



## ● The Year 2011 Per-Acre Annexation Charge

### Summary

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The annexation charge for 2011 is \$4,037 per acre.

### Attachments

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

### Detailed Report

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#### Annexation Per-Acre Rate

The annexation charge for calendar year 2011 is \$4,037 per acre. This represents an increase of 2.8 percent above the 2010 annexation charge of \$3,926 per acre. The increase is based on Administrative Code section 3300(b) (see Attachment 1) Metropolitan's current service area is 5,179 square miles, an increase of 76.75 acres (0.1 square miles) during fiscal year 2009/10.

Section 3300 of Metropolitan's Administrative Code sets forth Metropolitan's 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 projects in which Metropolitan participates and has long-term obligations 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 this 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	1
81st Fringe Area	December 20, 2005	1
83rd Fringe Area	December 15, 2005	1
84th Fringe Area	December 20, 2005	1
85th Fringe Area	May 22, 2006	2
86th Fringe Area	March 24, 2006	2
87th Fringe Area	February 14, 2006	2
88th Fringe Area	May 22, 2006	2
89th Fringe Area	June 28, 2006	2
90th Fringe Area	December 19, 2006	2
91st Fringe Area	November 28, 2006	2
92nd Fringe Area	August 2, 2006	2
95th Fringe Area	December 14, 2006	2
93rd Fringe Area	July 26, 2007	3
97th Fringe Area	April 16, 2007	3

## Board Report The Year 2011 Per-Acre Annexation Charge

### Eastern Municipal Water District (continued)

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
98th Fringe Area	November 13, 2007	3
96th Fringe Area	December 11, 2008	4
100th Fringe Area	November 17, 2008	4
101th Fringe Area	March 20, 2008	4
102th Fringe Area	December 22, 2009	5

### Western Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
44th Fringe Area	June 22, 2006	2

### Calleguas Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
Annexation No. 85 Parcel A	January 3, 2006	2
Annexation No. 92nd	November 28, 2007	3
Annexation No. 91st	April 7, 2008	4
Annexation No. 90th	May 21, 2008	4
Annexation No. 89th	September 25, 2008	4
Annexation No. 87th	December 28, 2009	5
Annexation No. 93 <sup>rd</sup>	December 28, 2009	5

### San Diego County Water Authority

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
Citrus Heights	March 4, 2008	4
Erreca Annexation	January 4, 2010	6

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

**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