



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Rate Structure Administrative Procedures Handbook

FY2015/16

Table of Contents

1	OVERVIEW.....	1
2	RATE STRUCTURE AT-A-GLANCE	2
2.1	CURRENT RATES	2
2.2	RATE CYCLE & BILLING CYCLE MILESTONES.....	3
2.3	BILLING MEASUREMENT BASIS	3
2.4	WATER PROGRAMS AND RATE COMPONENTS	3
3	PURCHASE ORDER / BASE PERIOD DEMAND	4
3.1	BACKGROUND	4
3.2	ADMINISTRATION	4
3.2.1	<i>Base Period Demand</i>	4
3.2.2	<i>Initial Base Period Demand</i>	5
4	TIER 1 AND TIER 2 SUPPLY RATES	6
4.1	PURPOSE.....	6
4.2	ADMINISTRATION	6
4.3	TIER 2 SUPPLY RATE BILLING METHOD	7
4.4	CERTIFICATION EFFECTS	7
5	CAPACITY CHARGE.....	8
5.1	PURPOSE.....	8
5.2	ADMINISTRATION	8
5.3	ADJUSTMENT FOR EXCLUDED SALES	9
5.4	ADJUSTMENT FOR CONJUNCTIVE USE PROGRAM	9
5.5	ADJUSTMENT FOR H-CONSTANT METERS	9
5.6	BILLING.....	9
6	READINESS-TO-SERVE CHARGE	10
6.1	PURPOSE.....	10
6.2	ADMINISTRATION	10
6.3	APPLICATION OF STANDBY CHARGE REVENUES	10
6.4	RTS ANNUAL CALCULATION AND APPLICATION TIMELINE	11
6.5	RTS INVOICE SCHEDULE	11
6.6	ESTIMATED NET RTS CHARGE.....	13
7	STANDBY CHARGE.....	14
7.1	PURPOSE.....	14
7.2	STANDBY CHARGE PER PARCEL	14
7.3	ELIGIBLE LANDS	16
7.4	COLLECTIONS	16
7.5	EXEMPTIONS.....	16
7.6	ESTIMATION OF NET STANDBY CHARGE REVENUES	16
7.7	ESTIMATE OF REVENUE ADJUSTMENTS	16
7.8	ESTIMATE OF ADMINISTRATIVE CHARGES	16
7.9	RECONCILIATION OF ESTIMATED AND ACTUAL NET REVENUES	16
7.10	INVOICE ADJUSTMENTS	17
8	INTERIM AGRICULTURAL WATER PROGRAM (IAWP)	18
9	LOCAL RESOURCE PROGRAMS.....	18

9.1 FULL SERVICE TREATED RATE / TREATED NON-INTERRUPTIBLE WATER RATE18

10 WHEELING.....19

10.1 CAPACITY CHARGE19

10.2 READINESS-TO-SERVE CHARGE19

11 REPLENISHMENT SERVICE.....19

APPENDIX A – STANDBY CHARGE DETAILED PROCEDURES

1 Overview

The Rate Structure Administrative Procedures Handbook (Handbook) is provided to document Metropolitan's procedures for calculating, invoicing, collecting, and reconciling the components of Metropolitan's rate structure.

Metropolitan's Board approved the rate structure on October 16, 2001 at the conclusion of a lengthy and open process. The rate structure is designed in accordance with the Rate Structure Action Plan of December 12, 2000; the Composite Rate Structure framework of April 11, 2000; and the Strategic Plan Policy Principles of December 14, 1999.

The rate structure supports the strategic planning vision that Metropolitan is a regional provider of services, encourages the development of additional local supplies like recycling and conservation, and accommodates a water transfer market. Through its regional services, Metropolitan ensures a baseline of reliability and quality for imported water deliveries in its service area. By unbundling its full-service water rate, Metropolitan provides greater opportunity for member agencies to competitively manage their supplies and demand to meet future needs in a responsible least cost manner.

This document supersedes all previous Rate Structure Administrative Procedure Handbooks and is supplemental and secondary to the definitions and procedures contained in Metropolitan's Administrative Code.

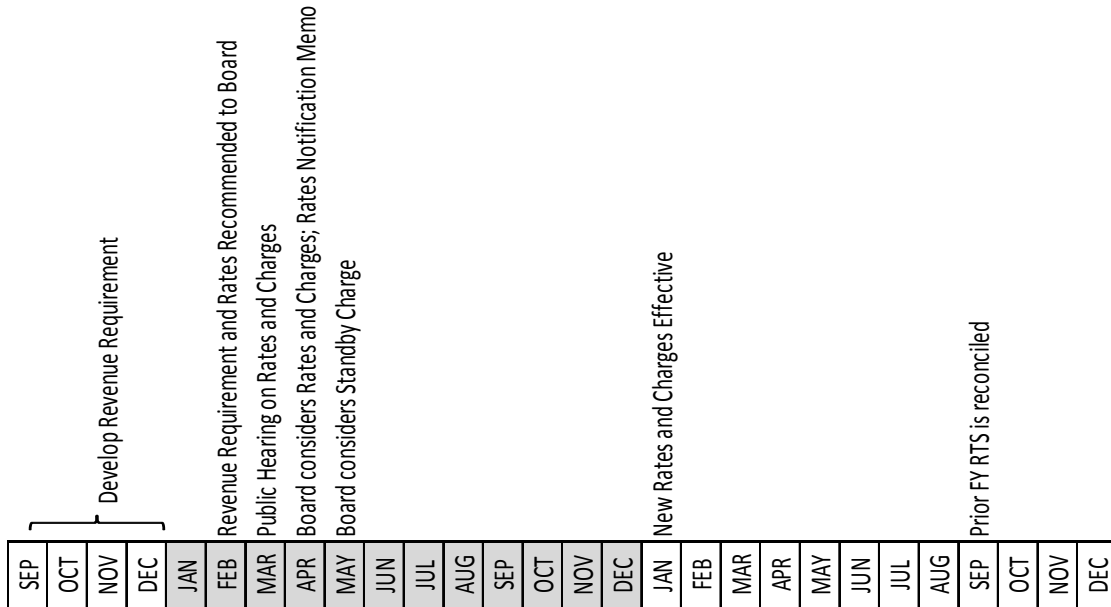
2 Rate Structure At-A-Glance

2.1 Current Rates

Table 1

Effective January 1st	2014	2015	2016
Tier 1 Supply Rate (\$/AF)	\$148	\$158	\$156
Tier 2 Supply Rate (\$/AF)	\$290	\$290	\$290
System Access Rate (\$/AF)	\$243	\$257	\$259
Water Stewardship Rate (\$/AF)	\$41	\$41	\$41
System Power Rate (\$/AF)	\$161	\$126	\$138
Full Service Untreated Volumetric Cost (\$/AF)			
Tier 1	\$593	\$582	\$594
Tier 2	\$735	\$714	\$728
Full Service Exchange Cost (\$/AF)	\$445	\$424	\$438
Treatment Surcharge (\$/AF)	\$297	\$341	\$348
Full Service Treated Volumetric Cost (\$/AF)			
Tier 1	\$890	\$923	\$942
Tier 2	\$1,032	\$1,055	\$1,076
Readiness-to-Serve Charge (\$M)	\$166	\$158	\$153
Capacity Charge (\$/cfs)	\$8,600	\$11,100	\$10,900

