- **Board of Directors**
  Executive Committee

July 10, 2001 Board Meeting

8-8

Subject

Grant conditional approval for Annexation No. 74 to Calleguas Municipal Water District and Metropolitan, and adopt resolution of intention to impose water standby charges

Description

The Calleguas Municipal Water District (Calleguas) requests conditional approval for Annexation No. 74, concurrently to Calleguas and The Metropolitan Water District of Southern California (Metropolitan). The development plan for the uninhabited 16.03-acre territory in the city of Oxnard is for residential and commercial uses. Prior to completion of the annexation, Calleguas will pay in full a fee of $60,463.80, if completed prior to December 31, 2001. The projected annual water demand on Metropolitan is approximately 37 acre-feet per year. Calleguas also requests that Metropolitan impose water standby charges within the proposed annexing territory.

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

This proposed action for conditional approval is not subject to the provisions of the California Environmental Quality Act (CEQA). Prior to formal approval and establishing Metropolitan's terms and conditions for Annexation No. 74 from the Board, CEQA documentation will be prepared and processed in accordance with CEQA and the State CEQA Guidelines. As Responsible Agency, the Board will then review and consider the CEQA documentation before taking action.

The CEQA determination is: Determine that the proposed action for conditional approval is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378 (b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there are no proposed actions where the activity in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061 (b)(3) of the State CEQA Guidelines).

Board Options/Fiscal Impacts

Option #1: Adopt the CEQA determination and

a) Grant conditional approval, as defined in the Metropolitan Water District Administrative Code Section 3100(b), for Annexation No. 74, concurrently to Calleguas and Metropolitan; conditioned upon receipt in full of annexation fee of $60,463.80 to Metropolitan if subject annexation is completed by December 31, 2001, or if completed after said date, at the then current annexation charge rate (**Attachment 1**);

b) Approve Calleguas' proposed Plan for Implementing Water Use Efficiency Guidelines (**Attachment 2**); and

c) Adopt the resolution of intention to impose water standby charges within the proposed annexation territory, substantially in the form of **Attachment 3**.

Fiscal Impact: Receipt of annexation fee ($60,463.80) and water sales revenue from newly annexed territory.

Option #2

Decline Annexation No. 74.

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

Staff Recommendation

Option #1

Roy L. Wolfe — 6/8/2001

Roy L. Wolfe — *Date*
Manager, Corporate Resources

Ronald R. Foster — 6/12/2001

Chief Executive Officer — *Date*

Attachment 1 -- Detailed Report

Attachment 2 -- Plan for Implementing Water Use Efficiency Guidelines

Attachment 3 -- Resolution of Intention to Impose Water Standby Charge

BLA #1006

Detailed Report – Calleguas Annexation No. 74

The Calleguas Municipal Water District (Calleguas) requested conditional (informal) approval for Annexation No. 74 concurrently to The Metropolitan Water District of Southern California (Metropolitan) and Calleguas. The subject uninhabited annexation territory consists of a 16.03-acre parcel of land. The parcel, which is better shown on the attached map Exhibit B, is located at the northwest corner of Channel Islands Boulevard and Rose Avenue, in the Oxnard area. The northeast corner of the parcel touches Highway One. The annexation territory is currently owned by Oxnard Village, Ltd., and is currently zoned ML (light manufacturing). The owner plans to develop the land for residential (141 detached condominiums) and retail commercial use, which is consistent with the City's Specific Plan. The total estimated water demand for this project is 73.5 acre-feet per year (AFY), of which 50 percent, or approximately 37 AFY, will be provided by Metropolitan.

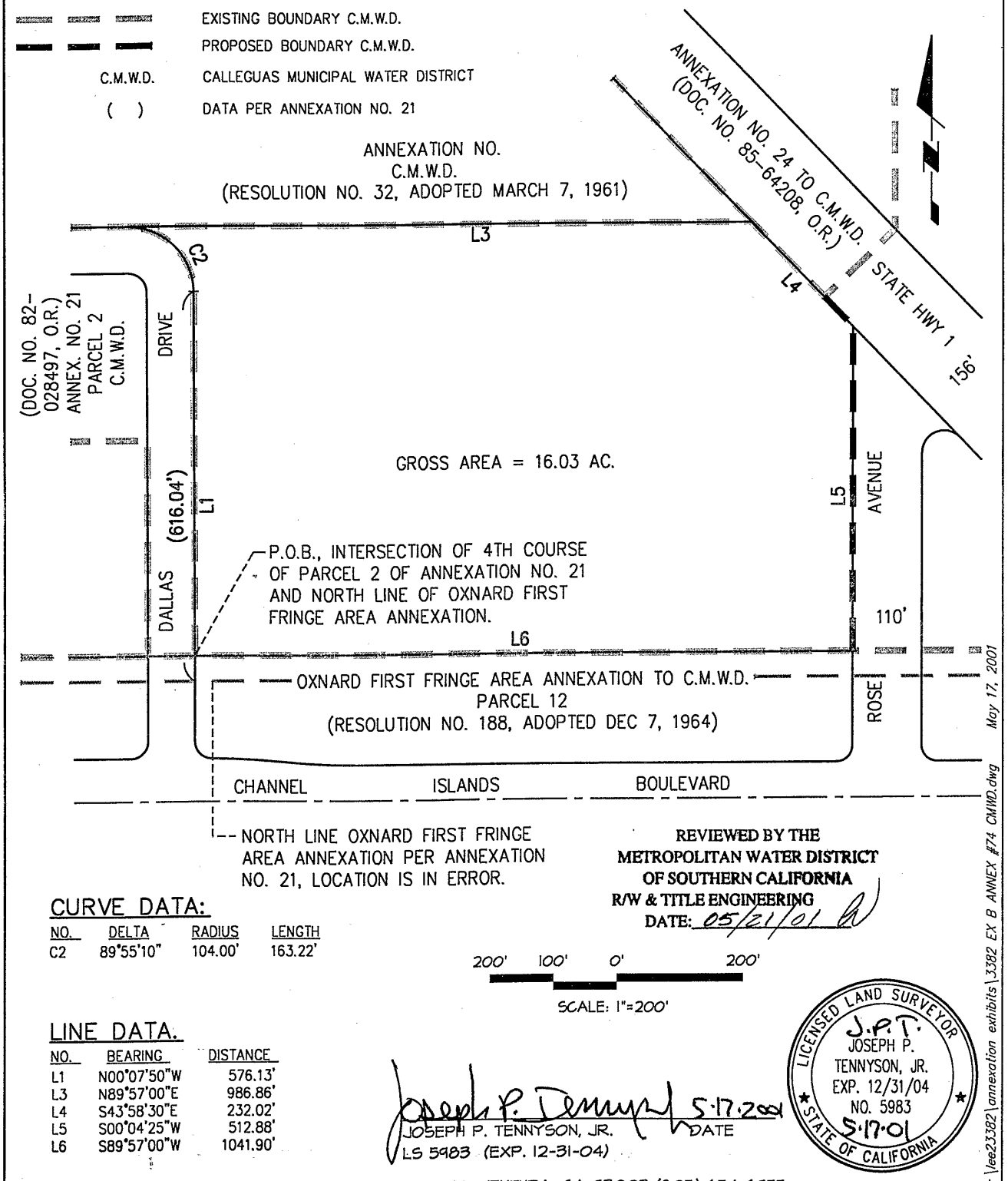
Pursuant to Section 3107 of Metropolitan's Administrative Code, Calleguas has submitted an acceptable Plan for Implementing Water Use Efficiency Guidelines for this project **(Attachment 2)**.

