



- Board of Directors
Finance and Insurance Committee

3/11/2014 Board Meeting

7-1

Subject

Grant conditional approval for 43rd Fringe Area Annexation to Western Municipal Water District and Metropolitan; and adopt resolution of intention to impose water standby charge

Executive Summary

This action grants conditional approval for an annexation request by Western Municipal Water District (Western) and authorizes resolution to impose a water standby charge. On April 8, 2008, Metropolitan's Board granted final approval of the annexation request and imposition of water standby charge. The resolutions expired due to failure to timely complete the annexation. The total annexing area of 49.71 gross acres has not changed ([Attachment 1](#) – Legal Description and Map). The new water demand from Metropolitan Water District (Metropolitan) is 18.46 acre-feet per year (AFY). Western is in compliance and meets the Best Management Practices of the California Urban Water Conservation Council ([Attachment 2](#) – Water Use Efficiency Compliance Statement). The charge for this annexation, based on 2014 rates, is \$228,595.58, which includes the \$5,000 processing fee.

Details

Western adopted Resolution 2842 on October 2, 2013, requesting conditional approval for annexation and giving notice to impose water standby charges for the restart of the 43rd Fringe Area Annexation. The proposed annexation is within the incorporated area of the city of Corona on the west side of the city and consists of 49.71 uninhabited gross acres in the county of Riverside, one mile south of the 91 Freeway. The Sierra Bella development is approximately 320 acres in size.

The current zoning of the property is residential, and the proposed development of the property is single family residential. Prior to completion of the annexation, Western will pay a \$228,595.58 fee which includes the \$5,000 processing fee if the annexation is completed prior to December 31, 2014. The annexation charge is calculated based on the 2014 per-acre fee of \$4,498. If the annexation is completed later, the fee will be based on the then-current annexation rate pursuant to Section 3300 of Metropolitan's Administrative Code. The projected annual water demand on Metropolitan is approximately 18.46 AFY. [Attachment 2](#) is in compliance with the Metropolitan 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 final consent to such annexation. Western has requested that Metropolitan impose a water standby charge within the annexation territory at the rate of \$9.23 per acre or per parcel of less than one acre, which is the water standby charge rate presently levied in other portions of the service area 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 the voted approval by the property owners in the area to be annexed. [Attachment 3](#) (Resolution of Intention to Levy Standby Charge) contains the form of resolution of intention to impose a water standby charge which, if adopted by the Board, will authorize the Board Executive Secretary to carry out mailed ballot proceedings and Engineer's Report. 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 April 8, 2014, 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 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 its 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 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.

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

Option #1

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and

- a. Grant conditional approval for the 43rd Fringe Area Annexation concurrently to Western and Metropolitan, conditioned upon receipt in full of annexation fee of \$228,595.58 to Metropolitan if completed by December 31, 2014, or if completed later, at the then-current annexation charge rate;
- b. Approve Western's Water Use Efficiency Compliance Statement 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 \$228,595.58 for the 43rd Fringe Area Annexation and water sales revenue from newly annexed territory

Business Analysis: This annexation will provide the ability for water service and associated benefits to the property owners.

Option #2

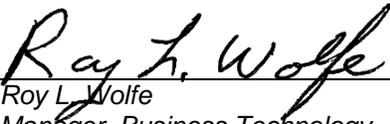
Decline the request for annexation of the 43rd Fringe Area Annexation.

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

Business Analysis: The subject area will not receive the direct benefits of water supplied through Metropolitan and Western.

Staff Recommendation

Option #1



Roy L. Wolfe
Manager, Business Technology

2/12/2014

Date



Jeffrey Kightlinger
General Manager

2/21/2014

Date

Attachment 1 – Legal Description and Map

Attachment 2 – Water Use Efficiency Compliance Statement

Attachment 3 – Resolution of Intention to Levy Standby Charge

Ref# bt12628324

EXHIBIT "A"

**COUNTY OF RIVERSIDE PROPOSED ANNEXATION
TO MWD AND WMWD FRINGE AREA #43
LAFCO _____**

THE NORTH HALF OF GOVERNMENT LOTS 1 AND 2 IN THE NORTHEAST QUARTER OF FRACTIONAL SECTION 5, TOWNSHIP 4 SOUTH, RANGE 7 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH EAST CORNER OF SAID SECTION 5;

