

- The Year 2008 Per-Acre Annexation Charge

Summary

The annexation charge for 2008 is \$3,671 per acre.

Attachments

Metropolitan's Administrative Code Division III, Chapter 3, Section 3300

Detailed Report

Annexation Per-Acre Rate

The annexation charge for calendar year 2008 is \$3,671 per acre. This represents an increase of 5.7% above the 2007 annexation charge of \$3,472 per acre. Metropolitan's current service area is 5,178 square miles, an increase of 129.15 acres (0.2 square miles) during fiscal year 2006-07.

Section 3300 of Metropolitan's Administrative Code sets forth Metropolitan's financial policies related to the annexation charge computation. The annexation charge for areas newly annexing to Metropolitan shall be the greater of the amounts computed under Sections 3300(a) Back-Tax Computation and 3300(b) Per-Acre Charge.

The per-acre charge is calculated by dividing the sum of the estimated replacement cost of Metropolitan's facilities, the unamortized participation rights in the State Water Project and other non-Metropolitan-owned projects in which Metropolitan participates, less Metropolitan's outstanding bonded indebtedness and the accumulated depreciation of facilities, by the total acreage within the service area of Metropolitan as of the end of the recently completed fiscal year.

Annexation Water Use Efficiency Report

Metropolitan modified its Administrative Code § 3107 on October 12, 2004 to add annual reporting to the water use efficiency compliance portion of the annexation process for six years following each annexation. This reporting requirement is applicable to all completed annexations that were requested after April 1, 2005. The annexations within said period have submitted their reports as listed below:

Eastern Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
79th Fringe Area	December 20, 2005	4
81st Fringe Area	December 20, 2005	4
83rd Fringe Area	December 15, 2005	4
84th Fringe Area	December 20, 2005	4
85th Fringe Area	May 22, 2006	4
86th Fringe Area	March 24, 2006	4
87th Fringe Area	February 14, 2006	4
88th Fringe Area	May 22, 2006	4
89th Fringe Area	June 28, 2006	4
92nd Fringe Area	August 2, 2006	4
97th Fringe Area	April 16, 2007	5
93rd Fringe Area	July 26, 2007	5

Western Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
44th Fringe Area	June 22, 2006	4

Calleguas Municipal Water District

Annexation Territory

Annexation No. 83 Parcel A

Annexation No. 85 Parcel A

Completed

November 23, 2005

January 3, 2006

Years Left to Report

4

4

FINANCIAL POLICIES RELATED TO ANNEXATIONS

Sec.

3300. Annexation Charge Computation

3301. Taxes for Past Annexations

§ 3300. Annexation Charge Computation

Annexation Charge - The annexation charge for areas newly annexing to the District shall be the greater of the amounts computed under Sections 3300(a) and 3300(b):

(a) Back-Tax Computation - The annexing area shall be required to pay an amount that bears the same relation to total District taxes levied and annexation taxes to be levied (both exclusive of interest or adjusting factors) as the assessed valuation of the annexation area bears to the assessed valuation of the District, all data to be as of the August 31, preceding the year in which the annexation will be effective, and back interest to be simply calculated by multiplying the amount established as the bare back tax obligation by 5 percent and the resultant by half the number of years since taxes were first levied by the District.

(b) Per-Acre Charge - The annexation charge per acre of land, other than land devoted to public roads, streets, highways, and freeways, to be paid by the annexing areas shall be determined by dividing the sum of the estimated replacement cost of the District's facilities and the unamortized participation rights in facilities of the State Water Project and other non-District owned projects in which Metropolitan participates, less outstanding bonded indebtedness of the District's and the accumulated depreciation of facilities on the replacement cost basis by the total acreage within the service area of the District, all as of the end of the recently completed fiscal year.

M.I. 38048 - January 9, 1990; amended by M.I. 38304 - June 12, 1990; paragraph (b) amended by M.I. 39744 - July 14, 1992; paragraph (b) amended by M.I. 40406 - August 24, 1993; amended by M.I. 41204 - January