

- **Board of Directors**
Budget, Finance and Investment Committee

August 19, 2003 Board Meeting

5E-2

Subject

Adopt resolution establishing the tax rate for fiscal year 2003/04

Description

This letter reports the tax levy for fiscal year 2003/04. The tax rate computation is based upon assessed valuations of property taxable by Metropolitan as certified by the auditors of the six counties in Metropolitan's service area.

Metropolitan's tax rate for fiscal year 2002/03 was .0067 percent of assessed valuations. The certified assessed valuations from the county auditors show an increase of assessed valuations of 8.1 percent, necessitating a decrease in Metropolitan's tax rate to .0061 percent of assessed valuations for fiscal year 2003/04. The .0061 percent tax rate is the maximum allowed under Section 124.5 of the Metropolitan Act.

A tax rate of .0061percent will produce a gross tax levy of \$99.3 million. This amount will produce an estimated net tax levy of \$96.5 million, including an additional \$3.5 million for supplemental tax collections associated with properties reassessed during the year and \$7.2 million for prior years' tax collections, as well as a \$5.0 million reduction as an allowance for delinquencies and an \$8.5 million reduction for redevelopment agencies. This levy is sufficient to pay annual installments due Metropolitan for annexations of areas to Metropolitan completed prior to June 6, 1978, debt service on Metropolitan's general obligation bonds and Metropolitan's obligation under its contract with the State of California for Burns-Porter Bonds. Debt service on Metropolitan's general obligation bonds and the Burns-Porter Bonds is \$1.5 million less than in fiscal year 2002/03.

The resolution to be submitted provides for:

1. A secured property tax rate of .0061 percent of assessed valuations comprised of .0026 percent for Metropolitan's general obligation bond debt service and .0035 percent for State Contract obligations.
2. A .0067 percent tax rate for unsecured property.
3. Various tax rates for annexation charges due Metropolitan.

Provisions are made for the resolution to take effect immediately upon adoption. A certified copy of the resolution will be transmitted to the presiding officer of the governing body of each member public agency.

The tax resolution is available in the office of the Executive Secretary.

Also attached thereto and included as Section 9 of the resolution are two schedules: (1) **Attachment 1** - Schedule A - Estimated Funds to be Produced by Tax Levy, Fiscal Year 2003/04 and (2) **Attachment 2** - Schedule B - Tax Rates and Amounts to be Derived from Respective Areas.

Policy

Metropolitan Water District Act, §§ 124.5 and 307

California Environmental Quality Act (CEQA)

CEQA determination for Staff Recommendation:


The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there 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).

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

Staff Recommendation

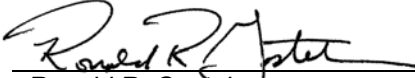
Adopt the CEQA determination and approve **Attachment 1** and **Attachment 2** (Section 9 of the Resolution) to adopt the .0061 percent tax rate for fiscal year 2003/04.

Fiscal Impact: \$96.5 million in tax revenues.



David I. Furukawa
for Brian G. Thomas
Chief Financial Officer

5/15/2003
Date



Ronald R. Gastelum
Chief Executive Officer

5/18/2003
Date

Attachment 1 – Schedule A - Estimated Funds to be Produced by Tax Levy, Fiscal Year 2003/04

Attachment 2 – Schedule B - Tax Rates and Amounts to be Derived from Respective Areas

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SCHEDULE A

Estimated Funds to be Produced by Tax Levy, Fiscal Year 2003-04
(Cents Omitted)

	Annexation Levies Column #1	Bond Levy Column #2	State Contract Levy Column #3	Totals Column #4
<u>Secured Property</u>				
Assessed Value	\$ 1,281,642,255,185			
Tax Rate	Various	0.0026%	0.0035%	
Amount of Levy	\$ 782,357	\$ 33,322,038	\$ 44,857,479	\$ 78,961,874
<u>Unsecured Property</u>				
Assessed Value	\$ 77,820,780,598			
Tax Rate	Various	0.0034%	0.0033%	
Amount of Levy	\$ 130,952	\$ 2,645,906	\$ 2,568,086	\$ 5,344,944
<u>All Property</u>				
Assessed Value	\$ 1,359,463,035,783			
Amount of Levy from Schedule B	\$ 913,309	\$ 35,967,944	\$ 47,425,565	\$ 84,306,818
Allocation of County-wide Tax on Utilities	149,941	6,385,524	8,464,535	15,000,000
Total Tax Levy	1,063,250	42,353,468	55,890,100	99,306,818
Estimated Collection Adjustments *	(53,163)	(1,249,699)	(1,510,892)	(2,813,754)
Estimated Funds to be Produced by Tax Levy	\$ 1,010,087	\$ 41,103,769	\$ 54,379,208	\$ 96,493,064

