



## Board of Directors Asset and Real Property Committee

February 8, 2005 Board Meeting

7-7

## **Subject**

Adopt final resolutions approving annexation of Western Municipal Water District's 47th Fringe Area into Metropolitan's service area, imposing a water standby charge within the newly annexed area, and certifying an addendum to the previously certified EIR documenting such changes

## **Description**

The Western Municipal Water District of Riverside County (Western) is requesting the final terms and conditions for annexation of the 47th Fringe Area into Metropolitan's service area and the imposition of a water standby charge within such area. The proposed action is to adopt a resolution setting terms and conditions for the annexation and environmental findings (see **Attachment 2**) and a second resolution fixing and adopting water standby charges (see **Attachment 3**). The 47th Fringe Area consists of 149.49 acres in Riverside County. The property is located within the boundaries of the city of Lake Elsinore (City), 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 to Metropolitan, if the annexation is completed prior to December 31, 2005. If the annexation is completed after that date, Western will pay a fee based on the then current annexation charge, as set forth in Section 3300 of Metropolitan's Administrative Code. The projected annual water demand on Metropolitan is approximately 159 acre-feet per year.

Metropolitan's Board adopted a resolution of intention to impose a water standby charge within the 47th Fringe Area at its meeting on October 12, 2004. Pursuant to Resolution 8924, the Board held a public hearing on February 8, 2005. Interested parties were given the opportunity to present their views regarding the proposed charge and the Amended Engineer's Report. Also, pursuant to Resolution 8924 and in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, the Executive Secretary provided written notice by mail of such hearing to the owners of record of the parcels identified in the Amended Engineer's Report. Enclosed in the mailed notice was an assessment ballot whereby the owners could indicate either support or opposition to the proposed water standby charge. No majority protest (as defined in Article XIII D, Section 4 of the California Constitution) was found to exist upon conclusion of the hearing. It is requested that Metropolitan's Board consider and act upon the recommendation to adopt a second resolution (see **Attachment 3**), the Resolution Fixing and Adopting Water Standby Charge, which imposes a Metropolitan water standby charge in the amount of \$9.23 per acre, or per parcel less than one acre, within the territory of the 47th Fringe Area Annexation.

Approval of Metropolitan's water standby charge in the amount noted above, which is equal to the amount of Metropolitan's water standby charge imposed elsewhere within Western's territory, is a condition to complete this annexation. Pursuant to the terms of the attached resolution (**Attachment 3**), Metropolitan may levy standby charge at the rate stated in this resolution beginning in a subsequent fiscal year.

The Board is also requested to review and consider the attached addendum to Environmental Impact Report, La Laguna Estates Specific Plan SCH No. 93032093 (Addendum), to certify that the information provided in the Addendum has been completed in compliance with the provisions of CEQA and the State CEQA Guidelines, and adopt the lead agencies' findings related to the annexation of the 47th Fringe Area into Metropolitan's service area.

The proposed action is to adopt a resolution setting terms and conditions for the annexation and environmental findings (see **Attachment 2**) and a second resolution fixing and adopting water standby charges (see **Attachment 3**).

Staff is taking a transitional approach to deal with the annexation requests received prior to the October 12, 2004 board adoption of changes to Administrative Code Section 3107 (code) also known as the new water-use efficiency guidelines for annexations. As reference, **Attachment 5** provides the adopted code changes. Staff would handle these requests using the following approach:

- 1. Annexation requests that received conditional approval by the Board prior to the October 2004 changes to the water-use efficiency guidelines would be considered in compliance under the guidelines in effect at the time of the approval. These requests would not be expected to meet the new October 2004 guidelines.
- 2. Annexation requests currently under review, which have not received conditional approval, would be required to comply with the new October 2004 guidelines.
- 3. The October 2004 Board action also set new reporting criteria effective April 1, 2005. All annexation requests approved by the Board prior to April 1, 2005 would not be subject to the new reporting criteria. However, requests approved by the Board after April 1, 2005 would be subject to the new reporting criteria.

The Board granted conditional approval of this annexation on October 12, 2004; staff recommends that the water-use efficiency plan be deemed in compliance.

## **Policy**

Territory may be annexed to Metropolitan upon terms and conditions fixed by the Board and in accordance with Chapter 1, Article 1, Section 350 through Section 356 of Metropolitan's Act and Division III, Section 3100(b) of its Administrative Code.