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 $60,463.80, if completed by December 31, 2001. The $5,000 processing charge has already been paid. If the annexation is completed after December 31, 2001, the annexation will be calculated based on the then current rate.

Completion of this annexation will be subject to such terms and conditions as may be fixed by the Board in granting formal consent to such annexation. Calleguas has requested that Metropolitan impose water 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 water 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. **Attachment 3** is the form of resolution of intention to impose water standby charges, which if adopted by the 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 11, 2001, 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 water standby charges in the annexed area may be considered by the Board concurrently with formal approval of annexation.

EXHIBIT "B"

ANNEXATION NO. 74 TO THE CALLEGUAS MUNICIPAL WATER DISTRICT



REVIEWED BY THE
METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
R/W & TITLE ENGINEERING
DATE: 05/21/01

CURVE DATA:

NO.	DELTA	RADIUS	LENGTH
C2	89°55'10"	104.00'	163.22'

200' 100' 0' 200'

SCALE: 1"=200'

LINE DATA.

NO.	BEARING	DISTANCE
L1	N00°07'50"W	576.13'
L3	N89°57'00"E	986.86'
L4	S43°58'30"E	232.02'
L5	S00°04'25"W	512.88'
L6	S89°57'00"W	1041.90'

Joseph P. Tennyson 5-17-2001
JOSEPH P. TENNYSON, JR. DATE
LS 5983 (EXP. 12-31-04)

LICENSED LAND SURVEYOR
J.P.T.
JOSEPH P.
TENNYSON, JR.
EXP. 12/31/04
NO. 5983
5-17-01
STATE OF CALIFORNIA

JENSEN DESIGN & SURVEY, INC 4171 MARKET ST. NO. 4A VENTURA, CA 93003 (805) 654-6977

J:\lee23382\annexation exhibits\3382 EX B ANNEX #74 CMWD.dwg May 17, 2001

EXHIBIT "A"

ANNEXATION NUMBER 74
TO THE CALLEGUAS MUNICIPAL WATER DISTRICT

Being a portion of Parcel C of Parcel Map Number 79-11 in the City of Oxnard, County of Ventura, State of California, as per the map thereof recorded in Book 29 at Page 59 of Parcel Maps of said county, and described as follows:

Beginning at the intersection of the 4th course of Parcel 2 of Annexation Number 21 to the Calleguas Municipal Water District as described in Document Number 82-028497 of Official Records of said county, with the north line of Parcel 12 of the Oxnard First Fringe Area Annexation to the Calleguas Municipal Water District as described in Resolution Number 188 of the Board of Directors of said District, Adopted December 7, 1964; thence along the boundary of said Parcel 2 the following two courses,

1ST North 00°07'50" West, a distance of 576.13 feet to the beginning of a tangent curve to the left having a radius of 104.00 feet, the end of said curve being tangent to the second course of said Parcel 2; thence along said curve,

2ND Northwesterly and Westerly an arc distance of 163.22 feet through a central angle of 89°55'10" to a point on the common boundary of said Annexation Number 21 and Annexation Number 1 to said district as described in Resolution Number 32 of the Board of Directors of said district, adopted March 7, 1961; thence along the southerly boundary of said Annexation Number 1,

3RD North 89°57'00" East, a distance of 986.86 feet to the southwesterly right-of-way line of State Highway 1 as shown on said parcel map, also being a point on the southwesterly line of Annexation Number 24 to said district as described in Document Number 85-64208 of Official Records of said county; thence along said right-of-way line and along said southwesterly line and the southeasterly prolongation thereof,

4TH South 43°58'30" East, a distance of 232.02 feet to the westerly line of Rose Avenue 110.00 feet wide, as shown on said parcel map; thence along said westerly line,

5TH South 00°04'25" West, a distance of 512.88 feet to a point on the northerly line of said Parcel 12; thence along same,

6TH South 89°57'00" West, a distance of 1041.90 feet to the Point of Beginning.

The above described parcel of land contains 16.03 Acres, more or less,
and is delineated on the attached Exhibit "B".

Joseph P. Tennyson, Jr.
LS 5983 (Exp. 12/31/04)

5·17·2001
Date

LICENSED LAND SURVEYOR
J.P.T.
JOSEPH P.
TENNYSON, JR.
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REVIEWED BY THE
METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
R/W & TITLE ENGINEERING
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IMPLEMENTATION PLAN

WATER USE EFFICIENCY GUIDELINES FOR ANNEXATION NO. 74 TO THE CALLEGUAS MUNICIPAL WATER DISTRICT AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (Oxnard Village, Ltd.)

GENERAL DESCRIPTION OF ANNEXING AREA

Annexation No. 74 (Oxnard Village, Ltd.) consists of approximately 16.03 gross acres of a 21-acre parcel located at the northest corner of Channel Islands Boulevard and Rose Avenue, in the Oxnard area. A map and legal description are attached.

