

- **Board of Directors**
Asset and Recreation Committee

July 11, 2006 Board Meeting

7-1

Subject

Grant conditional approval for Annexation No. 87 to Calleguas Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge

Description

The Calleguas Municipal Water District (Calleguas) requests conditional approval and imposition of Metropolitan Water District of Southern California's (Metropolitan) water standby charge for Calleguas Annexation No. 87 concurrently to Calleguas and Metropolitan. The proposed annexation consists of 11.58 gross acres with 1.91 acres designated for public roads. For this annexation, the net area is 9.67 acres. The area is located within the county of Ventura, on the southeast corner of Victoria Avenue and Teal Club Road in the city of Oxnard. See [Attachment 1](#) for the legal description and map.

The current zoning of the property is agricultural. The proposed development of the property is retail commercial and light industrial including a self-storage business. Calleguas will pay a fee of \$38,458.20 if the annexation is completed prior to December 31, 2006. If the annexation is completed later, the fee will be the then-current annexation charge rate pursuant to Section 3300 of Metropolitan's Administrative Code. The annexation charge is calculated by the per-acre method based on net acreage and a \$5,000 processing fee. The projected annual water demand on Metropolitan is approximately 16.86 acre-feet per year. The Water Use Efficiency Certificate ([Attachment 2](#)) is in compliance with the Administrative Code amendment approved on October 12, 2004.

Completion of this annexation will be subject to such terms and conditions as may be fixed by the Board in granting its final consent. Calleguas has requested that Metropolitan impose a water standby charge within the annexation territory at the rate of \$9.58 per acre or per parcel of less than one acre, which is the water standby charge rate presently levied in other portions of Calleguas. Under the requirements of Article XIII D of the California Constitution (Proposition 218), such charges must be treated as new assessments, subject to approval by the property owners in the area to be annexed through mailed ballot proceedings. [Attachment 3](#) contains the form of resolution of intention to impose a water standby charge which, if adopted by the Board, will authorize the Executive Secretary to mail notices and ballots to the property owners. The property owners will be asked to mark and return the ballots. Ballots will be tabulated at a public hearing on the assessments scheduled to commence on September 12, 2006, or such other date as the Board determines. The ballots received from property owners are weighted according to the proportionate obligation of each property within the annexation area. Unless a majority vote protests the charges, the Board may impose the water standby charge in the annexed area concurrently with final approval of annexation.

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 the Administrative Code.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA because they involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed actions in question may have a significant effect on the environment, the proposed actions are not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines). Prior to formal approval of the annexations 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 Calleguas Annexation No. 87 concurrently to Calleguas and Metropolitan, conditioned upon receipt in full of annexation fee of \$38,458.20 to Metropolitan if completed by December 31, 2006, or if completed later, at the then-current annexation charge rate;
- b. Approve Calleguas' Statement of Compliance with the current Water Use Efficiency Guidelines ([Attachment 2](#)); and
- c. Adopt the resolution of intention to impose water standby charge within the proposed annexation territory, substantially in the form of [Attachment 3](#).

Fiscal Impact: Receipt of annexation fee of \$38,458.20 for Calleguas Annexation No. 87 and water sales revenue from newly annexed territory

Business Analysis: This annexation will provide a service area connection and associated benefits to Annexation No. 87. The initial fixed and variable costs are borne by the local water supplier and property owners including processing, infrastructure, and the cost of raw and treated water. The annexation helps to meet Metropolitan's obligations to member agencies and provides essential benefits to public health and safety.

Option #2

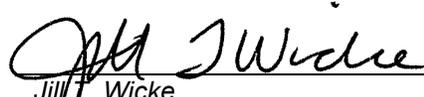
Decline the request for Calleguas Annexation No. 87 Annexation

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

Business Analysis: This service area connection will not be done, thereby negating inherent benefits of water supplied through Metropolitan and Calleguas.

