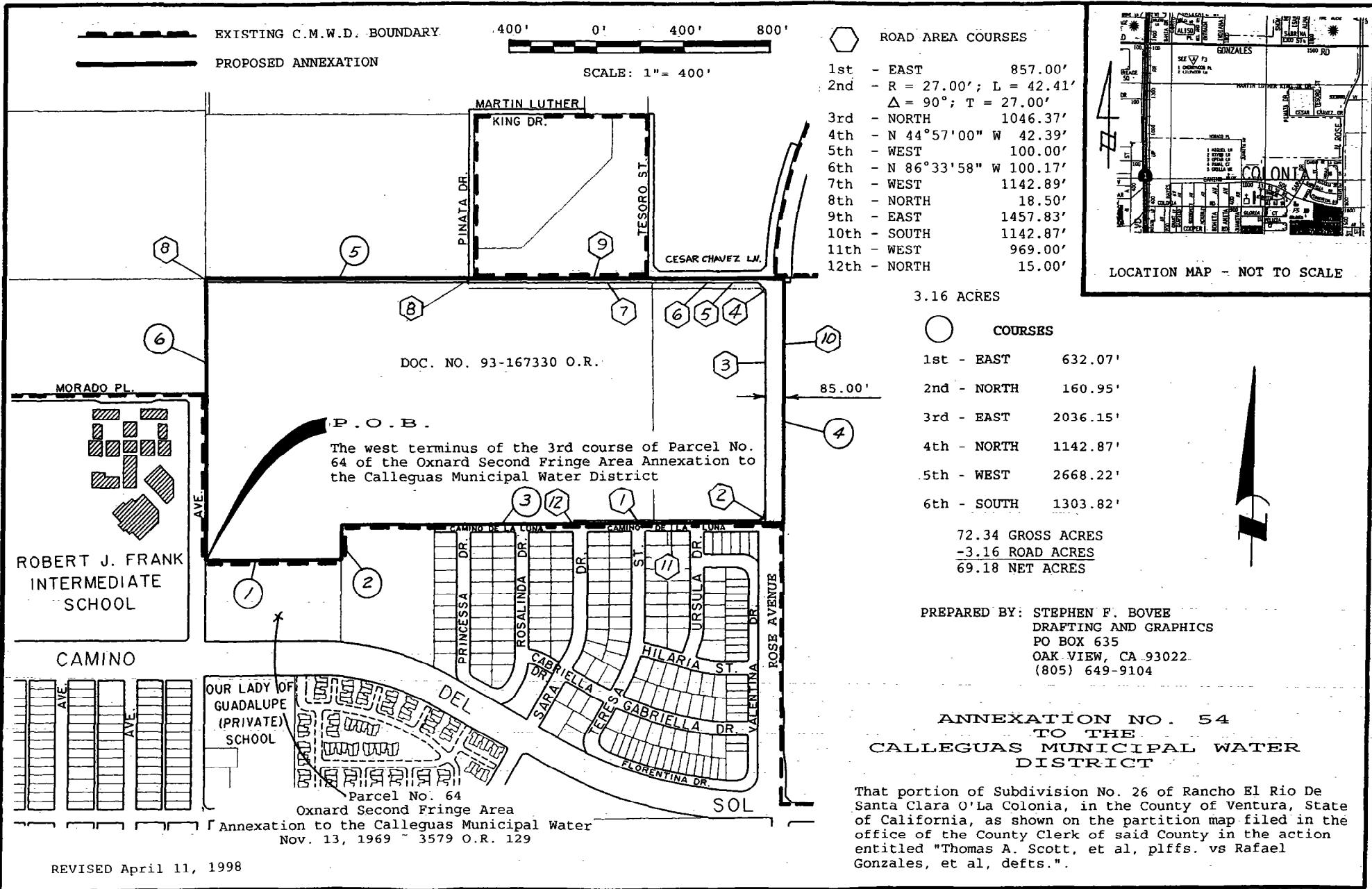
3rd - EAST 2036.15 feet to the east line of Rose Avenue, 85.00 feet wide; thence, leaving said existing boundary along said east line,

4th - NORTH 1142.87 feet to the easterly prolongation of the north line of the parcel described in the quitclaim deed recorded on September 9, 1993, in the office of said County Recorder, in Document No. 93-167330 of Official Records; thence, along said prolongation and the boundary of said parcel by the following two courses:

5th - WEST 2668.22 feet; thence,

6th - SOUTH 1303.82 feet to the point of beginning and containing 72.34 acres.