2.2 Rate Cycle & Billing Cycle Milestones



2.3 Billing Measurement Basis

Rate Component	Based on	Year Type	Notes
RTS Charge	Ten-Year Rolling Average Firm Demands	Calendar	One-year lag
Base Period Demand	Choice of highest purchases in either FY90-FY02 or FY03-FY14	Fiscal	One-year lag
Tier 1 Annual Limit (Tier 1/Tier 2 Breakpoint)	Base Period Demand	Calendar	10-year cumulative calculation with Purchase Order
Capacity Charge	3-Year Trailing Peak	Calendar	One-year lag; Only May-Sept. flows

2.4 Water Programs and Rate Components

Program	Rates & Charges That Apply					
	System Access	Water Stewardship	System Power	T1/T2	RTS	Capacity Charge
Full Service	Yes	Yes	Yes	Yes	Yes	Yes
Conjunctive Use	Yes	Yes	Yes	Yes	Yes	No
Wheeling Service	Yes	Yes	No	No	Yes	Yes

3 Purchase Order / Base Period Demand

3.1 Background

Purchase Orders were developed to establish a financial commitment from the member agency to Metropolitan in exchange for the ability to purchase more water at the lower Tier 1 Supply Rate. In November 2014, the Metropolitan Board approved new Purchase Orders effective January 1, 2015 through December 31, 2024. Twenty-one of the twenty-six member agencies have Purchase Orders, which commit the member agencies to purchase a minimum amount of supply from Metropolitan (the Purchase Order Commitment).

There is no annual minimum or maximum purchase commitment required by the Purchase Order. A member agency has the full ten-year term to fulfill the Purchase Order Commitment. In exchange for this commitment, the member agency can purchase an amount of firm water supply equal to 90 percent of its cumulative Base Period Demand over the full ten years at the lower Tier 1 Supply Rate. An agency that determines that a Purchase Order is not in its best interest may purchase up to 60 percent of its Revised Base Firm Demand annually at the lower Tier 1 Supply Rate. The terms and conditions of the Purchase Order are uniform for all member agencies.

3.2 Administration

The Base Period Demand was established for each member agency. Member agencies chose a base amount of (1) the member agency's Revised Base Firm Demand which is the highest fiscal year purchases during the 13-year period of fiscal year 1990 through fiscal year 2002, or (2) the highest year purchases in the most recent 12-year period of fiscal year 2003 through fiscal year 2014.

At the end of the Purchase Order Term, if the member agency has not purchased enough firm supply to meet its Purchase Order Commitment, it will be billed for the remaining balance of the Purchase Order Commitment at the average of the Tier 1 Supply Rate in effect during the Term. This payment may be prorated with interest evenly over the next 12 invoices.

If a member agency fulfills its Purchase Order Commitment prior to the end of the Purchase Order Term, (e.g. purchased ten times 60 percent of the Initial Base Period Demand) then the member agency has met its obligation under the Purchase Order. The member agency may continue to purchase up to 90 percent of its cumulative Base Period Demand over the Term at the Tier 1 Supply Rate for the duration of the Purchase Order Term.

Although the maximum amount of water that can be purchased at the Tier 1 Supply Rate may increase over time if the agency's Base Period Demand increases, the Purchase Order Commitment is fixed for the entire Purchase Order Term and does not increase.

Water billed at the following rates or certified under the below programs will be counted toward the Purchase Order Commitment:

- Tier 1 Supply Rate
- Tier 2 Supply Rate
- Conjunctive Use sales

3.2.1 Base Period Demand

The Base Period Demand determines the amount of water a member agency with a purchase order is allowed to purchase at the lower Tier 1 Supply Rate.

The Base Period Demand is the greater of either the Initial Base Period Demand or the highest five fiscal-year rolling average of firm demands during the Purchase Order Term. The first five fiscal-year rolling average for Base Period Demand excludes FY 2009/10 through FY 2011/12 due to the water supply allocation plan implementation impact.

Firm demand sales are defined as:

- Tier 1 sales
- Tier 2 sales
- Conjunctive Use sales
- Storage Agreement sales

Due to accepted certifications and error corrections, a member agency's firm deliveries may change for up to three years after the month of delivery. Therefore, the Base Period Demand is calculated as a five fiscal-year rolling average with a one-year lag.

Historical sales will continue to be adjusted with the annual calculation of the five fiscal-year rolling average, which means that a historic five fiscal-year rolling average could change as certifications and sales are corrected.

Metropolitan's Chief Financial Officer will publish the Base Period Demand schedule with the annual rates and charges notification sent to all member agencies in April. This schedule will include any recalculations of historical firm sales.

3.2.2 Initial Base Period Demand

For the establishment of the Purchase Order Commitment, member agencies selected either their Revised Base Firm Demand or the highest fiscal year purchases from FY 2003 through 2014.

Table 2

Tier 1 annual maximum (acre-feet)			
Member Agency	Base selected	5-Year Rolling Average No Allocation Years (FY 2013-14)	Annual average Tier 1 maximum
Anaheim	27,154	18,663	24,439
Beverly Hills	14,867	11,373	13,380
Burbank	18,640	15,073	16,776
Calleguas	131,364	118,967	118,228
Central Basin*	119,617	35,726	71,770
Compton*	5,620	863	3,372
Eastern	130,650	96,760	117,585
Foothill	13,081	9,062	11,773
Fullerton	12,554	8,991	11,299
Glendale	29,135	19,549	26,222
Inland Empire	103,648	63,442	93,283
Las Virgenes	27,065	23,306	24,358
Long Beach	57,560	33,551	51,804
Los Angeles	372,959	415,136	373,623
MWDOC	357,372	229,272	321,635
Pasadena	25,517	20,675	22,965
San Diego CWA*	655,903	328,629	393,542
San Fernando*	1,049	90	629
San Marino	1,602	1,198	1,442
Santa Ana	21,797	12,183	19,617
Santa Monica*	12,344	6,115	7,406
Three Valleys	89,653	69,829	80,687
Torrance	21,338	17,032	19,204
Upper San Gabriel	74,698	25,171	67,228
West Basin	150,464	120,392	135,417
Western MWD	117,537	76,196	105,784
TOTAL	2,593,187	1,777,245	2,133,468

