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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-7

May 20, 1998

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

From: General Counsel



Subject: Resolution Giving Notice of Intent to Impose Standby Charges, Contingent upon Annexation, within Proposed Guajome Annexation to Metropolitan, San Diego County Water Authority and Vista Irrigation District

RECOMMENDATION(S)

It is recommended that the Board approve the resolution in the form of Exhibit A to this letter giving notice of intention to impose standby charges at the rate of \$11.51 per acre or per parcel of less than one acre within the proposed annexation identified above.

EXECUTIVE SUMMARY

The San Diego County Water Authority (SDCWA) has requested that Metropolitan impose standby charges within the territory of the proposed Guajome Annexation to Metropolitan, SDCWA and Vista Irrigation District, at the rate of \$11.51 per acre or per parcel of less than one acre (the rate at which standby charges are presently levied in other portions of SDCWA). Your Board gave informal approval of the proposed annexation June 10, 1997 and adopted Resolution No. 8580 fixing the formal terms and conditions of annexation on April 14, 1998. The SDCWA requested imposition of Metropolitan standby charges on this proposed annexation after formal terms and conditions were adopted.

DETAILED REPORT

At its June 10, 1997, meeting, your Board granted informal approval for the annexation of certain territory designated as the Guajome Annexation to Metropolitan and concurrently with the annexation of said area to SDCWA and Vista Irrigation District. This annexation comprises a total area of 10.28 acres.

By a letter dated May 19, 1998, SDCWA has requested that Metropolitan impose standby charges within the annexation territory at the rate of \$11.51 per acre or per parcel of less than one acre (the rate at which standby charges are presently levied in other portions of SDCWA). 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

Board of Directors

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May 20, 1998

impose standby charges which, if adopted by your Board, will authorize the Executive Secretary to mail notices to the property owners. The notices 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 on that date. Imposition of water standby charges will be contingent upon completion of annexation.

SBB:mg
#10416
Attachment

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 San Diego County Water Authority) 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 concurrent annexation into Metropolitan, San Diego County Water Authority and Vista Irrigation District;

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, San Diego County Water Authority 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 \$11.51, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of the San Diego County Water Authority. 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 Guajome Annexation, shall be billed directly to the property owner. Any amounts so collected shall be applied as a credit against the San Diego County Water Authority'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 the Guajome Annexation to Metropolitan, the San Diego County Water Authority and Vista Irrigation 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 the San Diego County Water Authority 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 SAN DIEGO COUNTY
WATER AUTHORITY GUAJOME ANNEXATION**

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 San Diego County Water Authority (SDCWA) 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 SDCWA. 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 \$11.51 per acre, or \$11.51 per parcel of less than one acre, is a condition to annexation of these properties into SDCWA 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. SDCWA has requested that a standby charge be utilized to collect part of its RTS obligation.

The following table lists the parcels included in Guajome Annexation and the proposed standby charge for fiscal year 1998-99.

Standby Charges for Guajome Annexation

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge (FY 98-99)</u>
Portion of 159-090-43		
Parcel A-1	2.91	\$33.49
Parcel A-2	7.37	\$84.83
Total	10.28	\$118.32

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 Guajome Annexation 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 Guajome Annexation, 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 Guajome Annexation 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. SDCWA has requested that a standby charge be imposed on lands within Guajome Annexation as a credit against SDCWA's readiness-to-serve charge for fiscal year 1998-99, in the amount of \$11.51 per acre or parcel of less than one acre levied by Metropolitan within SDCWA. The special benefits described in this Engineer's Report far exceed the recommended charge. The standby charges for parcels within Guajome Annexation total \$118.32.

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 SDCWA Guajome Annexation)	(\$41,835,248)	(\$10.07)
Remaining Capital and Debt Service Costs Recovered by RTS, Water Sales, Interest Income and Other Revenues	\$187,671,382	\$45.16

TABLE 2
DISTRIBUTION SYSTEM IMPROVEMENT PROJECT BENEFITS

Attachment 7-7A
Legal Department
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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

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	These items estimated (a,b)		
	Total Parcel Charge	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
Ventura County Total		254,145	\$2,434,709
San Diego CWA	\$11.51	1,061,566	\$12,218,620
SDCWA Guajome Annexation	\$11.51	10	\$118
San Diego County Total		1,061,576	\$12,218,738
TOTAL	\$10.07	4,156,153	\$41,835,248

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 Guajome Annexation.

ATTACHMENT-A

Guajome Annexation to SDCWA

OWNER(S)

County of San Diego

CURRENT LAND USE

County Regional Park contains: Guajome Adobe
Antique Gas & Steam Engine Museum

PROPOSED USE

County Regional Park

PROPOSED WATER USE

TOTAL DEMAND

5.25 AFY

1/2 Local Ground Water

1/2 Calleguas/MWD Water

Demand on Calleguas/MWD = 2.6 AFY

ANNEXATION CHARGE

10.28 net acres x \$2,992 + \$5,000 processing fee = \$35,757.76