



Finance, Audit, Insurance, and Real Property Committee

Annexation Policies within Metropolitan's Current Boundaries

Item 7b

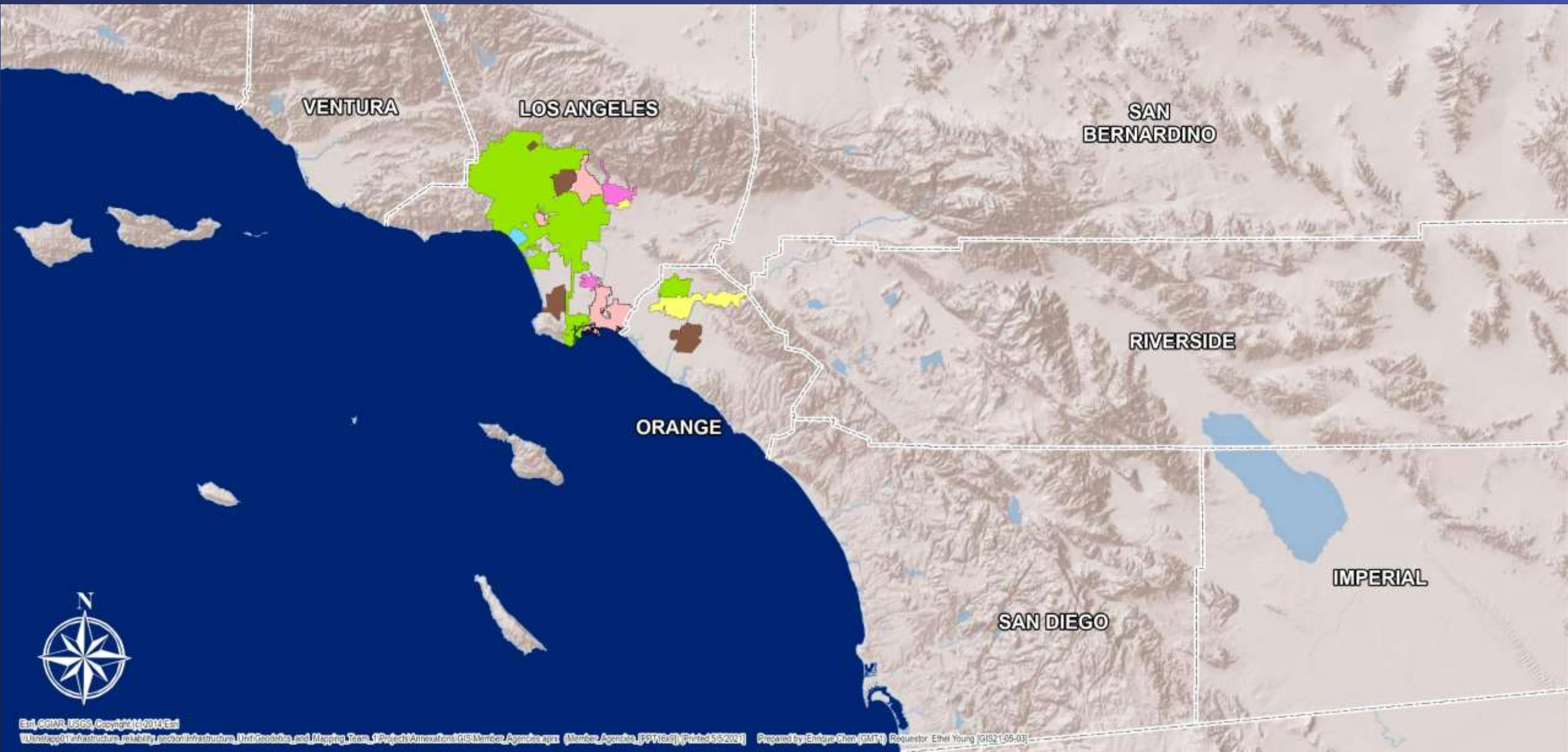
June 13, 2023

Service Area Map