*No Purchase Order; T1 maximum is annual, not cumulative

4 Tier 1 and Tier 2 Supply Rates

4.1 Purpose

The rate structure recovers supply costs through a two-tiered price structure. The Tier 2 Supply Rate reflects Metropolitan’s cost of procuring North of Delta water transfers. The Tier 2 Supply Rate encourages the member agencies and their customers to maintain existing local supplies and develop cost-effective local supply resources and conservation. The Tier 2 Supply Rate also recovers a greater proportion of the cost of developing additional supplies from member agencies that have increasing demands on the Metropolitan system. The Tier 1 Supply Rate is set to recover remaining supply costs.

4.2 Administration

Member agencies that submitted a Purchase Order may purchase up to 90 percent of their Base Period Demand at the lower Tier 1 Supply Rate. Member agencies that accrue a cumulative Tier 2 obligation by virtue of exceeding their Tier 1 maximum at the end of year five of the purchase order will pay their Tier 2 obligation annually. Otherwise, any obligation to pay the Tier 2 Supply Rate will be calculated over the ten-year period, consistent with the calculation of any purchase order commitment obligation.

Member agencies that did not submit a Purchase Order will be charged the higher Tier 2 Supply Rate for supplies that exceed 60 percent of their Revised Base Period Demand. Any member agency without a Purchase Order must pay their Tier 2 obligation in the calendar year in which it accrues.

An agency that exceeds its Tier 1 Annual Limit will most likely do so in the latter part of the calendar year. Therefore, from a member agency cash flow perspective, the Tier 2 Supply Rate, when applicable, will most likely be incurred at the beginning of a member agency's fiscal year.

4.3 Tier 2 Supply Rate Billing Method

Because the Tier 1 maximum is set at a total member agency level and not at a meter level, all system water delivered will be billed at the Tier 1 Supply Rate. Any water delivered that exceeds the Tier 1 maximum will be billed an additional amount equivalent to the difference between the Tier 2 and Tier 1 Supply Rates.

For member agencies without purchase orders and member agencies with purchase orders that accrue a cumulative Tier 2 obligation at the end of year five of the purchase order, the Tier 2 Supply Rate will be applied in the month where the Tier 1 maximum is surpassed on all applicable deliveries. Otherwise, any obligation to pay the Tier 2 Supply Rate will be calculated over the ten-year period, consistent with the calculation of any purchase order commitment obligation.

4.4 Certification Effects

As water sales are reclassified via the certification process, the year-to-date total of Tier 1 and Tier 2 purchases may also be lowered. If the total falls below the Tier 1 Annual Maximum, then the volume of water that had been billed at the Tier 2 Supply Rate will be adjusted for the difference between the Tier 2 and Tier 1 Supply Rates. Credits and charges will be applied to the monthly invoice as appropriate

5 Capacity Charge

5.1 Purpose

The Capacity Charge recovers costs incurred to provide distribution capacity on facilities Metropolitan owns or has the right to use in order to meet peak day demands.

The Capacity Charge provides a price signal to encourage member agencies to reduce peak day demands on the system and to shift demands that occur during the May 1 through September 30 period into the October 1 through April 30 period. This results in more efficient utilization of Metropolitan's existing infrastructure and defers capacity expansion costs.

5.2 Administration

Each member agency will pay the Capacity Charge based on a three-year trailing maximum peak day flow. Due to accepted certifications and error corrections, peak day flows may change for up to three years after the month of delivery. Therefore, the Three Year Trailing Max Peak Day is calculated with a one-year lag.

Table 3

Calendar Year 2016 Capacity Charge						
AGENCY	Peak Day Demand (cfs) (May 1 through September 30) Calendar Year				3-Year Peak	\$10,900/cfs Calendar Year 2016 Capacity Charge
	2012	2013	2014			
Anaheim	38.3	31.3	34.0	38.3	417,470.0	
Beverly Hills	32.7	30.8	30.6	32.7	356,430	
Burbank	20.9	19.7	22.6	22.6	246,340	
Calleguas	224.0	228.7	240.8	240.8	2,624,720	
Central Basin	74.5	73.6	61.0	74.5	812,050	
Compton	2.3	2.9	-	2.9	31,610	
Eastern	237.2	267.4	239.2	267.4	2,914,660	
Foothill	17.6	18.9	19.9	19.9	216,910	
Fullerton	24.4	20.0	22.2	24.4	265,960	
Glendale	41.5	44.9	43.7	44.9	489,410	
Inland Empire	126.7	153.9	144.0	153.9	1,677,510	
Las Virgenes	41.9	43.2	56.0	56.0	610,400	
Long Beach	60.4	66.9	67.8	67.8	739,020	
Los Angeles	512.9	767.1	782.5	782.5	8,529,250	
MWD/OC	398.6	379.4	443.1	443.1	4,829,790	
Pasadena	52.1	52.5	48.5	52.5	572,250	
San Diego	961.5	967.4	1,138.2	1,138.2	12,406,380	
San Fernando	2.8	4.9	-	4.9	53,410	
San Marino	5.3	6.1	7.3	7.3	79,570	
Santa Ana	19.2	19.6	17.5	19.6	213,640	
Santa Monica	19.7	22.7	15.2	22.7	247,430	
Three Valleys	133.0	178.6	151.4	178.6	1,946,740	
Torrance	36.2	34.1	33.5	36.2	394,580	
Upper San Gabriel	15.2	16.1	45.4	45.4	494,860	
West Basin	222.6	230.2	217.5	230.2	2,509,180	
Western	193.7	198.6	176.6	198.6	2,164,740	
Total	3,515.3	3,879.5	4,058.5	4,205.9	45,844,310	

Data as of 3/2015

5.3 Adjustment for Excluded Sales

Some water programs are not subject to the Capacity Charge. Some water programs are certified on a monthly basis and it is not known at what point in time during a month that water was delivered. Metered daily flows used to calculate the Three Year Trailing Max Peak Day are reduced using the ratio of certified water program deliveries to total monthly deliveries (see example below). This adjustment is performed annually in November.

