

- **Board of Directors**
Executive Committee

November 14, 2000 Board Meeting

8-6

Subject

Adopt resolutions for annexation and to impose water standby charges for the 66th Fringe Annexation (formerly American Beauty Annexation) to Eastern Municipal Water District and Metropolitan.

Description

The Eastern Municipal Water District (Eastern) has requested formal terms and conditions for the 66th Fringe Annexation concurrently to Eastern and Metropolitan. Metropolitan's Board granted informal (conditional) approval on April 11, 2000. The development plan for the vacant 150.48-acre territory in the Murrieta area of Riverside County consists of 543 single-family homes and one 5-acre commercial site. Prior to completion of this annexation, Eastern will pay in full a fee of \$517,835.84. The projected water demand on Metropolitan is approximately 381 acre-feet per year. ([Attachment 1](#)--Detailed Report)

Policy

Territory may be annexed to Metropolitan upon terms and conditions fixed by the Board and in accordance with Chapter 1, Article 1, Sections 350 through 356 of the Metropolitan Water District Act and Division III of the Metropolitan Water District Administrative Code.

Board Options/Fiscal Impacts**Option #1**

- a) Certify that the Board has reviewed and considered the information contained in the Negative Declaration and adopt the Lead Agency's findings related to the Declaration (available in the Executive Secretary's office) prior to reaching a decision on the project;
- b) Adopt resolution granting Eastern's request for consent of the 66th Fringe Annexation concurrently to Metropolitan and Eastern by establishing Metropolitan's terms and conditions for this annexation ([Attachment 2](#)--Resolution Fixing Terms and Conditions); and
- c) Adopt the resolution to impose water standby charges at a rate of \$6.94 per acre or per parcel of less than one acre within the proposed annexation ([Attachment 3](#)--Resolution Fixing and Adopting Water Standby Charge).

Fiscal Impact: Receipt of annexation fee (\$517,835.84) and water sales revenue from annexed territory

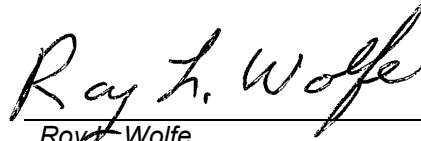
Option #2

Decline 66th Fringe Annexation to Eastern

Fiscal Impact: Unrealized fees and water sales revenue from non-annexed territory

Staff Recommendation

Option #1.



Roy L. Wolfe
Manager, Corporate Resources

10/19/2000

Date



Ronald R. Jester
General Manager

10/19/2000

Date

Attachment 1 – Detailed Report

Attachment 2 – Resolution Fixing Terms and Conditions

Attachment 3 – Resolution Fixing and Adopting Water Standby Charge

BLA #591

Detailed Report – 66th Fringe Annexation to Eastern

The Eastern Municipal Water District (Eastern) Board of Directors has requested formal terms and conditions for the 66th Fringe Annexation (formerly American Beauty Annexation), concurrently to Eastern and the Metropolitan Water District of Southern California (Metropolitan) by Resolution No. 3419, dated September 20, 2000 (Attachment 4). On April 11, 2000, Metropolitan's Board granted conditional (informal) approval and adopted a resolution of intent to impose water standby charges upon the annexing territory (Attachment 5). On August 24, 2000, Local Agency Formation Commission of Riverside County approved this annexation by its Resolution 21-00 (Attachment 6). All 66th Fringe Annexation attachments are available for review in the Executive Secretary's office.

Pursuant to the provisions of the California Environmental Quality Act (CEQA), Eastern, acting as Lead Agency, has prepared a Negative Declaration for the project. Metropolitan, as Responsible Agency, is required to review and consider the information in the attached Declaration, and has adopted the Lead Agency's findings, prior to reaching a decision on the proposed action. The Negative Declaration is available in the Executive Secretary's Office. No further environmental documentation is necessary for the Board to act on this request.

Metropolitan's resolution fixing the terms and conditions for the annexation is available for review as Attachment 2. Completion of 66th Fringe Annexation will be subject to such terms and conditions as may be fixed by Metropolitan's Board in granting formal consent to such annexation.