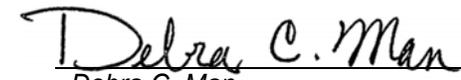
Staff Recommendation

Option #1



Jill F. Wicke
Manager, Real Property Development and
Management Group

6/16/2006
Date



Debra C. Man
for Jeffrey Kightlinger
General Manager

6/16/2006
Date

Attachment 1 – Calleguas Annexation No. 87 Legal Description and Map

Attachment 2 – Calleguas Annexation No. 87 Water Use Efficiency Certificate

Attachment 3 – Calleguas Annexation No. 87 Resolution of Intention to Impose Water Standby Charge

BLA #4492

**CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION
TEAL CLUB INVESTORS
(ANNEXATION NO. 87)**

THAT PORTION OF LOT 127 AND TEAL CLUB ROAD OF PATTERSON RANCH, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8 PAGE 1 OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID TEAL CLUB ROAD, 40 FEET WIDE, WITH THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 127; THENCE, ALONG SAID NORTHERLY PROLONGATION AND EASTERLY LINE,

- 1ST: SOUTH 01°13'32" WEST 382.00 FEET TO THE NORTHERLY LINE OF THE SOUTHERLY 628.00 FEET, MEASURED AT RIGHT ANGLES, OF SAID LOT 127; THENCE, ALONG SAID NORTHERLY LINE,
2ND: NORTH 88°47'31" WEST 1320.00 FEET TO THE EASTERLY LINE OF WEST ROAD SHOWN ON SAID MAP; THENCE, ALONG SAID EASTERLY LINE,
3RD: NORTH 01°13'32" EAST 382.00 FEET TO SAID NORTHERLY LINE OF TEAL CLUB ROAD; THENCE, ALONG SAID NORTHERLY LINE,
4TH: SOUTH 88°47'31" EAST 1320.00 FEET TO THE **POINT OF BEGINNING**.

11.58 ACRES – GROSS AREA
-1.91 ACRES – ROAD AREA
9.67 ACRES – NET AREA

REVIEWED BY
THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM
DATE: 05-02-06



APR 26 2006

CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION TEAL CLUB INVESTORS (ANNEXATION NO. 87)

BEING A PORTION OF LOT 127 OF PATTERSON RANCH AND TEAL CLUB ROAD PER 8 M.R. 1
IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA

154
REVIEWED BY
THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM
DATE: 05-02-06

VICTORIA AVENUE

139

138

137

PARCEL NO. 59
ANNEXATION NO. 7
OXNARD SECOND FRINGE AREA
CALLEGUAS MUNICIPAL WATER
DISTRICT CERTIFICATE OF
COMPLETION 11-07-69
3579 OR 211

VARIES

L4

TEAL CLUB ROAD

GROSS AREA=11.58 ACRES
NET AREA=9.67 ACRES

L2

127

128

8 M.R. 1

126

PARCEL NO. 10
ANNEXATION NO. 69-28
OXNARD THIRD FRINGE AREA
CALLEGUAS MUNICIPAL
WATER DISTRICT
CERTIFICATE OF COMPLETION
12-18-70 3767 OR 518

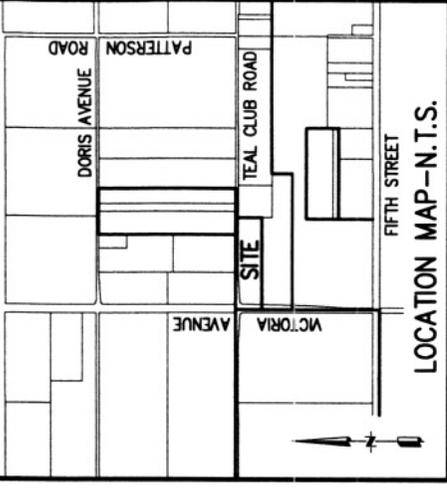
CITY OF OXNARD ANNEXATION NO.
58-1 AFFIDAVIT RECORDED
03-02-59 1708 OR 406

PARCEL NO. 20 ANNEXATION NO. 7 OXNARD
SECOND FRINGE AREA CALLEGUAS MUNICIPAL
WATER DISTRICT CERTIFICATE OF COMPLETION
11-07-69 3579 OR 157

111

110

112



LEGEND:

- EXISTING CALLEGUAS MUNICIPAL WATER DISTRICT BOUNDARY
- - - PROPOSED ANNEXATION BOUNDARY
- - - LOT LINE PER 8 M.R. 1

LINE TABLE

LINE	BEARING	LENGTH
L1	S01°13'32"W	382.00'
L2	N88°47'31"W	1320.00'
L3	N01°13'32"E	382.00'
L4	S88°47'31"E	1320.00'

11.58 ACRES - GROSS AREA
-1.91 ACRES - ROAD AREA
9.67 ACRES - NET AREA



SCALE: 1"=400'
MARCH 2006



APR 26 2006

PREPARED BY:
DAVID R. GRAY, INC.
3211 CORTE MALPASO, SUITE 401
CAMARILLO CA, 93012
805-987-3945 FAX: 805-987-1655
JOB NO. 0513 MARCH 2006