- * 5% allowance for delinquencies
- 8.6% allowance for allocations to redevelopment agencies
- \$3.5 million estimated supplemental tax collections
- \$7.2 million estimated prior years' tax collections

Note: All rates expressed as percent of A.V.

NAME OF AREA	AREA CODE	TAX RATES -		-----AMOUNTS TO BE DERIVED FROM RESPECTIVE AREAS-----			
		PERCENTAGE OF A.V.					
		ANX. LEV. COL.1	TOTAL COL.2	ANNEXATION LEVIES COLUMN 3	BOND LEVY COLUMN 4	STATE CONTRACT LEVY COLUMN 5	TOTALS COLUMN 6
AREAS WITHIN MWD OF SC:							
COUNTY OF LOS ANGELES:							
BEVERLY HILLS AREA	1101		0.0061	.00	346,089.69	460,796.50	806,886.19
CITY OF BURBANK AREA	1102		0.0061	.00	332,627.13	423,954.43	756,581.56
CITY OF GLENDALE AREA	1103		0.0061	.00	405,326.89	537,689.65	943,016.54
CITY OF LOS ANGELES AREA	1104		0.0061	.00	6,971,356.09	9,173,812.83	16,145,168.92
CITY OF PASADENA AREA	1105		0.0061	.00	341,251.41	452,726.04	793,977.45
CITY OF SAN MARINO AREA	1106		0.0061	.00	74,743.74	100,497.17	175,240.91
CITY OF SANTA MONICA AREA	1107		0.0061	.00	416,255.84	548,384.07	964,639.91
CITY OF LONG BEACH AREA	1108		0.0061	.00	649,587.48	850,182.87	1,499,770.35
CITY OF TORRANCE AREA	1109		0.0061	.00	422,632.69	556,016.68	978,649.37
CITY OF COMPTON AREA	1110		0.0061	.00	58,094.75	76,813.02	134,907.77
WEST BASIN MUNICIPAL WATER DISTRICT	1111		0.0061	.00	2,445,282.43	3,214,860.89	5,660,143.32
THREE VALLEYS MUNICIPAL WATER DISTRICT (FORMERLY POMONA VALLEY MWD)	1112		0.0061	.00	923,769.20	1,225,748.13	2,149,517.33
FOOTHILL MUNICIPAL WATER DISTRICT	1113		0.0061	.00	225,752.97	302,130.51	527,883.48
CENTRAL BASIN MUNICIPAL WATER DISTRICT	1114		0.0061	.00	2,068,127.71	2,712,252.91	4,780,380.62
LAS VIRGENES MUNICIPAL WATER DISTRICT	1115		0.0061	.00	336,027.72	447,885.32	783,913.04
UPPER SAN GABRIEL VALLEY MWD	1116		0.0061	.00	1,317,240.20	1,742,446.22	3,059,686.42
CITY OF SAN FERNANDO AREA	1117		0.0061	.00	27,295.56	35,755.40	63,050.96
TOTAL COUNTY OF LOS ANGELES	11			.00	17,361,461.50	22,861,952.64	40,223,414.14
COUNTY OF ORANGE:							
CITY OF ANAHEIM AREA	1201		0.0061	.00	665,496.48	870,074.13	1,535,570.61
CITY OF SANTA ANA AREA	1202		0.0061	.00	396,456.80	514,955.85	911,412.65
CITY OF FULLERTON AREA	1203		0.0061	.00	261,486.25	344,830.58	606,316.83
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY:							
ANNEXATION NO. 8D TERRITORY AREA OF MWD OF ORANGE COUNTY	1205010	0.1875	0.1936	22,363.72	310.11	417.46	23,091.29
ANNEXATION NO. 8E TERRITORY AREA OF MWD OF ORANGE COUNTY	1205011	0.1875	0.1936	40,407.21	607.16	742.56	41,756.93
ANNEXATION NO. 8H TERRITORY AREA OF MWD OF ORANGE COUNTY	1205014	0.1875	0.1936	.00	.00	.00	.00
ANNEXATION NO. 16 TERRITORY AREA OF MWD OF ORANGE COUNTY	1205015	0.1875	0.1936	368,999.86	5,588.24	6,770.14	381,358.24
REMAINDER OF MWD OF ORANGE COUNTY	1205999		0.0061	.00	6,179,292.39	8,153,014.39	14,332,306.78
TOTAL MUNICIPAL WATER DISTRICT OF ORANGE COUNTY	1205			431,770.79	6,185,797.90	8,160,944.55	14,778,513.24