By Minute Item 45941, dated October 12, 2004, the Board adopted revisions to Administrative Code Section 3107 (Water Use Efficiency Guidelines).

## California Environmental Quality Act (CEQA)

Pursuant to CEQA, the city of Lake Elsinore acting as lead agency certified in 1998 an Environmental Impact Report for the La Laguna Estates Specific Plan, which includes the 47th Fringe Area. An Addendum to the EIR has been prepared by Metropolitan acting as lead agency to document the proposed annexation of this area into Metropolitan's service area.

CEQA and the State CEQA Guidelines require the preparation of an addendum to a previously certified EIR if changes or additions are necessary but none of the conditions described in Section 15162 of the State CEQA Guidelines calling for the preparation of a subsequent EIR have occurred (Section 15164 of the State CEQA Guidelines). The proposed modifications to the previously approved project also do not meet any of the conditions requiring the preparation of a supplement to an EIR (State CEQA Guidelines, Section 15163). Instead, the proposed modifications require only minor changes or additions to the evaluation in the certified Final EIR to make it adequate under CEQA. The annexation of the 47th Fringe Area into Metropolitan's service area would not result in significant adverse impacts beyond those impacts already disclosed in the original Final EIR. The Board must certify that the addendum reflects Metropolitan's independent judgment and analysis. Copies of the EIR prepared by the city of Lake Elsinore and the Addendum are available in the Executive Secretary's Office for review.

The CEQA determination is: Certify that Addendum has been completed in compliance with CEQA and the State CEQA Guidelines; certify that the Board has reviewed and considered the information contained in Addendum and in the Final EIR and find that there is no substantial evidence that the proposed modifications to the previously approved project will create any new significant impacts; certify that the Addendum reflects Metropolitan's independent judgment and analysis; and certify the Addendum.

## **Board Options/Fiscal Impacts**

## Option #1

Adopt the CEQA determination and

- a. Adopt a resolution granting Western's request for annexation of the 47th Fringe Area into Metropolitan's service area, conditioned upon approval by the Riverside Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for this annexation (Attachment 2); and
- b. Adopt a resolution to impose water standby charge at a rate of \$9.23 per acre or per parcel of less than one acre within the proposed annexation area (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 the 47th Fringe Area Annexation

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

## **Staff Recommendation**

Option #1

Ray L. Welfe 1/6/2005

Roy L. Wolfe Date

Manager, Corporate Resources

1/16/2005 Date

Interim Chief Executive Officer

Attachment 1 – 47th Fringe Area Legal Description and Map

Attachment 2 – 47th Fringe Area Resolution Setting Terms and Conditions for Annexation and Environmental Findings

**Attachment 3 – 47th Fringe Area Resolution Imposing Water Standby Charges** 

Attachment 4 – 47th Fringe Area CEQA Addendum

**Attachment 5 - Water Use Efficiency Guidelines** 

BLA #3178

## 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, L.S. 5529

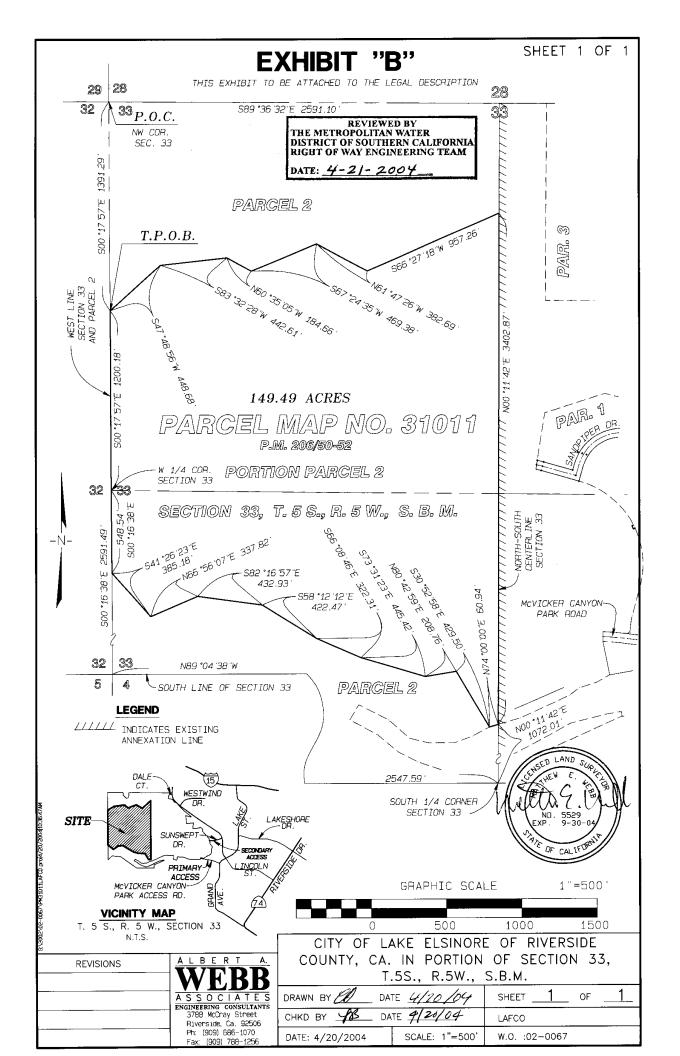
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Prepared by:

