

RESOLUTION 9381

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO SAN DIEGO COUNTY WATER AUTHORITY'S BARONA WATER AGREEMENT AND FIXING THE TERMS AND CONDITIONS OF THE AGREEMENT WITH THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

WHEREAS, the Board of Directors of the San Diego County Water Authority ("SDCWA"), a municipal water district, situated in the county of San Diego, state of California, in accordance with the provisions of the Metropolitan Water District Act (MWD Act), has applied to the Board of Directors of The Metropolitan Water District of Southern California (Metropolitan) for consent to a water service agreement for certain territory situated adjacent to the county of San Diego, referred to as the Barona Band of Mission Indians (Barona) Water Agreement, more particularly described in an application to the San Diego County Local Agency Formation Commission (LAFCO), concurrently with an agreement thereof to SDCWA, such water agreement to Metropolitan to be upon such terms and conditions as may be fixed by the Board of Directors of Metropolitan.

WHEREAS, the beneficial owner of the territory, Barona, applied for water service for a portion of the reservation lands described in Exhibit A to the Agreement for Water Service Agreement (Property).

WHEREAS, completion of this Agreement for Water Service Agreement (Water Service Agreement) shall be contingent upon approval by the LAFCO.

WHEREAS, in recognition of the inherent sovereignty of Barona as a tribal government, no ad valorem property taxes or property-related assessments shall be imposed on the Property, and instead, Barona will pay Metropolitan an in-lieu annual charge equivalent to taxes or assessments that otherwise would be levied, escalated at two percent per year, based on independent assessed valuations done every five years, and applying Metropolitan then-current tax rate.

WHEREAS, completion of the Water Service Agreement shall be further contingent upon LAFCO's requirement that Barona pay an equivalent charge for Metropolitan's existing and established taxes, benefit assessments, or property-related fees or charges in place in the service area, as identified below, are paid on the territory

within the water agreement to the agency; the first annual payment, estimated at \$47,627.54, shall be due by December 1 in the year following completion of the Water Service Agreement.

WHEREAS Metropolitan has levied and collected ad valorem taxes on parcels within the territory of SDCWA. Such charges for calendar year 2025 are described in Resolution 9380, adopted by Metropolitan's Board on August 19, 2024.

WHEREAS, upon completion, Metropolitan's water will be available to the Property and such area will receive the benefit of the projects provided in part with proceeds of Metropolitan ad valorem taxes.

WHEREAS, as a requirement of the MWD Administrative Code and pursuant to the Water Service Agreement, Barona will pay Metropolitan approximately \$14,824,008, which includes Metropolitan's per-acre annexation fee, a \$5,000 processing fee, and a \$74,000 consultant fee for assessment of the reservation lands to receive water services. As allowed in the MWD Administrative Code, Barona elected to pay Metropolitan the annexation fee over a 15-year term at 4.30 percent interest with a 10 percent down payment of the annexation fees plus payment of the processing and consultant fees, totaling approximately \$1,553,500.80, due after LAFCO approval and execution of the Water Service Agreement. The remaining payments are due annually by December 1 of each year. All of these payment terms are set forth in a separate payment agreement between Metropolitan and Barona.

WHEREAS, pursuant to the provisions of the California Environmental Quality Act (CEQA), Ramona, acting as Lead Agency and sub-member agency to San Diego County Water Authority, adopted the Ramona Municipal Water District/Barona Indian Tribe Potable and Recycled Water Infrastructure Project (also known as Barona Water Service Area Agreement) Mitigated Negative Declaration (MND), and Mitigation Monitoring Reporting Program on June 10, 2025, and approved the Project for the development of the proposed water service agreement parcels. Metropolitan, as Responsible Agency under CEQA, reviewed and considered the information contained in the MND prior to approval of the formal terms and conditions for the Barona Water Service Agreement.

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Metropolitan, acting as Responsible Agency, reviewed and considered

the information in the 2025 MND prior to approval of the final terms and conditions for the Barona Water Service Agreement; and subject to the following terms and conditions, does hereby grant the application of the governing body of San Diego County Water Authority for consent to serve water to Barona's water service area, to Metropolitan and does hereby fix the terms and conditions of such water service area agreement.

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 SDCWA for consent to serve the Barona Water Agreement to Metropolitan and does hereby fix the terms and conditions:

Section 1. Water service to the Property via SDCWA shall be provided concurrently with water service from Metropolitan, and all necessary certificates, statements, maps, and other documents required to be filed by or on behalf of SDCWA to effectuate the action shall be filed on or before December 31, 2027.

Section 2. Prior to completing the water agreement, SDCWA shall provide documentation of its Board's approval of the Water Service Agreement with Metropolitan. If this process is completed by December 31, 2025, Barona shall pay to Metropolitan:

- a. \$14,824,008 for its in-lieu annexation fee, a portion of which is financed over a 15-year term as described above and set forth in a separate payment agreement between Metropolitan and Barona;
- b. \$1,553,500.80 as a down payment for its in-lieu annexation fee within 30 days of LAFCO's approval; and
- c. An annual payment equivalent to Metropolitan's ad valorem tax, so long as the lands receive water services, and independent value reassessments occur every five years.

If LAFCO approval of the Water Service Agreement is completed during the 2026 or 2027 calendar year, the foregoing charges will be calculated based on the then-current annexation 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. SDCWA shall not be entitled to demand that Metropolitan deliver water to SDCWA 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 and charges promulgated from time to time by Metropolitan.

e. Except upon the terms and conditions specifically approved by the Board of Directors of Metropolitan and in the Water Service Agreement, 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 outside of the Property, including use of such water outside the Property or use thereof within Metropolitan in substitution for other water outside the Property.

Section 4. Metropolitan has conditioned approval of the Water Service Agreement upon a requirement that Barona pay an equivalent charge equal to all previously established and collected taxes, benefit assessments, or property-related fees or charges on parcels eligible for water service by the agency.

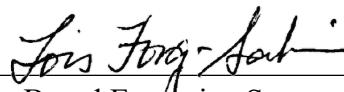
Section 5. That the Board of Directors of Metropolitan, acting as Responsible Agency, reviewed and considered the information in the 2025 MND prior to approval of the final terms and conditions for the Barona Water Service Area Agreement; and subject to the following terms and conditions, does hereby grant the application of the governing body of San Diego County Water Authority for consent to serve water to the Barona water service area to Metropolitan and does hereby fix the terms and conditions of such water service area agreement.

Section 6. 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 7. That if any provision of this resolution or the application to any SDCWA, 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.

BE IT FURTHER RESOLVED that the Board Executive Secretary is directed to transmit forthwith to the governing body of SDCWA 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 September 9, 2025.


Board Executive Secretary
The Metropolitan Water District
of Southern California