

- **Board of Directors**  
**Executive Committee**

October 12, 2004 Board Meeting

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**8-1**

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**Subject**

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Grant conditional approval for annexation of 47th Fringe Area to Western Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge

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**Description**

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The Western Municipal Water District requests conditional approval and imposition of water standby charge for the 47th Fringe Area concurrently to Western and Metropolitan Water District of Southern California.

The proposed 47th Fringe Area Annexation consists of 149.49 acres in Riverside County. The property is located within the boundaries of the city of Lake Elsinore, north of McVicker Avenue and west of Grand Avenue. See [Attachment 1](#) for the map and legal description. The proposed development by Forecast Homes is residential use as approved by the city. The developer is proposing to construct approximately 355 residential dwelling units. Prior to completion of the annexation, Western will pay a fee of \$522,235.40 if the annexation is completed prior to December 31, 2004, or if the annexation is completed later, the fee would be the then current annexation charge rate pursuant to § 3300 of Metropolitan's Administrative Code. The projected annual water demand on Metropolitan is approximately 159 acre-feet per year. See [Attachment 2](#) for the plan for implementing water use efficiency.

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 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 charges that, 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 December 14, 2004, or such other date as the Board shall determine. The ballots received from property owners are weighted according to the proportionate obligation of each property. Unless a majority vote protests the charges, the Board may impose the water standby charges in the annexed area concurrently with final approval of annexation.

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**Policy**

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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)

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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 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.

CEQA determination for Option #2:

None required

## Board Options/Fiscal Impacts

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### Option #1

Adopt the CEQA determination and

- a. Grant conditional approval for 47th Fringe Area, concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$522,235.40 to Metropolitan if completed by December 31, 2004, or if completed later, at the then current annexation charge rate;
- b. Approve Western's proposed Plans for Implementing Water Use Efficiency Guidelines ([Attachment 2](#)); and
- c. Adopt the resolution of intention to impose water standby charge within the proposed annexation territories, substantially in the form of [Attachment 3](#).

**Fiscal Impact:** Receipt of annexation fee of \$522,235.40 for the 47th Fringe Area and water sales revenue from newly annexed territory

### Option #2

Decline the request for 47th Fringe Area Annexation.

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

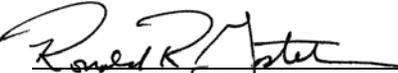
## Staff Recommendation

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Option #1

  
 Roy L. Wolfe  
 Manager, Corporate Resources

9/17/2004  
Date

  
 Ronald R. Gastelum  
 Chief Executive Officer

9/20/2004  
Date

[Attachment 1 – 47th Fringe Area Legal Description and Map](#)

[Attachment 2 – 47th Fringe Area Water Use Efficiency Plan](#)

[Attachment 3 – 47th Fringe Area Resolution of Intension to Impose Water Standby Charges](#)

EXHIBIT "A"

That portion of Parcel 2 of Parcel Map No. 31011, as shown by map on file in Book 206 of Parcel Maps at pages 50 through 52 inclusive thereof, Records of Riverside County, California, located in Section 33, Township 5 South, Range 5 West, San Bernardino Meridian, said portion being described as follows:

**COMMENCING** at the northwest corner of said Section 33, said corner also being the northwest corner of said Parcel 2;

Thence South 00°17'57" East along the west line of said Section 33 and the west line of said Parcel 2, a distance of 1391.29 feet to the **TRUE POINT OF BEGINNING**;

Thence continuing South 00° 17'57" East along said west lines, a distance of 1200.18 feet to the west quarter corner of said Section 33;

Thence South 00°16'38" East continuing along said west lines, a distance of 548.54 feet to a point thereon;

Thence South 41°26'23" East, a distance of 385.18 feet;

Thence North 66°56'07" East, a distance of 337.82 feet;

Thence South 82°16'57" East, a distance of 432.93 feet;

Thence South 58°12'12" East, a distance of 422.47 feet;

Thence South 66°08'46" East, a distance of 322.31 feet;

Thence South 73°31'23" East, a distance of 445.42 feet;

Thence North 80°42'59" East, a distance of 208.76 feet;

Thence South 30°52'58" East, a distance of 429.50 feet to a point on the boundary line of said Parcel 2;

Thence North 74°00'00" East along said boundary line, a distance of 60.94 feet to a point on the north-south centerline of said Section 33;

Thence North 00°11'42" East along said north-south centerline, a distance of 3402.87 feet to a point thereon;