72.34 GROSS ACRES
-3.16 ROAD ACRES
69.18 NET ACRES



TERMS AND CONDITIONS OF
CALLEGUAS MUNICIPAL WATER DISTRICT
FOR ANNEXATION NO. 54

In the event of annexation, the annexation of the property shall be subject to the following terms and conditions:

1. In the event of annexation, the Annexee and the annexed area shall, within the time limits provided thereby, meet the terms and conditions, and pay such fees, as are imposed by Metropolitan Water District of Southern California (Metropolitan) for said annexation.
2. In the event of annexation, the Annexee and the annexed area shall, within the time limits provided thereby, meet the terms and conditions, and pay such fees, as are imposed or advanced by Calleguas Municipal Water District (Calleguas) for said annexation.
3. In the event of annexation, the sale and delivery of all water by Calleguas, the release of the water, the cost of the water, and the time of use of water shall be subject to the regulations promulgated from time to time by Calleguas and Metropolitan.
4. In the event of annexation, all feeder pipelines, structures, connections, and other facilities required for the delivery of water to said area from works owned or operated by Calleguas shall be constructed, provided and installed without cost or expense to Calleguas, and Calleguas shall be under no obligation to provide, construct, operate or maintain such works.
5. If construction of water distribution facilities is

required to properly effect water services to the annexing area, all such costs shall be borne by the annexing area and all facilities constructed shall, at the election of Calleguas, be owned, maintained, and operated by Calleguas.

6. Except upon terms and conditions specifically approved by the Board of Directors of Calleguas, water sold and delivered by Calleguas shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside Calleguas.

7. Annexee has been advised that once the property is annexed, taxes may be levied against it by both Metropolitan and Calleguas.

8. Annexee has been advised of Calleguas' Capital Construction Charge (Ordinance No. 14).

9. Annexee has been advised of the fact that Calleguas and Metropolitan have adopted Water Standby Charges.

10. Annexee consents to the Districts' levy for Standby Charges on annexed lands at the rates and formulae adopted for Fiscal Year 1997/1998 and any subsequent years in which either or both Boards of Directors may vote to approve and adopt said Standby Charges shall remain as a covenant with the land annexed into the Districts and shall be recorded as such in the appropriate form and manner.

STATE OF CALIFORNIA)
) ss
COUNTY OF VENTURA)

I, DONALD G. HAUSER, Secretary of the Board of Directors of Calleguas Municipal Water District, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular meeting of said Board held on the 4th day of February, 1998, and that it was adopted by a unanimous vote.

Donald G. Hauser
Secretary of the Board of Directors

Implementation Plan
McGrath Ranch
Page 1

IMPLEMENTATION PLAN

WATER USE EFFICIENCY GUIDELINES FOR THE McGRATH RANCH ANNEXATION NO. 54 INTO THE CALLEGUAS MUNICIPAL WATER DISTRICT AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

GENERAL DESCRIPTION OF ANNEXING AREA

The Property is Calleguas Annexation No. 54. It consists of approximately 69.18 acres located in the County of Ventura and soon to be annexed into the City of Oxnard on Rose Avenue between Camino De La Luna and Cesar Chavez.

The site is vacant. Current use is agricultural row crops. The owners intend to build 330 single-family homes pursuant to their approved subdivision map. There are no school sites or parks within the annexation area.

City of Oxnard zoning for the site is R-1-PD and R-2-PD which is consistent with the General Plan designation of low density residential and the County General Plan which shows the area as "Urban Reserve" for the proposed development.

ANNUAL WATER USAGE

The projected annual demand for water after development of the property is estimated to be 166 acre-feet per year, or an average daily factor of 450 gallons per dwelling unit per day. Peak daily demand is estimated at 2 ½ times average daily demand, or 1.14 acre-feet. The parcels will receive water from the City of Oxnard.

The City presently receives water from both Calleguas/MWD and local ground water supplied from the United Water Conservation District. The qualities of local water supplies are not adequate to meet the standards established by the City without blending with imported water.