Monthly volumetric delivery to member agency (acre-feet)	1,000
Monthly delivery certified as exempt from Capacity Charge	100
Ratio of exempt delivery to total delivery	10.0%
Unadjusted Peak Day Flow (cfs)	40.0
Reduction in peak day flow (cfs) = Peak Day Flow * Ratio	4.0
Adjusted Peak Day Flow (cfs)	36.0

5.4 Adjustment for Conjunctive Use Program

Conjunctive Use deliveries are excluded from the calculation of the Capacity Charge. This is because Conjunctive Use deliveries are made at Metropolitan's discretion. Peak day flows are adjusted for Conjunctive Use as described above.

5.5 Adjustment for H-Constant Meters

Beginning January 1, 2004, agencies that receive deliveries using connections with "H Constant Meters" or non-AMR meters will have the daily average flow in cfs calculated for those meters included in the Capacity Charge. The daily average flow will only be calculated for the period that the meter was in operation.

Due to data constraints, the daily average flow for "H Constant Meters" or non-AMR meters will be calculated using the entire month as a denominator for any period prior to January 1, 2004.

5.6 Billing

Member agencies may elect to pay their Capacity Charge semiannually, quarterly, or monthly. Unless the member agency provides a written request to the Chief Financial Officer by July 31st to change its current billing preference it will continue to be billed under its current preference.

Billing for the Capacity Charge will be based on the Resolution adopted by Metropolitan's Board at its April meeting. Billing determinants for the Capacity Charge will be determined based on billing data around March 1st of the year prior to the test year. Certifications for water programs must be received by this date to be included in the billing determinants for the capacity charge.

For the purpose of assessing the Capacity Charge, the daily average flows by meter are calculated as the average of 96 meter reads recorded every 15-minute interval during the day. These daily average meter flows are aggregated for each member agency to develop the daily average flows for the agency. This calculation is repeated for each day in the applicable 15-month period (May through September, of last three years). The highest daily average flow establishes the peak day demand for the purpose of computing the Capacity Charge.

6 Readiness-To-Serve Charge

6.1 Purpose

The Readiness-to-Serve (RTS) charge recovers a portion of the principal and interest payments on non-tax supported debt service that has been or will be issued to fund capital improvements to provide available capacity, emergency storage, and peak conveyance service.

6.2 Administration

The Readiness-To-Serve Charge is allocated among the member agencies based on a ten-fiscal-year rolling average of firm sales and wheeled water (Table 4).

Firm sales are defined as:

- Tier 1
- Tier 2
- Seasonal Storage Service - Shift
- Conjunctive Use (withdrawals)

Table 4

Fiscal Year 2015/16 READINESS-TO-SERVE CHARGE							
Member Agency	Rolling Ten-Year Average Firm Deliveries (Acre-Feet) FY2003/04 - FY2012/13	RTS Share	6 months @ \$158 million per year (7/15-12/15)	Rolling Ten-Year Average Firm Deliveries (Acre-Feet) FY2004/05 - FY2013/14	RTS Share	6 months @ \$153 million per year (1/16-6/16)	Total RTS Charge
Anaheim	22,572	1.30%	\$ 1,028,541	21,646	1.26%	\$ 965,812	\$ 1,994,353
Beverly Hills	11,524	0.66%	525,122	11,468	0.67%	511,693	1,036,816
Burbank	12,642	0.73%	576,063	12,769	0.74%	569,715	1,145,778
Calleguas	109,981	6.34%	5,011,627	110,216	6.43%	4,917,644	9,929,271
Central Basin	56,302	3.25%	2,565,571	53,106	3.10%	2,369,501	4,935,072
Compton	2,538	0.15%	115,666	2,222	0.13%	99,150	214,816
Eastern	97,935	5.65%	4,462,727	98,854	5.77%	4,410,675	8,873,402
Foothill	10,373	0.60%	472,673	9,999	0.58%	446,114	918,787
Fullerton	10,147	0.59%	462,366	9,902	0.58%	441,799	904,165
Glendale	20,503	1.18%	934,283	20,157	1.18%	899,367	1,833,650
Inland Empire	60,010	3.46%	2,734,520	60,390	3.52%	2,694,504	5,429,023
Las Virgenes	22,797	1.31%	1,038,803	22,702	1.32%	1,012,933	2,051,736
Long Beach	34,315	1.98%	1,563,661	33,643	1.96%	1,501,086	3,064,747
Los Angeles	289,350	16.69%	13,185,152	297,705	17.36%	13,283,020	26,468,172
MWDOC	222,281	12.82%	10,122,406	220,916	12.88%	9,856,838	19,979,244
Pasadena	21,669	1.25%	987,397	21,506	1.25%	959,574	1,946,971
San Diego	393,731	22.71%	17,941,593	377,077	21.99%	16,824,451	34,766,044
San Fernando	138	0.01%	6,279	122	0.01%	5,457	11,736
San Marino	1,002	0.06%	45,650	1,000	0.06%	44,614	90,264
Santa Ana	13,509	0.78%	615,575	13,091	0.76%	584,077	1,199,653
Santa Monica	11,001	0.63%	501,277	10,146	0.59%	452,704	953,981
Three Valleys	68,167	3.93%	3,106,237	66,509	3.88%	2,967,508	6,073,745
Torrance	18,845	1.09%	858,727	18,514	1.08%	826,068	1,684,795
Upper San Gabriel	17,081	0.99%	778,358	18,292	1.07%	816,140	1,594,499
West Basin	131,114	7.56%	5,974,636	128,160	7.47%	5,718,230	11,692,866
Western	74,144	4.28%	3,378,584	74,439	4.34%	3,321,325	6,699,909
MWD Total	1,733,668	100.00%	\$ 79,000,000	1,714,552	100.00%	\$ 76,500,000	\$ 155,500,000
Data as of 3/2015							

6.3 Application of Standby Charge Revenues

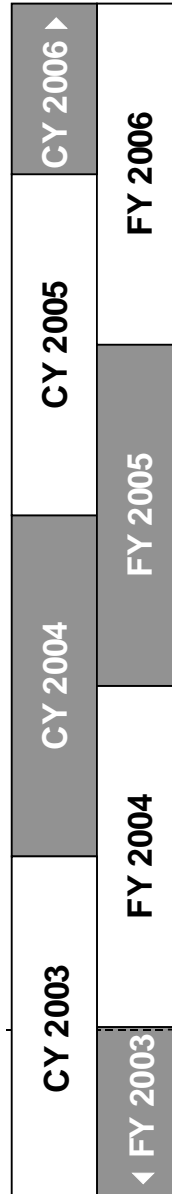
Twenty-two of the 26 member agencies have elected to have Metropolitan collect the Standby Charge on property tax bills for parcels of land in the agency's service area to offset all or a portion of their RTS obligation.