Thence South 66°27'18" West, a distance of 957.26 feet;

Thence North 61°47'26" West, a distance of 382.69 feet;

**REVIEWED BY**  
**THE METROPOLITAN WATER**  
**DISTRICT OF SOUTHERN CALIFORNIA**  
**RIGHT OF WAY ENGINEERING TEAM**  
**DATE: 4-21-2004**

EXHIBIT "A"

Thence South 67°24'35" West, a distance of 469.38 feet;

Thence North 60°35'05" West, a distance of 184.66 feet;

Thence South 83°32'28" West, a distance of 442.61 feet;

Thence South 47°48'56" West, a distance of 448.68 feet to the **TRUE POINT OF BEGINNING.**

Containing 149.49 acres, more or less.

SEE PLAT ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

PREPARED UNDER MY SUPERVISION:

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

4/20/04  
Date



Prepared by: [Signature]  
Checked by: [Signature]

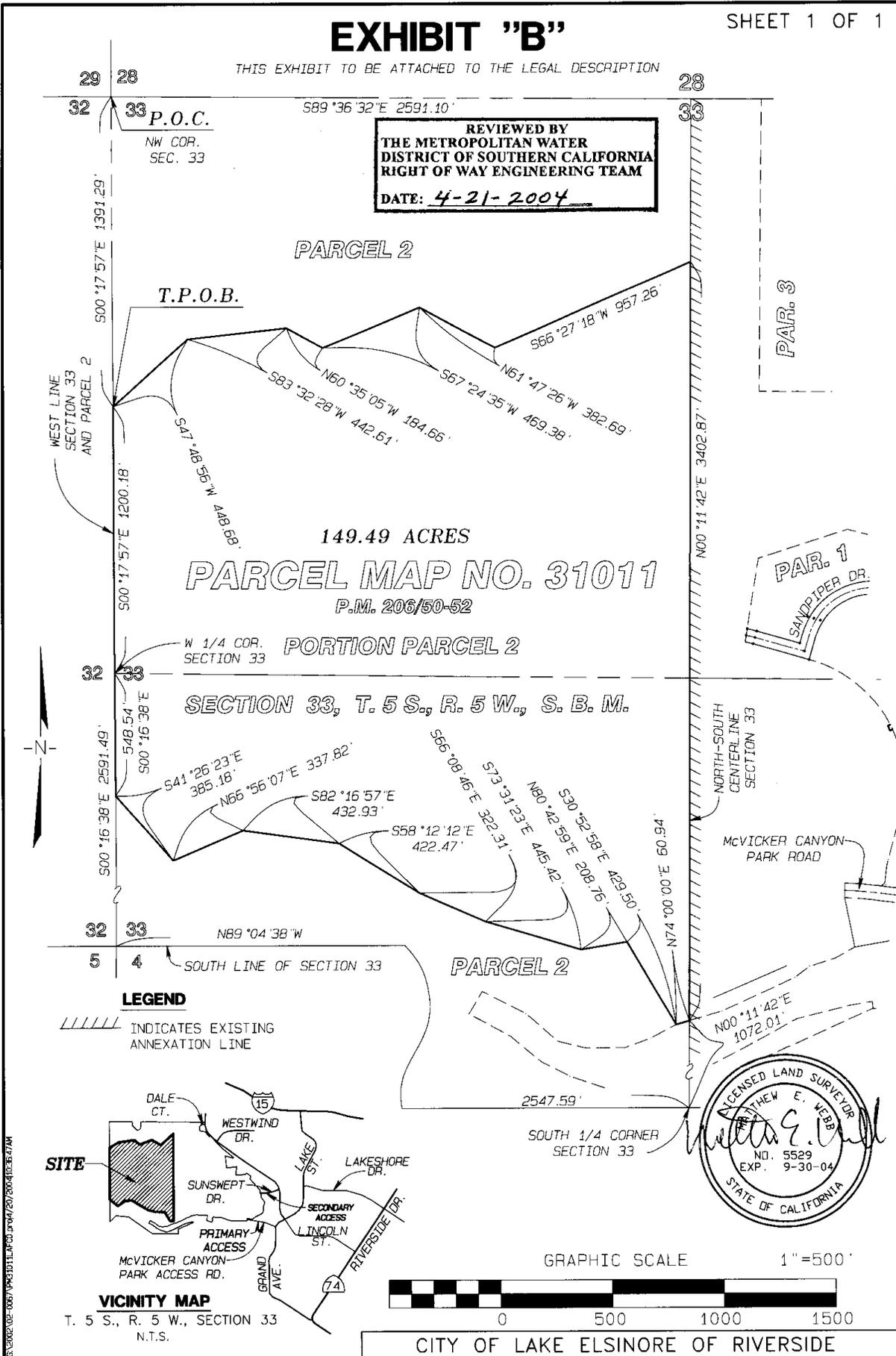
**REVIEWED BY**  
**THE METROPOLITAN WATER**  
**DISTRICT OF SOUTHERN CALIFORNIA**  
**RIGHT OF WAY ENGINEERING TEAM**  
DATE: 4-21-2004

