

- **Board of Directors**
Executive Committee

May 13, 2003 Board Meeting

8-6

Subject

Grant conditional approval for the 46th and 48th Fringe Area Annexations to Western Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charges

Description

Western Municipal Water District (Western) requests conditional approval for the 46th and 48th Fringe Area Annexations, concurrently to Western and Metropolitan Water District of Southern California (Metropolitan).

The 46th area for annexation is approximately 260 acres. The property is located in southwest Riverside County, within the Temescal Canyon Area, west of Knabe Road and Forest Boundary Road. The area is uninhabited and will be zoned to allow for development of a single-family residential community (155 homes) and golf course. Prior to completion of the annexation, Western will pay a fee of \$904,600 if the annexation is completed prior to December 31, 2003, or if completed later, at the then current annexation charge rate. The projected annual water demand on Metropolitan is approximately 124 acre-feet per year.

The 48th area for annexation is 48.78 acres of which 4.33 is for road right-of-way. The property is located in the city of Murrieta. The area is uninhabited and the current zoning of the property is for an industrial park. Prior to completion of the annexation, Western will pay a fee of \$158,797, if the annexation is completed prior to December 31, 2003, or if completed later, at the then current annexation charge rate. The projected annual water demand on Metropolitan is approximately 100 acre-feet per year.

Western also requests that Metropolitan impose water standby charges within the proposed annexing territories. See the detailed reports as [Attachment 1](#) for the 46th Fringe Area and [Attachment 2](#) for the 48th Fringe Area.

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 relating to the two conditional approvals for the annexations 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 relating to the two resolutions of intention to impose water standby charges 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 formal 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 further action.

The CEQA determination is: Determine that the proposed actions are not subject to the provisions of CEQA pursuant to 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 the 46th Fringe Area Annexation, concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$904,600 to Metropolitan, if completed by December 31, 2003, or if completed later, at the then current annexation charge rate, and compliance with those terms and conditions fixed upon final request for approval pursuant to Administrative Code § 3100 et seq. ([Attachment 1](#));
- b. Grant conditional approval for the 48th Fringe Area Annexation, concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$158,797 to Metropolitan, if completed by December 31, 2003, or if completed later, at the then current annexation charge rate, and compliance with those terms and conditions fixed upon final request for approval pursuant to Administrative Code § 3100 et seq. ([Attachment 2](#));
- c. Approve Western’s proposed Plans for Implementing Water Use Efficiency Guidelines ([Attachment 3](#)) for the 46th Fringe Area and ([Attachment 4](#)) for the 48th Fringe Area; and
- d. Adopt the Resolutions of Intention to Impose Water Standby Charge within the proposed annexation territories, substantially in the form of ([Attachment 5](#)) for the 46th Fringe Area and ([Attachment 6](#)) for the 48th Fringe Area.

Fiscal Impact: Receipt of annexation fee of \$904,600 for the 46th Fringe Area and \$158,797 for the 48th Fringe Area and water sales revenue from newly annexed territory.

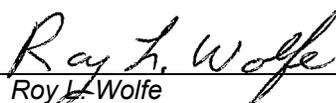
Option #2

Decline 46th and 48th Fringe Area Annexations

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

Staff Recommendation

Option #1

	4/15/2003
_____ Roy L. Wolfe Manager, Corporate Resources	Date

	4/15/2003
_____ Ronald R. Gastelum Chief Executive Officer	Date

[Attachment 1 – Detailed Report – Western 46th Fringe Area Annexation](#)

[Attachment 2 – Detailed Report – Western 48th Fringe Area Annexation](#)

[Attachment 3 – Plan for Implementing Water Use Efficiency Guidelines – Western 46th](#)

[Attachment 4 – Plan for Implementing Water Use Efficiency Guidelines – Western 48th](#)

[Attachment 5 – Resolution – Western 46th](#)

[Attachment 6 – Resolution – Western 48th](#)

Detailed Report

46th Fringe Area Annexation

Western Municipal Water District (Western) has requested conditional approval for the 46th Fringe Area Annexation, concurrently to Metropolitan Water District of Southern California (Metropolitan) and Western. The approximately 260-acre annexation territory, shown on the attached legal description and map, is located in southwest Riverside County, within the Temescal Canyon Area, West of Knabe Road and Forest Boundary Road. The territory is currently vacant, although once annexed, the development plan consists of single-family residential homes and a golf course. The property is zoned Specific Plan. It is anticipated that development will occur within the next two to five years. The total estimated water demand for this project is approximately 124 acre-feet per year. The supply will come from Metropolitan through Lee Lake Water District, a constituent agency of Western Municipal Water District.

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

The annexation charge has been calculated pursuant to § 3300 of Metropolitan's Administrative Code. Utilizing the current rate of \$3,460 per net acre and the sum of \$5,000 for processing costs, the annexation charge is \$904,600, if completed by December 31, 2003. The \$5,000 processing charge has already been paid. If the annexation is completed after December 31, 2003, the annexation charge will be calculated based on the then current annexation rate.

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. Western has requested that Metropolitan impose water standby charges within the annexation territory at the rate of \$9.23 per acre or per parcel of less than one acre, which is the rate that water standby charges are presently levied in other portions of Western. 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 Charge, 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 July 8, 2003, 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"

**REORGANIZATION TO INCLUDE ANNEXATION TO
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND CONCURRENT 46th FRINGE ANNEXATION TO
WESTERN MUNICIPAL WATER DISTRICT**

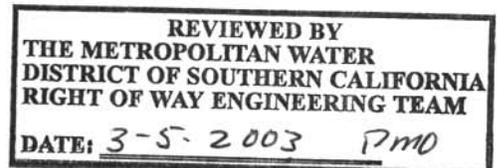
LAFCO 2002-

IN THE STATE OF CALIFORNIA, COUNTY OF RIVERSIDE, ALL THAT PORTION OF FRACTIONAL SECTIONS 28 AND 29, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, BEING PARCELS "A" AND "C" OF LOT LINE ADJUSTMENT NO. 4460, RECORDED MAY 20, 2002, AS INSTRUMENT NO. 265352, OFFICIAL RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED, AS A WHOLE, AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 29; THENCE, ALONG THE NORTHERLY LINE OF SAID SECTION, NORTH 89°50'18" EAST (RECORDED AS NORTH 89°51'15" EAST ON SAID LOT LINE ADJUSTMENT), 1455.51 FEET, TO THE MOST NORTHERLY NORTHWEST CORNER OF SAID PARCEL "A", SAID POINT BEING ALSO ON THE CURRENT COMMON BOUNDARY OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND WESTERN MUNICIPAL WATER DISTRICT, SAID POINT BEING THE **TRUE POINT OF BEGINNING** OF THE PARCEL(S) DESCRIBED HEREIN;