NAME OF AREA	AREA CODE	TAX RATES - PERCENTAGE OF A.V.		-----AMOUNTS TO BE DERIVED FROM RESPECTIVE AREAS-----			
		ANX. LEV. COL.1	TOTAL COL.2	ANNEXATION LEVIES COLUMN 3	BOND LEVY COLUMN 4	STATE CONTRACT LEVY COLUMN 5	TOTALS COLUMN 6
TOTAL COUNTY OF ORANGE	12			431,770.79	7,509,237.43	9,890,805.11	17,831,813.33
COUNTY OF RIVERSIDE:							
EASTERN MUNICIPAL WATER DISTRICT:							
NINTH FRINGE AREA OF EASTERN MWD	1301010	0.1875	0.1936	7,501.91	104.03	140.04	7,745.98
TWELFTH FRINGE AREA OF EASTERN MWD	1301012	0.1875	0.1936	1,173.24	16.28	21.90	1,211.42
TWENTY-FIRST FRINGE AREA OF EASTERN MWD	1301021	0.1875	0.1936	110,204.08	1,529.02	2,056.93	113,790.03
TWENTH-FOURTH FRINGE AREA OF EASTERN MWD	1301024	0.0024	0.0085	42,406.91	46,180.29	60,127.20	148,714.40
REMAINDER OF EASTERN MWD	1301999		0.0061	.00	744,155.31	991,916.75	1,736,072.06
TOTAL EASTERN MUNICIPAL WATER DISTRICT	1301			161,286.14	791,984.93	1,054,262.82	2,007,533.89
WESTERN MUNICIPAL WATER DISTRICT:							
ELEVENTH FRINGE AREA OF WESTERN MWD	1302011	0.1875	0.1936	14,165.91	196.45	264.43	14,626.79
FIFTEENTH FRINGE AREA OF WESTERN MWD	1302012	0.1875	0.1936	11.35	.16	.21	11.72
FOURTEENTH FRINGE AREA OF WESTERN MWD	1302013	0.0052	0.0113	8,577.46	4,553.18	5,707.18	18,837.82
REMAINDER OF WESTERN MWD	1302999		0.0061	.00	1,192,808.57	1,575,439.46	2,768,248.03
TOTAL WESTERN MUNICIPAL WATER DISTRICT	1302			22,754.72	1,197,558.36	1,581,411.28	2,801,724.36
TOTAL COUNTY OF RIVERSIDE	13			184,040.86	1,989,543.29	2,635,674.10	4,809,258.25
COUNTY OF SAN BERNARDINO:							
INLAND EMPIRE UTILITIES AGENCY:							
ORIGINAL AREA OF CHINO BASIN MWD	1401001		0.0061	.00	550,009.09	719,566.32	1,269,575.41
MID-VALLEY AREA OF CHINO BASIN MWD	1401002		0.0061	.00	770,477.55	1,001,656.69	1,772,134.24
BRYANT ANNEXATION AREA OF CHINO BASIN MWD	1401003		0.0061	.00	799.91	1,041.27	1,841.18
NORTH PERIMETER NO. 1 ANNEXATION AREA OF CHINO BASIN MWD	1401004	0.1875	0.1936	25,410.05	352.35	474.32	26,236.72
TOTAL INLAND EMPIRE UTILITIES AGENCY	1401			25,410.05	1,321,638.90	1,722,738.60	3,069,787.55
TOTAL COUNTY OF SAN BERNARDINO	14			25,410.05	1,321,638.90	1,722,738.60	3,069,787.55
COUNTY OF SAN DIEGO:							
SAN DIEGO COUNTY WATER AUTHORITY:							
VALLEY CENTER NO. 2 ANNEXATION AREA OF SDCWA	1501039	0.1875	0.1936	2,459.32	34.10	45.91	2,539.33
RAINBOW NO. 3 ANNEXATION AREA OF SDCWA INCLUDED WITHIN MWD OF SC	1501041	0.1875	0.1936	67,176.61	938.34	1,252.26	69,367.21
DE LUZ HEIGHTS NO. 1 ANNEXATION AREA OF SDCWA	1501042	0.1875	0.1936	7,006.55	97.16	130.79	7,234.50
FALLBROOK COMMUNITY AIR PARK ANNEXATION AREA OF SDCWA	1501044	0.1875	0.1936	6,827.07	94.67	127.44	7,049.18
RINCON DEL DIABLO NO.4 ANNEXATION AREA OF SDCWA	1501047	0.1875	0.1936	.00	.00	.00	.00