The annexation includes Assessor Parcels Number 220-021-355

The property is zoned R-2-PD and C-2-PD (Low Medium Residential and General Commercial). The existing use is vacant land with no accessory buildings. The project proposed for the entire includes a tentative tract map for 141 detached condominiums and five pads for retail commercial development. Approximatley 117 homes and three commercial lots fall within the portion to be annexed.

ANNUAL WATER USAGE

The projected annual demand for water after development of the property is 73.5 acre-feet per year (AFY) or an average factor of 65,640 gallons per day (GPD). Peak demands are estimated at approximately 2.5 times the average daily factor, or .5 AF/day.

The property will receive water from the City of Oxnard. It obtains water from both Calleguas/ MWD and the United Water Conservation District. Oxnard currently blends 1:1 with Calleguas; therefore CMWD and MWD would provide 50% of the demand.

PEAK WATER USAGE

Lake Bard Reservoir

Calleguas' Lake Bard reservoir, which is owned and operated by Calleguas, has a capacity of 10,500 acre-feet of water. The Calleguas system sets flows from MWD based on past system averages for its service area 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 constructed within the 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 later use during emergencies, drought or summer months when imported supplies may be limited.

The cities of Camarillo and Oxnard, as well as the Camrosa Water District, Ventura County Waterworks Districts #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

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

Local Area Water Management

Several of Calleguas' purveyors extract water from the local ground water basin within Calleguas' service area. In the event of a curtailment of available water for a duration longer than previously stated, Calleguas is able to request its purveyors to increase their production. Water demands (peaking) from the Calleguas/MWD system can be effectively managed though interconnection of the Calleguas and Oxnard systems.

The Calleguas distribution system has the ability to increase water deliveries from several sources to offset peaking within the overall District:

- Direct delivery from the United Water Conservation District
- Ground water extraction from the upper Oxnard aquifer
- Ground water extraction from the Fox Canyon aquifer
- Drawing from Calleguas' 18 mg terminal storage Springville Reservoir

WATER CONSERVATION

Incorporating the following water conservation measures will minimize additional water demands placed on MWD.

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.

The City of Oxnard has developed several conservation measures that apply to lands annexed to the City. Through the Building Department the City enforces regulations pertaining to the installation of ultra-low flush toilets (1.6 gallons per flush) and water conserving fixtures (2.5 gallons per minute) for all new construction, redevelopment and rehabilitation projects.

At the time the subject property is developed, the developer shall comply with the following conditions:

1. Satisfy all City of Oxnard Building Department standards for use of water-saving devices in the project buildings.

2. Provision of individual metering for all project buildings to better control water usage and monitoring.

3. Maximize use of drought-resistant materials in the overall landscape plan and minimize turf areas for the project to the extent possible.

4. Monitoring of site landscape water use by installing sensors capable of overriding automatic irrigation timers.

Annexing Area

All uses in the annexation area 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, reduced-flow shower heads, lavatory faucets and sink faucets, self-closing valves on fountains and faucets, pipe insulation on hot water lines, etc.

USE OF RECLAIMED WATER

Calleguas

Calleguas Resolution No. 773 promotes the use of reclaimed wastewater supplies within the District. Calleguas requires that its purveyors develop the use of reclaimed wastewater for greenbelts and large turf irrigation. Within Calleguas, use of reclaimed wastewater is currently 1,500 AFY.

Annexing Area

The Ventura County Board of Supervisors and the City of Oxnard promote the use of reclaimed water and have directed that water reclamation be a priority for use. When such supplies exist, a dual distribution system shall be constructed to accommodate such supplies.

Landscaped areas exceeding one acre, any industrial or other uses for which non-potable water is practical shall receive local or reclaimed water when available.

WATER DELIVERY CURTAILMENT

Calleguas

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

Calleguas has an integrated water delivery system, which allows all areas in its service area to receive water from two alternative sources. The main source is from MWD via the Jensen Treatment Plant and distribution system.

The second source is from Lake Bard Reservoir, which is used for system peaking and emergency storage. Lake Bard's storage capacity (10,500 acre feet) is adequate to supply water for total system usage for periods of 15 to 20 days at maximum unregulated demands during summer and in excess of 45 days during winter months.

In addition to Lake Bard, Calleguas has seven reservoirs with a combined storage capacity of 45 million gallons.

Several of Calleguas' purveyors extract water from the local groundwater basins with Calleguas' service area. In the event of an emergency curtailment of water from MWD as a result of a major facility failure that is longer in duration that previously stated, 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.

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 the Calleguas service area. Additionally, Calleguas has assessed a capital construction water rate charge to its purveyors on water usage to augment the capital construction program.

URBAN CONSERVATION BEST MANAGEMENT PRACTICES

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

WATER USE EFFICIENCY GUIDELINES

To the extent practicable the City of Oxnard and Oxnard Village, L.T.D. agrees to comply with MWD and Calleguas Water Use Efficiency Guidelines as set forth in Attachment B to this Implementation Plan.

DUAL DISTRIBUTION SYSTEM

To the extent practicable, the City of Oxnard and the owners of the parcels to be annexed shall comply with the following:

> Reclaimed wastewater or other non-potable water shall be used on all golf courses, decorative lakes, and other landscaped areas exceeding one acre, including multi-family complexes, commercial and industrial developments, and similar areas. Reclaimed wastewater and other non-potable supplies shall be used for industrial processes and other suitable uses. If such supplies do not presently exist, a dual distribution system shall be constructed to accommodate such supplies when they become available in the future.

MODEL HOMES

At least one model home constructed in each new development within the annexed area shall demonstrate a water conserving landscape.

WATER CONSERVATION MEASURES

To the extent practicable, Calleguas will incorporate Water Conservation measures when development plans are made.

COMPLIANCE

Calleguas accepts the responsibility for assuring compliance with the provisions of Metropolitan's Water Use Efficiency guidelines as indicated in Metropolitan's Administrative Code Section 3107 and shall report to Metropolitan regarding such compliance.

CALLEGUAS MUNICIPAL WATER DISTRICT

By_____ Dated:_____
Dr. Donald R. Kendall

CITY OF OXNARD

By_____ Dated:_____
Matthew G. Winegar, Public Services Director

Oxnard Village, Ltd.