Water normally supplied by the City is blended at a one-to-one ratio of Calleguas/MWD water-to-ground water. The properties will receive the blend, thus requiring approximately 83-acre feet per year from Calleguas/MWD and 83 acre feet per year from local supplies.

Implementation Plan
McGrath Ranch
Page 2

PEAK WATER USAGE

Lake Bard Reservoir

Calleguas owns and operates Lake Bard reservoir, which has a capacity of 10,500-acre feet of water. Calleguas' system sets flow based on past system averages for its service area from MWD for a given 24-hour period and meets peak daily water demands from Lake Bard.

Groundwater Conjunctive Use

In conjunction with MWD, Calleguas is currently developing the first 16 of 30 dual purpose, injection/extraction wells that will be installed within the North Las Posas Groundwater Basin. Each well is designed to inject an estimated 1,000 acre-feet of pre-treated water during the winter months for storage, which will be extracted during emergency drought or summer months, when imported supplies may be limited.

The cities of Camarillo and Oxnard and the Camrosa Water District, VCWWWD #1-and #19, Zone, Mutual Water Company, and Berylwood Heights Mutual Water Company have also participated in groundwater storage programs which allow for storage of water during periods when excess water is available and subsequent extraction during times of shortage.

High and Low Flow Penalties

In 1982, Calleguas revised Ordinance No. 12 (water service) to penalize to its purveyors for peaking off Calleguas' system. In 1987, Calleguas included a penalty based on low flow. Both penalties were imposed to direct purveyors to their responsibility to increase water storage within their storage areas.

Local Area Water Management

Water demands (peaking) from the MWD/Calleguas system can be effectively managed through the interconnection systems of Calleguas and the City of Oxnard. Several of Calleguas' purveyors extract water from the local ground water basin within Calleguas' service area. In the event of a curtailment or interruption of imported water supplies, Calleguas would be able to request its purveyors to increase their groundwater production.

Implementation Plan
McGrath Ranch
Page 3

The Oxnard distribution system has the ability to increase water deliveries from several sources to offset peaking:

- Ground water extraction from the upper Oxnard aquifer within the Fox Canyon GMA allocations.
- Ground water extraction from the Fox Canyon aquifer within their Fox Canyon GMA allocations.
- Direct delivery from the United Water Conservation District.
- Drawing from the 18-mg terminal storage Springville Reservoir which is owned by Calleguas.

WATER CONSERVATION

Additional water demands placed on MWD will be minimized by incorporating the following conservation measures.

Calleguas

Calleguas, in conjunction with the Metropolitan Water District of Southern California, offers a variety of conservation programs. These programs are designed to satisfy the Best Management Practices referred to by the California Urban Water Conservation Council in its Memorandum of Understanding, in which Calleguas and Metropolitan are signatories.

Urban water conservation programs include: school education, low consumption plumbing retrofits (i.e. toilets, showerheads), public information (i.e. literature, speaking engagements, tours of Calleguas facilities), landscape maintenance, commercial, industrial, institutional surveys.

Additionally, Calleguas provides literature and showerheads, upon request, for distribution by its purveyors.

Annexing Area

McGrath Ranch will comply with State standards for water-efficient plumbing fixtures. These include toilet fixtures that are water-conserving as defined by ANSI Std. No. A112.19.3 low flow showerheads, lavatory faucets and sink faucets, self-closing valves on fountains and faucets, pipe insulation on hot water lines, etc.

Implementation Plan
McGrath Ranch
Page 4

City Of Oxnard has developed several conservation measures, which apply within the City and to lands annexed to the City. Through the Building Department it enforces regulations pertaining to the installation of ultra-low flush toilets (1.6 gallons per flush) and water conserving fixtures (2 ½ gallons per minute) for all new construction, redevelopment and rehabilitation projects.

At the time McGrath Ranch is developed, the following will be required:

1. Comply with all City of Oxnard Building Department standards for use of water saving devices in the project buildings.
2. Provide individual metering of all buildings in the project to better control water usage monitoring.
3. Maximize use of drought resistant materials in the overall landscape plan and reduce turf areas for the project. At least one model home constructed in each new development within the annexed area shall demonstrate a water conserving landscape.
4. Monitor medians and site water by installing sensors that can override automatic irrigation timers.

