



- Board of Directors  
***Finance and Insurance Committee***

5/13/2014 Board Meeting

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**7-1**

## **Subject**

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Adopt final resolutions for annexation and water standby charge levy for the 43rd Fringe Area Annexation to Western Municipal Water District and to Metropolitan

## **Executive Summary**

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This action grants final 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 resolution expired due to the inability of the member agency to complete the annexation within the required time frame. Metropolitan's Board reaffirmed the annexation by granting conditional approval on March 11, 2014. On May 13, 2014, the Board will hold a public hearing to levy standby charges. If approved by the property owner, staff will recommend final approval of the proposed 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 is 18.46 acre-feet per year (AFY). The charge for this annexation, based on 2014 rates, is \$228,595.58, which includes the \$5,000 processing fee.

## **Details**

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This action authorizes a resolution granting final terms and conditions for the 43rd Fringe Area Annexation requested by Western, along with a resolution for imposition of water standby charges. On March 11, 2014, Metropolitan's Board conditionally approved the current area of the 43rd Fringe Area Annexation and resolution of intention to collect the standby charge. On October 2, 2013, Resolution No. 2842 of the Board of Directors of Western made application to Metropolitan for final terms and conditions and imposition of water standby charges. On May 13, 2014, Metropolitan's Board will conduct a public hearing to levy the standby charge prior to making a decision on this matter. If approved by the property owners, this action will comply with the provisions of Proposition 218. Metropolitan's Board will review and approve the resolution for levying the standby charge and grant resolution for annexation at its May 13, 2014 board meeting.

On April 8, 2008, Metropolitan's Board granted final approval of the annexation request and imposition of water standby charge. The resolution expired due to the inability of the member agency to complete the annexation within the required time frame. Metropolitan's Board reaffirmed the annexation by granting conditional approval on March 11, 2014.

The municipal project consists of 49.71 uninhabited gross acres in the county of Riverside, located one mile south of the 91 Freeway. The proposed development is zoned residential for construction of single family units. Prior to completion of the annexation, Western will pay a \$228,595.58 fee which includes the \$5,000 fee collected at the time of the initial request; the balance is received prior to completion. The annexation charge is calculated based on the 2014 per-acre fee of \$4,498. If the annexation is not completed during the 2014 calendar year, the fee would 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 which is about 18 percent of the total demand. The additional sources of water to meet the estimated demand are groundwater and recycled water. After annexation, the city of Corona will provide service.

Metropolitan's Board also adopted a resolution of intention to impose a water standby charge within the proposed annexation area in support of the 43rd Fringe Area Annexation by Resolution 9169 on March 11, 2014. Pursuant to Resolution 9169, the Board will hold a public hearing on May 13, 2014. Interested parties were given notice and will have the opportunity to present their views regarding the proposed charge and the Engineer's Report. In addition, pursuant to Resolution 9169 and in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, the Board Executive Secretary provided written notice by mail of the hearing to the owners of record of the parcels identified in the Engineer's Report. Enclosed in the mailed notices were assessment ballots on which the owners could indicate support or oppose the proposed water standby charge.

This action adopts a resolution consenting to Western's request for annexation ([Attachment 2](#)); and Resolution Fixing and Adopting Water Standby Charge ([Attachment 3](#)), which imposes a Metropolitan water standby charge in the amount of \$9.23 per acre, or per parcel of less than one acre, within the territory of the 43rd Fringe Area Annexation, contingent upon completion of the annexation. Approval of Metropolitan's 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 said standby charge at the rate stated in the resolution.

## Policy

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Territory may be annexed to Metropolitan upon terms and conditions fixed by the Board and in accordance with Part 7, Chapter 1, Article 1, Section 350 through Section 356 of the Metropolitan Water District Act and Division III, Section 3100 of its Administrative Code.

## California Environmental Quality Act (CEQA)

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CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, Western Municipal Water District (Western), acting as Lead Agency, prepared and processed a Final Environmental Impact Report (Final EIR) for the proposed project. The Final EIR was certified and the project was approved by the Lead Agency on September 9, 2005. The Lead Agency also approved the Findings of Fact, the Statement of Overriding Considerations (SOC), and the Mitigation Monitoring and Reporting Program (MMRP). Metropolitan, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the certified Final EIR and adopt the Lead Agency's findings, SOC, and MMRP prior to approval of the formal terms and conditions for the annexation and water standby charges. The environmental documentation is available in the Board Executive Secretary's Office for review ([Attachment 4](#)).

The CEQA determination is: Review and consider information provided in the certified 2005 Final EIR and adopt the Lead Agency's findings, SOC, and MMRP related to the annexation.