**Documentation for Annexation of Lands to
The Metropolitan Water District of Southern California**

Water Use Efficiency Compliance Statement

<p>A. General Information Description of Annexing Area</p>	<p>Member Agency: Calleguas Municipal Water District Annexation Name: Calleguas Municipal Water District Annexation – Teal Club Investors (Calleguas Annexation No. 87) Projected Water Demand: 16.86 AF Per Year Peaking Water Demand: 1,509 CF Per Day Percent MWD Supplied: Approximately 50% Development Plans: Retail commercial and light industrial. Zoning: BRP (Business and Research park) Additional Water Agencies Involved in Annexation: City of Oxnard will be retail purveyor.</p>	<p>MWD Staff Confirmation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>
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<p>B. Member Agency Water Use and Efficiency Plans 1. Does your agency minimize annual water demand by incorporating water conservation measures into new development plans? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Description: CMWD supports water conservation in all new development. Staff includes a water conservation coordinator who actively manages outreach programs for public education and conservation advocacy. CMWD contributes cash incentives beyond MWD rebates for water conserving plumbing fixtures and appliances. Through CMWD retail purveyors, all projects are required to meet BMPs. CMWD has implemented a conservation program focused on new development that includes additional cash incentives to, and conservation requirements on, new development. Please see related responses to questions 4, 5 and 7 below for more detail. Supporting Documentation: Please refer to: 1) the Urban Water Management Plan for 2005 Pages 4-1 through 4-4. 2) Calleguas BMP reports for 2004 and 2005. 3) Attachment C; 4) Conservation Agreement and Acknowledgement</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comments:  Documentation: <input type="checkbox"/> Received <input type="checkbox"/> On File (Date: _____)</p>
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<p>2. Does your agency use groundwater, surface water, and recycling to reduce annual demand on MWD? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No Description: CMWD member agencies produce approximately 50,000 AF of water from local sources annually, net of exports. Sources include imported surface water, groundwater and recycled water. Please see response to Question 6 regarding CMWD Regional Salinity Management Project.</p> <p>Supporting Documentation: Please see: 1) Calleguas Urban Water Management Plan 2005, Pages 2-12 through 2-17 and 2-20 through 2-25; 2) 2004 Local Production Survey.</p>	<p>MWD Staff Confirmation: Yes No Comments: <i>[Signature]</i> 5/15/06 Documentation: Received On File (Date: _____)</p>
<p>3. Does your agency use storage and groundwater facilities and conservation to reduce peak demand on MWD? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No Description: CMWD participates in all MWD conservation programs including hardware rebates in conjunction with its own Model Home Program and independently funded rebates. Member purveyors with groundwater pump more heavily in summer months. Drawing from 10,000 AF Lake Bard reduces daily and seasonal peaking. A recent expansion of the Lake Bard Water Filtration Plant increased its capacity by a third, further reducing peaking. The jointly funded Las Posas Aquifer Storage and Recovery well field is partially operational and will ultimately store 300,000 AF of water to satisfy seasonal peaking and drought-proof Calleguas. In addition the District operates ten reservoirs with a combined capacity of 63 million gallons to reduce daily peaking. CMWD Ordinance No. 12 penalizes member purveyors for extremes of high and low flow and imposes the Capacity Reservation Charge on member purveyors as an incentive to reduce peaking. Impact fees collected on new construction are proportionate to meter capacity, thereby providing a disincentive to peaking.</p> <p>Supporting Documentation: Please see: 1) Calleguas Urban Water Management Plan 2005, Pages 2-5 through 2-7, pages 2-20- through 2-25, Pages 4-1 through 4-4 and Page 5-9 ; 2) Calleguas Final Water Master Plan (July 1999) Pages 6-1 to 6-3; 3) Calleguas Ordinance No. 12, Page 2 4) Calleguas Ordinance No. 14 Page 5. 5) 2003 and 2004 CMWD BMP Report</p>	<p>MWD Staff Confirmation: Yes No Comments: <i>[Signature]</i> 5/15/06 Documentation: Received On File (Date: _____)</p>

