

- **Board of Directors**
Executive Committee

May 22, 2001 Committee Meeting

5b

Subject

Adopt final resolutions for annexation and to impose water standby charges for 70th Fringe Area to Eastern Municipal Water District and Metropolitan

Description

Eastern Municipal Water District (Eastern) has requested formal terms and conditions for Annexation No. 70, concurrently to Eastern and The Metropolitan Water District of Southern California (Metropolitan). Metropolitan's Board granted informal (conditional) approval on November 16, 1999. The development plan for the uninhabited 9.6-acre territory is for a business park. Prior to completion of this annexation, Eastern will pay in full a fee of \$32,441. The projected water demand on Metropolitan is 9.8 acre-feet per year. ([Attachment 1](#).)

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 Metropolitan's Act and Division III of its Administrative Code.

CEQA

Pursuant to the provisions of the California Environmental Quality Act (CEQA), the Rancho California Water District, acting as lead agency, approved a Mitigated Negative Declaration and issued a Notice of Determination (NOD) on April 15, 1999 for the development of the proposed annexation parcel. Metropolitan, as responsible agency under CEQA, is required to certify that it has reviewed and considered the information contained in the Mitigated Negative Declaration and NOD ([Attachment 2](#)), and adopt the lead agency's findings prior to approval of the formal terms and conditions for Annexation No. 70.

Option #1: CEQA determination

Review and consider information provided in the Mitigated Negative Declaration and adopt the lead agency's findings related to the annexation.

Board Options/Fiscal Impacts

Option #1: Adopt the CEQA determination and

- Adopt a resolution granting Eastern's request for approval of Annexation No. 70, concurrently to Metropolitan and Eastern, by establishing Metropolitan's terms and conditions for this annexation, conditioned upon approval by the Local Agency Formation Commission of Riverside County ([Attachment 3](#)); and
- Adopt the resolution to impose water standby charge at a rate of \$6.94 per acre or per parcel of less than one acre within the proposed annexation ([Attachment 4](#)).

Fiscal Impact: Receipt of annexation fee (\$32,441) and water sales revenue from annexed territory.

Option #2

Decline Eastern Annexation No. 70

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

Staff Recommendation

Option #1



Roy L. Wolfe
Manager, Corporate Resources

5/4/2001
Date



Ronald R. Jester
General Manager

5/7/2001
Date

Attachment 1 -- Detailed Report

Attachment 2 -- Mitigated Negative Declaration and Notice of Determination

Attachment 3 -- Resolution Fixing Terms and Conditions

Attachment 4 -- Resolution Fixing and Adopting Water Standby Charge

BLA #1025

Detailed Report – Eastern Annexation No. 70

The Eastern Municipal Water District (Eastern) Board of Directors has requested formal terms and conditions for Annexation No. 70, concurrently to Eastern and The Metropolitan Water District of Southern California (Metropolitan) by Resolution No. 3466, dated April 4, 2001 (Attachment 5). On November 16, 1999, Metropolitan's Board granted conditional (informal) approval and adopted a resolution of intent to impose water standby charges upon the annexing territory. On March 22, 2001, the Local Agency Formation Commission of Riverside County approved this annexation by its Resolution 07-01 (Attachment 7). All Annexation No. 70 attachments are available for review in the Executive Secretary's office.

Metropolitan's resolution fixing the terms and conditions for the annexation is attached as Attachment 3. Completion of Annexation No. 70 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 Annexation No. 70 territory at its meeting on November 16, 1999. Pursuant to Resolution No. 8654, the Board held a public protest hearing. The hearing was held January 11, 2000. Interested parties presented their views regarding the proposed charges and the Engineer's Report. Also pursuant to Resolution No. 8654 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 (as defined in Article XIII D, Section 4 of the California Constitution) was found to exist 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 4 -- 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 Annexation No. 70 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 \$3,460 per acre and the sum of \$5,000 for processing costs, the annexation charge is \$32,441, if completed by December 31, 2001. The \$5,000 processing charge has been paid. The annexation fee will be paid in cash. Completion of the annexation will be subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation.

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.