By_____ Dated:_____
Jeffrey S. Lee

EXHIBIT "A"

ANNEXATION NUMBER 74
TO THE CALLEGUAS MUNICIPAL WATER DISTRICT

Being a portion of Parcel C of Parcel Map Number 79-11 in the City of Oxnard, County of Ventura, State of California, as per the map thereof recorded in Book 29 at Page 59 of Parcel Maps of said county, and described as follows:

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1ST North 00°07'50" West, a distance of 576.13 feet to the beginning of a tangent curve to the left having a radius of 104.00 feet, the end of said curve being tangent to the second course of said Parcel 2; thence along said curve,

2ND Northwesterly and Westerly an arc distance of 163.22 feet through a central angle of 89°55'10" to a point on the common boundary of said Annexation Number 21 and Annexation Number 1 to said district as described in Resolution Number 32 of the Board of Directors of said district, adopted March 7, 1961; thence along the southerly boundary of said Annexation Number 1,

3RD North 89°57'00" East, a distance of 986.86 feet to the southwesterly right-of-way line of State Highway 1 as shown on said parcel map, also being a point on the southwesterly line of Annexation Number 24 to said district as described in Document Number 85-64208 of Official Records of said county; thence along said right-of-way line and along said southwesterly line and the southeasterly prolongation thereof,

4TH South 43°58'30" East, a distance of 232.02 feet to the westerly line of Rose Avenue 110.00 feet wide, as shown on said parcel map; thence along said westerly line,

5TH South 00°04'25" West, a distance of 512.88 feet to a point on the northerly line of said Parcel 12; thence along same,

6TH South 89°57'00" West, a distance of 1041.90 feet to the Point of Beginning.

The above described parcel of land contains 16.03 Acres, more or less,
and is delineated on the attached Exhibit "B".

Joseph P. Tennyson, Jr.
LS 5983 (Exp. 12/31/04)

5·17·2001
Date

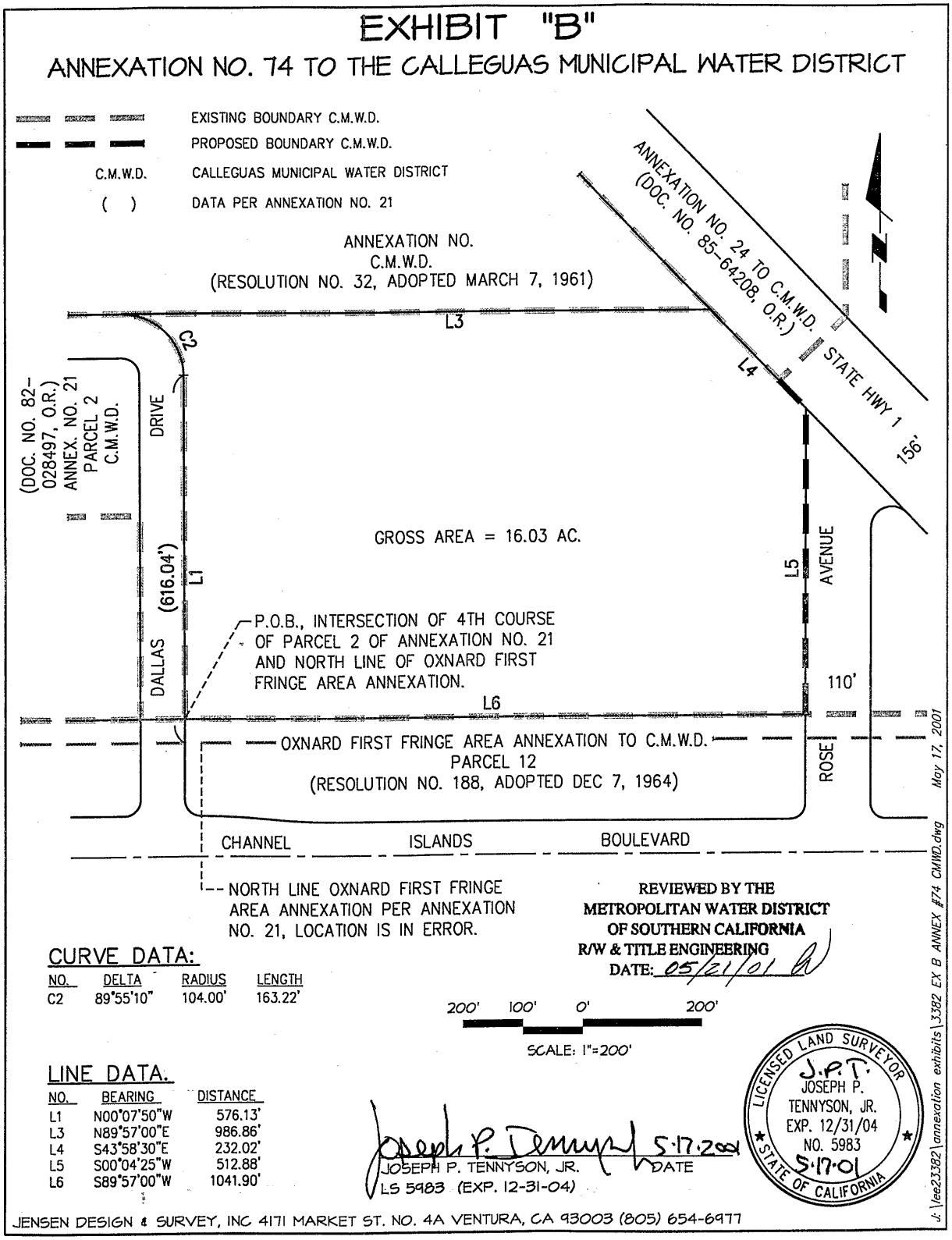
LICENSED LAND SURVEYOR
J.P.T.
JOSEPH P.
TENNYSON, JR.
EXP. 12/31/04
NO. 5983
5·17·01
STATE OF CALIFORNIA

K:\Lee23382\legals\3382 EX A ANNEX #74 CMWD .wpd May 17, 2001

REVIEWED BY THE
METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
R/W & TITLE ENGINEERING
DATE: 05/24/01

EXHIBIT "B"

ANNEXATION NO. 74 TO THE CALLEGUAS MUNICIPAL WATER DISTRICT



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Joseph P. Tennyson 5-17-2001

JOSEPH P. TENNYSON, JR. DATE

LS 5983 (EXP. 12-31-04)

JENSEN DESIGN & SURVEY, INC 4171 MARKET ST. NO. 4A VENTURA, CA 93003 (805) 654-6977

J:\lee23382\annexation exhibits\3382 EX B ANNEX #74 CMWD.dwg May 17, 2001

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

ATTACHMENT B

Metropolitan Administrative Code

§ 3107. **Water Use Efficiency Guidelines**

To the extent practicable, local water purveyors and owners of parcels, as appropriate, within an area for which a request for annexation is considered by the Board shall comply with the following:

(a) Annual water demand shall be minimized by incorporating water conservation measures into the development plans. Use of local groundwater, surface water, and reclaimed wastewater supplies shall be maximized to reduce demands on the District.