See Section 7 of this Handbook for more detail on Standby Charge revenues.

6.4 RTS Annual Calculation and Application Timeline

To allow for certifications and adjustments there is a lag before the fiscal year data is added to the Ten-Year Rolling Average for the Readiness-To-Serve Charge. For example, RTS shares used for CY 2005 use a Ten-Year Rolling Average ending June 30, 2003

Readiness-To-Serve Charge Shares are calculated on a calendar year basis



The Readiness-To-Serve Charge is billed on a fiscal year basis

6.5 RTS Invoice Schedule

Member agencies may elect to pay their RTS obligation (net of estimated Standby Charge revenues, if applicable) semiannually, quarterly, or monthly. Member agencies will be notified of the amount payable under each alternative

payment schedule for the fiscal year by April 30. Member Agencies will notify Metropolitan prior to July 31 of their choice for their RTS payment schedule for fiscal year invoices.

Semi-annual payments will be invoiced with the October and April water invoices, due in December and June, respectively. Quarterly charges will be invoiced with the July, October, January, and April water invoices, due September, December, March, and June, respectively. Monthly charges paid in twelve (12) equal installments will be invoiced beginning with the July water invoice, which is due in September, and ending with the June water invoice, which is due in August.

In the event that actual net Standby Charge revenues collected in an agency's service area exceed the member agency's RTS obligation, the excess revenues may be (1) credited to the member agency's water bills in equal monthly, quarterly, or semiannual amounts, (2) credited to another obligation, or (3) carried forward to offset future RTS obligations. By April 30, member agencies will be requested to inform Metropolitan how they want the credit applied.

Billing for the RTS Charge will be based on the Resolution adopted by Metropolitan's Board at its April meeting. Billing determinants for the RTS Charge will be determined based on billing data around March 1st of the year the new charge goes into effect. Certifications for water programs must be received by this date to be included in the billing determinants for the RTS charge.

6.6 Estimated Net RTS Charge

Table 5 indicates the estimated net RTS charge obligation for FY2015/16.

Table 5

ESTIMATED NET FY 2015/16 READINESS-TO-SERVE (RTS) CHARGE					
Member Agency	Total RTS Charge	ESTIMATED STANDBY CHARGES			Estimated Net RTS Charge
		Gross Standby Charge Revenues	Delinquencies & Administrative	Net Standby Charge	
Anaheim	\$ 1,994,353	\$ 590,628	\$ 27,171	\$ 563,457	\$ 1,430,896
Beverly Hills	1,036,816	-	-	-	1,036,816
Burbank	1,145,778	412,569	17,994	394,575	751,203
Calleguas MWD	9,929,271	2,479,594	112,471	2,367,123	7,562,148
Central Basin MWD	4,935,072	3,549,173	159,419	3,389,754	1,545,318
Compton	214,816	161,342	7,382	153,960	60,856
Eastern MWD	8,873,402	2,812,166	133,288	2,678,877	6,194,525
Foothill MWD	918,787	312,008	14,038	297,969	620,818
Fullerton	904,165	370,785	16,609	354,176	549,989
Glendale	1,833,650	549,604	24,291	525,313	1,308,337
Inland Empire Utilities Agency	5,429,023	1,927,473	90,136	1,837,337	3,591,686
Las Virgenes MWD	2,051,736	452,354	20,986	431,368	1,620,367
Long Beach	3,064,747	1,118,958	49,482	1,069,476	1,995,271
Los Angeles	26,468,172	-	-	-	26,468,172
Municipal Water District of Orange County	19,979,244	7,371,272	331,689	7,039,583	12,939,661
Pasadena	1,946,971	456,919	20,276	436,642	1,510,329
San Diego County Water Authority	34,766,044	12,676,673	563,606	12,113,067	22,652,976
San Fernando	11,736	40,264	1,873	38,391	(26,655)
San Marino	90,264	40,942	1,893	39,050	51,214
Santa Ana	1,199,653	427,149	19,869	407,280	792,373
Santa Monica	953,981	-	-	-	953,981
Three Valleys MWD	6,073,745	1,853,220	81,920	1,771,300	4,302,445
Torrance	1,684,795	496,608	21,949	474,659	1,210,135
Upper San Gabriel Valley MWD	1,594,499	1,964,734	89,470	1,875,264	(280,766)
West Basin MWD	11,692,866	-	-	-	11,692,866
Western MWD	6,699,909	3,553,628	161,910	3,391,718	3,308,191
MWD Total	\$ 155,500,000	\$ 43,618,063	\$ 1,967,723	\$ 41,650,341	\$ 113,843,153
Data as of 3/2015					

7 Standby Charge

7.1 Purpose

Metropolitan's standby charge is authorized by the State Legislature and has been levied by Metropolitan since fiscal year 1992/93. The standby charge is a "benefit assessment" that recognizes that there are economic benefits to lands that have access to a water supply, whether or not such lands are using it. A fraction of the value of the benefit accruing to all landowners in Metropolitan's service territory can therefore be recovered through the imposition of a standby charge.

Metropolitan will levy standby charges only within the service areas of the member agencies that request that the standby charge be utilized to help fund a member agency's RTS obligation. Twenty-two of the 26 member agencies have opted to have Metropolitan levy the Standby Charge on parcels of land in the agency's service area to offset all or a portion of their RTS obligation.

The standby charge for each acre or parcel of less than an acre will vary from member agency to member agency, reflecting the charge imposed in FY1996/97, the last year that the charge was changed. The per-parcel water standby charge for each member agency remains unchanged from that imposed by Metropolitan in FY1996/97 and is shown in Table 6.

The standby charge includes the re-imposition of water standby charges on: 1) parcels which water standby charges have been imposed in FY1996/97 and annually thereafter ("pre-1997 standby charges") and 2) parcels annexed to Metropolitan and to an electing member agency after January 1997 ("annexation standby charges"). Only land within member agencies in which standby charges were imposed in fiscal year 1996/97 will be subject to the re-imposition of pre-1997 standby charges for FY2015/16. Only land annexed to Metropolitan and to an electing member public agency with respect to which standby charges were approved in accordance with the procedures of Article XIID, Section 4 of the California Constitution will be subject to the imposition or re-imposition, as applicable, of annexation standby charges for FY2015/16 from year to year.

7.2 Standby Charge per Parcel

The Board approves standby charge rates for each member agency annually. The rates vary by member public agency but will not exceed the amount of Metropolitan's FY1996/97 standby charge for the member public agency. The standby charge rates, per parcel or per acre, applicable to land within each electing member public agency for FY2015/16 are shown in Table 6.

