

- **Board of Directors**
Executive Committee

February 12, 2002 Board Meeting

8-8

Subject

Grant conditional approval for Annexation No. 77 to Calleguas Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge

Description

The Calleguas Municipal Water District (Calleguas) requests conditional approval for Annexation No. 77, concurrently to Calleguas and The Metropolitan Water District of Southern California (Metropolitan). The development plan for the 55.02-acre territory is retail commercial for approximately 34.3 acres, light industrial for approximately 11.3 acres, and extension of Ventura Boulevard for the remaining acres. The currently vacant territory is located in Camarillo. Prior to completion of the annexation, Calleguas will pay a fee of \$174,505.40 if the annexation is completed prior to December 31, 2002, or if completed later, at the then-current annexation charge rate. The projected annual water demand on Metropolitan is approximately 90 acre-feet per year. Calleguas also requests that Metropolitan impose a water standby charge within the proposed annexing territory. See [Attachment 1](#) for the 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, § 350 through § 356 of Metropolitan's Act and Division III, § 3100(b) of its Administrative Code.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA because they involve 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 actions in question may have a significant effect on the environment, the proposed actions are not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines). Prior to final approval of the annexation and water standby charges from the Board, CEQA documentation will be prepared by the Lead Agency and processed in accordance with CEQA and the State CEQA Guidelines. As the Responsible Agency, Metropolitan's Board will then review and consider the CEQA documentation before taking action.

The CEQA determination is: Determine that the proposed actions are not subject to the provisions of CEQA per Sections 15378(b)(4) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required.

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Grant conditional approval for Annexation No. 77, concurrently to Calleguas and Metropolitan, conditioned upon receipt in full of annexation fee of \$174,505.40 to Metropolitan if completed by December 31, 2002, or if completed later, 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 charge within the proposed annexation territory, substantially in the form of **Attachment 3**.

Fiscal Impact: Receipt of annexation fee (\$174,505.40) and water sales revenue from newly annexed territory.

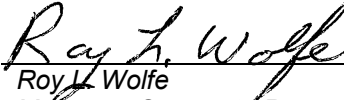

Option #2

Decline Annexation No. 77.

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

Staff Recommendation

Option #1

 Roy L. Wolfe Manager, Corporate Resources	12/11/2001 Date
 Ronald R. Gastelum Chief Executive Officer	1/20/2002 Date

Attachment 1 – Detailed Report for Calleguas Annexation No. 77

Attachment 2 – Plan for Implementing Water Use Efficiency Guidelines

Attachment 3 – Resolution of Intention to Impose Water Standby Charges

Detailed Report – Calleguas Annexation No. 77

The Calleguas Municipal Water District (Calleguas) requested conditional approval for Annexation No. 77, concurrently to The Metropolitan Water District of Southern California (Metropolitan) and Calleguas. The 55.02-acre annexation territory, shown on the attached legal description and map, Exhibit A, is located south of Ventura Boulevard at Camarillo Center Drive, approximately one-half mile west of Las Posas Road in Camarillo. Of the gross acreage, 6.03 acres are dedicated to public road, leaving 48.99 net acres. The annexation territory is currently vacant, with a development plan consisting of retail commercial for approximately 34.3 acres, light industrial for approximately 11.3 acres, and extension of Ventura Boulevard for the remaining acres. The proposed annexation is in accordance with the city of Camarillo's General Plan. The total estimated water demand for this project is approximately 150 acre-feet per year (AFY), of which 40 percent will come from local sources, and 60 percent, or approximately 90 AFY, will come from Metropolitan through Calleguas.

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 \$174,505.40 if completed by December 31, 2002. The \$5,000 processing charge has already been paid. If the annexation is completed after December 31, 2002, the annexation will be calculated based on the then current charge.

Completion of this annexation will be subject to such terms and conditions as may be fixed by the Board in granting final 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 April 9, 2002, or such other date as the Board shall determine, 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 final approval of annexation.