NAME OF AREA	AREA CODE	TAX RATES - PERCENTAGE OF A.V.		-----AMOUNTS TO BE DERIVED FROM RESPECTIVE AREAS-----			
		ANX.	TOTAL	ANNEXATION	BOND	STATE CONTRACT	TOTALS
		LEV. COL.1	LEV. COL.2	LEVIES COLUMN 3	LEVY COLUMN 4	LEVY COLUMN 5	COLUMN 6
SAN DIEGUITO NO. 2 ANNEXATION AREA OF SDCWA:							
PORTION NOW WITHIN REMAINDER OF SDCWA (ENCINITAS REORG.A)	15010481		0.0000	.00	.00	.00	.00
SAN DIEGUITO NO.2 ANNEXATION AREA OF SDCWA	15010489		0.0061	.00	7,100.32	9,443.21	16,543.53
TOTAL SAN DIEGUITO NO. 2 ANNEXATION AREA OF SDCWA	1501048			.00	7,100.32	9,443.21	16,543.53
RAINBOW NO. 5 ANNEXATION AREA OF SDCWA	1501050	0.0296	0.0357	888.23	78.02	105.03	1,071.28
PENDLETON MILITARY RESERVATION AREA OF SDCWA-NUCLEAR GENERATING PLANT PORTION THEREOF							
	1501051	0.0046	0.0107	6,428.06	3,633.25	4,890.91	14,952.22
ENCINITAS MS REORG. NOW WITHIN SAN DIEGUITO NO.2 EXCLUDE FROM REMAINDER OF SDCWA							
	1501053		0.0061	.00	638.46	859.47	1,497.93
REMAINDER OF SDCWA:							
DE LUZ HEIGHTS MWD REORGANIZATION NOW INCLUDED WITHIN REMAINDER OF SDCWA							
	15019992	0.1875	0.1875	167,056.40	.00	.00	167,056.40
REMAINDER THEREOF	15019999		0.0061	.00	6,325,707.75	8,378,718.28	14,704,426.03
TOTAL REMAINDER OF SDCWA	1501999			167,056.40	6,325,707.75	8,378,718.28	14,871,482.43
TOTAL SAN DIEGO COUNTY WATER AUTHORITY	1501			257,842.24	6,338,322.07	8,395,573.30	14,991,737.61
TOTAL COUNTY OF SAN DIEGO	15			257,842.24	6,338,322.07	8,395,573.30	14,991,737.61
COUNTY OF VENTURA:							
CALLEGUAS MUNICIPAL WATER DISTRICT:							
OXNARD FIFTH FRINGE AREA OF CALLEGUAS MWD	1601013	0.0018	0.0079	3,520.22	5,384.93	6,664.26	15,569.41
OXNARD SIXTH FRINGE AREA OF CALLEGUAS MWD	1601014	0.0015	0.0076	978.16	1,709.05	2,278.97	4,966.18
OXNARD SEVENTH FRINGE AREA OF CALLEGUAS MWD	1601015	0.0031	0.0092	7,095.97	5,968.99	7,986.98	21,051.94
OXNARD EIGHTH FRINGE AREA OF CALLEGUAS MWD	1601016	0.0039	0.0100	904.85	606.57	808.55	2,319.97
REMAINDER OF CALLEGUAS MWD	1601999		0.0061	.00	1,433,890.84	1,899,949.54	3,333,840.38
TOTAL CALLEGUAS MUNICIPAL WATER DISTRICT	1601			12,499.20	1,447,560.38	1,917,688.30	3,377,747.88
TOTAL COUNTY OF VENTURA	16			12,499.20	1,447,560.38	1,917,688.30	3,377,747.88
TOTAL AREAS WITHIN MWD OF SC:	1			911,563.14	35,967,763.57	47,424,432.05	84,303,758.76
AREAS EXCLUDED FROM MWD OF SC:							
COUNTY OF LOS ANGELES:							
CITY OF LOS ANGELES AREA EXCLUSIONS:							
ALHAMBRA HILLS	2104001		0.0035	.00	.00	890.53	890.53
PORTION OF REORGANIZATION NO. 85-2	2104002		0.0061	.00	112.11	150.91	263.02
CREEKSIDE CONDOMINIUMS DETACHMENT (REORG. NO.98-01)	2104003		0.0061	.00	.00	.00	.00