(b) Peak demands on the district shall be minimized by construction and operation of local storage and groundwater production facilities. In cases where the annexed area is served by an existing water delivery system, this provision may be satisfied by showing that these facilities will be added to the existing system.

(c) Reclaimed wastewater or other non-potable water shall be used on all golf courses, decorative lakes, and other landscaped areas exceeding one acre, including multi-family complexes, commercial and industrial developments, and similar areas. Reclaimed wastewater and other non-potable supplies shall be used for industrial processes and other suitable uses. If such supplies do not presently exist, a dual distribution system shall be constructed to accommodate such supplies when they become available in the future.

(d) "Best management practices" conservation measures, as identified by the District from time to time, shall be applied in all new and existing developments within the annexed area. At least one model home constructed in each development within the annexed area shall demonstrate a water conserving landscape.

(e) Local storage, groundwater production capacity, system interconnections, and other measures shall be able to sustain a 7-day interruption in service from the District.

The member public agency within which the annexed area is located shall be responsible for assuring compliance with these provisions and shall report to the District regarding such compliance.

MI 38538- October 9, 1990; amended by MI 39787- August 20, 1992; amended by MI 41898- May 14, 1996

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 WATER STANDBY CHARGES CONTINGENT UPON ANNEXATION

WHEREAS, at the meeting of the Board of Directors ("Board") of The Metropolitan Water District of Southern California ("Metropolitan") on December 14, 1993, the Board 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, pursuant to Section 134.5 of the Metropolitan Water District Act (the "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 water standby charge against individual parcels within Metropolitan;

WHEREAS, under the Act, 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 the Calleguas Municipal Water District ("Calleguas") 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 owner of the parcel identified in the attached Engineer's Report, dated June 2001 (the "Engineer's Report") 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 on September 11, 2001, or such other date as the Board shall determine, on the Chief Executive Officer's recommendation to impose a water standby charge for fiscal year 2000-2001 on the properties described in the Engineer's Report attached hereto as Attachment "A" and incorporated herein by reference. A registered professional engineer certified by the state of California prepared the Engineer's Report.

Section 2. That the proposed 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 $9.58, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of Calleguas. 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. 74, 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'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 water 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 11, 2001, or such other date as the Board shall determine, to hold a public protest hearing at which interested parties may present their views regarding the proposed water 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 landowners will be given due consideration by the Board before its final action on the proposed water 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 water standby charges, if authorized by the Board following the public protest hearing, will be contingent upon completion of the concurrent annexation of Annexation No. 74 to Metropolitan and Calleguas. If water standby charges are approved and 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 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 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 adoption of the proposed water standby charges provided in this Resolution is not defined as a project under the provisions of the California Environmental Quality Act (CEQA), because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

Section 9. That the Chief Executive Officer 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 July 10, 2001.

_____

Executive Secretary
The Metropolitan Water District
of Southern California

Attachment A to Resolution of Intention to Impose Standby Charges

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ENGINEER'S REPORT

PROPOSED PROGRAM TO LEVY STANDBY CHARGES, CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION NO. 74

June 2001

BACKGROUND

The Metropolitan Water District of Southern California (Metropolitan) is a public agency with a primary purpose to provide imported water supply for domestic and municipal uses at wholesale rates to its member public agencies. More than 16 million people reside within Metropolitan's service area, which is comprised of 5,168 square miles and includes portions of the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura. Currently, Metropolitan provides over 50 percent of the water used within its service area.

REPORT PURPOSES

As part of its role as an imported water supplier, Metropolitan builds capital facilities and implements water management programs which ensure reliable water supplies throughout its service area. The purpose of this report is to: (1) identify and describe those facilities and programs which 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 Metropolitan's water standby charge, and (2) describe the method and basis for levying Metropolitan's standby charge on benefiting properties for those agencies electing to collect a portion of their RTS obligations through Metropolitan's standby charge.

Metropolitan levies the RTS charge on its member agencies to recover a portion of the debt service on bonds issued to finance capital facilities needed to meet existing demands on Metropolitan's system. The standby charge is levied on parcels of land within certain of Metropolitan's member agencies, including Calleguas, as a method of collecting part or all of a member agency's RTS charge obligation. The RTS charge will partially pay for the capital facilities and programs described in this report. The standby charge, if levied, will be utilized solely for capital payments and debt service on the capital facilities identified in this report.

The properties identified in this report have applied for annexation into Metropolitan. Consent by the property owners to Metropolitan's levying of an annual water 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.

METROPOLITAN'S RESPONSE TO GROWING WATER DEMANDS

To respond to growing demands for water, Metropolitan and its member agencies collectively examined 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 was an Integrated Resources Plan (IRP) for achieving a reliable and affordable water supply for Southern California. The major objective of the IRP was to develop 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.

In response to the IRP, Metropolitan continues to identify and develop additional water supplies to maintain the reliability of its water supply and delivery system to meet the needs of existing and potential consumers within its service area. These efforts include the construction of capital facilities and implementation of water management programs.

Capital Facilities

The capital facilities include the State Water Project (SWP), the Diamond Valley Reservoir Project, and additional distribution system improvements. These local and system-wide capital projects will directly increase the reliable delivery of water supplies throughout Metropolitan's service area. Table A shows the potential benefits (as measured by Metropolitan's anticipated expenditures for these projects and programs in FY 2000-2001**)** associated with capital projects and programs.

State Water Project

In 1960, Metropolitan contracted with the California Department of Water Resources (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 the year 2035, regardless of the amount of SWP water Metropolitan takes. Metropolitan is entitled to over 2 million acre-feet of the total SWP entitlements of 4.2 million acre-feet

All Metropolitan member agencies benefit from the SWP supplies, which are distributed to existing consumers and are available to potential consumers throughout Metropolitan's service area. The potential benefit of the SWP in FY 2000-2001 is shown in Table A.