THENCE ALONG THE EAST LINE OF SAID SECTION 5, SOUTH 00°55'21" WEST A DISTANCE OF 821.85 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF GOVERNMENT LOT 1 IN SAID NORTHEAST QUARTER OF SECTION 5;

THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID GOVERNMENT LOTS 1 AND 2 NORTH 89°16'47" WEST, A DISTANCE OF 2608.83 FEET TO THE WEST LINE OF SAID GOVERNMENT LOT 2;

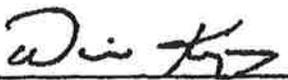
THENCE ALONG SAID WEST LINE OF GOVERNMENT LOT 2 NORTH 00°44'16" EAST, A DISTANCE OF 837.06 FEET TO THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 2, SAID POINT ALSO BEING ON THE NORTH LINE OF SAID SECTION 5;

THENCE ALONG SAID NORTH LINE OF SECTION 5 SOUTH 88°57'14" EAST, A DISTANCE OF 1231.54 FEET TO THE SOUTHWEST CORNER OF SECTION 33, TOWNSHIP 3 SOUTH, RANGE 7 WEST, SAN BERNARDINO BASE AND MERIDIAN;

THENCE CONTINUING ALONG SAID NORTH LINE OF SECTION 5 SOUTH 88°56'20" EAST, A DISTANCE OF 1379.98 FEET TO THE POINT OF BEGINNING.

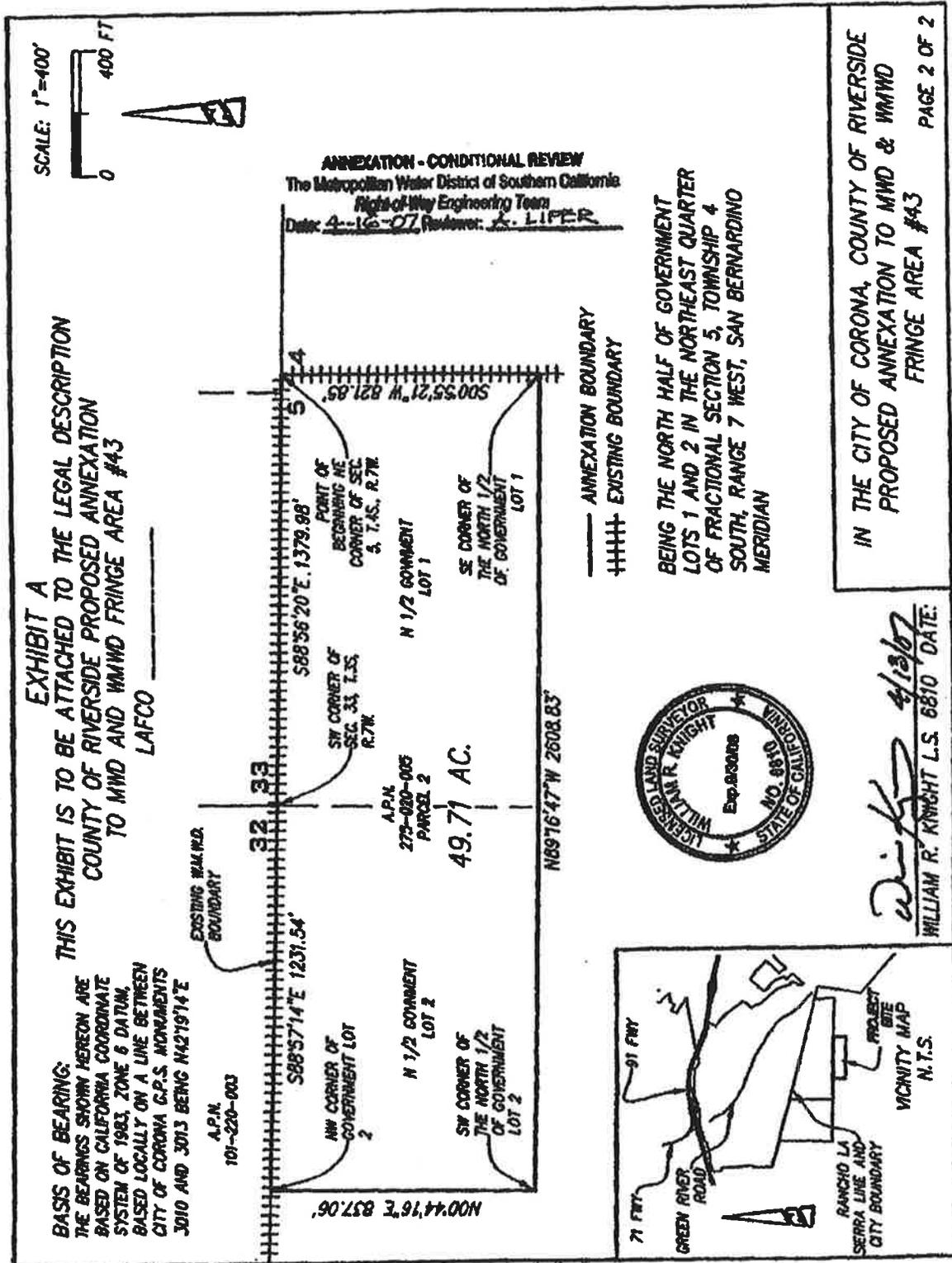
CONTAINING 49.71 ACRES, MORE OR LESS
AS SHOWN ON EXHIBIT "A", ATTACHED HERETO AND MADE A PART THEREOF.