THENCE, LEAVING SAID COMMON WATER DISTRICT BOUNDARY, AND FOLLOWING ALONG SAID LOT ADJUSTMENT PARCEL LINES, THE FOLLOWING COURSES:

- 1) SOUTH 64°59'03" WEST, 779.47 FEET;
- 2) THENCE SOUTH 20°00'57" EAST, 530.00 FEET;
- 3) THENCE SOUTH 55°00'57" EAST, 1380.00 FEET;
- 4) THENCE SOUTH 73°00'57" EAST, 990.00 FEET;
- 5) THENCE SOUTH 17°00'57" EAST, 280.00 FEET;
- 6) THENCE SOUTH 72°00'57" EAST, 890.00 FEET;
- 7) THENCE NORTH 86°59'03" EAST, 1000.00 FEET;
- 8) THENCE SOUTH 34°00'57" EAST, 310.00 FEET;
- 9) THENCE SOUTH 78°00'57" EAST, 141.45 FEET (RECORDED AS 143.24 FEET), MORE OR LESS, TO A POINT ON THE EAST LINE OF SAID SECTION 29.
- 10) THENCE, CONTINUING SOUTH 78°00'57" EAST, 266.76 FEET;
- 11) THENCE SOUTH 43°00'57" EAST, 900.00 FEET;
- 12) THENCE SOUTH 75°00'57" EAST, 1050.00 FEET;
- 13) THENCE NORTH 67°32'58" EAST, 811.80 FEET (RECORDED AS 813.71 FEET), MORE OR LESS, TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 28, SAID POINT BEING ON THE AFOREMENTIONED CURRENT COMMON BOUNDARY OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND WESTERN MUNICIPAL WATER DISTRICT; THENCE,



- 14) CONTINUING ALONG SAID COMMON WATER DISTRICT BOUNDARY AND SAID LOT ADJUSTMENT PARCEL LINES, THE FOLLOWING COURSES:
- 15) THENCE, ALONG SAID EAST LINE, NORTH 0°51'20" EAST, 692.80 FEET, TO THE CENTER OF SAID SECTION 28;
- 16) THENCE, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION, SOUTH 89°48'27" WEST, 2649.75 FEET, TO THE EAST LINE OF AFOREMENTIONED SECTION 29;
- 17) THENCE, ALONG SAID EAST LINE, NORTH 0°53'21" EAST, 2686.48 FEET, TO THE NORTHEAST CORNER OF SAID SECTION;
- 18) THENCE, ALONG THE NORTH LINE OF SAID SECTION, SOUTH 89°50'18" WEST, 3833.20 FEET TO THE POINT OF BEGINNING.

CONTAINS APPROXIMATELY 235.024 ACRES

K & A ENGINEERING, INC
 357 N. SHERIDAN ST
 SUITE 117
 CORONA, CA 91720

PREPARED UNDER THE SUPERVISION OF:

Donald W. Bergh
 DONALD W. BERGH, R.C.E. 28949
 REGISTRATION EXPIRES 3-31-03
 2-18-03



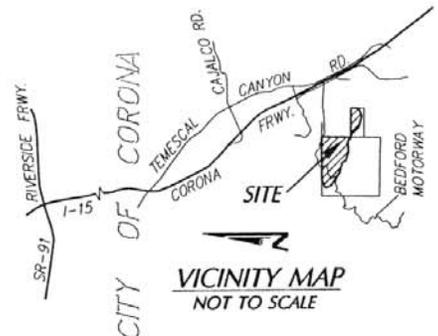
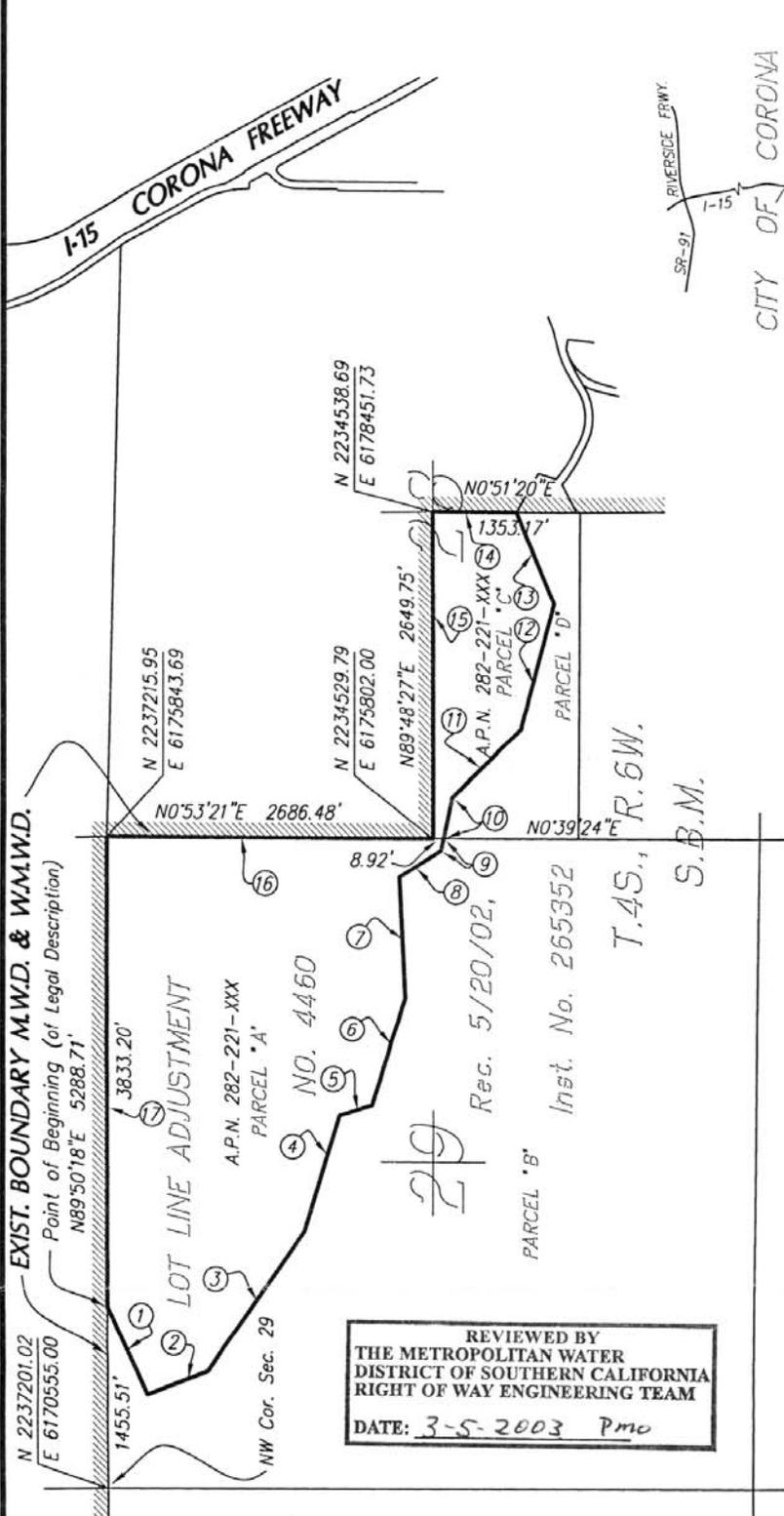
REVIEWED BY
 THE METROPOLITAN WATER
 DISTRICT OF SOUTHERN CALIFORNIA
 RIGHT OF WAY ENGINEERING TEAM
 DATE: 3-5-2003 PMB