Diamond Valley Lake (DVL)

Diamond Valley Lake is designed to ensure reliable water supplies to Metropolitan's customers throughout the service area. The DVL will provide 800,000 acre-feet of storage capacity for water from the Colorado River Aqueduct and SWP. The stored water provides a reserve against shortages when supply sources are limited or disrupted. The DVL also preserves Metropolitan's capability to deliver water during scheduled maintenance periods, when conveyance facilities must be removed from service for rehabilitation, repair, or maintenance. The potential benefit of the DVL in FY 2000-2001 is shown in Table A.

Distribution 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 the addition of conveyance capacity, the provision of alternative system delivery capacity, and the enhancement of system operations. System improvements also include 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 C.

Water Management Programs

Water management programs to be financed in part by the RTS charge or the standby charge include Metropolitan's financial support of local recycling, groundwater recovery and conservation programs conducted by local agencies. The water management programs provide new water supplies which help defer the need for additional imported water supply infrastructure, including conveyance, storage, distribution and treatment facilities. A summary of the estimated benefits of the capital facilities and water management programs is shown in Table A.

Local Resources Program

In 1998, Metropolitan's Board adopted the new Local Resources Program (LRP) with the goal of developing local water resources in a cost efficient manner. Financial incentives of up to $250 per acre-foot are provided to member agency-sponsored projects that best help the region achieve its local resource production goals of restoring degraded groundwater resources for potable use and developing recycled supplies. In both instances, the programs provide new local water supplies and help defer the need for additional investments in imported water supply infrastructure.

Combined production from participating recycling and groundwater recovery projects is expected to yield approximately 91,000 acre-feet of water for FY 2000-2001 with financial incentive payments of about $17.4 million. A regional recycling and recovered groundwater goal of 500,000 acre-feet per year has been set for the year 2020. Currently, there is a projected shortfall of approximately 40,000 acre-feet in achieving this goal. Project participation to eliminate the shortfall will be pursued through the LRP competitive-proposal process at two-year intervals. An estimate of potential incentive payments for recycling and groundwater recovery projects is given in Table B.

Conservation Credits Program

Metropolitan actively supports water conservation programs within its service area as a cost-effective strategy for ensuring the long-term reliability of supplies. Through the Conservation Credits Program, Metropolitan reimburses local agencies for a share of their costs of implementing conservation projects. Since FY 1990-91, Metropolitan has spent over $100 million to support local conservation projects.

In 1991, Metropolitan agreed to implement conservation "Best Management Practices" (BMPs). By signing the Memorandum of Understanding Regarding Urban Water Conservation in California,

Metropolitan committed to implement proven and reliable water conserving technologies and educational programs for conservation within its jurisdiction. Based on Metropolitan's IRP, the Conservation Credits Program, in conjunction with plumbing codes and other conservation efforts, is expected to save more than 500,000 acre-feet in FY 2000-2001. By 2020, it is assumed that conservation practices will save approximately 1,072,000 acre-feet annually. Each year as more information becomes available, Metropolitan continuously revises estimates of conservation.

Conservation is a critical element of efficient resource management, effectively increasing the reliability of existing water supplies and lessening the need to import additional water. An estimate of potential water conservation projects is given in Table B.

LONG-RANGE FINANCIAL PLANNING

Since the 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. Metropolitan's major capital improvements are therefore financed primarily by water revenue bonds.

The increased reliance on variable water sales revenue caused by changing weather conditions raises the probability of substantial rate swings from year to year. Rate swings place a burden on current rate payers, a portion of which is more equitably paid in part by assessments on land that in part derives its value from the availability of water. In December 1993, Metropolitan's Board of Directors approved a new revenue structure that included additional charges to help stabilize variable water sales revenues and establish a commitment to Metropolitan's capital improvement program. This new revenue structure included the Readiness-To-Serve (RTS) charge.

Readiness-To-Serve Charge

As noted above, Metropolitan levies the RTS charge on its member agencies to recover a portion of the debt service on bonds issued to finance capital facilities needed to meet existing demands on Metropolitan's system. Estimated potential benefits of approximately $303 million that could be paid by the RTS charge in FY 2000-2001 are shown in Table A. Although the RTS charge could be set to recover the entire potential benefit amount, the Chief Executive Officer is recommending that the RTS charge only recover a portion of the non-tax supported debt service that has been or will be issued to fund capital improvements. For FY 2000-2001, this amount is $80,000,000. In addition to Diamond Valley Lake, the capital projects considered for the RTS charge are shown in Table C. The RTS charge revenues, when combined with Metropolitan's other revenue sources, will result in greater water rate stability for all Metropolitan customers. The RTS charge for FY 2000-2001 is allocated to each member agency on the basis of a three-year average of historic water purchases from Metropolitan for the three fiscal years ending June 30, 1996. This average includes sales for consumptive demands, agriculture, and storage. The RTS charge for each member agency is shown in Table D.

Standby Charge Option

Metropolitan's standby charge is authorized by the State Legislature and has been levied by Metropolitan since FY 1992-93. The standby charge recognizes that there are economic benefits to lands that have access to a water supply, whether or not such lands are using it. Utilization of the standby charge transfers some of the burden of maintaining Metropolitan's capital infrastructure from water rates to all the benefiting properties within the service area. A portion of the value of the benefit and of the cost of providing it can be effectively recovered, in part, through a standby charge. The projects to be supported in part by a standby charge are capital projects that benefit 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.

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

The following table lists the parcels included in Annexation No. 74 and the proposed water standby charge for fiscal year 2000-2001.

Water standby charges for Annexation No. 74

Parcel Number	Acres	Standby Charge (FY 00-2001)
220-0-021-335	15.60	$ 149.45
Total		$ 149.45

The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately $303 million for FY 2000-2001, as shown in Table A. Because only properties located within Metropolitan's boundaries may receive water supplies from Metropolitan (except for certain contractual deliveries as permitted under Section 131 of the Metropolitan Water District Act), 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 charge is less than five percent of the total benefit.

Table E shows that the distribution of standby charge revenues from the various counties and agencies, including Annexation No. 74, will provide a net revenue flow of approximately $42 million for FY 2000-2001. Metropolitan will use other revenue sources, such as water sales revenues, RTS 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. Thus, the benefits of Metropolitan's investments in water supply, transmission and storage projects far exceed the recommended standby charge, thus ensuring that no parcel within Annexation No. 74 is assessed water standby charges in excess of the reasonable cost of the proportional special benefit conferred on that parcel.