# EXHIBIT "B"

SHEET 1 OF 1

THIS EXHIBIT TO BE ATTACHED TO THE LEGAL DESCRIPTION

REVIEWED BY  
 THE METROPOLITAN WATER  
 DISTRICT OF SOUTHERN CALIFORNIA  
 RIGHT OF WAY ENGINEERING TEAM  
 DATE: 4-21-2004



15-2002-02-0097-APPENDIX 11-APPENDIX 20-2004-02-03-07-01

REVISIONS	ALBERT A. <b>WEBB</b> ASSOCIATES ENGINEERING CONSULTANTS 3788 McCray Street Riverside, Ca. 92506 Ph: (909) 686-1070 Fax: (909) 788-1256	CITY OF LAKE ELSINORE OF RIVERSIDE COUNTY, CA. IN PORTION OF SECTION 33, T.5S., R.5W., S.B.M.	
		DRAWN BY <i>CD</i> DATE <u>4/20/04</u>	SHEET <u>1</u> OF <u>1</u>
		CHKD BY <i>JB</i> DATE <u>4/20/04</u>	LAFCO
		DATE: 4/20/2004	SCALE: 1"=500' W.O. :02-0067

**DATE: AUGUST 2004**

**PLAN FOR IMPLEMENTING WATER-USE EFFICIENCY GUIDELINES  
FOR THE  
WESTERN MUNICIPAL WATER DISTRICT  
47th FRINGE 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 Lake Elsinore and consists of approximately one hundred forty nine point five acres (149.5 acres) of undeveloped, rural residential property. It is north of McVicker and westerly of Grand Avenue. Elsinore Valley Municipal Water District is the water purveyor.

K. Hovnanian Forecast Homes is proposing to develop these sites into single-family home development. The proposal is to create approximately three hundred and fifty five homes (355). There will not be any commercial development. The development is within the La Laguna Specific Plan. The City of Lake Elsinore will review the development plan for this project. It is anticipated that development will occur within the next two (2) to three (3) years.

**Annual Water Use**

Elsinore Valley Municipal Water District (EVMWD) and Western Municipal Water District (WMWD) are member agencies of the Metropolitan Water District of Southern California and therefore, EVMWD is entitled to receive water from available sources of MWD through WMWD.

EVMWD overlies one of the largest groundwater sources in Southern California. EVMWD maximizes this source of water to the benefit of its constituents. Through detailed management of this resource, EVMWD currently produces approximately 40 percent of its water needs from groundwater. For the balance of its needs, EVMWD purchases imported water from MWD or and if necessary, calls upon its constituents to conserve water.

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

EVMWD has developed a Water Facilities Master Plan for future growth. This document plans for the ultimate build-out of EVMWD, not only for those properties within the

current EVMWD boundaries, but also for those within the EVMWD sphere of influence as determined by the Local Agency Formation Commission (LAFCO).

The current annual water use of the 2003-2004 fiscal year was approximately 23,000 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 project build-out, EVMWD is constantly adding to its internal distribution, storage, and pumping facilities. Yearly capital expenditures run into the tens of millions of dollars.

#### **Project Water Use:**

The estimated average daily potable water use for the project is 500 gal per day per home or about 177,500 gallons per day (GPD) for the entire project. This demand includes landscape irrigation needs for the individual lots, as well as the community landscape requirements within the project. This demand is based upon an equivalent 10,000 square foot estate sized lot. Typical house sizing for this development will be 2,000 to 4,000 square feet with 4 to 5 bedrooms and 2 to 3 bathrooms.

The total annual demand for the project is estimated at 199 acre-feet per year (AFY).

#### **Peak Water Use:**

EVMWD uses a peaking factor of 2 times the average daily demand. Therefore, the projected maximum day demand in the annexation area is estimated to be about 355,000 gallons per day. The peak demand on MWD will be minimized by the construction and operation of local storage and groundwater facilities discussed above.