The Board adopted a resolution of intention to impose water standby charges within the proposed 66th Fringe Annexation territory at its meeting on April 11, 2000. Pursuant to Resolution No. 8693, the Board held a public protest hearing. The hearing was scheduled for June 13, 2000, prior to consideration of formal approval of the proposed annexation. Interested parties presented their views regarding the proposed charges and the Engineer's Report. Also pursuant to Resolution No. 8693 and in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, the Executive Secretary provided written notice, by mail, of such hearing to the owner of record of the parcel identified in the Engineer's Report. Enclosed in the mailed notice was an assessment ballot whereby the owner could indicate either support or opposition to the proposed water standby charge. Since no majority protest was found to exist (as defined in Article XIII D, Section 4 of the California Constitution) upon conclusion of the hearing, it will be requested that Metropolitan's Board consider and act upon the recommendation to adopt a second resolution (see Attachment 3 --Resolution Fixing and Adopting Water Standby Charge), which imposes a Metropolitan water standby charge in the amount of \$6.94 per acre, or per parcel less than one acre, within the territory of 66th Fringe Annexation for fiscal year 2000-2001.

The annexation charge has been calculated pursuant to Section 3300 of Metropolitan's Administrative Code. Utilizing the current rate of \$3,408 per acre and the sum of \$5,000 for processing costs, the annexation charge is \$517,835.84, if completed by December 31, 2000. The \$5,000 processing charge has been paid. If the annexation is completed after December 31, 2000, the annexation will be calculated based on the then current rate.

Approval of Metropolitan's water standby charge in the amount noted above, which is equal to the amount of Metropolitan's water standby charges imposed elsewhere within Eastern's territory, is a condition to complete this annexation. Pursuant to the terms of the attached Resolution, if said annexation is not completed by July 1, 2001, Metropolitan may levy standby charges at the rate stated in this Resolution beginning in a subsequent fiscal year.

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
CONSENTING TO EASTERN'S 66th FRINGE ANNEXATION
(FORMERLY AMERICAN BEAUTY ANNEXATION)
AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

A. WHEREAS, the Board of Directors of the Eastern Municipal Water District (Eastern), a municipal water district, situated in the County of Riverside, State of California, pursuant to Resolution No. 3419, dated September 20, 2000, in accordance with the provisions of the Metropolitan Water District Act, has applied to the Board of Directors of the Metropolitan Water District of Southern California (Metropolitan) for consent to annex thereto certain uninhabited territory situated in the County of Riverside, particularly described in an attachment to the Local Agency Formation Commission of Riverside County Resolution, concurrently with the annexation thereof to Eastern, such annexation to Metropolitan to be upon such terms and conditions as may be fixed by the Board of Directors of Metropolitan; and

B. WHEREAS, on August 24, 2000, the Local Agency Formation Commission of Riverside County approved the proposed annexation, by Resolution No. 21-00; and

C. WHEREAS, the Board of Directors of Metropolitan has reviewed and considered the information contained in the Negative Declaration, prepared and adopted by Eastern for the proposed 66th Fringe Annexation; and

D. WHEREAS, it appears to this Board of Directors that such application should be granted, subject to the terms and conditions hereinafter set forth.

E. NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Metropolitan, acting as a Responsible Agency, has reviewed and considered the information contained in the Negative Declaration and adopts the Lead Agency's findings; and subject to the following terms and conditions, the Board does hereby grant the application of the governing body of Eastern for consent for 66th Fringe Annexation to Metropolitan and does hereby fix the terms and conditions of such annexation:

Section 1.

The annexation of said area to Eastern shall be made concurrently with the annexation thereof to Metropolitan, and all necessary certificates, statements, maps, and other documents required to be filed by or on behalf of Eastern to effectuate the annexation shall be filed on or before December 31, 2001.

Section 2.

Prior to filing a request for a Certificate of Completion of the annexation proceedings with the Local Agency Formation Commission, Eastern shall pay to Metropolitan, in cash the sum of \$517,835.84, if the annexation is completed by December 31, 2000. If the annexation is completed during the 2001 calendar year, the annexation charge will be calculated based on the then current rate.

Section 3.

All necessary steps (including without limitation, pursuant to Article XIII D of the California Constitution) for imposition of Metropolitan water standby charges in the amount of \$6.94 per acre or per parcel of less than one acre for fiscal year 2000/01 shall be completed.

Section 4.

a. Metropolitan shall be under no obligation to provide, construct, operate, or maintain feeder pipelines, structures, connections, and other facilities required for the delivery of water to said area from works owned or operated by Metropolitan.

b. Eastern shall not be entitled to demand that Metropolitan deliver water to Eastern for use, directly or indirectly, within said area, except for domestic or municipal use therein.

c. The delivery of all water by Metropolitan, regardless of the nature and time of use of such water shall be subject to regulations promulgated from time to time by Metropolitan.

d. Except upon the terms and conditions specifically approved by the Board of Directors of Metropolitan, water sold and delivered by Metropolitan shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside Metropolitan, including use of such water outside Metropolitan or use thereof within Metropolitan in substitution for other water outside Metropolitan.