PREPARED UNDER THE SUPERVISION OF:

 4/13/07
Date: _____
William R. Knight, L.S. 6810
REGISTRATION EXPIRES 9-30-08



ANNEXATION - CONDITIONAL REVIEW
The Metropolitan Water District of Southern California
Right-of-Way Engineering Team
Date: 4-16-07 Reviewer: A. LITER



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

Water Use Efficiency Compliance Statement

A. General Information

<p>Description of Annexing Area: APN 275-020-005 49.71 acres located south of Hidden Hills Way in the City of Corona, west Riverside County</p>	<p>Member Agency: Western Municipal Water District Annexation Name: 43rd Fringe Area Annexing Water Demand: Residential – 9,120 gallons per day (10.2 acre-feet/yr) Community landscape – 6.6 acre-feet/yr Peaking Water Demand: 122.3 acre-feet/yr based on a peaking factor of 1.8 times average daily flow. Percent MWD Supplied: 18% Development Plans: Single Family Homes Zoning: Residential Additional Water Agencies Involved in Annexation: 1. City of Corona 2. 3.</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>RJ</i> <i>esj</i></p>
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B. Member Agency Water Use and Efficiency Plans

<p>1. Does your agency minimize annual water demand by incorporating water conservation measures into new development plans and service agreements? Describe.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Description: Yes Ongoing residential water conservation programs are offered to new developments, existing customers, and our sub-agencies. These programs include all items offered through the MWD regional rebate programs. New Development service agreement adheres to state and local plumbing and landscaping codes as well as Riverside County Ordinance 348D XIXf, Water Efficient Landscape Requirements. Western continues to work with its sub-agencies to encourage increased water use efficiency in new development. Western’s staff of conservation, community affairs, and education specialists provides public education programs, landscape irrigation workshops, student education programs, and conservation related campaigns.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comments: <i>RJ</i> Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>)</p>
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	<p>Supporting Documentation: Agreement for Implementing Water Use Efficiency Guidelines See Western's Conservation Binder</p> <ul style="list-style-type: none"> - Annual Incentive Program and Water Savings Summary - MWD Water Conservation Funding Agreements - WMWD Water Conservation Funding Agreements & Addendums for Wholesale Customers - Brochures 	
<p>2. Does your service area maximize use of groundwater, surface water, and recycling to reduce annual demand on MWD?</p> <p>Describe service area wide actions.</p> <p>Administrative Code § 3107 (a)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Description: Yes, production of additional water supplies from sources that include local groundwater, desalination, non-potable and water recycling reduce Western's annual water demand on MWD.</p> <p>Total groundwater production for fiscal year 2011-2012 is more than 135,273 acre-feet. Total desalter production for the same fiscal year is more than 22,686 acre-feet. Recycled water production is more than 11,786 acre-feet for the same fiscal year.</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/> <i>RA</i></p> <p>Comments:</p> <p>Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>)</p>
<p>3. Does your service area use storage and groundwater facilities and conservation to minimize peak demand on MWD?</p> <p>Describe service area wide actions.</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Description: Yes, Western utilizes storage and groundwater facilities to reduce peak demand on MWD. Interagency water connections exist and are promoted to optimize utilization of local resources.</p> <p>Pursuant to MWD Water Conservation Funding Agreement 75352 executed July 1, 2006, Western offers incentives for water efficiency measures in large landscaping.</p> <p>Separate landscape meters are required for all commercial and industrial accounts in Western's retail service area. Western is working with its sub-agencies to encourage separate landscape meters where not already required. Non-potable and/or recycled water is used whenever available in accordance with California Water Code 13550-54.</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>RA</i></p> <p>Comments:</p> <p>Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>)</p>