EXHIBIT "A"

SHEET 1 OF 1

REORGANIZATION TO INCLUDE ANNEXATION TO
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND CONCURRENT 46TH FRINGE ANNEXATION TO
WESTERN MUNICIPAL WATER DISTRICT

LAFCO 2002-



LEGEND:
 — ANNEXATION BDRY.
 ▨ EXIST. AGENCY BDRY.

THIS ANNEXATION CONTAINS APPROX. 235.024 ACRES

BEARING/DISTANCE TABLE

1	S64°59'03"W, 779.47'
2	S20°00'57"E, 530.00'
3	S55°00'57"E, 1380.00'
4	S73°00'57"E, 990.00'
5	S17°00'57"E, 280.00'
6	S72°00'57"E, 890.00'
7	N86°59'03"E, 1000.00'
8	S34°00'57"E, 310.00'
9	S78°00'57"E, 141.45'
10	S78°00'57"E, 266.76'
11	S43°00'57"E, 900.00'
12	S75°00'57"E, 1050.00'
13	N67°32'58"E, 811.80'
14	N0°51'20"E, 692.80'
15	S89°48'27"W, 2649.75'
16	N0°53'21"E, 2686.48'
17	S89°50'18"W, 3833.20'

REVIEWED BY
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM
DATE: 3-5-2003 Pmo



Donald W. Bergh 2/18/03
DATE

Drawing: R:\126040\Final\Plans\040-MWD-ANNEX.dwg Layout: p. 8.5x14 P Last Saved: Tue Feb 18, 2003 - 3:22pm Last Plotted: Tue Feb 18, 2003 - 3:22pm

KA ENGINEERING
 LAND PLANNING
 SURVEYING
 Engineering, Inc.

357 N. SHERIDAN STREET
 SUITE 117
 CORONA, CALIFORNIA 92880
 TEL (909) 279-1800
 FAX (909) 279-4380

Detailed Report

48th Fringe Area Annexation

Western Municipal Water District (Western) has requested conditional approval for the 48th Fringe Area Annexation, concurrently to Metropolitan Water District of Southern California (Metropolitan) and Western. The 48.78-gross acre (44.45-net acre) annexation territory, shown on the attached legal description and map, is located southeast of Lemon Street, northeast of Jefferson Avenue, and partially bound by Interstate 15 on the northeast in the city of Murrieta. The territory is currently vacant, although once annexed, the development plan consists of a small commercial center. It is anticipated that development will occur within the next two to five years. The total estimated water demand for this project is approximately 100 acre-feet per year. The supply will come from Metropolitan through Rancho California Water District, is a constituent agency of Eastern and Western Municipal Water Districts.