Checked by:

REVIEWED BY
THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM



## RESOLUTION

# RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO WESTERN MUNICIPAL WATER DISTRICT'S 47th FRINGE AREA ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND MAKING CERTAIN ENVIRONMENTAL FINDINGS RELATING THERETO

- A. WHEREAS, the Board of Directors of the Western Municipal Water District (Western), a municipal water district, situated in the county of Riverside, state of California, pursuant to Resolution No. 2319, in accordance with the provisions of the Metropolitan Water District Act, has applied to the Board of Directors of The Metropolitan Water District of Southern California (Metropolitan) for consent to annex thereto certain uninhabited territory situated in the county of Riverside referred to as the 47<sup>th</sup> Fringe Area, more particularly described in an application to the Riverside County Local Agency Formation Commission (LAFCO), concurrently with the annexation thereof to Western, such annexation to Metropolitan to be upon such terms and conditions as may be fixed by the Board of Directors of Metropolitan; and
- B. WHEREAS, completion of said annexation shall be conditioned upon approval by the LAFCO; and
- C. WHEREAS, in accordance with the provisions of the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the city of Lake Elsinore (City), acting as the Lead Agency, prepared an Environmental Impact Report (EIR) that assessed the potential impacts associated with adoption of the La Laguna Estates Specific Plan (Specific Plan), including development within the 47<sup>th</sup> Fringe Area; and
  - D. WHEREAS, on October 27, 1998, the City certified the EIR and approved the Specific Plan; and
- E. WHEREAS, subsequent to that time, the City proposed annexing territory within the 47<sup>th</sup> Fringe Area into the service areas of Western Municipal Water District and Metropolitan; and
- F. WHEREAS, this proposed annexation constitutes only a minor modification to the project as assessed in the EIR and approved by the City; and
- G. WHEREAS, Metropolitan, acting as the Lead Agency with respect to this modification, has prepared an Addendum to the EIR (Addendum), and anticipates adoption and approval of the proposed modification on February 8, 2005; and
- H. WHEREAS, prior to approval of the formal terms and conditions for the proposed annexation, Metropolitan is required to (1) certify that it has reviewed and considered the information in the EIR and to adopt the Lead Agency's findings and (2) to certify that Addendum to the EIR has been completed in compliance with CEOA and that it has reviewed and considered the information in the Addendum; and
- I. WHEREAS, it appears to this Board of Directors that such application should be granted, subject to the terms and conditions hereinafter set forth.