Table 6

Standby Charge FY2015/16			
Member Agencies	Total Parcel Charge	Number of Parcels or Acres	Gross Revenues ⁽¹⁾
Anaheim	\$ 8.55	69,079	\$ 590,628
Beverly Hills	-	-	-
Burbank	14.20	29,054	412,569
Calleguas MWD	9.58	258,830	2,479,594
Central Basin MWD	10.44	339,959	3,549,173
Compton	8.92	18,088	161,342
Eastern MWD	6.94	405,211	2,812,166
Foothill MWD	10.28	30,351	312,008
Fullerton	10.71	34,620	370,785
Glendale	12.23	44,939	549,604
Inland Empire Utilities Agency	7.59	253,949	1,927,473
Las Virgenes MWD	8.03	56,333	452,354
Long Beach	12.16	92,020	1,118,958
Los Angeles	-	-	-
MWD of Orange ⁽²⁾	10.09	717,591	7,371,272
Pasadena	11.73	38,953	456,919
San Diego CWA	11.51	1,101,362	12,676,673
San Fernando	7.87	5,116	40,264
San Marino	8.24	4,969	40,942
Santa Ana	7.88	54,207	427,149
Santa Monica	-	-	-
Three Valleys MWD	12.21	151,779	1,853,220
Torrance	12.23	40,606	496,608
Upper San Gabriel Valley MWD	9.27	211,945	1,964,734
West Basin MWD	-	-	-
Western MWD of Riverside Co.	9.23	385,008	3,553,628
MWD Total		4,343,969	\$43,618,063
(1) Estimates per FY2014/15 applied amounts			
(2) Adjusted for inclusion of Coastal MWD			
Note: Totals may not foot due to rounding			

7.3 Eligible Lands

Only land within each electing member public agency with respect to which Standby Charges were imposed in FY1996/97 will be subject to the imposition of Standby Charges. If a member agency requests that Metropolitan levy standby charges on land to be annexed to the member agency to credit against its readiness-to-serve charge obligation, compliance with the applicable provisions of Proposition 218 ("Right to Vote on Taxes Act" passed by electorate November 1996) is required.

7.4 Collections

Delinquent payments collected on behalf of a member agency will be credited to the member agency in the year of collection. Copies of reports and/or statements from county tax collectors showing standby charges collected on behalf of a member agency are available for inspection at Metropolitan's headquarters and will be provided upon request to member agencies.

7.5 Exemptions

Procedures for application for exemptions of parcels from standby charges and consideration of such applications are specified in the Resolution adopting standby charges each fiscal year. Member agencies will be annually notified of exemptions that result in standby charge revenue refunds and/or charges being removed from tax rolls. No exemption from the water standby charge shall reduce the applicable member agency's RTS charge obligation, nor shall any failure to collect, or any delay in collecting, any standby charges excuse or delay payment of any portion of the RTS charge when due.

7.6 Estimation of Net Standby Charge Revenues

The projection of gross Standby Charge revenue will be based on the most recent estimate of the number of parcels or acres (billing units) in each member agency's service area.

Metropolitan will include estimated net Standby Charge revenues that would be available as a credit against a member agency's RTS obligation for the following fiscal year. This estimate will initially be included in the estimate of rates and charges to be provided to the Board in January as part of the General Manager/Chief Executive Officer recommendations on rates and charges.

7.7 Estimate of Revenue Adjustments

Actual Standby Charge revenue received by Metropolitan on behalf of member agencies may be less than projected collections due to:

- Delinquent collections
- Unbilled charges
- County charges for collection services
- Exempted properties.

Estimates of Standby Charge revenues that will not be collected by Metropolitan during the current fiscal year are subtracted from expected gross Standby Charge revenues. Revenue adjustments for FY2015/16 were estimated to be 4 percent of each member agency's gross Standby Charge revenues based on past collections.

7.8 Estimate of Administrative Charges

Metropolitan contracts for the administration of the Standby Charge. The estimated costs for this service (data management, the acquisition of county assessors tax rolls, and revenue collections) for each agency is allocated to member agencies from which Standby Charges are collected according to proportionate billing units.

7.9 Reconciliation of Estimated and Actual Net Revenues

Metropolitan will determine the amount of actual Standby Charge revenues collected on behalf of member agencies for the previous fiscal year ending June 30. Actual administrative charges will then be allocated to member agencies in proportion to the number of billing units associated with actual Standby Charge revenues received from county tax collectors for the fiscal year to determine actual net Standby Charge revenues.

7.10 Invoice Adjustments

Metropolitan will prepare a statement by September 30 reconciling estimated and actual net Standby Charge revenues for the previous fiscal year ending June 30. Copies of all documentation supporting the accounting review are available at Metropolitan headquarters.

Metropolitan is responsible for making the adjustments on the next regularly scheduled water invoice (October 10). Credits or additional charges are shown on a separate line noted "Readiness-to-Serve Adjustment" for the previous fiscal year. If a member agency's actual net Standby Charge revenues in the fiscal year are higher than its estimated net Standby Charge revenues, the difference will be credited to the agency. If a member agency's actual net Standby Charge revenues in the fiscal year are less than its estimated net Standby Charge revenues, the difference will be invoiced as an adjustment to RTS charges.

A detailed procedures manual for the administration of the Standby Charge is included as Appendix A.

8 Interim Agricultural Water Program (IAWP)

The IAWP was discontinued effective January 1, 2013.

9 Local Resource Programs

9.1 Full Service Treated Rate / Treated Non-Interruptible Water Rate

The Groundwater Recovery Programs and the Local Resource Programs - Conversion Agreements pay an agency that has developed local recycling or groundwater recovery projects the difference between Metropolitan's "full service treated water rate" and the projects per unit (\$/AF) cost. Member agencies can choose from three alternative payment structures: up to \$340/AF sliding scale incentive over 25 years, up to \$475/AF sliding scale incentive over 15 years, and up to \$305 fixed incentive over 25 years.

Since the current Rate Structure utilizes a tiered pricing system, there are now effectively two "full service treated water rates" for each member agency that participates in the LRP Programs. Each rate is the sum of the System Access Rate, Water Stewardship Rate, System Power Rate and Tier 1 or Tier 2 Supply Rates, respectively, plus the Treatment Surcharge. Therefore the "Full Service Treated Water Rate" or "Treated Non-Interruptible Water Rate" is now defined as being equal to the sum of the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge and weighted average (by expected Tier 1 and Tier 2 sales) of the Tier 1 and Tier 2 Supply Rates effective in the relevant calendar year, and the Capacity Charge expressed in dollars per acre-foot. Metropolitan staff calculates this bundled rate annually.