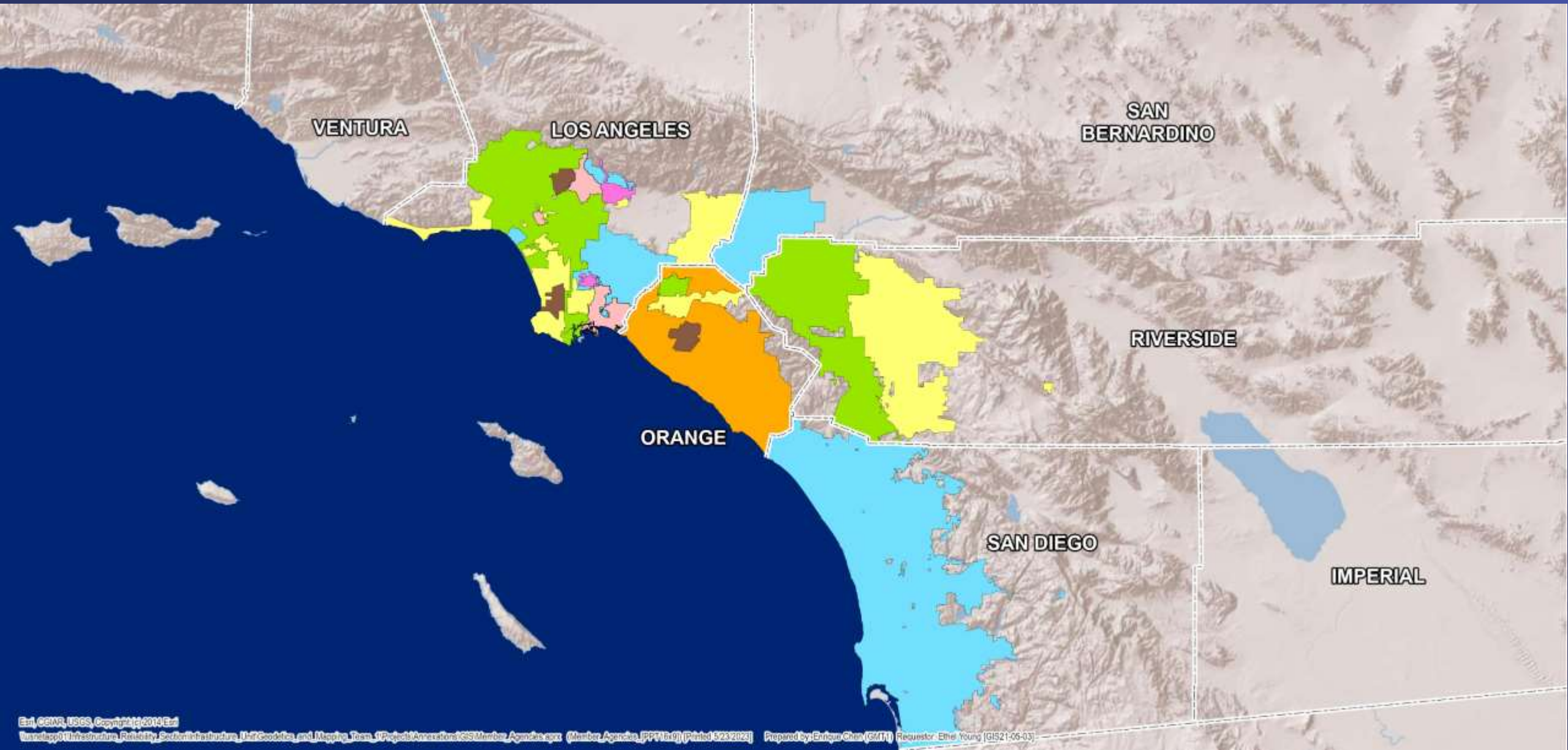
Original Member Cities

1928- 1931



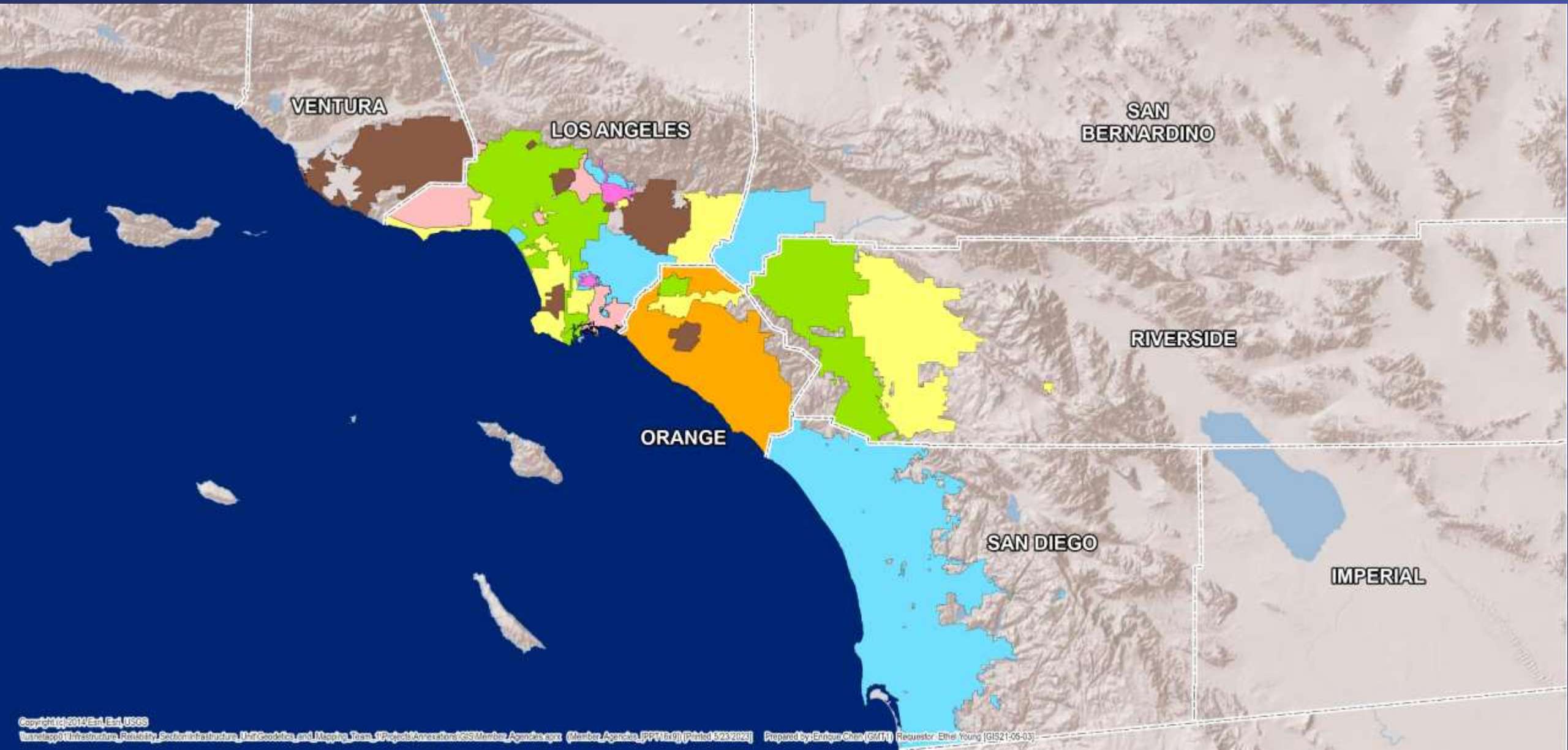
Added Member Agencies

1942-1954



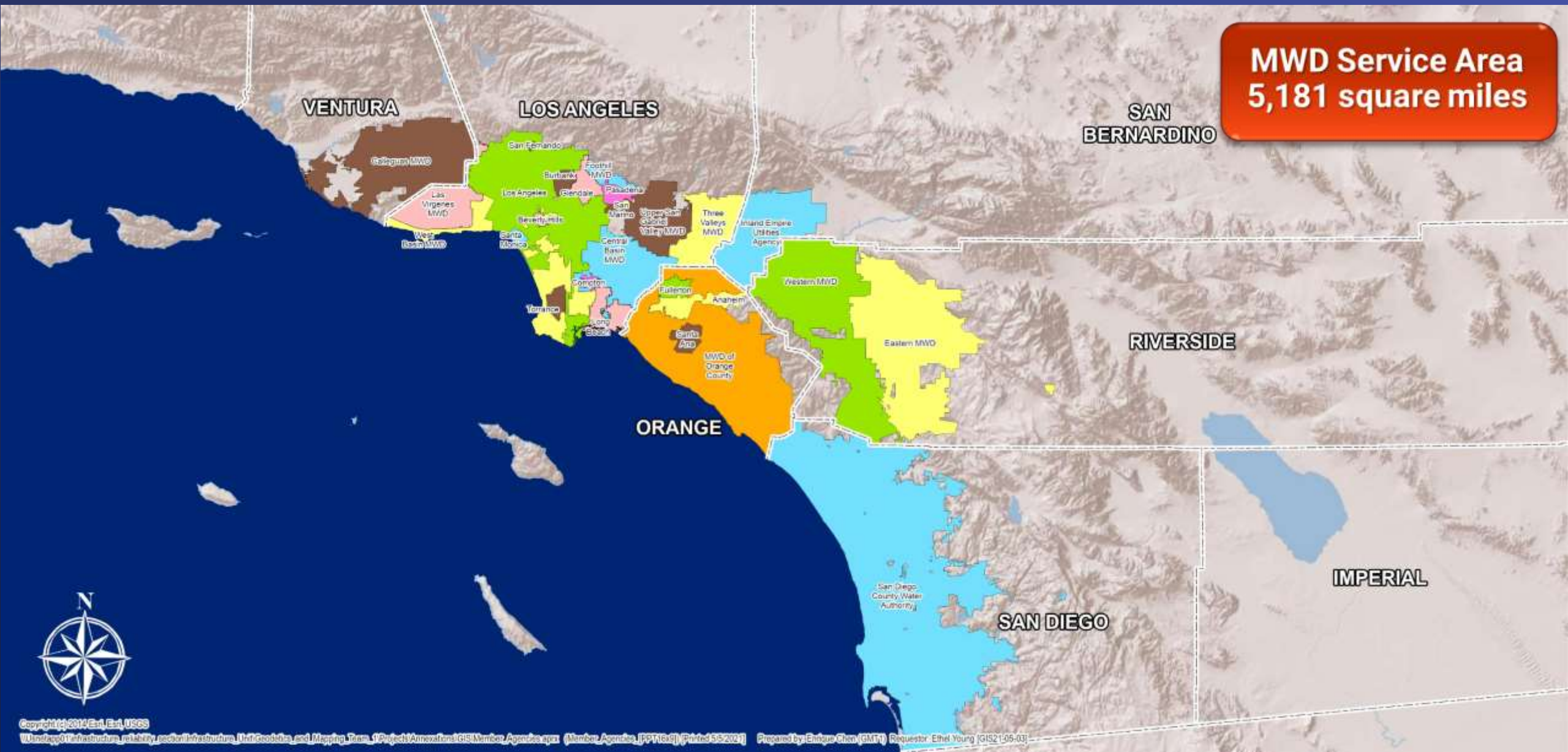
Added Member Agencies

1960-1971



MWD Service Area

2023



Board-Approved Annexation Process

Request Submitted

Comprehensive verification per Administrative Code



Board Approval

- Subject to water service regulations
- No direct or indirect benefit of areas outside the District
- No obligation for additional facilities
- Water availability
- Annexation criteria
- Terms and conditions