- J. NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Metropolitan, acting as Responsible Agency, has reviewed and considered the information in the EIR and hereby adopts the Lead Agency's findings and, acting as Lead Agency, has reviewed and considered the information in the Addendum to EIR and hereby certifies the Addendum.
- K. BE IT FURTHER RESOLVED that the Board of Directors of Metropolitan, subject to the following terms and conditions, does hereby grant the application of the governing body of Western Municipal Water District for consent to annex the 47th Fringe Area to Metropolitan and does hereby fix the terms and conditions of such annexation:
- Section 1. The annexation of said area to Western shall be made concurrently with the annexation thereof to Metropolitan, and all necessary certificates, statements, maps, and other documents required to be filed by or on behalf of Western to effectuate the annexation shall be filed on or before December 31, 2006.
- Section 2. Prior to filing a request for a Certificate of Completion of the annexation proceedings with LAFCO, Western shall submit a certified copy of LAFCO's resolution approving the annexation to the member agency, and shall pay to Metropolitan in cash \$522,235.40, if the annexation is completed by December 31, 2005. If the annexation is completed during the 2006 calendar year, the annexation charge will be calculated based on the then current rate, in accordance with Metropolitan's Administrative Code Section 3300.
- Section 3. All necessary steps (including without limitation, pursuant to Article XIII D of the California Constitution) for imposition of Metropolitan water standby charge in the amount of \$9.23 per acre or per parcel of less than one acre for fiscal year 2004/05 shall be completed.
- <u>Section 4.</u> a. Metropolitan shall be under no obligation to provide, construct, operate, or maintain feeder pipelines, structures, connections, and other facilities required for the delivery of water to said area from works owned or operated by Metropolitan.
- b. Western shall not be entitled to demand that Metropolitan deliver water to Western for use, directly or indirectly, within said area, except for domestic or municipal use therein.
- c. The delivery of all water by Metropolitan, regardless of the nature and time of use of such water shall be subject to the water service regulations, including rates promulgated from time to time by Metropolitan.
- d. Except upon the terms and conditions specifically approved by the Board of Directors of Metropolitan, water sold and delivered by Metropolitan shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside Metropolitan, including use of such water outside Metropolitan or use thereof within Metropolitan in substitution for other water outside Metropolitan.
- L. BE IT FURTHER RESOLVED that the Executive Secretary be, and she hereby is, directed to transmit forthwith to the governing body of Western a certified copy of this resolution.

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 February 8, 2005.

Executive Secretary
The Metropolitan Water District
of Southern California

## RESOLUTION

## RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON WESTERN MUNICIPAL WATER DISTRICT'S 47th FRINGE AREA ANNEXATION

WHEREAS, pursuant to Resolution 8924, The Metropolitan Water District of Southern California's ("Metropolitan") Resolution of Intention to Impose Water Standby Charge, adopted by the Board of Directors (the "Board") of Metropolitan at its meeting held October 12, 2004, the Board gave notice to the public and to each member public agency of Metropolitan of the intention of the Board to consider and take action on the Chief Executive Officer's recommendation to impose a water charge for fiscal year 2004/05 on the property described in the Engineer's Report, dated August 2004 (the "Engineer's Report"), which was prepared by a registered professional engineer certified by the state of California and was attached to Resolution 8924;

WHEREAS, the owner of the parcel identified in the Engineer's Report has applied for annexation into the Western Municipal Water District ("Western") and Metropolitan;

WHEREAS, upon annexation, Metropolitan water will be available to such property 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;

WHEREAS, Western has requested that Metropolitan impose water standby charges on such property at the rate specified in the Engineer's Report and provided herein, following annexation of such property into Metropolitan;

WHEREAS, Resolution 8924 provide that the Board would meet in regular session to hold a public protest hearing at which interested parties could present their views regarding the proposed water standby charges and the Engineer's Report;

WHEREAS, pursuant to the terms of Resolution 8924, the Executive Secretary provided written notice in accordance with the requirements of Article XIII D, Section 4 of the California Constitution of the proposed water standby charge by mail to the record owner of the property identified in the Engineer's Report of such public hearing, and the notice included an assessment ballot whereby the owner could 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;

WHEREAS, the Board conducted in conformance with Resolution 8924 a public hearing. The hearing was held February 8,2005, at which interested parties were given the opportunity to present their views regarding the proposed water standby charge and the Engineer's Report and to protest the charges, if they so desired, and the Board duly considered any such protests and other views presented to it at the public hearing; and

WHEREAS, prior to the conclusion of the public hearing the Executive Secretary reviewed the assessment ballots submitted, and it was found that no majority protest (as defined in Article XIII D, Section 4 of the California Constitution) exists;

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 the Board of Metropolitan, pursuant to the Engineer's Report, finds that the land described in said Engineer's Report upon annexation to Metropolitan will be benefited as described in such report and on that basis, hereby fixes and adopts a water standby charge for fiscal year 2004/05 on such lands to which Metropolitan water is made available for any purpose, whether water is actually used or not.

Section 2. That the 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 water standby charge on other properties located within the territory of Western.

Section 3. That no water standby charge on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel, as shown in the Engineer's Report. 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.