<p>Administrative Code § 3107 (b)</p>	<p>Supporting Documentation: (See Urban Water Management Index) Water Supply Agreements (Riverside, SBVMWD) (See Conservation Index I) - MWD Water Conservation Funding Agreements - WMWD Water Conservation Funding Agreements & Addendums for Wholesale Customers</p>	
<p>4. Does your agency offer all MWD new development conservation programs? Describe how they are promoted.</p> <p>Administrative Code § 3107 (b)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Description: Yes, Western passes through ALL MWD water use efficiency programs, and for select water saving products. These programs are promoted through bill inserts and on-bill messaging, direct mail brochures, website pages, press releases and community outreach meetings.</p> <p>Supporting Documentation: (See Conservation Index I)</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>RY</i> Comments: Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>)</p>
<p>5. Does your agency have a specific conservation program for new development independent of MWD funding? Describe.</p> <p>Administrative Code § 3107 (b)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Description: Western has implemented a new meter fee charge for all new meter installations for the creation of materials and programs pertaining to the efficient use of water.</p> <p>Western offers seminars to homeowners addressing such topics as Smart controller programming, landscape design, irrigation methods, drip irrigation systems and many other subjects that affect the efficiency of a homeowner's landscape. Through Western's landscape demonstration garden, homeowners learn how to increase water efficiency in their landscapes. The landscape demonstration garden is fully funded by Western.</p> <p>In its retail water service area, Western works with the local entity and requires landscape plan reviews for all new commercial and tract development common landscape to enforce County or City of Riverside water efficient landscape requirements.</p> <p>Riverside/Corona Conservation District: Western co-sponsors an Irrigation Water Management Laboratory (CIMIS Mobile Lab). This service offers</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>RY</i> Comments: Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>)</p>

	<p>those with large (one acre or larger) parcels of land a free irrigation evaluation by the Conservation District staff. Western offers free landscape efficiency evaluations for residential, commercial and landscape customers.</p> <p>Supporting Documentation: (See Conservation Index II) - Brochures - Landscapes Southern California Style - Water Wise Landscape Presentation - Board Letter – RCRC</p>	
<p>6. Does your service area use recycled water in accordance with California Water Code Sections 13550 - 13554?</p> <p>Describe service area wide actions.</p> <p>Administrative Code § 3107 (c)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Description: Recycled water production was more than 11,786 acre-feet for the FY 2011-2012.</p> <p>Supporting Documentation: Local production data for FY 2011-2012</p>	<p>MWD Staff Confirmation: <u>Yes</u> <input type="checkbox"/> No <input type="checkbox"/></p> <p>Comments: <i>RJ</i></p> <p>Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <u>2/2014</u>)</p>
<p>7. Are Best Management Practices conditioned on all new development?</p> <p>Describe BMP implementation. Describe BMP implementation in new development.</p> <p>Administrative Code § 3107 (d)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Description: As a condition of service, new development must agree to meet all code requirements established by their respective City or County, as applicable. Each of these agencies has stringent landscape codes. Western requires all commercial landscaping to obtain a dedicated landscape irrigation meter, submittal of landscape plans for approval and water budget in conformance with the CUWCC Landscape BMP. In fulfillment of the BMP's, all of the incentives/rebates are offered to new development within our service area. Western is a member of the Riverside County Water Task Force whose purpose is to set common water use best management practices for cities and other entities throughout Riverside County. Western, through the GPCD reporting mechanism of the CUWCC is in full compliance with the quantifiable BMPs</p> <p>Supporting Documentation: (See Landscape Ordinance Index) - County of Riverside Landscape Requirements - City Landscape Standards - Riverside County Water Wise Resolution 2005-083</p>	<p>MWD Staff Confirmation: <u>Yes</u> <input type="checkbox"/> No <input type="checkbox"/></p> <p>Comments: <i>RJ</i></p> <p>Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <u>2/2014</u>)</p>