LAFCO
Completion

Annexation Fee Calculation Methods

Administrative Code §3300

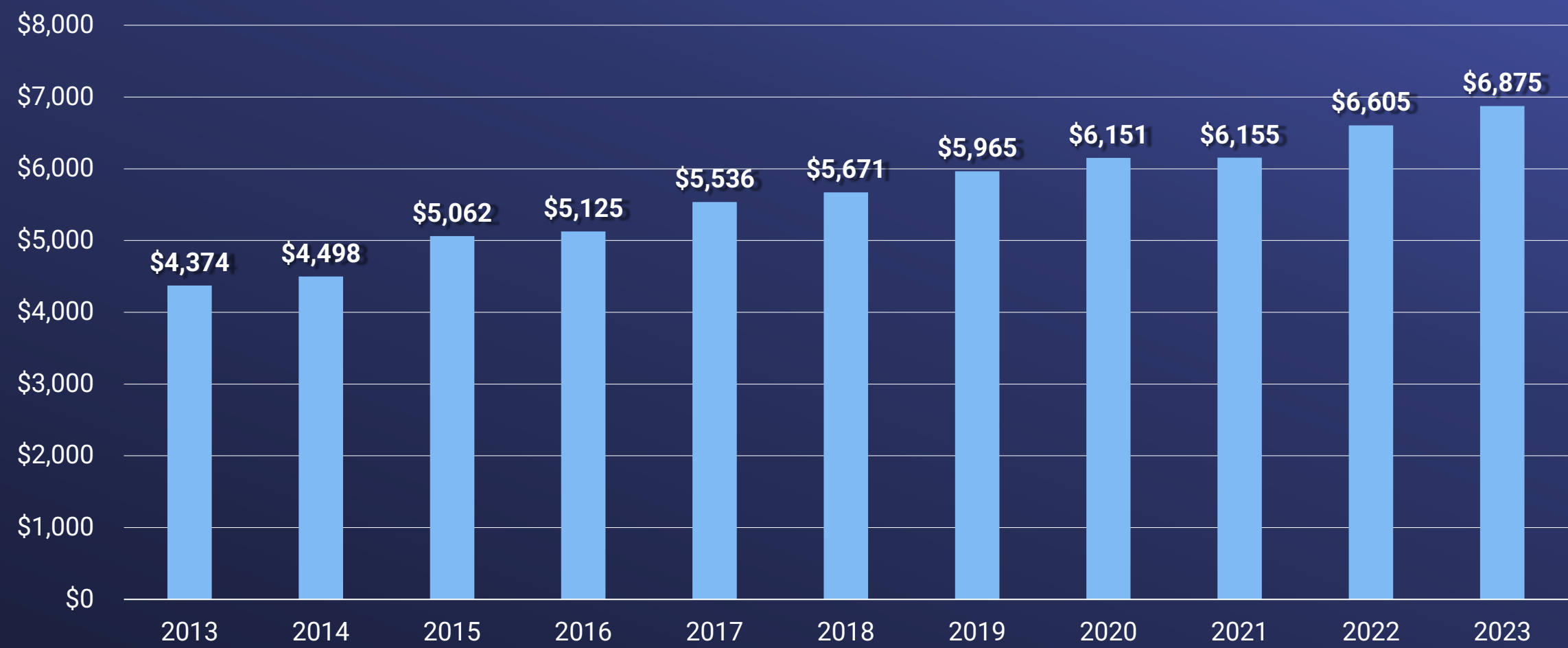
1 Back-Tax Computation

2 Per-Acre Charge