EXHIBIT A


**CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION
SELLECK
(ANNEXATION NO. 77)**

That portion of Parcel B, Lot 1, Subdivision 57, Rancho El Rio De Santa Clara O'La Colonia, in the City of Camarillo, County of Ventura, State of California, said Parcel B is shown on the map recorded in the office of the County Recorder of said County in Book 3, Page 12 of Miscellaneous Records, described as follows:

Beginning at the southwest corner of the Parcel 1 described in the Quitclaim Deed recorded on November 20, 2000 in the office of said County Recorder as Document No. 2000-0183659-00 of Official Records, said corner also being the southerly terminus of the 3rd course of Parcel C of Annexation No. 33 to Calleguas Municipal Water District, described in the Certificate of Completion recorded on November 27, 1991 in the office of said County Recorder as Document No. 91-175844 of Official Records; thence, along the west line of said Quitclaim Parcel and the northerly prolongation thereof and also along said 3rd course,

- 1st - North 00°22'00" West 1723.21 feet to the boundary of the Formation of said Calleguas Municipal Water District, adopted by the Board of Supervisors of said County on December 8, 1953 in Resolution No. 419.2; thence, along the boundary of said Formation,
- 2nd - South 82°58'34" East 1475.21 feet to the intersection with the northerly prolongation of the east line of said Quitclaim Parcel, said intersection also being the northerly terminus of the 3rd course of Annexation No. 68 (Home Depot) to said Calleguas Municipal Water District, described in the Certificate of Completion recorded on April 17, 2001 in the office of said County Recorder as Document No. 2001-0068220-00 of Official Records; thence, along said 3rd course and along the boundary of said Quitclaim Parcel by the following last two courses:
- 3rd - South 00°40'00" East 1544.60 feet; thence, leaving the boundary of said Calleguas Municipal Water District,
- 4th - North 89°56'00" West 1471.08 feet to the point of beginning.

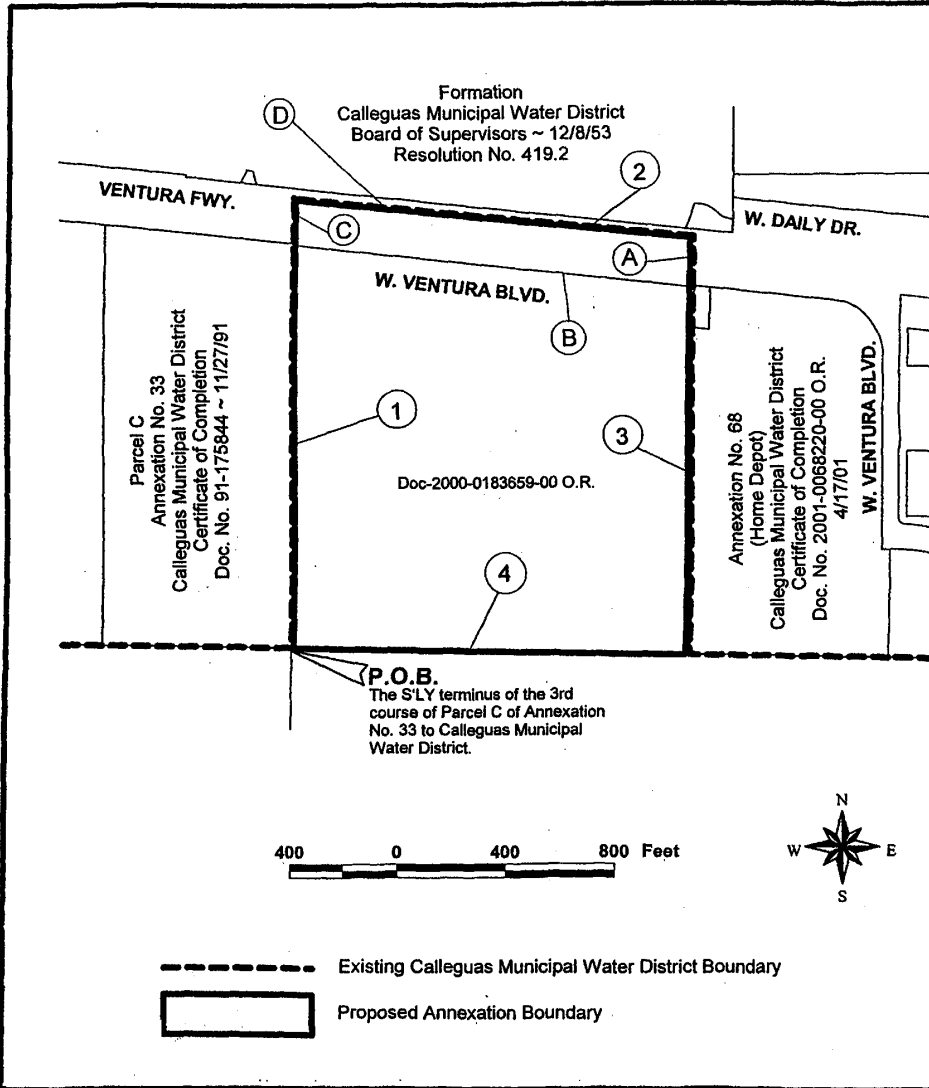
55.02 Gross Acres – 6.03 Road Acres = 48.99 Net Acres