NAME OF AREA	AREA CODE	TAX RATES - PERCENTAGE OF A.V.		-----AMOUNTS TO BE DERIVED FROM RESPECTIVE AREAS-----			
		ANX. LEV. COL.1	TOTAL COL.2	ANNEXATION LEVIES COLUMN 3	BOND LEVY COLUMN 4	STATE CONTRACT LEVY COLUMN 5	TOTALS COLUMN 6
TOTAL CITY OF LOS ANGELES AREA EXCLUSIONS	2104			.00	112.11	1,041.44	1,153.55
THREE VALLEYS MUNICIPAL WATER DISTRICT:							
EXCLUSION FROM THREE VALLEYS MWD-AZUSA REORG.	2112001		0.0061	.00	.00	.00	.00
TOTAL THREE VALLEYS MUNICIPAL WATER DISTRICT	2112			.00	.00	.00	.00
CENTRAL BASIN MUNICIPAL WATER DISTRICT:							
EXCLUSION FROM CENTRAL BASIN MWD-REORG.NO.1-1998	2114001		0.0061	.00	.00	.00	.00
TOTAL CENTRAL BASIN MUNICIPAL WATER DISTRICT	2114			.00	.00	.00	.00
LAS VIRGENES MUNICIPAL WATER DISTRICT:							
PORTION OF REORGANIZATION NO. 85-2 EXCLUSION FROM LAS VIRGENES MWD	2115001		0.0061	.00	1.13	1.52	2.65
TOTAL LAS VIRGENES MUNICIPAL WATER DISTRICT	2115			.00	1.13	1.52	2.65
TOTAL COUNTY OF LOS ANGELES	21			.00	113.24	1,042.96	1,156.20
COUNTY OF RIVERSIDE:							
WESTERN MUNICIPAL WATER DISTRICT:							
EXCLUSION FROM ORIGINAL AREA OF WESTERN MWD	2302001		0.0061	.00	.00	.00	.00
TOTAL WESTERN MUNICIPAL WATER DISTRICT	2302			.00	.00	.00	.00
TOTAL COUNTY OF RIVERSIDE	23			.00	.00	.00	.00
COUNTY OF SAN DIEGO:							
SAN DIEGO COUNTY WATER AUTHORITY:							
EXCLUSION FROM ORIGINAL AREA OF RAMONA MWD	2501017		0.0061	.00	2.56	3.45	6.01
EXCLUSIONS FROM RAMONA NO.2 ANNEXATION AREA	2501030		0.0061	.00	39.88	53.68	93.56
EXCLUSIONS FROM RAINBOW NO.3 ANNEXATION AREA	2501041	0.1875	0.1936	1,745.98	24.21	32.59	1,802.78
TOTAL SAN DIEGO COUNTY WATER AUTHORITY	2501			1,745.98	66.65	89.72	1,902.35
TOTAL COUNTY OF SAN DIEGO	25			1,745.98	66.65	89.72	1,902.35
TOTAL AREAS EXCLUDED FROM MWD OF SC:	2			1,745.98	179.89	1,132.68	3,058.55
TOTAL THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA				913,309.12	35,967,943.46	47,425,564.73	84,306,817.31