#### **Reclaimed Supplies:**

Western Municipal Water District (WMWD) promotes the use of reclaimed water by means of an active program involving its member agencies. Elsinore Valley Municipal Water District produces reclaimed water at EVMWD's water reclamation plant, but reclaimed water is currently five miles from the annexing property. However, when reclaimed water becomes available for this area, a dual water distribution system shall be constructed for the annexing area and surrounding communities.

#### **Water Conservation:**

Western is committed to water conservation and works to establish high visibility in the community while providing information and assistance on water resource conservation.

Western operates "*Landscapes Southern California Style<sup>SM</sup>*", a unique water conservation education garden at its headquarters at 450 Alessandro Boulevard in Riverside. The mission of the garden is to assist in conserving California's water resources by increasing the public's acceptance of, use of and desire for water-efficient landscaping. Annually, more than 13,000 people take self-guided garden tours, viewing more than 200 species of plants, landscape designs and irrigation systems that contribute to water efficiency. Garden staff is on-hand to help visitors solve their landscape problems with water-wise alternatives. Western coordinates landscape seminars for its customers and the general 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 informative, community presentations. Western's Guide to Outdoor Water Conservation, which includes a "*Landscapes Southern California Style<sup>SM</sup>*" plant list and practical outdoor water conservation tips, is available at no charge to garden visitors. Conservation and water issue messages are relayed periodically to customers via a quarterly customer newsletter, Western's web site, 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 510 square miles. More than 222 public and private schools benefit from these regional programs. To date, approximately 430,000 students and educators have been reached through programs such as:

*Lois B. Krieger Water Project Grants for Educators*

Educators within western Riverside County can apply for grants worth up to \$500 to be used toward creative water-related projects.

*The regional book distribution program*

More than 230 sets of water-related books have been donated to schools and their Instructional Media Centers throughout western Riverside County.

*A 30-minute water conservation theatre program*

First through third grade students within the District's service area are given the opportunity to learn about water through entertaining and educational performances.

*Science Fair awards*

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

*The H<sub>2</sub>O Explorer Badge*

Boy and Girl Scouts and home-schoolers are given the opportunity to earn the embroidered H<sub>2</sub>O Explorer Badge by completing five water related 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 BMP's (see enclosed Attachment "A"). To the extent it is practicable to do so, within the limits of its authority and jurisdiction, Western intends to apply the 14 BMP's as identified by Metropolitan Water District throughout its service area in accord with and as a part of its continuing water conservation efforts. Western's Public Affairs team coordinates programs that enable wholesale and retail customers to conserve water. Programs include residential toilet retrofits and commercial, industrial, and institutional fixture retrofits. Western also provides financial support for the Riverside-Corona Resource Conservation District to implement landscape water use audits for commercial, agriculture, and large residential properties within the District.

**Model Home:**

At least one model home within the annexation area shall demonstrate a water conserving landscape to assist in meeting these requirements. Western can make available brochures on water conservation education garden for the model homes and inclusion in new buyer packets. The one-acre garden exhibits water-wise landscaping, showcases more than 250 water-efficient plants, opens daily at 10 a.m. closing at 4 p.m. and is free to the public. Additionally, anyone can take a virtual tour of the garden at Western's website - [www.wmwd.com](http://www.wmwd.com) - where they'll discover lots of valuable water information too.

**Riverside County Ordinance 348d Section 19.304 Residential Model Home Requirements**

- a. In residential subdivisions, all model homes in the project shall comply with the provisions of Article XIXf of this ordinance.
- b. The project applicant shall provide homebuyers with sample water-efficient landscape and irrigation plans and additional educational material as approved by the Planning Director upon the sale of each dwelling unit within the project. The plans shall include a key identifying the common names of the plants used in the landscaping.
- c. The project applicant shall distribute outdoor water conservation pamphlets provided by local water purveyors, if available, to buyers upon the sale of each dwelling unit with the development.
- d. A sign shall be displayed in the front yard of each model home, which is clearly visible to homebuyers. The sign shall indicate that the model home features a water-efficient landscape irrigation design.

**Interruption of Service:**

Local storage, groundwater, groundwater production capacity, system meter connections and other measures such as wells in the area produce 25,107 acre-feet per year. Through the use of groundwater production, Elsinore Valley Municipal Water District is able to sustain a seven-day interruption in service from MWD.