 12-12-01
 Dennis J. Daniel, RCE 21,017 Date

2000:\01-30 leg.doc ~ October 1, 2001 ~ Revised December 12, 2001



REVIEWED BY
 THE METROPOLITAN WATER
 DISTRICT OF SOUTHERN CALIFORNIA
 TITLE ENGINEERING TEAM
 DATE: 12/13/2001 \$



ROAD COURSES

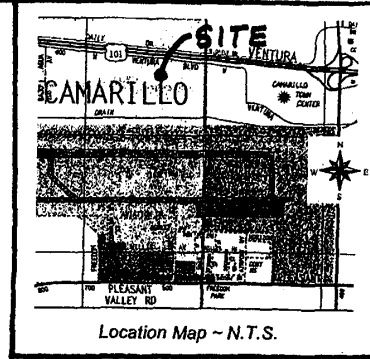
A -	S 00°40'00" E	179.62'
B -	N 82°58'34" W	1475.16'
C -	N 00°22'00" W	179.49'
D -	S 82°58'34" E	1474.21'

6.03 Acres

COURSES

1st -	N 00°22'00" W	1723.21
2nd -	S 82°58'34" E	1475.21
3rd -	S 00°40'00" E	1544.60'
4th -	N 89°56'00" W	1471.08'

55.02 Gross Acres
- 6.03 Road Acres
48.99 Net Acres



Prepared By:
Daniel Engineering
Planning/Civil Engineering
1490 Loma Dr., Suite A
Ojai, CA 93023
(805) 646-6583

REGISTERED PROFESSIONAL ENGINEER
DENNIS J. DANIEL
No. C21,017
CIVIL
STATE OF CALIFORNIA

Dennis J. Daniel 12-12-01
Dennis J. Daniel, RCE 21,017 Date

CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION SELLECK (ANNEXATION NO. 77)

That portion of Parcel B, Lot 1, Subdivision 57, Rancho El Rio De Santa Clara O'La Colonia, in the City of Camarillo, County of Ventura, State of California, said Parcel B is shown on the map recorded in the office of the County Recorder of said County in Book 3, Page 12 of Miscellaneous Records.

October 1, 2001

Sheet 1 of 1

REVIEWED BY
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TITLE ENGINEERING TEAM

DATE: 12/13/2001

IMPLEMENTATION PLAN

WATER USE EFFICIENCY GUIDELINES FOR ANNEXATION NO. 77 (SELLECK CAMARILLO) TO THE CALLEGUAS MUNICIPAL WATER DISTRICT AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

GENERAL DESCRIPTION OF ANNEXING AREA

Annexation No. 77 (Selleck Camarillo) consists of approximately 49.2 gross acres (45.8 net acres). The property is within the City of Camarillo and is located approx. 0.75 mile west of Las Posas Road, south of the Ventura Freeway at Camarillo Center Drive.

The annexation includes Assessor Parcel No. 230-0-020-015. The property is owned by Helen M. Pearson and Dorothy James Challinor.

The property is vacant and is presently in agricultural production. It is currently zoned LM. The retail commercial use on approximately 34.3 acres is proposed under a General Plan Amendment, Zone Change and Commercial Planned Development that is being filed by the Annexee Selleck Properties. Approximately 11.5 acres would remain LM under the proposed application to the City of Camarillo with the remaining 3.4 acres to be dedicated to the City for the future extension of Ventura Blvd.

ANNUAL WATER USAGE

The projected annual demand for water after development of the property is 150.06 acre-feet per year (AFY) or an average factor of 0.41 AFD (Acre Feet/Day) Peak demands are estimated at approximately 1.5 times the average daily factor, or 0.61 AF/Day.

The property will receive water from the City of Camarillo. Water distributed by the City is blended with water from Calleguas/Metropolitan. The City's blend is 60% Calleguas Metropolitan and 40% local groundwater. Therefore, the amount to be delivered by Calleguas and Metropolitan is approximately 90 AFY with a peak daily demand of 0.37 acre-feet.

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 Metropolitan 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 Metropolitan, Calleguas is currently developing the first 16 of 30 dual purpose, injection/extraction wells that will be constructed within the Las Posas Groundwater Basin.