<p>4. Does your agency offer all MWD new development conservation programs? Describe how they are promoted.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Description: Calleguas' Conservation Coordinator actively promotes and coordinates Metropolitan and Calleguas conservation programs. Activities include direct contact with builders, dissemination of literature, presentations to public and industry groups. Conservation agreements with applicants seeking permits for new development will enumerate all MWD and CMWD programs and contain an acknowledgment by the applicant. All applicants will receive conservation literature germane to their project. Please see related response to Question No. 5 below.</p> <p>Supporting Documentation: Please see 1) Conservation Agreement and Acknowledgement; 2) Conservation program summary for development applicants.</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/></p> <p>No</p> <p>Comments: <i>AS 5/15/06</i></p> <p>Documentation: Received</p> <p>On File (Date: _____)</p>
<p>5 Does your agency have a specific conservation program for new development independent of MWD funding? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Description: CMWD is implementing a program focused on new development including:</p> <ul style="list-style-type: none"> ▪ A requirement that all developments of 100 homes or more demonstrate water conserving technology similar to the Metropolitan Model Home Program. Required features will include: <ul style="list-style-type: none"> • ETo irrigation controllers • Landscaping with native California plant palette. • 1.0 gallon or dual-flush toilets • High Efficiency Clothes Washer • Signage describing features and their benefits. • Displays of literature provided by the District. ▪ CMWD will inspect participating projects. ▪ CMWD will independently fund grants of \$2,500 toward installation of water conserving devices, landscaping and signage in the demonstration model homes, either supplementing or independent of the project's participation in the Metropolitan Model Home Program. ▪ All applicants proposing new development in CMWD will be required to sign a conservation agreement With the following provisions: 	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/></p> <p>No</p> <p>Comments: <i>AS 5/15/06</i></p> <p>Documentation: Received</p> <p>On File (Date: _____)</p>

- Require installation of all water saving devices and implementation of procedures to comply with existing state and local law and applicable BMPs.
- State that failure to comply will void the will serve letter and the District Memorandum of Understanding.
- State that the District may make compliance inspections with a 30-day advance notice.
- Require use of recycled water, in accordance with California Water Code Sections 13550-13554 and Calleguas Resolution No. 903 and Ordinance No. 17.
- Require participation in Calleguas Model Home Program when developments involve 100 or more homes.

In addition, the agreement enumerates conservation programs available through MWD and CMWD:

1. Model Home Program
2. High Efficiency Clothes Washer (HEW) Rebate Program
3. ETo Irrigation Controller Rebate Program
4. Ultra Low Flush Toilet Retrofit Rebate Program.
5. *Save Water Save A Buck* Rebate Program for commercial retrofits.
6. Industrial Process Improvement Grants

- All Memorandums of Understanding issued by CMWD will be conditioned upon signature and compliance with the conservation agreement and will condition member agency will serve letters on compliance with BMPs.
- CMWD will fund a hardware rebate program in conjunction with participation by member purveyors.

Please see related response to Question No. 1 above.

Supporting Documentation: Please see: 1) Example Attachment C to annexation resolutions; 2) Conservation Agreement and Acknowledgement 3) Conservation Program Summary for building applicants.

<p>6. Does your agency use recycled water in accordance with Water Code Section 13550-13554? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Description: CMWD operates three pipelines to facilitate distribution of recycled water by its member purveyors. In 2005 these pipelines delivered 1,481 acre feet of recycled water. CMWD is a partner in the Conejo Creek Diversion, which captures an average of 7,400 A.F. of water annually that receives primary treatment and is used for agriculture. A more ambitious project is the Regional Salinity Management Program, a regional pipeline to facilitate the use of high salinity groundwater and recycled wastewater in the Calleguas watershed. The first reach (4 miles) is complete. Ultimately the project will extend 32 miles from Simi Valley to an ocean outfall. When complete and fully utilized by CMWD member agencies, the \$85 million pipeline will substantially increase local recycled water supplies. Working with its member purveyors, CMWD has identified several other potential projects for recovering low quality groundwater and recycling. Together, these projects have the potential of providing 31,000 AF annually, directly offsetting demand on MWD.</p> <p>Supporting Documentation: Please see: 1) Calleguas Urban Water Management Plan 2005, pages 2-20- through 2-25, Pages 4-1 through 4-4; 2) Calleguas Final Water Master Plan (July 1999) Pages 6-2 to 6-6.; 3) Regional Salinity Management Program brochure</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> No</p> <p>Comments: <i>AS 5/15/06</i></p> <p>Documentation: Received</p> <p>On File (Date: _____)</p>
<p>7. Are Best Management Practices conditioned on all new development? What are the conditions required in current service area. What are the conditions required in newly annexed lands.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Description: All CMWD member purveyors are signatories to the CUWCC Memorandum of Understanding (save six small mutuals with combined service connections totaling less than 2000.) Calleguas' purveyors observe BMPs at the local level. Also please see responses to Questions No. 1 and No. 5 above.</p> <p>Newly annexing territory will be conditioned with BMPs ;compliance with California Water Code Sections 13550-13554 and Calleguas Resolution No. 903 and Calleguas Ordinance No. 17; and conservation reporting.</p> <p>Supporting Documentation: Please see Acknowledgement and Agreement regarding District-wide conditions. Please refer to Attachment C for conditions on newly annexing land.</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> No</p> <p>Comments: <i>AS 5/15/06</i></p> <p>Documentation: Received</p> <p>On File (Date: _____)</p>