Table 10
Local Resource Program Rate

Effective date	\$/AF
1/1/06	\$479
1/1/07	\$503
1/1/08	\$530
1/1/09	\$603
9/1/09	\$721
1/1/10	\$724
1/1/11	\$767
1/1/12	\$817
1/1/13	\$862
1/1/14	\$908
1/1/15	\$948
1/1/16	\$967

10 Wheeling

Wheeling Service refers to the use of Metropolitan's facilities, including its rights to use State Water Project facilities, to transport water not owned or controlled by Metropolitan to its member public agencies, in transactions entered into by Metropolitan for a period of up to one year.

Subject to the General Manager's determination of available system capacity, Metropolitan will offer wheeling service. The determination whether there is unused capacity in Metropolitan's conveyance system will be made by the General Manager on a case-by-case basis in response to particular requests for wheeling. The rates for wheeling service will include the System Access Rate, Water Stewardship Rate and, for treated water, the Treatment Surcharge. In addition, wheeling parties must pay for their own cost for power (if such power can be scheduled by the District) or pay the District for the cost (not system average) of power service utilized for delivery of the wheeled water. Further, wheeling parties shall be assessed an administration fee of not less than \$5,000 per transaction.

10.1 Capacity Charge

Wheeled water will be included in the measurement of the peak day flow for the purpose of billing the Capacity Charge to member agencies.

10.2 Readiness-to-Serve Charge

Wheeled water will be included in the calculation of a member agency's Ten Year Rolling Average demands for allocating the RTS charge among member agencies.

11 Replenishment Service

The Replenishment Service program was discontinued as of January 1, 2013.

Organizational Responsibility

Administrative Procedure	Group	Section	Contact		
			Name	Email	Phone
Rate Cycle (setting rates & charges)	Chief Financial Officer	Budget & Financial Planning	June Skillman	Jskillman@mwdh2o.com	213-217-6216
		Budget & Financial Planning	Stathis Kostopoulos	skostopoulos@mwdh2o.com	213-217-6955
Billing (Invoices)	Chief Financial Officer	Controller	Hal Soper	HSoperIII@mwdh2o.com	213-217-7545
		Controller	Thelma Bloes	tbloes@mwdh2o.com	213-217-7578
Special Program Certifications					
Cyclic Storage/Conjunctive Use Program	Water System Operations	Operations Planning and Programs Unit	Keith Nobriga	knobriga@mwdh2o.com	213-217-6540
Local Resource Program	Water Resource Management	Resource Implementation	James Bodnar	jbodnar@mwdh2o.com	213-217-6099
Conservation Credit Program	Water Resource Management	Resource Implementation	Bill McDonnell	bmcdonnell@mwdh2o.com	213-217-7693



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Appendix A: Standby Charge Detailed Procedures

Table of Contents

1	INTRODUCTION	1
2	BUSINESS PROCESS - LEVYING ANNUAL STANDBY CHARGE	3
2.1	ORDERING COUNTY INFORMATION	3
2.2	DATA UPLOADS INTO MUNIMAGIC	4
2.2.1	<i>Preliminary Secured Property Tax Rolls</i>	4
2.2.2	<i>Final Secured Property Tax Rolls</i>	4
2.2.3	<i>Parcel Change Database</i>	4
2.2.4	<i>CD DATA</i>	4
3	METHODS TO PERFORM PARCEL DATA RESEARCH	5
3.1	COUNTY WEBSITE	5
3.2	CALL ASSESSOR'S OFFICE	5
3.3	MAP RESEARCH	5
3.4	VISIT COUNTY ASSESSOR'S OFFICE	5
3.5	LOS ANGELES COUNTY PUBLIC WORKS	5
4	COUNTY REQUIRED DOCUMENTATION	6
4.1	SAN DIEGO COUNTY	6
4.2	RIVERSIDE COUNTY	6
4.3	SAN BERNARDINO COUNTY	6
4.4	LOS ANGELES COUNTY	6
5	SUBMITTING STANDBY CHARGES TO THE COUNTIES	7
5.1	STATE BOARD OF EQUALIZATION (SBE) PARCELS	8
5.2	PARCEL REJECTS	8
6	ESTIMATED ANNUAL LEVY TIMELINE	9
7	TAXPAYER INQUIRIES	10
8	EXEMPTION REVIEW PROCESS	10

1 Introduction

The Metropolitan Water District of Southern California ("Metropolitan") is a public agency with a primary purpose to provide an imported water supply for domestic and municipal uses at wholesale rates to its member agencies within the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura.

As a means to recover a portion of the debt service on bonds issued to finance capital facilities needed to meet existing demands on Metropolitan's water system, Metropolitan levies a readiness-to-serve ("RTS") charge on each of its member agencies.

On behalf of certain member agencies, Metropolitan levies an annual standby charge on parcels of land within certain member agencies as a method of collecting part or all of a member agency's RTS charge obligation. The standby charge levied by Metropolitan is authorized under the Metropolitan Water District Act and the California Government Code.

Metropolitan's standby charge has been levied annually since FY1992/93. The standby charge recognizes that there are economic benefits to lands that have access to a water supply, whether or not such lands are using it. Revenues generated from the standby charge are utilized solely for capital payments and debt service on capital facilities identified annually in an Engineer's Report and approved by Metropolitan's Board of Directors. The standby charges are only levied on: (1) parcels which water standby charges have been imposed in fiscal year FY1996/97 and annually thereafter ("pre-1997 standby charges") and 2) parcels annexed to Metropolitan and to an electing member agency after January 1997 ("annexation standby charges").