<p>8. Can your agency sustain a 7-day interruption in service as described in MWD Admin. Code Section 4503? Administrative Code § 3107 (e)</p>	<p>- WMWD Ordinance 375 Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Western will be able to sustain a 7-day interruption upon completion of MWD's addition of treatment and conveyance proposed within the Western Riverside County Area Study.</p>	<p><i>cu</i></p>
<p>9. Are your agency and all other agencies listed in (A) above signatory to the California Urban Water Conservation Council's BMP MOU? Administrative Code § 3107 (f)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, WMWD and the City of Corona are signatories to the CUWCC BMP's. Western reimburses 50% of CUWCC annual dues for signatories within its general service area. Form of Documentation: WMWD Board Letter – Approving Signatory to the CUWCC MOU</p>	<p>MWD Staff Confirmation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/10/14</i>)</p>
<p>10. Has your agency and all other agencies listed in (A) submitted a report to CUWCC? Administrative Code § 3107 (f)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Western Municipal Water District completed the required reports for fiscal years 2009 and 2010 and is in the process of preparing reports for fiscal years 2011 and 2012. Form of Documentation: CUWCC BMP reports available at CUWCC.org</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comments: <i>ry</i> Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>) Reviewed by <i>EGW</i></p>
<p>11. Are your agency and all other agencies listed in (A) above in compliance with the California Urban Water Conservation Council's MOU? Administrative Code § 3107 (f)</p>	<p>Member Agency Response: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Western and the City of Corona are in compliance or are "on-track" with CUWCC requirements. Form of Documentation: CUWCC BMP reports available at CUWCC.org</p>	<p>MWD Staff Confirmation: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Comments: <i>ry</i> Documentation: <input type="checkbox"/> Received <input checked="" type="checkbox"/> On File (Date: <i>2/2014</i>) Reviewed by <i>EGW</i></p>

Agency Certification and Signature

The following member agency assures 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.

Agency Name: Western Municipal Water District

By: 
John V. Rossi, General Manager

Date: 10/2/13

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
43RD FRINGE AREA
WESTERN MUNICIPAL WATER DISTRICT

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 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 January 2014 (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 May 13, 2014, or such other date as the Board shall determine, on the General Manager's recommendation to impose a water standby charge for fiscal year 2013/14 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 43rd Fringe Area, 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 Board 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 May 13, 2014, 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 Board 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 43rd 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 2013/14, 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 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 March 11, 2014.

Secretary of the Board of Directors
of 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

PROPOSED PROGRAM TO LEVY STANDBY CHARGES,
WESTERN MUNICIPAL WATER DISTRICT
43RD FRINGE AREA
January 2014

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 2013/14, dated April 2013, adopted by Metropolitan's Board on April 9, 2013 (Engineer's Report). A copy of the Engineer's Report is on file with the Board 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 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's service area boundary. The owners of property constituting proposed 43rd Fringe Area 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 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 \$9.23 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 43rd Fringe Area and the proposed water standby charge for fiscal year 2013/14.

Table A
Water Standby Charges for 43rd Fringe Area

Assessor Parcel Number	Acres *	Standby Charge (Fiscal Year 2013/14)
275-020-005	49.71	\$ 458.82

* 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 \$385 million for fiscal year 2013/14, as shown in Table 1 of the Engineer's Report. An average total standby charge of \$88.60 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.

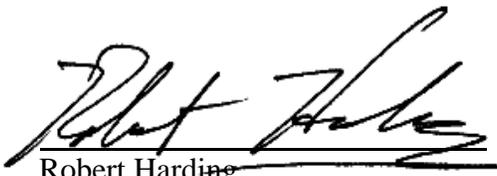
Table 5 of the Engineer's Report shows that the distribution of standby charge revenues from the various member agencies would provide revenue of approximately \$43.6 million for fiscal year 2013/14. This total amount is less than the estimated benefits projected collections from the RTS charge. Metropolitan 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

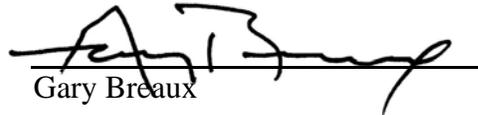
The foregoing and the attached tables in the Engineer's Report describe the current benefits provided by the projects listed as mainstays to the water supply system for Metropolitan's service area. Western has requested that a water standby charge be imposed on lands within 43rd Fringe Area as a credit against Western's RTS obligation for fiscal year 2013/14, 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 43rd Fringe Area is \$458.82.

Prepared Under the Supervision of:

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