<p>8. Can your agency sustain a 7-day interruption in service as described in MWD Admin. Code Section 4503?</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Calleguas can call on multiple sources of water to sustain service through a 7-day interruption of supplies from Metropolitan. Lake Bard has a capacity of 10,000 A.F. The Lake Bard Water Filtration Plant was recently expanded to produce 100 CFS. The Las Posas Aquifer Storage and Recovery Project presently contains 70,000 A.F., ultimately will store 300,000 A.F. and is partially operational. It can produce 70 CFS now. Within five years it will deliver 100 CFS. These supplies are sufficient to meet demand in the Calleguas service area today in winter and spring months. In addition, Los Angeles DWP maintains a small connection to Calleguas. Calleguas' member purveyors can augment these supplies during such short term interruptions with increased groundwater pumping and other regional resources so that summer demand can be largely satisfied with minimal delivery curtailment.</p>	<p style="text-align: center;">No</p> <p style="text-align: center;">5/15/06</p>
<p>9. Is your agency and all other agencies listed in (A) above signatory to and in compliance with the California Urban Water Conservation Council's BMP MOU?</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No</p> <p>Description: Calleguas is a charter signatory to the MOU. The City of Oxnard is also a signatory of the CUWCC MOU. Form of Documentation: Please see: 1) 2003 and 2004 Calleguas BMP report; 2) Oxnard City Council Resolution No. 12,783 3) Copy of CUWCC signature page.</p>	<p>MWD Staff Confirmation: Yes</p> <p>No</p> <p>Documentation: <u>5/15/06</u></p> <p>Received</p> <p>On File (Date: _____)</p>

B. Agency Certification and Signature

The following member agencies assure compliance with the provisions of Metropolitan's Water-Use Efficiency Guidelines as indicated in Metropolitan's Administrative Code Section 3107 and shall report to Metropolitan Regarding such compliance.

CALLEGUAS MUNICIPAL WATER DISTRICT

By: Donald R. Kendall
Donald R. Kendall, General Manager

Date: 5/29/06

THE CITY OF OXNARD

By: _____
Matthew Winegar, Director of Public Services

Date: _____

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
ANNEXATION NO. 87**

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 Calleguas Municipal Water District (“Calleguas”) have requested the option to provide collection of all or a portion of their readiness-to-serve charge obligation through a Metropolitan water standby charge imposed on parcels within those member agencies;

WHEREAS, the owner of the parcel identified in the attached Engineer’s Report, dated April 2006 (the “Engineer’s Report”) has applied for annexation into Calleguas and Metropolitan;

WHEREAS, upon annexation, Metropolitan water will be available to such properties and such parcels will receive the benefit of the projects provided in part with proceeds of Metropolitan water standby charges, as described in the Engineer’s Report; and

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

NOW THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That notice is hereby given to the public and to each member public agency of The Metropolitan Water District of Southern California of the intention of Metropolitan’s Board to consider and take action at its meeting to be held on September 12, 2006, or such other date as the Board shall determine, on the General Manager’s recommendation to impose a water standby charge for fiscal year 2006/07 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 \$9.58, which is equal to the amount of Metropolitan's existing standby charge on other properties located within the territory of Calleguas. The Engineer's Report separates the special benefits from the general benefits and identifies each of the parcels on which a special benefit is conferred. No charge on any parcel shall exceed the reasonable cost of the proportional special benefit conferred on that parcel.

Section 3. That the proposed water standby charge, if imposed following completion of the proposed Annexation No. 87, shall be collected on the tax rolls, together with the *ad valorem* property taxes which are levied by Metropolitan for the payment of pre-1978 voter-approved indebtedness, or at Metropolitan's election may be billed directly to the property owners. Any amounts so collected shall be applied as a credit against Calleguas' obligation to pay its readiness-to-serve charge. After such member agency's readiness-to-serve charge allocation is fully satisfied, any additional collections shall be credited to other outstanding obligations of such member agency to Metropolitan or future readiness-to-serve obligations of such agency.