## Board Options

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### Option #1

Review and consider information provided in the certified Final Environmental Impact Report (Final EIR) and adopt the Lead Agency's findings related to the proposed actions, and

- a. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the board meeting on this matter, adopt resolution granting Western's request for approval of 43rd Fringe Area Annexation concurrently to Western and Metropolitan, and establish Metropolitan's terms and conditions for the annexation ([Attachment 2](#)), conditioned upon approval by the Riverside Local Agency Formation Commission, and upon receipt of annexation fee of \$228,595.58; and
- b. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the board meeting on this matter, adopt 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 \$228,595.58 for the 43rd Fringe Area Annexation, with water sales revenue from newly annexed territory

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

**Option #2**

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

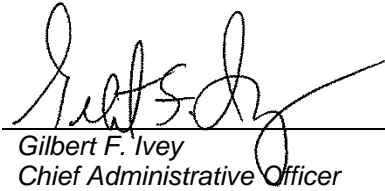
**Fiscal Impact:** Unrealized annexation fee and water sales revenue from non-annexed territory

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

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
Gilbert F. Ivey  
Chief Administrative Officer

4/21/2014

Date

  
\_\_\_\_\_  
Jeffrey Lightlinger  
General Manager

4/23/2014

Date

**Attachment 1 – WMWD 43<sup>rd</sup> Fringe Area Legal Description and Map**

**Attachment 2 – WMWD 43<sup>rd</sup> Fringe Area Resolution Fixing Terms and Conditions of Annexation**

**Attachment 3 – WMWD 43<sup>rd</sup> Fringe Area Resolution of Intention to Levy Standby Charge**

**Attachment 4 – WMWD Sierra Bella Specific Plan Environmental Documentation  
(available for review in the Board Executive Secretary’s Office)**

**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.

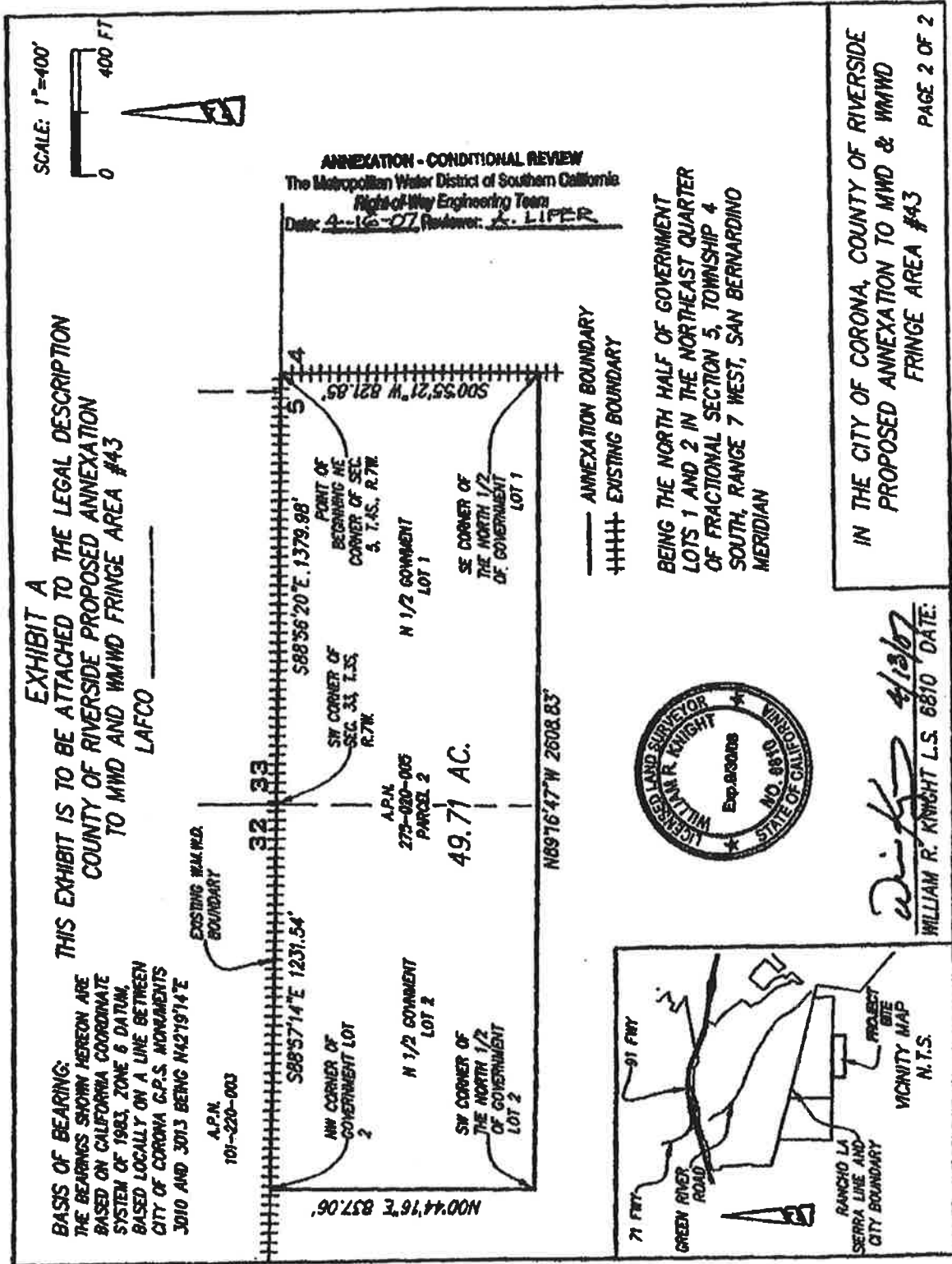
CONTAINING 49.71 ACRES, MORE OR LESS  
AS SHOWN ON EXHIBIT "A", ATTACHED HERETO AND MADE A PART THEREOF.