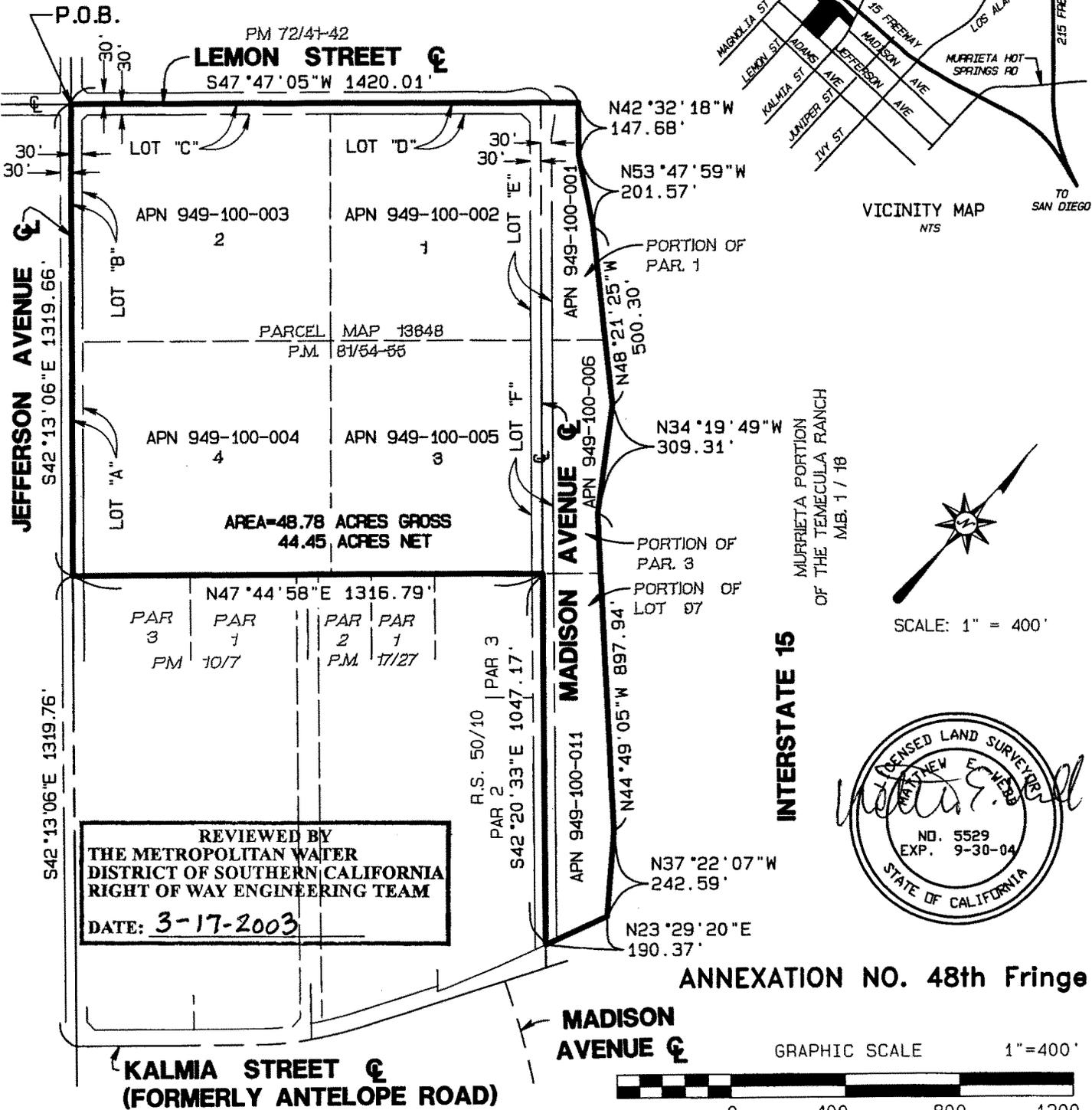
Pursuant to § 3107 of Metropolitan's Administrative Code, Western has submitted an acceptable Plan for Implementing Water Use Efficiency Guidelines for this project (Attachment 2).

The annexation charge has been calculated pursuant to § 3300 of Metropolitan's Administrative Code. Utilizing the current rate of \$3,460 per net acre and the sum of \$5,000 for processing costs, the annexation charge is \$153,797, if completed by December 31, 2003. The \$5,000 processing charge has already been paid. If the annexation is completed after December 31, 2003, the annexation charge will be calculated based on the then current annexation rate.

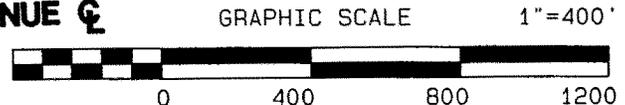
Completion of this annexation will be subject to such terms and conditions as may be fixed by the Board in granting final consent to such annexation. Western has requested that Metropolitan impose water standby charges within the annexation territory at the rate of \$9.23 per acre or per parcel of less than one acre, which is the rate that water standby charges are presently levied in other portions of Western. 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 Charge, 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 July 8, 2003, 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"

LAFCO NO. 2003-XX-X



REVIEWED BY
 THE METROPOLITAN WATER
 DISTRICT OF SOUTHERN CALIFORNIA
 RIGHT OF WAY ENGINEERING TEAM
 DATE: 3-17-2003



ANNEXATION NO. 48th Fringe

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CITY OF MURRIETA
 COUNTY OF RIVERSIDE, CALIFORNIA
 SECTION 17, T.7S., R.3W., S.B.M.

REVISIONS	ALBERT A. WEBB ASSOCIATES ENGINEERING CONSULTANTS 3788 McCray Street Riverside, Ca. 92506 Ph: (909) 686-1070 Fax: 9909) 788-1256
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DRAWN BY <u>JB</u> DATE <u>3/13/03</u>	SHEET <u>1</u> OF <u>1</u>
CHKD BY <u>RLS</u> DATE <u>3/13/03</u>	LAFCO
DATE: <u>3/13/2003</u>	SCALE: 1"=400'
	W.O. :01-0005

EXHIBIT "A"

LAFCO NO. _____
ANNEXATION 48th FRINGE

Parcels 1, 2, 3, 4, portion of Parcel 1 and portion of Parcel 3 and Lots "C" and "D" (Lemon Street), Lots "A" and "B" (Jefferson Avenue) and Lots "E" and "F" (Madison Avenue) of Parcel Map 13648, as shown by map on file in Book 81 of Parcel Maps at pages 54 and 55 thereof, Records of Riverside County, California, **TOGETHER WITH** a portion of Lot 97 of Map of the Murrieta Portion of the Temecula Ranch, as shown by map on file in Book 1 of Maps at page 16 thereof, Records of Riverside County, California, **ALSO TOGETHER WITH** a portion of Madison Avenue, as shown on Record of Survey recorded in Book 50 of Record of Surveys at page 10 thereof, Records of Riverside County, California, being in a portion of Section 17, Township 7 South, Range 3 West, San Bernardino Meridian, said portions being described as follows:

BEGINNING at the intersection of the centerline of said Lemon Street with the intersection of the centerline of said Jefferson Avenue;

Thence South 42° 13' 06" East along said centerline of Jefferson Avenue, a distance of 1319.66 feet to the most southerly corner of said Parcel Map 13648;

Thence North 47° 44' 58" East along the southeasterly boundary line of said Parcel Map 13648, a distance of 1316.79 feet to a point on the centerline of said Madison Avenue;

Thence South 42° 20' 33" East along said centerline, a distance of 1047.17 feet to a point on the northwesterly right-of-way line of Antelope Road of Caltrans Right-of-Way Map 915592;

Thence North 23° 29' 20" East along said northwesterly right-of-way, a distance of 190.37 feet to an angle point thereon with the southwesterly right-of-way line of Interstate 15 of Caltrans Right-of-Way Map 915593;

Thence North 37° 22' 07" West along said southwesterly right-of-way line, a distance of 242.59 feet to an angle point thereon;

Thence North 44° 49' 05" West along said southwesterly line and along the northeasterly boundary line of said Parcel Map 13648, a distance of 897.94 feet to an angle point thereon;