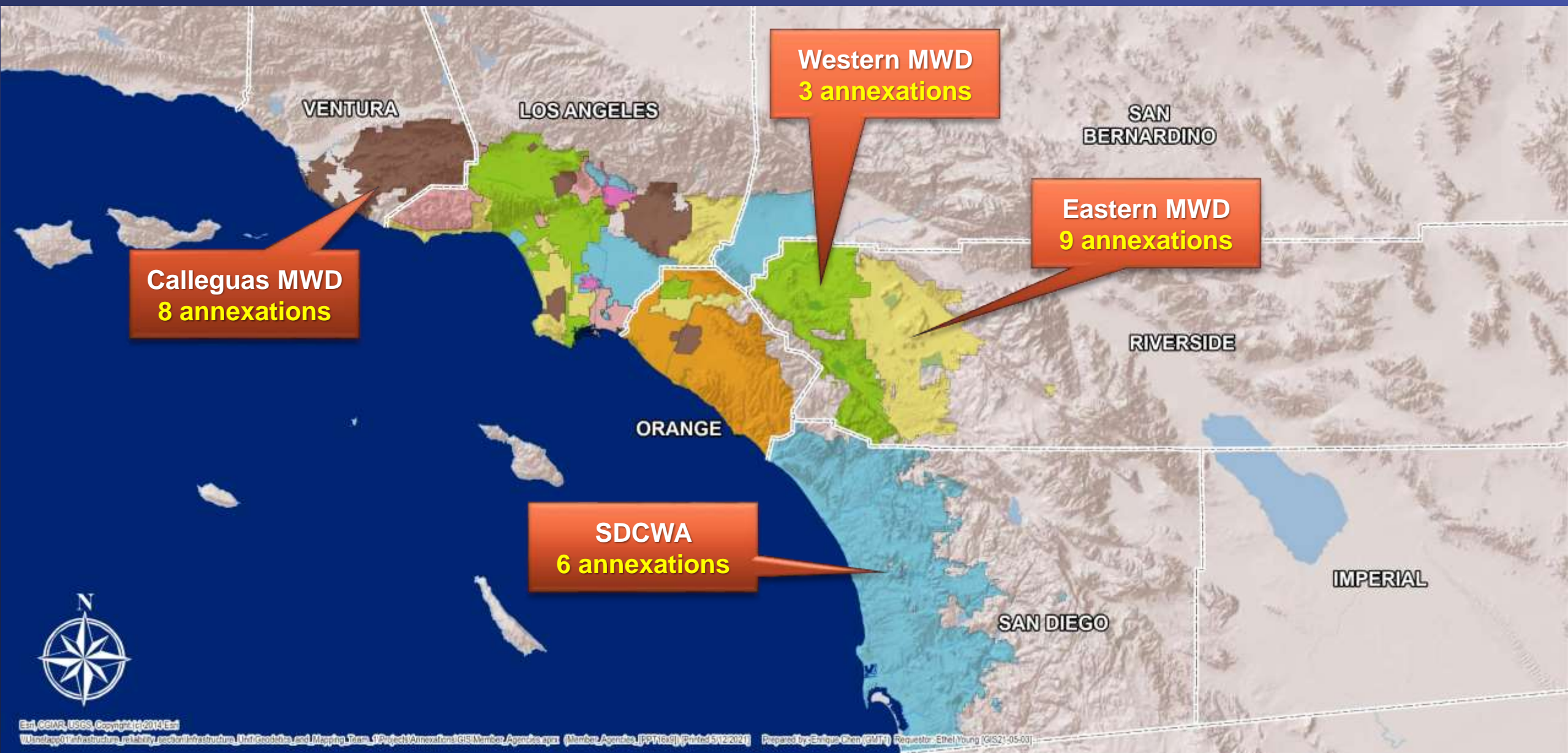
\$6,875 for calendar year 2023

The annexation charge is the greater of the two methods. Practically, the per-acre charge is used.