High and Low Flow Penalties

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

Local Area Water Management

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

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

1. District delivery from the United Water Conservation District.
2. Groundwater extraction from the upper Oxnard aquifer.
3. Groundwater extraction from the Fox Canyon aquifer.
4. Drawing from Calleguas' 18mg terminal storage in Springville Reservoir.

WATER CONSERVATION

Additional water demands placed on Metropolitan will be minimized by incorporating the following conservation measures:

Calleguas

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

Urban water conservation programs include: school education, low consumption plumbing retrofits (i.e., toilets, showerheads), public information (i.e., literature, speaking engagements, tours of Calleguas facilities), landscape maintenance, commercial, industrial, institutional surveys. Additionally, Calleguas provides literature and showerheads, upon request, for distribution by its purveyors.

Annexing Area

The City of Camarillo has developed several conservation measures that apply to lands annexed to the City. City Ordinance No. 714 provides that water conservation devices installed for this project shall include but not be limited to ultra-low consumption toilets and water conserving fixtures.

The required landscaping plan shall include an automatic irrigation system with tensiometers and automatic rain shut-off devices and consists of drought-resistant plant materials.

At the time the subject property is developed, the developer will be required to:

1. Comply with all city standards for use of water-saving devices in buildings.
2. Meter 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. Monitor on site landscape water use by installing sensors that can override automatic irrigation timers.

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

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

Annexing Area

Ventura County and the City of Camarillo promote the use of recycled water and have directed that water recycling be a priority for use. The Camarillo Sanitary District is a subsidiary district of the City. Its wastewater treatment plant provides secondary treatment and recycled water for irrigation and limited agricultural uses. Presently, recycled water is not available in the annexing area. When such supplies exist, a dual distribution system shall be constructed in the annexation area to accommodate such supplies. Uses for which non-potable water is practical will be required to use groundwater, reclaimed water or other non-potable supplies. Reclaimed wastewater and other non-potable supplies shall be used for industrial processes and other suitable uses. No large landscaped areas or water features are to be installed in the annexed area.

WATER DELIVERY CURTAILMENT

Calleguas Municipal Water District

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

Calleguas has an integrated water delivery system that allows all areas in its service area to receive water from two alternative sources of water. The main source is from Metropolitan via 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 ten reservoirs with a combined storage capacity of 63 million gallons. The North Las Posas Basin Aquifer Storage and Recovery Program will provide over 300,000 acre-feet of storage. Several Calleguas' purveyors extract water from local groundwater basins within Calleguas' service area. In the event of an emergency curtailment of water from Metropolitan for any reason, the District could impose a water-rationing plan and request its purveyors to increase their groundwater production to extent the Districts' reservoir for other areas that do not have groundwater 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 Camarillo and the owners of Annexation No. 77 agree to comply with Metropolitan 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 Camarillo 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.

WATER CONSERVATION MEASURES

To the extent practicable, the owners 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: _____
Dr. Donald R. Kendall, General Manager

Date: _____

CITY OF CAMARILLO

By: _____
Robert G. Westdyke, Director of Public Services

Date: _____

HELEN M. PEARSON AND DORTHY JAMES CHALLINOR, OWNERS

By: _____
Helen M. Pearson

Date _____

By: _____
Dorothy James Challinor

Date _____

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

ATTACHMENT 'C'

Calleguas Annexation No. 77 (Selleck – Camarillo)

Water Usage Assumptions and Calculations

Water Use Efficiency Implementation Plan water usage figures and calculations based on the projected uses.

CPD (Commercial Planned Development) 34.3 acres x 3,580 gpd/acre*	<u>Gallons Per Day</u> 122,794
Gallons per acre foot – 325,900	

LMD (Light Manufacturing Development) 11.5 acres x 973 gpd/acre*	<u>Gallons Per Day</u> 11,190
Gallons per acre foot – 325,900	

Total GPD: 133,984

133,984 GPD x 365 days = 48,904,160 GPY (Gallons Per Year)

GPY / 325,900 = 150.06 AFY (Acre Feet/Year)

AFY/365 Days = 0.41 AFD (Acre Feet/Day)

Peak demand 1.5 x 0.41 AFD = 0.61 (Acre Feet/Day)

*As per 1990 Water Master Plan

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 § 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 December 2001 (the “Engineer’s Report”) has 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 meeting to be held on April 9, 2002, or such other date as

the Board shall determine, on the Chief Executive Officer's (CEO) recommendation to impose a water standby charge for fiscal year 2001/02 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. 77, 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' 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 April 9, 2002, 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. 77 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 2001/02, 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 intention to adopt proposed water standby charges provided in this resolution is not defined as a project under the provisions of the California Environmental Quality Act (CEQA) and the State CEQA Guidelines 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). Prior to final approval of the annexation and water standby charges from the Board, CEQA documentation will be prepared by the Lead Agency and processed in accordance with CEQA and the State CEQA Guidelines. As the Responsible Agency, Metropolitan's Board will then review and consider the CEQA documentation before taking action.