Thence North 34° 19' 49" West along said southwesterly line and along the northeasterly boundary line, a distance of 309.31 feet to an angle point thereon;

REVIEWED BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RIGHT OF WAY ENGINEERING TEAM DATE: <u>3-17-2003</u>

Albert A. Webb Associates

EXHIBIT "A"
ANNEXATION 48th FRINGE

Thence North 48° 21' 25" West along said southwesterly line and along the northeasterly boundary line, a distance of 500.30 feet;

Thence North 53° 47' 59" West along said southwesterly line and along the northeasterly boundary line, a distance of 201.57 feet;

Thence North 42° 32' 18" West along said southwesterly line and along the northeasterly boundary line, a distance of 147.68 feet to the most northerly corner of said Parcel Map 13648;

Thence South 47° 47' 05" West along the northwesterly boundary line of said Parcel Map 13648 and along the centerline of said Lemon Street, a distance of 1420.01 feet to the **POINT OF BEGINNING**.

Containing 48.78 acres gross, more or less.
44.45 acres net, more or less.

PREPARED UNDER MY SUPERVISION

Matthew E. Webb
Matthew E. Webb, L.S. 5529

3/14/03
Date



Prepared by: FB
Checked by: RLS

REVIEWED BY
THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM
DATE: 3-17-2003

MARCH 2002
PLAN FOR IMPLEMENTING WATER USE EFFICIENCY
GUIDELINES FOR WESTERN MUNICIPAL WATER DISTRICT'S
46th FRINGE ANNEXATION TO THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Description of Annexing Area:

The area proposed for annexation is located in Southwest Riverside County, within the Temescal Canyon Area, West of Knabe Road and Forest Boundary Road. Lee Lake Water District is the water purveyor, a sub-agency within the boundaries of Western Municipal Water District (Western). Western is a member agency of Metropolitan Water District of Southern California (MWD). The area consists of approximately 235 acres of currently undeveloped land, which represents approximately 23 percent of "The Retreat" property, with the balance of the property to be developed being within Western Municipal Water District.

Description:

The proposed future use of the annexed property is single family residential (155 homes) and golf course, as part of the overall project. The property will be zoned SP (Specific Plan) when acted upon by Riverside County as Specific Plan No. 317 – "The Retreat". It is anticipated that development will occur within the next two years.

Annual Water Use:

The projected total water demand in the annexation area will be about 40.4 million gallons per year (124 AF/Y). The annexation area will receive water from MWD via a Western/MWD Mills Pipeline connection. None of this area's water demand will be served from local groundwater supply. 100 percent will be from MWD at full build-out. The demands on MWD will be minimized by incorporating various conservation measures discussed below in the development plan.

Peak Water Use:

The projected maximum day demand in the annexation area is estimated to be about 194,000 gallons (217 AF/Y), based on a peaking factor of 1.75 times average daily flow. The peak demand on MWD will be minimized by the construction and operation of local storage and groundwater facilities, or local storage tanks and incorporating various conservation measures, and the use of reclaimed water for Landscape and Golf Course irrigation.

Reclaimed Supplies:

Western Municipal Water District (Western) promotes the use of reclaimed water by means of an active program involving its member agencies. In the event of the inclusion of industrial processes, decorative lakes or landscaped areas exceeding one acre within the annexation area, reclaimed water or non-potable water supplies shall be developed and used for such water requirements. The development plan for the annexing area includes 116 acres of golf course and 23 acres of slope landscaping. Lee Lake Water District's wastewater treatment plant produces tertiary treated water and will be the source of supply for such areas.

At the present time, Lee Lake Water District is designing a reclaimed water system, with construction anticipated within two years. Accordingly a dual distribution system shall be constructed to accommodate such supplies when they become available in the future.

Water Conservation:

Western's water conservation program draws on support from several areas. A garden specialist, an education specialist, a water conservation specialist, and other staff establish high visibility in the community to provide information and assistance on water resource conservation.

Western operates "Landscapes Southern California StyleSM", a unique conservation education garden at its headquarters office located at 450 Alessandro Boulevard in Riverside. The purpose of the garden is to assist in conserving California's water resources by increasing the public's acceptance, use of, and desire for water-efficient landscaping. More than 13,000 people each year take a self-guided tour of the site viewing more than 200 species of plants, landscape designs, and irrigation systems that contribute to water efficiency: garden staff is on-hand to help them solve their landscape problems with water-wise alternatives. The garden specialist coordinates landscape seminars for the public, calling upon local landscape professionals to guide participants through the step-by-step process of design, installation, and maintenance. Other activities include an annual water-wise plant sale, guided tours and colorful off-site slide presentations. The Garden Guide, which includes a plant list and colorful photographs, is available at no charge in the District's lobby and in the garden. Conservation and water issue messages are relayed periodically to customers via press releases, speeches, bill stuffers, and other customer messages.

Western's education specialist chairs the Water Education Advisory Council of western Riverside County, a committee of representatives from eight local water purveyors that develop programs and provide innovative services for educators in grades K – 12 in Western's general service area, covering 503 square miles. More than 211 public and private schools benefit from these regional programs. To date, approximately 263,000 students and educators have been reached through programs such as:

A mini-grant program

Educators can apply for grants worth up to \$500 to be used towards creative water-related projects.

The regional book distribution program

More than 165 sets of water-related books have been donated to elementary schools throughout western Riverside County.

A 30-minute water conservation theatre program

First through third grade students within the District are given the opportunity to learn about water through this entertaining performance.

The "I'm a Water Wise Kid" poster contest

Fifth graders within the District who best illustrate their knowledge about water are recognized at their schools and are awarded prizes for their efforts.

Science Fair awards

Students who submit top water-related science fair projects earn a United States Savings Bond.

The H₂O Explorer Badge

Scouts and home-schoolers are given the opportunity to earn the embroidered H₂O Explorer Badge by completing five activities of their own choosing.

Western is a signatory to the Memorandum of Understanding Regarding Urban Water Conservation in California, an agreement formulated in cooperation with the State Department of Water Resources and the State Water Conservation Coalition. As a signatory, Western will make good faith efforts to implement a series of water conservation measures referred to as Best Management Practices, or BMPs (see enclosed Attachment "A").