Section 4. That the water standby charge 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. Any amounts so collected shall be applied as a credit against Western's obligation to pay its readiness-to-serve charge for fiscal year 2004/05. 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 5. That the water standby charge is fixed and adopted contingent upon completion of annexation of the land described in the Engineer's Report. If 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 6. 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 water 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 7. That pursuant to the provisions of CEQA and the State CEQA Guidelines, the city of Lake Elsinore, acting as the Lead Agency, prepared the La Laguna Estates Specific Plan Environmental Impact Report (EIR) and released it for public review April 1993 and public hearings held on September 16, 1998 and October 13, 1998. Then, on October 27, 1998, the city of Lake Elsinore certified the La Laguna Estates Draft EIR and approved its project. Subsequent to that time, the city of Lake Elsinore proposed annexation of the territory within La Laguna Estates development to Western Municipal Water District and Metropolitan Water District of Southern California. This new information constituted a minor modification to the originally approved project. Acting as the Lead Agency with respect to this modification, Metropolitan Water District prepared an Addendum to the EIR (Addendum), and anticipates adoption and approval of the proposed project modification

on February 8, 2005. Acting as a Responsible Agency under CEQA, Metropolitan is required to certify that it has reviewed and considered the information in the EIR and Addendum and adopt the Lead Agency's findings prior to approval of the formal terms and conditions for the proposed annexation.

Section 8. That the Chief Executive Officer is hereby authorized and directed to take all necessary action to secure the collection of the water standby charges by the appropriate county officials, including payment of the reasonable cost of collection.

<u>Section 9.</u> That the Chief Executive Officer and General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this resolution, including, without limitation, the commencement or defense of litigation.

<u>Section 10.</u> That if any provision of this resolution or the application to any member agency, property or person whatsoever is held invalid, that invalidity shall not affect the other provisions or applications of this resolution which can be given effect without the invalid portion or application, and to that end the provisions of this resolution are severable.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on February 8, 2005.

Executive Secretary
The Metropolitan Water District
of Southern California

## ADDENDUM TO ENVIRONMENTAL IMPACT REPORT

## LA LAGUNA ESTATES SPECIFIC PLAN SCH #93032093

City of Lake Elsinore EIR No. 92-2

47th Fringe Area Annexation Western Municipal Water District and Metropolitan Water District of Southern California

Prepared by Metropolitan Water District of Southern California 700 North Alameda Street Los Angeles, CA 90054-0153

### **Introduction:**

A Draft Environmental Impact Report (Draft EIR) was prepared by the city of Lake Elsinore (City) in accordance with the relevant provisions of the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. The Draft EIR was published in April 1993 and addressed the potential impacts associated with the City of Lake Elsinore's La Laguna Estates Specific Plan (Specific Plan), including proposed development within the 47<sup>th</sup> Fringe Area. The Draft EIR was circulated for public review as required by law. On September 16, 1998 the City Planning Commission held a public hearing at which it unanimously recommended certifying the EIR and approving the Specific Plan. On October 27, 1998, the City Council certified the EIR and approved the Specific Plan as recommended by the City Planning Commission. The California Department of Fish and Game's filing fee was paid.

## **Project Description:**

The project is to develop 480 detached single-family units and 180 attached single-family units with adequate circulation over a 15-year period to accommodate market demand in the northwestern area of the City. The development will preserve open space and the unique natural resources associated with the foothills of the Santa Ana Mountains

## **Minor Technical Additions:**

Development of the project would require annexation of the 47<sup>th</sup> Fringe Area to both the Western Municipal Water District (Western) and The Metropolitan Water District of Southern California (Metropolitan). As such, it is necessary to clarify the text of the previously certified EIR with minor technical additions to specifically address these annexation requirements. Accordingly, Metropolitan, acting as Lead Agency pursuant to CEQA, has prepared this addendum to address annexation of the 47<sup>th</sup> Fringe Area into its service area.

In light of the foregoing, starting on page 4-97 of the EIR, the following text is hereby added:

The Elsinore Valley Municipal Water District will serve the project described above with water supplied by Western Municipal Water District (Western) and The Metropolitan Water District of Southern California (Metropolitan). Western provides the county of Riverside with imported supplemental potable water supplied by Metropolitan. Metropolitan supplies surplus water from the Colorado River and the State Water Project for municipal, industrial, and agricultural uses within its service area. In 1929, the founding 13 cities constructed the initial water importation system. Through annexations to Metropolitan's legal boundary, Metropolitan is now comprised of 16 member agencies and its service area encompasses approximately 5200 square miles in six counties.