Section 9. That the CEO is hereby authorized and directed to take all necessary actions 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 February 12, 2002.

Executive Secretary
The Metropolitan Water District
of Southern California

**Attachment to Resolution of Intention
to Impose Standby Charges**

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

ENGINEER'S REPORT

Supplement I

PROPOSED PROGRAM TO LEVY STANDBY CHARGES,

CALLEGUAS MUNICIPAL WATER DISTRICT

ANNEXATION NO. 77

December 2001

BACKGROUND

This report is a supplement to The Metropolitan Water District of Southern California (Metropolitan) Engineer's Report for the Program to Levy Readiness-To-Serve Charge, Including Local Option for Standby Charge During Fiscal Year 2001/02, dated December 2000, adopted by Metropolitan's board on March 13, 2001 (Engineer's Report). A copy of the Engineer's Report is on file with the Board Secretary. Metropolitan collects a readiness-to-serve charge (RTS) as an availability of service charge from the member public agencies. Member public agencies may request that Metropolitan collect a portion of their RTS obligation through Metropolitan's water standby charge. This Supplement to the Engineer's Report satisfies the requirements of Proposition 218, the "Right to Vote on Taxes Act", approved by California voters November 5, 1996, which classifies standby charges as assessments on newly annexed properties.

DESCRIPTION OF ANNEXING AREA

The Calleguas Municipal Water District (Calleguas) has requested that Metropolitan collect all or a portion of its RTS obligation through a Metropolitan water standby charge imposed on parcels within Calleguas' service area boundary. The owners of property constituting proposed Annexation No. 77 have applied for annexation into Calleguas. Once the territory is annexed, Metropolitan water will be available to this parcel and this parcel will receive the benefit of the projects funded in part by Metropolitan water standby charges, as described in the Engineer's Report. Calleguas has requested that Metropolitan impose water standby charges on this property at the rate specified in the Engineer's Report, following annexation of this property into Metropolitan.

COST BENEFIT OF THE ANNEXING AREA

The property identified in this report has 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 this property into Calleguas and Metropolitan.

The following table lists the parcel(s) included in Annexation No. 77 and the proposed water standby charge for FY 2001/02.

Table A
Water standby charges for Annexation No. 77

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge (FY 2001-02)</u>
230-0-020-010	48.49	\$ 464.54
Total		\$ 464.54

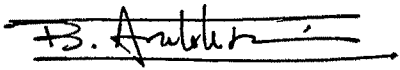
The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately \$249 million for FY 2001/02, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$59.56 per acre of land or per parcel of less than one acre would be necessary to pay for the total potential program benefits within Metropolitan's service area. The Engineer's Report has estimated total benefits of this magnitude accrue to each acre of property and parcel within Metropolitan, as these properties are eligible to use water from the Metropolitan system. 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.

Table 5 of the Engineer's Report shows that the distribution of standby charge revenues from the various member agencies would provide revenue of approximately \$42 million for FY 2001/02. This total amount is less than projected collections from the RTS charge. Metropolitan will use other revenue sources, such as water sales revenues, RTS 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 conveyance, storage, distribution and supply programs far exceed the recommended standby charge, thus ensuring that no parcel within Annexation No. 77 is assessed water standby charges in excess of the reasonable cost of the proportional special benefit conferred on that parcel.

SUMMARY

The foregoing and the attached tables in the Engineer's Report 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. 77 as a credit against Calleguas' RTS obligation for FY 2001/02, in the amount of \$9.58 per acre or parcel of less than one acre, to be levied by Metropolitan within Calleguas. The special benefits described in this Engineer's Report exceed the recommended charge. The water standby charge for parcel(s) (identified in Table A above) within Annexation No. 77 total \$464.54.

Prepared Under the Supervision Of:



B. Anatole Falagan RCE 45669
Assistant Group Manager
Water Resources Management

Prepared Under the Supervision Of:



Brian G. Thomas
Chief Financial Officer