USE OF RECLAIMED WATER

Calleguas

The Board of Directors of Calleguas adopted Resolution No. 773 promoting the use of reclaimed wastewater supplies within the District. Calleguas requires that its purveyors develop the use of reclaimed wastewater for green belts and large turf irrigation. At present, approximately 869 AFY of reclaimed wastewater is sold to golf courses within Calleguas' service area with an additional 1,500 AFY to be made available in the next two years.

Annexing Area

The City of Oxnard's Wastewater Treatment Plant is not presently used for water reclamation and reuse. The City Council has directed that water reclamation and reuse be a priority for the city. When such supplies exist, a dual distribution system shall be constructed to accommodate such supplies.

There will be no golf courses, decorative lakes, schools or parks within the annexation area. There are no landscape or turf areas greater than one acre.

Implementation Plan
McGrath Ranch
Page 5

WATER DELIVERY CURTAILMENT

Calleguas

Calleguas has an integrated water delivery system, which allows all areas in its service area to receive water from two alternative water sources. The District's primary supply is obtained from MWD via Jensen Treatment Plant and distribution system.

In addition to Lake Bard, Calleguas has eight reservoirs with a combined storage capacity of 49 million gallons.

Several Calleguas' purveyors extract water from the local groundwater basins within Calleguas' service area. In the event of an emergency curtailment of water from MWD for any reason, the District could impose a water rationing plan and request its purveyors to increase their groundwater production to extend the District's reservoir reserves for other areas that do not have ground water supplies.

Calleguas already has the ability to sustain a seven-day interruption of water delivery service and this annexation will not oversubscribe that ability.

Annexing Area

The City of Oxnard, as purveyor of Calleguas water, is subject to the conservation measures detailed above. Oxnard is located within that portion of Calleguas which has access to alternative sources of supply through extraction of groundwater or purchase from the United Water Conservation District.

CAPITAL CONSTRUCTION CHARGES

In 1980, Calleguas imposed a capital construction charge for all new development within its service area. The charge was established to raise funds necessary to build additional facilities required for expansion of Calleguas service area. Additionally, a component of Calleguas' water rate is designed to provide funds for the District's capital improvement program. Calleguas' Master Plan approved by its Board of Directors identifies the facilities that will be constructed to meet its future water demands.

URBAN CONSERVATION BEST MANAGEMENT PRACTICES

To the extent practicable to do so, within the limits of its authority and jurisdiction, Calleguas intends to apply the Urban Conservation Best Management Practices as set forth in Attachment A to this Implementation Plan.

Implementation Plan
McGrath Ranch
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WATER USE EFFECIENCY GUIDELINES

To the extent practicable, the City and McGrath Ranch shall comply with the water use efficiency guidelines of MWD and Calleguas.

COMPLIANCE

Calleguas accepts the responsibility for assuring compliance with the provisions of Metropolitan's Water Use Efficiency Guidelines as indicated in this Plan and shall report to Metropolitan regarding such compliance.