Compliance:

To the extent practicable, the following Agencies and property owners will assure compliance with the provisions of MWD's water use Efficiency Guidelines as indicated in MWD's Administration Code Section 3107 and shall report to MWD regarding such compliance.

WESTERN MUNICIPAL WATER DISTRICT:

To the extent practicable, Western will assure compliance with the provisions of MWD's water use Efficiency Guidelines as indicated in MWD's Administration Code Section 3107 and shall report to MWD regarding such compliance.

WESTERN MUNICIPAL WATER DISTRICT

By: 
Donald L. Harriger, General Manager

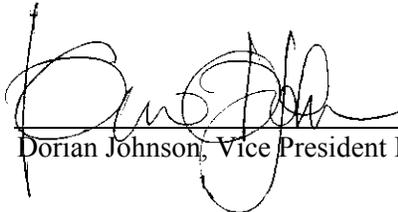
Date: 2/5/03

LEE LAKE WATER DISTRICT

By: 
John Pastore, General Manager

Date: 5-9-02

EMPIRE LAND L.L.C.

By: 
Dorian Johnson, Vice President Land Development

Date: 6/10/02

ATTACHMENT "A"
URBAN CONSERVATION BEST MANAGEMENT PRACTICES

1. Water Survey Programs for Single-Family Residential and Multi-Family Residential Customers.
2. Residential Plumbing Retrofit
3. System Water Audits, Leak Detection, and Repair
4. Metering with Commodity Rates for all New Connections and Retrofit of Existing Connections
5. Large Landscape Conservation Programs and Incentives
6. High-efficiency Washing Machine Rebate Programs
7. Public Information Programs
8. School Education Programs
9. Conservation Programs for Commercial, Industrial, and Institutional Accounts
10. Wholesale Agency Assistance Programs
11. Conservation Pricing
12. Conservation Coordinator
13. Water Waste Prohibition
14. Residential Ultra Low Flow Toilet Replacement Programs

SEPTEMBER 2002
PLAN FOR IMPLEMENTING WATER USE EFFICIENCY
GUIDELINES FOR WESTERN MUNICIPAL WATER DISTRICT'S
48TH FRINGE AREA ANNEXATION TO THE
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

General Description of Annexing Area

The area proposed for annexation is within the boundaries of the city of Murrieta and consists of approximately forty-five (45) acres of undeveloped, industrial property. The site location is southeast of Lemon Street, northeast of Jefferson Avenue, and partially bound by Interstate 15 on the northeast. Rancho California Water District is the water purveyor.

Description:

Murrieta Corporate Center is planning to develop this site into a small commercial center. The city of Murrieta will review the development plans for the project. It is anticipated that development will occur within the next two (2) to five (5) years.

Annual Water Use:

RCWD is a constituent agency of Eastern Municipal Water District (EMWD) and Western Municipal Water District (WMWD). Both EMWD and WMWD are member agencies of Metropolitan Water District of Southern California (MWD) and, therefore, RCWD is entitled to receive water from available sources of MWD.

RCWD overlies one of the largest groundwater sources in Southern California. RCWD maximizes this source of water to the benefit of its constituents. Through detailed management of this resource, RCWD currently produces approximately 50 to 60 percent of its water needs from groundwater. For the balance of its needs, RCWD either purchases imported water from MWD or uses recycled water (where allowed); and, if necessary, call upon its constituents to conserve water.

RCWD has maximized its use of local groundwater sources. As the area develops, RCWD anticipates increased imported water purchases, maximization of the use of recycled water, and conservation by its constituents to meet the increased demands.

RCWD has developed a Water Facilities Master Plan to plan for its future growth. This document plans for the ultimate build-out of RCWD, not only for those properties within the current RCWD boundaries, but also for those within the RCWD sphere of influence as determined by the Local Agency Formation Commission (LAFCO).

The current annual water use for the 2001-02 fiscal year was approximately 78,368 acre-feet. The projected ultimate water demand is estimated to be approximately 114,000 acre-feet. This amount includes approximately 9,700 acre-feet from non-potable/recycled water sources.

To meet the ultimate projected build-out, RCWD is constantly adding to its internal distribution, storage, and pumping facilities. Yearly capital expenditures run into the millions of dollars. In addition to the distribution facilities, Metropolitan, also expends funds for the acquisition of additional water sources. RCWD has recently completed the EM-20 Turnout Connection and Transmission Main to connect to the MWD Lake Skinner Filtration Plant. RCWD has also constructed recycled water facilities to provide recycled water to the major golf courses in the Temecula/Murrieta Valley.

RCWD is also negotiating with MWD for a service connection off the approved San Diego Pipeline No. 6. With the construction of this facility, RCWD will be able to purchase additional raw imported water for use in the RCWD Groundwater Recharge Program. The successful completion of this project will allow RCWD to store more water locally and to utilize this storage not only for the RCWD projected demands but also to minimize peak demands on the MWD aqueduct system.

The projected total average-day demand in the annexation area for the proposed use is 90,000 gallons per day (GPD) or 100 acre-feet per year (AFY). The annexation area will receive water from MWD via RCWD's EM-20 Turnout Connection. Since RCWD currently maximizes the use of local water sources, the proposed project will depend upon the imported supplies from MWD to meet its needs.

Peak Water Use:

The projected maximum-day water demand in the annexation area is estimated to be about 225,000 GPD, based on a peaking factor of 2.5 times the average daily demand. The maximum demand on MWD will be minimized with the operation of local storage facilities to lessen the peaking on MWD facilities.

As stated above, RCWD will utilize local sources, MWD purchases, and recycled water to meet the RCWD current and future needs. With RCWD producing approximately 50 percent of its ultimate needs from local sources and recycled water use, RCWD does not depend upon MWD to meet its total peak water demands.

The RCWD Master Plan has a criteria of RCWD providing sixteen (16) hours of storage for maximum-day demand. The RCWD Capital Facilities Construction Program is aimed to meet this requirement. RCWD is currently under design or construction of four (4) reservoirs to meet this criteria.