Equity

The RTS charge is a firm revenue source from Metropolitan's perspective. The revenues to be collected through this charge will not vary with sales in the current year. This charge is levied on Metropolitan's member agencies and is not a fee or charge upon real property or upon persons as an incident of property ownership. It ensures that agencies that only occasionally purchase water from Metropolitan but receive the reliability benefits of Metropolitan's system pay a greater share of the costs to provide that reliability. Within member agencies that elect to pay the RTS charge through Metropolitan's standby charges, the standby charge results in lower water rates than would otherwise be necessary due to the amount of revenue collected from lands which benefit from the availability of Metropolitan's water supply. With the standby charge, these properties are now contributing a more appropriate share of the cost of importing water to Southern California.

Metropolitan's water supply program increases the availability and reliable delivery of water throughout Metropolitan's service area. Increased water supplies benefit existing consumers and land uses through direct deliveries to consumers and properties, and through the replenishment of groundwater basins and reservoir storage as reserves against shortages due to droughts, natural emergencies, or scheduled facility shut-downs for maintenance. The benefits of reliable water supplies from the SWP, Colorado River, DVL, and system improvements accrue to more than 250 cities and communities within Metropolitan's six-county service area. Metropolitan's regional water system is interconnected, so water supplies from the SWP and DVL can be used interchangeably throughout most of the service area and benefit water users and properties system-wide.

Additional Metropolitan deliveries required in the coming fiscal year due to the demands of property development will be reduced by the implementation of water management programs, including water conservation, water recycling, and groundwater recovery projects. As with the SWP, the DVL and the distribution system improvements, water management programs: (1) increase the future reliability of water supplies; and (2) provide system-wide benefits by increasing the amount of imported water available to serve all other areas which helps defer construction of transmission and storage facilities. However, the abilities of each member agency to implement these projects under Metropolitan's financial assistance programs vary and are generally represented by the historic use of imported Metropolitan water.

A major advantage of a firm revenue source, such as a RTS charge, is that it contributes to revenue stability during times of low water sales or drought. It affords Metropolitan additional security, when borrowing funds, that a portion of the revenue stream will be unaffected by drought or by rainfall. This security will help maintain Metropolitan's historically high credit rating, which results in lower interest expense to Metropolitan, and therefore, lower overall cost to the residents of its service area.

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 water standby charge be imposed on lands within Annexation No. 74 as a credit against Calleguas's readiness-to-serve charge for fiscal year 2000-2001, 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 water standby charges for parcels within Annexation No. 74 total $149.45.

Recommended By:

Brian G. Thomas
Chief Financial Officer

Prepared Under the Supervision Of

B. Anatole Falagan, PE
Assistant Group Manager
RCE 45669

TABLE A

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 2000-01	$ Per Acre or $ Per Parcel Less Than 1 Acre
Net Capital Payments to State Water Project (Less Portion Paid by Property Tax Revenue)	$102,401,046	$24.59
Debt Service for Water Storage Including the Diamond Valley Lake	$78,885,972	$18.95
Debt Service for System Improvements (less Portion Paid by Treatment Surcharge)	$89,695,565	$21.54
Sub-Total Capital and Debt Service Payments	**$270,982,583**	**$65.08**
less Estimated Standby Charge Revenues (Including Annexation No. 74	($41,911,394)	($10.07)
Remaining Capital and Debt Service Costs Recovered by RTS, Water Sales, Interest Income and Other Revenues	$229,071,189	$55.02
Water Management Programs: Water Recycling, Groundwater Recovery and Water Conservation Projects	**$32,365,000**	**$7.77**
Sub-Total Capital, Debt Service and Water Management Programs Costs not Paid by Standby Charge Revenues	$261,436,189	$62.79
Total Costs: Capital, Debt Service and Water Management Programs	**$303,347,583**	**$72.86**

TABLE B

WATER RECYCLING, GROUNDWATER RECOVERY AND CONSERVATION PROJECTS

Project Name	FY 2000-01 Payment
Water Recycling Projects	**$13,158,000**
Burbank Reclaimed Water System Expansion Project	
Calabasas Reclaimed Water System Expansion	
Carbon Canyon Reclamation Project	
Century Reclamation Program	
Cerritos Reclaimed Water Expansion Project	
Conejo Creek Diversion Project	
Eastern Reach 1, Phase II Water Reclamation Project	
Eastern Regional Reclaimed Water System	
Encina Basin Water Reclamation Project Phase I	
Escondito Regional Reclaimed Water Project	
Fallbrook Reclamation Project	
Glendale Water Reclamation Expansion Project	
Glendale Verdugo-Scholl Canyon Reclaimed Water Project	
Glendale Brand Park Reclaimed Water Project	
Green Acres Reclamation Project	
Irvine Ranch Reclamation Project	
Lakewood Water Reclamation Project	
Las Virgenes Reclamation Project	
Long Beach Reclamation Project	
Long Beach Reclaimed Water Master Plan Phase 1	
Los Angeles Greenbelt Project	
Moulton Niguel Water Reclamation Project	
North City Water Reclamation Project	
Oak Park/North Ranch Reclaimed Water Distribution System	
Oceanside Water Reclamation Project	
Otay Water Reclamation Project, Phase 1	
Padre Dam Reclaimed Water System Phase I	
Rancho California Reclamation Expansion Project	
Rancho Santa Fe Reclaimed Water System	
Rio Hondo Water Reclamation Program	
San Clemente Water Reclamation Project	
San Elijo Water Reclamation System	
San Pasqual Water Reclamation Project	
Santa Margarita Water Reclamation Expansion Project	
Santa Monica Dry-Weather Runoff Reclamation Facility	
Ramona/Santa Maria Water Reclamation Project	
Sepulveda Basin Water Reclamation Project	
Shadowridge Water Reclamation Project	
South Laguna Reclamation Expansion Project	
South Laguna Reclamation Project	
Trabuco Canyon Reclamation Expansion Project	
West Basin Water Reclamation Project	

TABLE B (Continued)