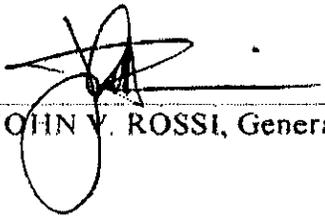
**Compliance:**

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:  \_\_\_\_\_  
JOHN V. ROSSI, General Manager

Date: 9/1/04

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_  
RONALD E. YOUNG, P.E., DEE, General Manager

Date: \_\_\_\_\_

**LA LAGUNA ESTATES**

By: \_\_\_\_\_  
STEVEN FORD

Date: \_\_\_\_\_

groundwater production, Elsinore Valley Municipal Water District is able to sustain a seven-day interruption in service from MWD.

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**WESTERN MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_  
JOHN V. ROSSI, General Manager

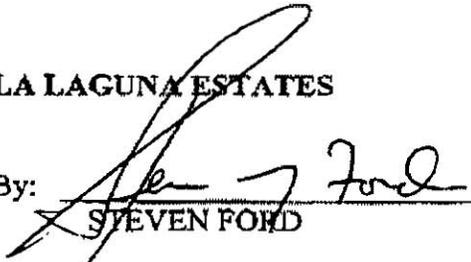
Date: \_\_\_\_\_

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_  
RON YOUNG, General Manager

Date: \_\_\_\_\_

**LA LAGUNA ESTATES**

By:   
STEVEN FORD

Date: 8/31/04

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**Compliance:**

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**WESTERN MUNICIPAL WATER DISTRICT:**

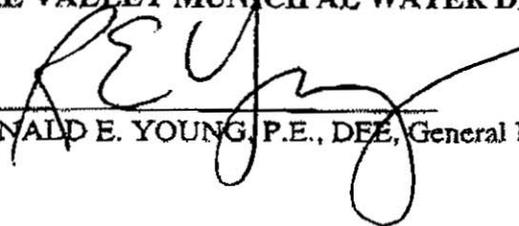
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**WESTERN MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_  
JOHN V. ROSSI, General Manager

Date: \_\_\_\_\_

**ELSINORE VALLEY MUNICIPAL WATER DISTRICT**

By:  \_\_\_\_\_  
RONALD E. YOUNG, P.E., DEE, General Manager

Date: 8/31/07

**LA LAGUNA ESTATES**

By: \_\_\_\_\_  
STEVEN FORD

Date: \_\_\_\_\_

**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 Section 134.5 of The Metropolitan Water District Act (the “Act”), a readiness-to-serve charge may be collected as an availability service charge from the member public agencies within Metropolitan, or may be imposed as a water standby charge against individual parcels within Metropolitan;

WHEREAS, under the Act, the water standby charge may be imposed on each acre of land or each parcel of land less than an acre within Metropolitan to which water is made available for any purpose by Metropolitan, whether the water is actually used or not;

WHEREAS, certain member public agencies of Metropolitan including the 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 August 2004 (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 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 December 14, 2004, or such other date as the Board shall determine, on the Chief Executive Officer’s recommendation to impose a water standby charge for fiscal year 2004/05 on the properties described in the attached Engineer’s Report 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 47th 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 December 14, 2004, 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 hearing 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 the 47th Fringe Area 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 2004/05, 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 Chief Executive Officer 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 October 12, 2004.

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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  
47th FRINGE AREA ANNEXATION**

**August 2004**

**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 2004/05, dated January 2004, adopted by Metropolitan's Board on March 9, 2004 (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 service area boundary. The owners of property constituting proposed 47th 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 47th Fringe Area Annexation and the proposed water standby charge for fiscal year 2004/05.

**Table A**  
**Water standby charges for 47th Fringe Area Annexation**

<u>Parcel Number</u>	<u>Acres</u>	<u>Standby Charge (Fiscal Year 2004/05)</u>
391-260-051	242.39	\$ 2,237.26
Total	242.39	\$ 2,237.26

The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately \$259 million for fiscal year 2004/05, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$61.27 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.

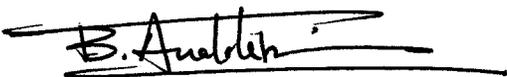
Table 5 of the Engineer's Report shows that the distribution of standby charge revenues from the various member agencies would provide revenue of approximately \$42.5 million for fiscal year 2004/05. This total amount is less than projected collections from the RTS charge. Metropolitan will use other 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 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 47th Fringe Area Annexation as a credit against Western RTS obligation for fiscal year 2004/05, 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 charge for parcels (identified in Table A above) within 47th Fringe Area Annexation total \$2,237.26.

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