CALLEGUAS MUNICIPAL WATER DISTRICT

By: Donald R. Kendall Date: April 27, 1998
Donald R. Kendall, General Manager

CITY OF OXNARD

By: Matthew Winegar
Matthew Winegar, Public Services Director

Date: APRIL 27, 1998

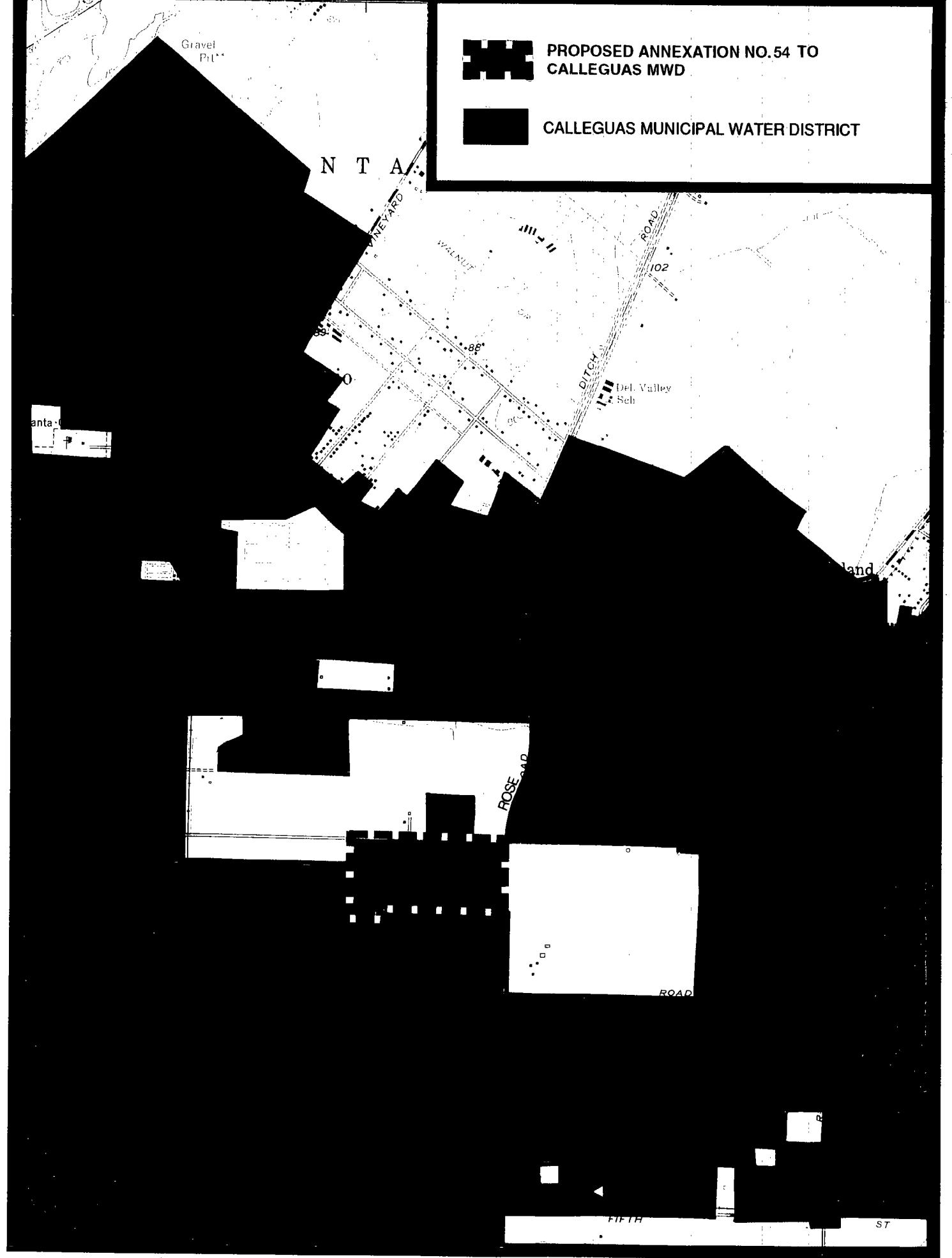
STANDARD PACIFIC CORP

By: Stephen E. Boggs
Stephen E. Boggs
Authorized Representative

Date: 4/27/98

ATTACHMENT "A"
URBAN CONSERVATION BEST MANAGEMENT PRACTICES

1. Interior and Exterior Residential and Governmental/Institutional Water Audits
2.
 - a. Enforcement of ULFT Requirement in New Construction Beginning January, 1992
 - b. Support of State and Federal Legislation Prohibiting Sales of Toilets that use More Than 1.6 Gallons per Flush
 - c. Residential Plumbing Retrofits
3. Distribution System Water Audits, Leak Detection and Repair
4. Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections
5. Large Landscape Water Audits and Incentives
6. Support of and Compliance with "Water Conservation in Landscaping Act" (AB325) for Commercial, Industrial, Institutional, Governmental and Multifamily Developments
7. Public Information
8. School Education
9. Commercial and Industrial Water Conservation
10. New Commercial and Industrial Water Use Review
11. Conservation Pricing
12. Support of and Compliance with "Water Conservation in Landscaping Act" (AB325) for Single Family Homes
13. Enactment and Enforcement of Water Waste Prohibition Ordinances
14. Designation of a Water Conservation Coordinator
15. Financial Incentives
16. Ultra Low Flush Toilet Requirements



PROPOSED ANNEXATION NO. 54 TO
CALLEGUAS MWD

CALLEGUAS MUNICIPAL WATER DISTRICT

N T A

Gravel
Pt

anta

Del. Valley
Sch

land

ROSE
ROAD

ROAD

FIFTH

ST