F. BE IT FURTHER RESOLVED that the Executive Secretary be, and she hereby is, directed to transmit forthwith to the governing body of Eastern a certified copy of this resolution.

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 November 14, 2000.

Executive Secretary
The Metropolitan Water District
of Southern California

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
FIXING AND ADOPTING WATER STANDBY CHARGE
CONTINGENT UPON 66th FRINGE ANNEXATION TO EASTERN
(FORMERLY AMERICAN BEAUTY ANNEXATION)

WHEREAS, pursuant to Resolution 8693, adopted by the Board of Directors (the "Board") of The Metropolitan Water District of Southern California ("Metropolitan") at its regular meeting held April 11, 2000, the Board gave notice to the public and to each member public agency of Metropolitan of the intention of the Board to consider and take action on the General Manager's recommendation to impose a water standby charge for fiscal year 2000-2001 on the property described in the Engineer's Report, dated February 2000 (the "Engineer's Report"), which was prepared by a registered professional engineer certified by the State of California and was attached as Attachment A to Resolution 8693;

WHEREAS, the owner of the parcel identified in the Engineer's Report has applied for annexation into Eastern Municipal Water District ("Eastern") and Metropolitan;

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

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

WHEREAS, Resolution 8693 provides that the Board would meet in regular session to hold a public protest hearing at which interested parties could present their views regarding the proposed water standby charges and the Engineer's Report;

WHEREAS, pursuant to the terms of Resolution 8693 the Executive Secretary provided written notice in accordance with the requirements of Article XIII D, Section 4 of the California Constitution of the proposed water standby charge by mail to the record owner of the property identified in the Engineer's Report of such public hearing, and the notice included an assessment ballot whereby the owner could 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;

WHEREAS, the Board will conduct in conformance with Resolution No. 8693 a public hearing. The hearing was scheduled for July 11, 2000, at which interested parties were given the opportunity to present their views regarding the proposed water standby charge and the Engineer's Report and to protest the charges, if they so desire, and the

Board will duly consider all such protests and other views presented to it at the public hearing; and

WHEREAS, prior to the conclusion of the public hearing the Executive Secretary reviewed the assessment ballot submitted at or before the hearing, and found that no majority protest (as defined in Article XIII D, Section 4 of the California Constitution) exists;

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 the Board of Metropolitan, pursuant to the Engineer's Report, finds that the land described in said Engineer's Report upon annexation to Metropolitan will be benefited as described in such report and on that basis, hereby fixes and adopts a water standby charge for fiscal year 2000-2001 on such lands to which Metropolitan water is made available for any purpose, whether water is actually used or not.

Section 2. That the water standby charge per acre of land, or per parcel of land less than an acre, as shown in the Engineer's Report, shall be \$6.94, which is equal to the amount of Metropolitan's existing water standby charge on other properties located within the territory of Eastern.

Section 3. That no water standby charge on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel, as shown in the Engineer's Report. The Engineer's Report separates the special benefits from the general benefits and identifies each of the parcel on which a special benefit is conferred.

Section 4. That the water standby charge 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. Any amounts so collected shall be applied as a credit against Eastern's obligation to pay its readiness-to-serve charge for fiscal year 2000-2001. 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 5. That the water standby charge is fixed and adopted contingent upon completion of annexation of the land described in the Engineer's Report. If such annexation is not completed in time to permit imposition of standby charges for fiscal year 2000-2001, Metropolitan may levy standby charges at the rate stated in this Resolution beginning in a subsequent fiscal year.

Section 6. 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 water standby charge shall be collected within the territory described in the Engineer's Report and Eastern 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 7. That this Board finds that the water standby charges provided in this Resolution are exempt from the provisions of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15378(b)(4) as such action is not a project, and such charges 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

Section 8. That the General Manager is hereby authorized and directed to take all necessary action to secure the collection of the water standby charges by the appropriate county officials, including payment of the reasonable cost of collection.

Section 9. That the General Manager and General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation.

Section 10. That if any provision of this Resolution or the application to any member agency, property or person whatsoever is held invalid, that invalidity shall not affect the other provisions or applications of this Resolution which can be given effect without the invalid portion or application, and to that end the provisions of this Resolution are severable.

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 November 14, 2000.

Executive Secretary
The Metropolitan Water District
of Southern California