Section 4. That the Executive Secretary is hereby directed to provide written notice of the proposed water standby charge by mail to the record owner of each property identified in the Engineer's Report not less than 45 days prior to the date of the public hearing identified in Section 5. Each notice shall be given in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, and shall be in a form approved by the General Counsel. Each notice shall include an assessment ballot whereby the owner may indicate his or her name, reasonable identification of his or her parcel, and his or her support for or opposition to the proposed water standby charge. Each notice shall also include a description of the procedures for the completion, return and tabulation of ballots, which shall be in a form approved by the General Counsel.

Section 5. That the Board will meet in regular session at its meeting on September 12, 2006, 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 Annexation No. 87 to Metropolitan and Calleguas. If water standby charges are approved and such annexation is not completed in time to permit imposition of standby charges for fiscal year 2006/07, Metropolitan may levy standby charges at the rate stated in this resolution beginning in a subsequent fiscal year.

Section 7. That in the event that the water standby charge, or any portion thereof, is determined to be an unauthorized or invalid fee, charge or assessment by a final judgment in any proceeding at law or in equity, which judgment is not subject to appeal, or if the collection of the water standby charge shall be permanently enjoined and appeals of such injunction have been declined or exhausted, or if Metropolitan shall determine to rescind or revoke the water standby charge, then no further standby charge shall be collected within the territory described in the Engineer's Report and Calleguas shall pay its readiness-to-serve charge obligation to Metropolitan in full, as if imposition of such water standby charges had never been sought.

Section 8. That this Board finds that the intention to adopt proposed water standby charges provided in this Resolution is not defined as a project under the provisions of the California Environmental

Quality Act (CEQA) and the State CEQA Guidelines, because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378 (b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines). Prior to 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 General Manager 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 July 11, 2006.

Executive Secretary
The Metropolitan Water District
of Southern California

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

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

ENGINEER'S REPORT

Supplement I

PROPOSED PROGRAM TO LEVY STANDBY CHARGES,

CALLEGUAS MUNICIPAL WATER DISTRICT

Annexation No. 87

April 2006

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 2006/07, dated December 2005, adopted by Metropolitan's Board on March 14, 2006 (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 request that Metropolitan collect a portion of their RTS obligation through Metropolitan's water standby charge. This supplement to the Engineer's Report satisfies the requirements of Proposition 218, the "Right to Vote on Taxes Act," approved by California voters November 5, 1996, which classifies standby charges as assessments on newly annexed properties.

DESCRIPTION OF ANNEXING AREA

The Calleguas Municipal Water District (Calleguas) has requested that Metropolitan collect all or a portion of its RTS obligation through a Metropolitan water standby charge imposed on parcels within Calleguas service area boundary. The owners of property constituting proposed Annexation No. 87 have applied for annexation into Calleguas. 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. Calleguas 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 property owners have applied to Metropolitan for annexation of the properties identified in this report. Consent by the property owners to Metropolitan's levying of an annual water standby charge in the amount of \$9.58 per acre, or \$9.58 per parcel of less than one acre, is a condition to annexation of these properties into Calleguas and Metropolitan.

The following table lists the parcels included in Annexation No. 87 and the proposed water standby charge for fiscal year 2006/07.

Table A
Water standby charges for Annexation No. 87

<u>Parcel Number</u>	<u>Acres</u> *	Standby Charge (Fiscal Year 2006/07)
183-0-090-57-5	9.42	\$ 90.25
	Total	\$ 90.25

* Acres per Assessor's Parcel Number

The estimated potential benefits of Metropolitan's water supply program that could be paid by a standby charge are approximately \$244 million for fiscal year 2006/07, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$57.22 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 that the total benefits of this magnitude accrue to each acre of property and parcel within Metropolitan, as these properties are eligible for water from the Metropolitan system. Because only properties located within Metropolitan's boundaries 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 \$42.7 million for fiscal year 2006/07. 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. Calleguas has requested that a water standby charge be imposed on lands within Annexation No. 87 as a credit against Calleguas RTS obligation for fiscal year 2006/07, in the amount of \$9.58 per acre or parcel of less than one acre, to be levied by Metropolitan within Calleguas. The special benefits described in this Engineer's Report exceed the recommended charge. The water standby charge for parcels (identified in Table A above) within Annexation No. 87 totals \$90.25.

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