Reclaimed Supplies:

WMWD promotes the use of recycled water by means of an active program involving its member agencies. RCWD has adopted a Recycled Water Master Plan for the utilization of recycled water for the benefit of RCWD and to minimize dependence upon imported supplies. At the present time, about 3,255 AFY of recycled water is sold for agricultural, commercial, landscaping, and golf course irrigation. Additional uses are planned as more recycled water becomes available and the recycled water distribution system is expanded. California State Codes and RCWD's Water Conservation Resolution promote the use of recycled water whenever possible. During drought situations, the use of potable water may be restricted, or even disallowed. By the use of recycled water, these restrictions may be eliminated. RCWD has taken a very proactive approach for the use of recycled water to a point that RCWD has contributed financially to install new systems or retrofit existing systems, particularly for schools and city governments, in order to promote recycled water use.

RCWD is presently in the planning stages to construct a recycled waterline within Nutmeg Street, approximately 4,000 feet from the northwesterly boundary of the Murrieta Corporate Center Project. RCWD has an existing recycled waterline within Washington Avenue, approximately 2,600 feet from the northwest corner of this development. At this time there are no plans to extend either of these facilities to the vicinity of the Murrieta Corporate Center site.

If future recycled facilities become available to the project site, the site landscaping shall be converted. RCWD will require that the on-site irrigation system conform to its requirements for recycled water use, such as requiring the installation of purple pipe and irrigation heads, proper separation between on-site potable and recycled facilities, etc.

Interruption of Service:

RCWD can sustain a seven-day interruption of service from MWD with the efficient use of local storage, groundwater well production, recycled water use, and the activation of an intertie that RCWD has with EMWD in the Temecula area. If scheduled shutdowns of MWD facilities are performed, RCWD can notify its constituents of these shutdowns and request temporary conservation efforts by the public. An in-depth description of the RCWD facilities in place as well as those designed for the future are described within the Annual Water Use section of this plan.

Water Conservation:

Water conservation is an integral component in RCWD's Water Facilities Master Plan. The RCWD water conservation programs promote the efficient use of water resources by maximizing the use of local sources, but not beyond their safe yield. These programs minimize reliance on imported water, requiring the use of recycled water where feasible, and promoting efficient water management practices. RCWD's Public Relations department is very active in the community with the promotion of water conservation practices. The staff participates by providing customer assistance, attending local public events, and holding educational workshops and seminars. A valuable RCWD tool is an Education Program with the local school districts, which fosters a water-wise understanding with the young citizens of the community.

RCWD participates in a low-usage toilet replacement program for the public, making available conservation kits and literature promoting water conservation. The RCWD office site utilizes recycled water for irrigation. Site landscaping is drought-tolerant and provides the public with a visualization of native drought-resistant plants.

Western's water conservation program draws on support from several areas. A garden specialist, an education specialist, a water conservation specialist, and other staff establish high visibility in the community to provide information and assistance on water resource conservation.

Western operates "Landscapes Southern California StyleSM", a unique conservation education garden at its headquarters office located at 450 Alessandro Boulevard in Riverside. The purpose of the garden is to assist in conserving California's water resources by increasing the public's acceptance, use of, and desire for water-efficient landscaping. More than 13,000 people each year take a self-guided tour of the site viewing more than 200 species of plants, landscape designs, and irrigation systems that contribute to water efficiency: garden staff is on-hand to help them solve their landscape problems with water-wise alternatives. The garden specialist coordinates landscape seminars for the public, calling upon local landscape professionals to guide participants through the step-by-step process of design, installation, and maintenance. Other activities include an annual water-wise plant sale, guided tours and colorful off-site slide presentations. The Garden Guide, which includes a plant list and colorful photographs, is available at no charge in the District's lobby and in the garden. Conservation and water issue messages are relayed periodically to customers via press releases, speeches, bill stuffers, and other customer messages.

Western's education specialist chairs the Water Education Advisory Council of western Riverside County, a committee of representatives from eight local water purveyors that develop programs and provide innovative services for educators in grades K – 12 in Western's general service area, covering 503 square miles. More than 211 public and private schools benefit from these regional programs. To date, approximately 263,000 students and educators have been reached through programs such as:

A mini-grant program

Educators can apply for grants worth up to \$500 to be used towards creative water-related projects.

The regional book distribution program

More than 165 sets of water-related books have been donated to elementary schools throughout western Riverside County.

A 30-minute water conservation theatre program

First through third grade students within the District are given the opportunity to learn about water through this entertaining performance.

The "I'm a Water Wise Kid" poster contest

Fifth graders within the District who best illustrate their knowledge about water are recognized at their schools and are awarded prizes for their efforts.

Science Fair awards

Students who submit top water-related science fair projects earn a United States Savings Bond.

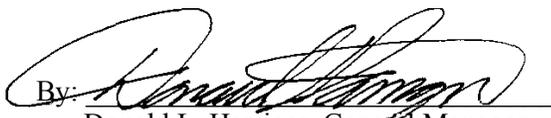
Compliance:

To the extent practicable, the following Agencies and property owners will assure compliance with the provisions of MWD's water use Efficiency Guidelines as indicated in MWD's Administration Code Section 3107 and shall report to MWD regarding such compliance.

WESTERN MUNICIPAL WATER DISTRICT:

To the extent practicable, Western will assure compliance with the provisions of MWD's water use Efficiency Guidelines as indicated in MWD's Administration Code Section 3107 and shall report to MWD regarding such compliance.

WESTERN MUNICIPAL WATER DISTRICT

By: 
Donald L. Harriger, General Manager
MS-12/2/02

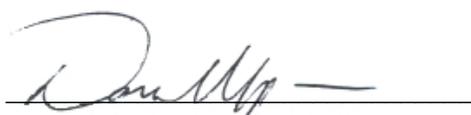
Date: 12/20/02

RANCHO CALIFORNIA WATER DISTRICT

By: 
John F. Hennigar, General Manager

Date: 10/8/02

MURRIETA CORPORATE CENTER

By: 

Date: 10/7/02

ATTACHMENT "A"
URBAN CONSERVATION BEST MANAGEMENT PRACTICES

1. Water Survey Programs for Single-Family Residential and Multi-Family Residential Customers.
2. Residential Plumbing Retrofit
3. System Water Audits, Leak Detection, and Repair
4. Metering with Commodity Rates for all New Connections and Retrofit of Existing Connections
5. Large Landscape Conservation Programs and Incentives
6. High-efficiency Washing Machine Rebate Programs
7. Public Information Programs
8. School Education Programs
9. Conservation Programs for Commercial, Industrial, and Institutional Accounts
10. Wholesale Agency Assistance Programs
11. Conservation Pricing
12. Conservation Coordinator
13. Water Waste Prohibition
14. Residential Ultra Low Flow Toilet Replacement Programs

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 Western Municipal Water District (“Western”) 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 April 2003 (the “Engineer’s Report”) has applied for annexation into Western 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, Western 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 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 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 July 8, 2003, 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 2003/04 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 \$9.23, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of Western. 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 46th Fringe Area Annexation, 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 Western'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 July 8, 2003, 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) exceeds 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 46th Fringe Area Annexation to Metropolitan and Western. If water standby charges are approved and such annexation is not completed in time to permit imposition of standby charges for fiscal year 2003/04, 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 Western 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 formal 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 May 13, 2003.

