



- 2015 Per-Acre Annexation Charge

Summary

The annexation charge for 2015 is \$5,062 per acre.

Purpose

Metropolitan Administrative Code Section 3300: Annexation Charge Computation

Attachments

Attachment 1 – Financial Policies Related to Annexations

Attachment 2 – Annexation Water Use Report – 2014

Detailed Report

Annexation Per-Acre Rate

The annexation charge for calendar year 2015 is \$5,062 per acre. This represents an increase of 12.5 percent above the 2014 annexation charge of \$4,498 per acre. The increase is based on Administrative Code section 3300(b) (see Attachment 1). Metropolitan's current service area is 5,179.52 square miles, an increase of 158.77 acres (0.248 square miles) during the fiscal year 2013-14.

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 Section 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 section 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. Reports submitted for annexations completed since 2007 are listed in Attachment 2.

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 participation rights in facilities of the State Water Project and other non-District owned projects in which Metropolitan participates, less accumulated depreciation of the District's facilities and participation rights on a replacement cost basis, less outstanding bonded indebtedness of the District's facilities and participation rights, 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 10, 1995; paragraph (b) amended by M. I. 46106 – February 8, 2005.

Date of Report: 12/09/2014

Annexation Water Use Efficiency Report for Year 2014

Eastern Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
102st Fringe Area	December 22, 2009	1
103 rd Fringe Area	October 1, 2013	5

Calleguas Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
Annexation No. 87	December 28, 2009	1
Annexation No. 93	December 28, 2009	1
Annexation No. 94	September 21, 2010	2
Annexation No. 96	April 23, 2012	4
Annexation No. 95	December 20, 2012	4
Annexation No. 97	December 13, 2013	5
Annexation No. 98	April 8, 2014	6

San Diego County Water Authority

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
Erreca Annexation	January 4, 2010	2

Western Municipal Water District

<i>Annexation Territory</i>	<i>Completed</i>	<i>Years Left to Report</i>
43 rd Fringe Area Annexation	April 8, 2014	6