PREPARED UNDER THE SUPERVISION OF:

*William R. Knight* 4/13/07  
\_\_\_\_\_  
William R. Knight, L.S. 6810 Date:  
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



**RESOLUTION****RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
CONSENTING TO WESTERN MUNICIPAL WATER DISTRICT'S  
43<sup>RD</sup> FRINGE AREA ANNEXATION  
AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

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. 2842, 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 43<sup>rd</sup> Fringe Area Annexation, 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 LAFCO; and

C. WHEREAS, pursuant to the provisions of the California Environmental Quality Act (CEQA), the city of Corona, acting as Lead Agency, certified the Sierra Bella Specific Plan SP 04-001 Annexation and TTM 32023 Project (Project) Final Environmental Impact Report (Final EIR), adopted the Findings of Fact (findings), Statement of Overriding Consideration (SOC), and Mitigation Monitoring and Reporting Program (MMRP) and approved the Project on September 9, 2005, for the development of the proposed annexation parcels, and Metropolitan, as Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information contained in the Final EIR and MMRP, and adopt the Lead Agency’s findings and SOC prior to approval of the formal terms and conditions for 43<sup>rd</sup> Fringe Area Annexation; and

D. WHEREAS, it appears to this Board of Directors that such application should be granted, subject to the terms and conditions hereinafter set forth; and

E. NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Metropolitan, acting as Responsible Agency, has reviewed and considered the information in the Final EIR, findings, SOC, and MMRP and adopted the Lead Agency’s findings and SOC prior to approval of the final terms and conditions for the 43<sup>rd</sup> Fringe Area Annexation; and subject to the following terms and conditions, does hereby grant the application of the governing body of Western for consent to annex the 43<sup>rd</sup> Fringe Area Annexation to Metropolitan and does hereby fix the terms and conditions of such annexation;

F. 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 for consent to annex the 43<sup>rd</sup> Fringe Area Annexation 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, 2016.

**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 \$228,595.58, if the annexation is completed by December 31, 2014. The annexation fee for processing this annexation was received prior to conditional approval. If the annexation is completed during the 2015 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.** 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 and 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.

G. BE IT FURTHER RESOLVED that the Board Executive Secretary 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 on May 13, 2014.

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Secretary of the Board of Directors  
of 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  
43<sup>RD</sup> FRINGE AREA ANNEXATION**

WHEREAS, Pursuant to Resolution 9169, 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 March 11, 2014, 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 General Manager's recommendation to impose a water charge for fiscal year 2013/14 on the property described in the Engineer's Report, dated January 2014 (the "Engineer's Report"), which was prepared by a registered professional engineer certified by the state of California and was attached to Resolution 9169;

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 9169 provided that the Board would meet in regular session to hold a public 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 9169, the Board 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 9169 a public hearing. The hearing was held May 13, 2014, at which time 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 Board 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 2013/14 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 2013/14. 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 2013/14, 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 an appeal, or if the collection of the water standby charge shall be permanently enjoined and appeals of such induction 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 the California Environmental Quality Act (CEQA), Western Municipal Water District (Western), acting as Lead Agency, certified a Final Environmental Impact Report (Final EIR) and approved the project on September 9, 2005, for the development of the proposed annexation parcels (i.e. the Sierra Bella Specific Plan SP 04-001 Annexation and TTM 32023 Project), and that the Board of Directors of Metropolitan, as Responsible Agency under CEQA, has certified that it reviewed and considered the information contained in the Final EIR and in the Mitigation Monitoring and Reporting Program, and has adopted the Lead Agency's Findings of Fact and Statement of Overriding Considerations prior to approval of fixing and adopting water standby charges for the 43<sup>rd</sup> Fringe Area Annexation.

**Section 8.** That the General Manager 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.

**Section 9.** That the General Manager 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 of defense of litigation.

**Section 10.** 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 May 13, 2014.

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Secretary of the Board of Directors  
of The Metropolitan Water District  
of Southern California