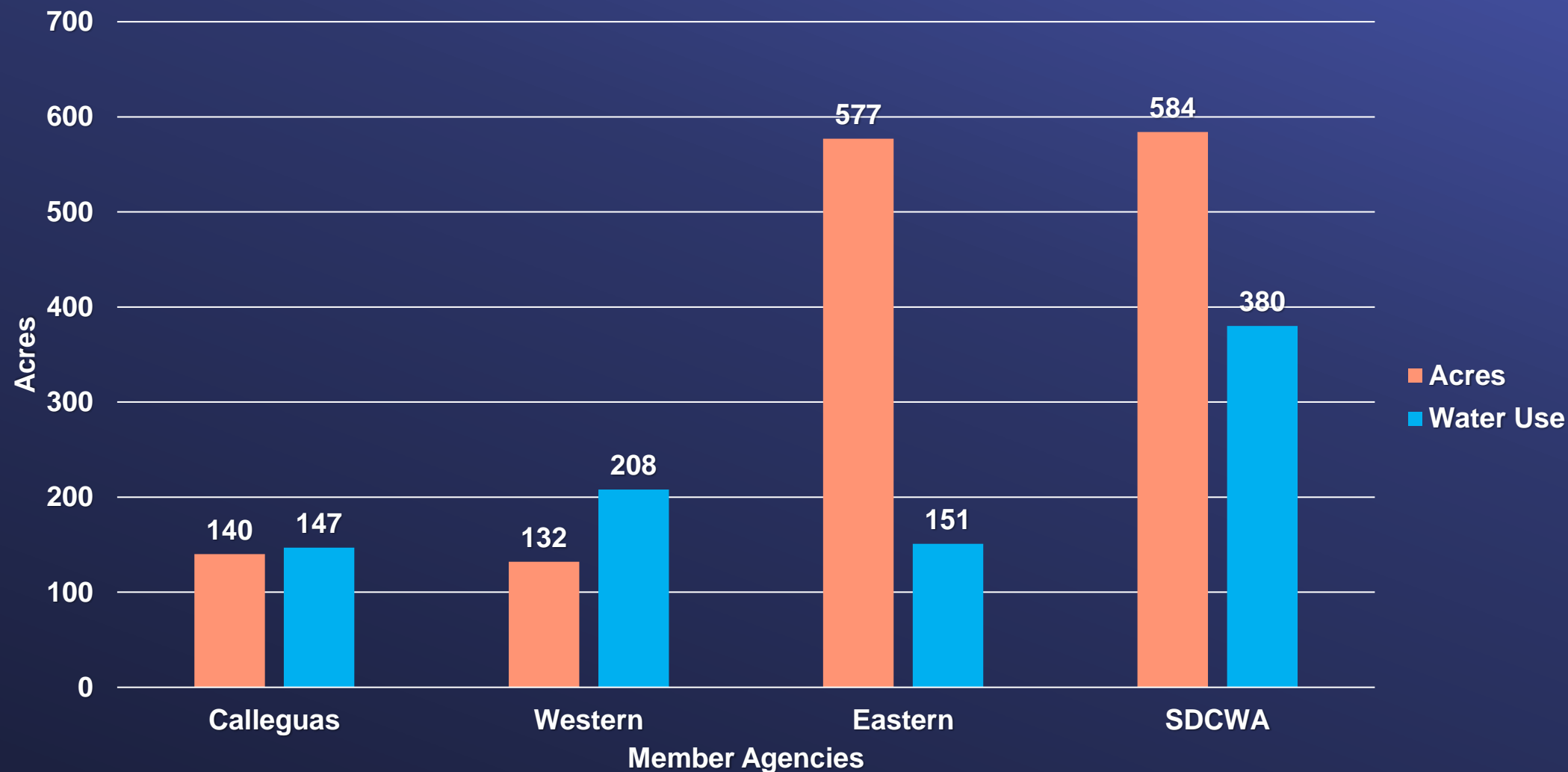
Per-Acre Annexation Charges 2013-2023



Annexations From 2013-2023



Member Agency Annexations 2013-2023



Annexation Laws & Policy

MWD Act

The Metropolitan Water District Act Part 7
Changes in Organization Chapter 1

MWD Administrative Code

Division 3 Section 3100-3300

Annexation of Territory with Consent of the Board

MWD Policy Principles

2016 MWD Board Policy Principles on Annexation, Service Area Consolidations, or Extension of Water Service by Contact

LAFCO authority

- Metropolitan conducts its own process for discretionary annexations that are subject to final LAFCO approval
- LAFCOs created in 1963
 - Conduct municipal service reviews
 - Develop municipal spheres of influence
 - Approve final terms and conditions
 - Approve boundary changes
- Cortese-Knox-Hertzberg Local Government Reorganization Act (Gov't Code §§ 56000- 57550) or LAFCO Act

MWD Act

Part 7—Changes in Organization

Chapter 1—Annexation of territory

Article 1 Annexation of public agencies

Article 2 Automatic annexation of territory in a city

**Article 3 Annexation of territory with
consent of the board**

Article 4 Change in boundaries

Article 5 Conflict of city and agency annexations

Article 6 Modification of special tax levies

Chapter 2 Exclusion of territory

Chapter 3 Exchange of territory

MWD Act (cont'd)

Sec. 350. [Annexation of Corporate Area of Agency]

The corporate area of any public agency may be annexed to any metropolitan water district by direct annexation as a separate unit upon terms and conditions fixed by the board of directors and in accordance with the provisions of this article.

MWD Act (cont'd)

Sec. 450. [Completion of Exclusion]

If any portion of the corporate area of any member public agency, shall be excluded from such agency in accordance with the provisions of law applicable to such exclusions, then such excluded area shall thereby also be excluded from the corporate area of such metropolitan water district, but the taxable property within such excluded area shall continue to be taxable by the district for the purpose of paying the bonded or other indebtedness of the district outstanding or contracted for at the time of such exclusion and the balance of any indebtedness due the district under terms of annexation to the district.

MWD Act (cont'd)

Sec. 455. [Effect of Exchange]

Whenever two or more member public agencies of a district are subject to a reorganization of their boundaries under applicable provisions of law which would result in an exchange, but not an overlapping, of territory that is entirely within such district, the boundaries of such agencies within the district, upon completion of such reorganization and the filing with the secretary of the district of certificates thereof, shall constitute the boundaries of such member public agencies for all district purposes, without action by the board, and shall be so shown on any certificates relating to district boundaries thereafter filed under this part or applicable provisions of law.

MWD Act (cont'd)

Sec. 455. [Effect of Exchange]

If such exchange includes territory subject to special conditions and tax levies pursuant to terms of annexation at the time such territory became a part of the district, such territory shall continue subject to such conditions and to be taxable by the district for such levies.