Annexation is necessary to allow water service to the proposed project. Annexation procedures for Metropolitan are defined in Section 350 of the Metropolitan Water District Act, which are also observed by Western. In addition, annexations to Western are subject to Western's General Terms and Conditions. Annexation is also subject to approval by the Riverside Local Agency Formation Commission and any terms and conditions the Commission may apply. Pursuant to Section 56017 of Part 1, Chapter 2, of the Cortes/Knox/Hertzbert Local Government Reorganization Act of 2000, annexation means the annexation, inclusion, attachment, or addition of territory to a city or district. This action is consistent with Metropolitan's, Western's and Elsinore Valley Municipal Water District's Spheres of Influence.

Metropolitan has in place a Water Standby Charge, which is assessed to pay for the benefits properties receive from the projects and facilities provided by Metropolitan, whether or not the property receives water from Metropolitan. This Water Standby Charge will be assessed on parcels within the 47<sup>th</sup> Fringe Area that are annexed into Metropolitan's service area. In addition to these charges, the property may also be subject to payment of Western of an increment of the pre-existing ad valorem taxes. This amount will be determined pursuant to the adoption of a property tax split resolution by Western's Board.

With the payment of such fees and/or taxes, any potential impacts to utility and service systems resulting from the proposed annexation are considered to be less than significant.

## **Basis for Preparation of Addendum:**

Section 15164(b) of the State CEQA Guidelines states, "An addendum to an EIR may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred."

The proposed annexation is an administrative and fiscal action. Such administrative and fiscal action is deemed to be reorganization and does not result in a tangible change in the physical environment. As a Lead Agency for the proposed annexation of the 47<sup>th</sup> Fringe Area, Metropolitan is issuing the Addendum in accordance with the State CEQA Guidelines (Section 15164). The minor textual additions provided herein are not considered to (1) constitute a substantial change in the project as originally proposed by the City, (2) lead to substantial changes in the circumstances under which the project is undertaken, or (3) constitute new information of substantial importance. As such an Addendum was prepared as opposed to a subsequent negative declaration.

Signature	Date	_
Printed Name	Title	

## Section 3107. Water Use Efficiency Guidelines.

The member agency representing the parcels considered for annexation shall submit evidence of compliance with the following:

- (a) Annual member agency water demand shall be minimized by incorporating water conservation measures into new development plans and service agreements. Use of groundwater, local surface water, and recycled wastewater supplies shall be maximized to reduce demands on the District.
- (b) Peak demands on the District shall be minimized by construction and operation of local storage and groundwater production facilities and water conservation measures. Member agencies shall offer all District sponsored water conservation programs to new developments and encourage participation in those programs. Member agencies shall offer a specific program, independent of District funding, to new development to encourage water use efficiency of landscapes or other water savings opportunity.
- (c) Recycled water of adequate quality shall be used whenever it is available to be used, in accordance with California Water Code Sections 13550 13554.
- (d) "Best management practices" conservation measures shall be conditioned on all new developments within the member agency consistent with applicable City or County building codes for areas already within the District, and to District water conservation guidelines for annexing areas.
- (e) Local storage, groundwater production capacity, system interconnections, and other measures shall be able to sustain a 7-day interruption in service from the District pursuant to MWD Administrative Code Section 4503 "Suspension of Deliveries."
- (f) The member agency, wholesale water agency, and local water purveyor of the annexing area shall be signatories and in compliance with the California Urban Water Conservation Council (CUWCC) Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California.

The District may request amendments to the water conservation measures to be imposed on new development within the member agency based on current water-use efficiency policies and reasonable conservation practices and measures.

## Reporting Requirement

The member public agency shall be responsible for assuring compliance with these provisions and shall report to the District on a yearly basis regarding such compliance. Reports would include the following information regarding the member agency:

- (a) Incorporated conservation measures in new development plans and service agreements;
- (b) Recycled water, groundwater, and local surface water use including total annual production of local water supplies;
- (c) 7-day interruption contingency;
- (d) Report as submitted to CUWCC; and
- (e) Member agency and local water purveyor shall have submitted a current Urban Water Management Plan (UWMP) provided the agency or purveyor is required to submit an UWMP under State law.

District staff shall review the reports and provide an annual information report to the Board on member agencies' reporting compliance. District staff will ensure that the annexing member agency is in compliance with its reporting before presenting subsequent annexation requests to the Board. Staff shall provide any prior member agency reports to the Board for its consideration in future annexation requests. The District's CEO or designee is authorized to make minor adjustments to reporting requirements for member agencies as deemed reasonable and appropriate.

Reporting requirements under this section of the Code are required for annexation requests after April 1, 2005. Reporting will be continuous on an annual basis for a six-year period following the latest annexation by the member agency.

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