WATER RECYCLING, GROUNDWATER RECOVERY AND CONSERVATION PROJECTS

Project Name	FY 2000-01 Payment
Groundwater Recovery Projects	**$4,207,000**
Arlington Basin Groundwater Desalter Project	
Beverly Hills Desalter	
Burbank Lake Street Plant	
Capistrano Beach Desalter	
Chino Basin Desalination Program, Phase I	
Colored Water Treatment Facility	
Glenwood Nitrate Water Reclamation Project	
Irvine Desalter Project	
Lower Sweetwater River Groundwater Demineralization Project, Phase I	
Madrona Desalination Facility Project	
Menifee Basin Desalter	
Oceanside Desalter - Phase I	
Oceanside Desalter, Phase II	
Rowland Groundwater Treatment Plant	
San Juan Basin Desalter	
Santa Monica GW Treatment Plant	
Sepulveda Desalination Facility Project	
Temescal Basin Desalting Facility	
Tustin Desalter Project	
West Basin (No. 1)	
Westlake Wells - Tapia WRF Intertie Project	
Conservation Projects	**$15,000,000**
Commercial and Industrial Water Evaluations and Retrofits	
Indoor and Outdoor Residential Water Audits	
Landscape Education Programs	
Landscape Water Conservation	
Pilot Projects for "Potential" Best Management Practices	
Showerhead Retrofits	
Ultra-low-flush Toilet Retrofits	
Water and Energy Conservation Partnership	
Total	**$32,365,000**

TABLE C

DISTRIBUTION SYSTEM IMPROVEMENTS 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 - Replace Valves
Garvey Reservoir - Floating Cover
Garvey Reservoir - Inlet & Outlet Conduit
Garvey Reservoir - Junction Structure
Garvey Reservoir - Modify Desilting Basins
Gene Pump Plant - Mechanical Maintenance Shop
Gene Pump Plant - Replace 230KV Circuit Breaker

TABLE C

DISTRIBUTION SYSTEM IMPROVEMENTS PROJECT BENEFITS

Distribution System Improvement
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
Oak St Pressure Control Station - Valve Replacement
OC Reservoir - Modify Electrical Control Center
Orange County Feeder Relocation
Orange County Feeder - Pressure Relief Structure

TABLE C

DISTRIBUTION SYSTEM IMPROVEMENTS PROJECT BENEFITS

Distribution System Improvement	
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 2000-01 Benefit	**$89,695,565**

TABLE D

FISCAL YEAR 2000-01
ESTIMATED READINESS-TO-SERVE CHARGE REVENUE

Member Agency	Amount
Anaheim	$989,416
Beverly Hills	$684,379
Burbank	$873,811
Calleguas	$4,645,852
Central Basin	$3,651,517
Coastal	$196,995
Compton	$2,551,149
Eastern	$421,014
Foothill	$394,360
Fullerton	$1,399,113
Glendale	$1,817,588
Inland Empire	$2,113,160
Las Virgenes	$952,662
Long Beach	$2,249,655
Los Angeles	$8,684,696
Orange County	$9,391,445
Pasadena	$783,960
San Diego	$21,549,596
San Fernando	$5,606
San Marino	$70,178
Santa Ana	$668,090
Santa Monica	$264,846
Three Valleys	$3,081,422
Torrance	$1,074,137
Upper San Gabriel	$378,812
West Basin	$8,099,529
Western	$3,007,014
Total	$80,000,000

TABLE E

FISCAL YEAR 2000-01
ESTIMATED STANDBY CHARGE REVENUE

Member Agencies		Total Parcel Charge	Estimates, see Notes a & b: Number Of Parcels Or Acres	Estimates, see Notes a & b: Gross Revenues (Dollars)
Beverly Hills				
Burbank	$	14.20	28,099	$399,012
Central Basin MWD	$	10.44	338,955	$3,538,689
Compton	$	8.92	18,108	$161,526
Foothill MWD	$	10.28	30,160	$310,042
Glendale	$	12.23	44,530	$544,607
Las Virgenes MWD	$	8.03	62,825	$504,488
Long Beach	$	12.16	88,259	$1,073,234
Los Angeles				
Pasadena	$	11.73	36,685	$430,320
San Fernando	$	7.87	5,139	$40,444
San Marino	$	8.24	4,973	$40,976
Santa Monica				
Three Valleys MWD	$	12.21	151,516	$1,850,011
Torrance	$	12.23	37,725	$461,381
Upper San Gabriel Valley MWD	$	9.27	208,833	$1,935,877
West Basin MWD				
Los Angeles County Total			1,055,809	$11,290,607
Anaheim	$	8.55	68,367	$584,534
Coastal MWD	$	11.60	85,578	$992,709
Fullerton	$	10.71	33,304	$356,690
MWD of Orange County	$	10.09	604,213	$6,096,505
Santa Ana	$	7.88	53,564	$422,086
Orange County Total			845,026	$8,452,524
Eastern MWD	$	6.94	376,205	$2,610,863
Western MWD of Riverside Co. [c]	$	9.23	355,375	$3,280,377
Riverside County Total			731,580	$5,891,240
Inland Empire UA	$	7.59	222,106	$1,685,784
San Bernardino County Total			222,106	$1,685,784
Calleguas MWD	$	9.58	246,916	$2,365,453
Calleguas Annexation No. 74	$	9.58	16	$149
Ventura County Total			246,932	$2,365,602
San Diego CWA	$	11.51	1,062,175	$12,225,636
San Diego County Total			1,062,175	$12,225,636
TOTAL	**$**	**10.07**	**4,163,628**	**$41,911,394**

Notes: a. The revenues are only an estimate. Actual revenue collected could be less than projected due to tax payment delinquencies.
b. Based on estimates as of 11/19/99 excepting Annexation No. 74
c. Includes $270 in revenue from parcels in Orange County

Attachment A to Resolution of Intention to Impose Standby Charge

Calleguas MWD Annexation No. 74

OWNER(S)
Oxnard Village, LDT.

CURRENT LAND USE
Vacant

PROPOSED USE
The proposed development is 141 detached condominiums and five pads for retail commercial uses.

PROPOSED WATER USE	
Total Demand	50% by local sources
73.5 AFY	Demand on Calleguas/MWD= 37 AFY

ENVIRONMENTAL INFO
Negative Declaration 2000-30

ANNEXATION CHARGE
(16.03 acres x $3,460) + $5000 = $ 60,463.80