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,

WESTERN MUNICIPAL WATER DISTRICT

46th FRINGE AREA ANNEXATION

April 2003

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 2003/04, dated December 2002, adopted by Metropolitan's Board on March 11, 2003 (Engineer's Report). A copy of the Engineer's Report is on file with the Executive 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 Western Municipal Water District (Western) has requested that Metropolitan collect all or a portion of its RTS obligation through a Metropolitan water standby charge imposed on parcels within Western's service area boundary. The owners of property constituting proposed 46th Fringe Area Annexation have applied for annexation into Western. Once the territory is annexed, Metropolitan water will be available to these parcels and these parcels will receive the benefit of the projects funded in part by Metropolitan water standby charges, as described in the Engineer's Report. Western has requested that Metropolitan impose water standby charges on these properties at the rate specified in the Engineer's Report, following annexation of these properties into Metropolitan.

COST BENEFIT OF THE ANNEXING AREA

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 \$9.23 per acre, or \$9.23 per parcel of less than one acre, is a condition to annexation of these properties into Western and Metropolitan.

The following table lists the parcels included in the 46th Fringe Area Annexation and the proposed water standby charge for fiscal year 2003/04.

Table A
Water standby charges for 46th Fringe Area Annexation

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge</u> <u>(Fiscal Year 2003/04)</u>
282-220-004	11.00	\$ 101.53
282-220-005	629.00	\$ 5,805.67
282-170-004	40.00	\$ 369.20
232-170-005	40.00	\$ 369.20
Total	720.00	\$ 6,645.60

The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately \$242 million for fiscal year 2003/04, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$57.44 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.

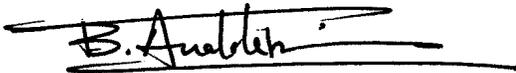
Table 5 of the Engineer's Report shows that the distribution of standby charge revenues from the various member agencies would provide revenue of approximately \$42 million for fiscal year 2003/04. This total amount is less than projected collections from the RTS charge. Metropolitan will use other revenue 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 the 46th Fringe Area Annexation 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. Western has requested that a water standby charge be imposed on lands within the 46th Fringe Area Annexation as a credit against Western's RTS obligation for fiscal year 2003/04, in the amount of \$9.23 per acre or parcel of less than one acre, to be

levied by Metropolitan within Western. The special benefits described in this Engineer's Report exceed the recommended charge. The water standby charges for parcels (identified in Table A above) within 46th Fringe Area Annexation total \$6,645.60.

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



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 Western Municipal Water District (“Western”) 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 April 2003 (the “Engineer’s Report”) has applied for annexation into Western 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, Western 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 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 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 July 8, 2003, 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 2003/04 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 \$9.23, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of Western. 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 48th Fringe Area Annexation, 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 Western'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 July 8, 2003, 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) exceeds 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 48th Fringe Area Annexation to Metropolitan and Western. If water standby charges are approved and such annexation is not completed in time to permit imposition of standby charges for fiscal year 2003/04, 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 Western 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 formal 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 May 13, 2003.

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,

WESTERN MUNICIPAL WATER DISTRICT

48th FRINGE AREA ANNEXATION

April 2003

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 2003/04, dated December 2002, adopted by Metropolitan's Board on March 11, 2003 (Engineer's Report). A copy of the Engineer's Report is on file with the Executive 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 Western Municipal Water District (Western) has requested that Metropolitan collect all or a portion of its RTS obligation through a Metropolitan water standby charge imposed on parcels within Western's service area boundary. The owners of property constituting proposed 48th Fringe Area Annexation have applied for annexation into Western. Once the territory is annexed, Metropolitan water will be available to these parcels and these parcels will receive the benefit of the projects funded in part by Metropolitan water standby charges, as described in the Engineer's Report. Western has requested that Metropolitan impose water standby charges on these properties at the rate specified in the Engineer's Report, following annexation of these properties into Metropolitan.

COST BENEFIT OF THE ANNEXING AREA

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 \$9.23 per acre, or \$9.23 per parcel of less than one acre, is a condition to annexation of these properties into Western and Metropolitan.

The following table lists the parcels included in the 48th Fringe Area Annexation and the proposed water standby charge for fiscal year 2003/04.

Table A
Water standby charges for 48th Fringe Area Annexation

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge</u> <u>(Fiscal Year 2003/04)</u>
949-100-001	1.68	\$ 15.51
949-100-002	8.03	\$ 74.12
949-100-003	10.06	\$ 92.85
949-100-004	10.54	\$ 97.28
949-100-005	8.55	\$ 78.92
949-100-006	2.14	\$ 19.75
949-100-011	4.16	\$ 38.39
Total	45.16	\$ 416.82

The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately \$242 million for fiscal year 2003/04, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$57.44 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.

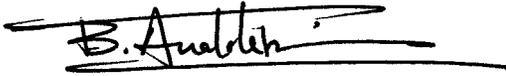
Table 5 of the Engineer's Report shows that the distribution of standby charge revenues from the various member agencies would provide revenue of approximately \$42 million for fiscal year 2003/04. This total amount is less than projected collections from the RTS charge. Metropolitan will use other revenue 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 the 48th Fringe Area Annexation 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. Western has requested that a water standby charge be imposed on lands within the 48th Fringe Area Annexation as a credit against Western's RTS obligation for fiscal year 2003/04, in the amount of \$9.23 per acre or parcel of less than one acre, to be

levied by Metropolitan within Western. The special benefits described in this Engineer's Report exceed the recommended charge. The water standby charges for parcels (identified in Table A above) within 48th Fringe Area Annexation total \$416.82.

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