Metropolitan only levies standby charges within the service areas of the member agencies that request that the standby charge be utilized. The standby charge is based on a rate per acre or parcel if less than an acre. The standby charge for each acre or parcel less than an acre will vary from member agency to member agency, as permitted under the legislation establishing Metropolitan's standby charge. The water standby charge rate for each member agency will continue to be the same as those imposed by Metropolitan in fiscal year FY1996/97. The standby charge rate by member agency is shown below:

Member Agency	Amount	Member Agency	Amount	Member Agency	Amount
Anaheim	\$8.55	Fullerton	\$10.71	San Fernando	\$7.87
Burbank	\$14.20	Glendale	\$12.23	San Marino	\$8.24
Calleguas MWD	\$9.58	Inland Empire Utilities Agency	\$7.59	Santa Ana	\$7.88
Central Basin MWD	\$10.44	Las Virgenes MWD	\$8.03	Three Valleys MWD	\$12.21
Coastal MWD	\$11.60	Long Beach	\$12.16	Torrance	\$12.23
Compton	\$8.92	MWD of Orange ¹	\$10.09	Upper San Gabriel Valley MWD	\$9.27
Eastern MWD	\$6.94	Pasadena	\$11.73	Western MWD of Riverside Co	\$9.23
Foothill MWD	\$10.28	San Diego CWA	\$11.51		

It is Metropolitan's intent that the following lands be exempt from the pre-1997 water standby charge: (1) lands owned by the Government of the United States, the State of California, or by any political subdivisions thereof or

¹ Excludes Coastal

any entity of local government; (2) lands permanently committed to open space and maintained in their natural state that are not now and will not in the future be supplied water; (3) lands not included in (1) or (2) above, which the General Manager, in his discretion, finds do not now and cannot reasonably be expected to derive a benefit from the projects to which the proceeds of the water standby charge will be applied; and (4) lands within any member public agency, subagency, or city if the governing body of such public entity elects and commits to pay out of funds available for that purpose, in installments at the time and in the amounts established by Metropolitan, the entire amount of the water standby charge which would otherwise be imposed upon lands within those public entities.

Each year Metropolitan makes available to interested parties procedures for filing an Application to be Exempt from the standby charge. Metropolitan reviews any such applications for exemption and determines whether or not the lands are eligible for exemption. If it is determined that the lands are eligible for exemption, an Exemption Agreement is signed by both parties and recorded at the respective county. If the exemption request is denied, there is an appeals process by which the Business and Finance Committee shall consider such appeal and make recommendations to the Board to affirm or reverse the General Manager's determinations. The Board shall act upon such recommendations and its decision as to such appeals shall be final.

2 Business Process - Levying Annual Standby Charge

2.1 Ordering County Information

Since thousands of parcels reconfigure and/or renumber each year, it is necessary to order preliminary and/or final secured property tax roll information for each of the six respective counties that Metropolitan levies standby charges. In addition to the secured property tax roll information, there are other forms of media available that are essential to effectively update the parcels that the respective Assessor Offices recognize as being valid each year. Summarized in the table below is the electronic media and timeline for ordering this information:

County	Preliminary Secured Roll	Parcel Change Data	Acreage Information	Final Secured Roll
Los Angeles	Not Ordered	Order from Assessor in May. Usually received in June	Order from Department of Public Works – Metropolitan is required to sign agreement in order to obtain acreage information	Order from Assessor in June. Usually received in Mid-Late July
Orange	Not Ordered	Order from Assessor in May. Usually received in June	Not available on the Secured Roll. Data on “new parcels” obtained from third party source.	Order from Assessor in June. Usually received in Mid-Late July
Riverside	Order from Assessor in February; receive in March	Order from Assessor in May. Usually received in June	Not necessary. Acreage information is contained on the Secured Property Tax Roll for parcels greater than one acre.	Order from Assessor in June. Usually received in Mid-Late July
San Bernardino	Order from Assessor in March; receive in April	Order from Assessor in May. Usually received in June	Not necessary. Acreage information is contained on the Secured Property Tax Roll for parcels greater than one acre.	Order from Assessor in June. Usually received in Mid-Late July
San Diego	Order from Assessor in March; receive in April	Order from Assessor in May. Usually received in June	Not necessary. Acreage information is contained on the Secured Property Tax Roll for parcels 1/2 acre or greater.	Order from Assessor in June. Usually received in Mid-Late July
Ventura	Not Ordered	Not Available	Acreage information is available from other media ordered from the County Assessor.	Order information from Assessor. However, this is a listing of all the active parcels in Fund Number 8750, which the county assigned to Metropolitan.

2.2 Data Uploads into MuniMagic

When County Media information is received from each of the respective Counties, the data is formatted and uploaded into MuniMagic, Willdan Financial Services (Willdan) proprietary district administration software, where the existing parcel information will be compared to each of the respective County Secured Rolls. Willdan is Metropolitan's Water Standby Charge Program administrator.

Based on the comparison, a list of required parcel changes for accurate submission of the roll to each respective County will be compiled. In order to track the parcel changes and update the parcel database, varying combinations of the following methods are used:

2.2.1 Preliminary Secured Property Tax Rolls

Around March of each year, the Preliminary Secured Rolls are ordered from Riverside, San Bernardino and San Diego Counties since the information is available prior to May/June of each year. These electronic Parcel Databases contain updated, but not final, parcel status information for the upcoming fiscal year. The parcel data is uploaded into the MuniMagic server and through a series of stored procedures, each of the most recently expired parcels is identified by including an "X" in front of the Assessor Parcel Number ("X Parcels") stored in MuniMagic. Lists of X Parcels are compiled and used in performing the necessary research to identify the new parcels created as a result of parcel renumbering or reconfiguration. It is not effective to order the Preliminary Secured Roll for Los Angeles County since the data is not made available until late June/early July, which is just prior to the release of the Final Secured Property Tax Roll for this County. Due to the timing of the release and expense involved, a Preliminary Secured Roll is not ordered from Ventura County.

2.2.2 Final Secured Property Tax Rolls

Around May/June of each year, the Final Secured Rolls are ordered from Los Angeles, Orange, Riverside, San Bernardino and San Diego counties. These electronic Parcel Databases contain updated and final parcel status information for the upcoming fiscal year. The parcel data is uploaded into the MuniMagic server and through a series of stored procedures, each of the most recently expired parcels is identified by including an "X" in front of the Assessor Parcel Number ("X Parcels") stored in MuniMagic. Lists of X Parcels are compiled and used in performing the necessary research to identify the new parcels created as a result of parcel renumbering or reconfiguration. Due to the expense involved, only a Specialized Parcel Database exclusively for the Metropolitan Water District is ordered from the Ventura County Assessor's Office in place of the Final Secured Roll.

2.2.3 Parcel Change Database

For Orange, Los Angeles, Riverside, San Bernardino and San Diego counties, an electronic Parcel Change database can be ordered from the respective County Assessor's Office. The database contains an electronic method for mapping the expired parcels to the newly created parcels for the majority of the parcel changes for the upcoming fiscal year. This information is electronically uploaded into the MuniMagic server and through a series of stored procedures a list of expired parcels is compiled, identifiable with a "C" in front of the Assessor Parcel Number, along with their corresponding new parcels. Utilizing this list of parcel changes, the appropriate Zone and Purveyor information can be transferred from the expired parcels to the new parcels during the apportionment process. A Parcel Change database is not available from the Ventura County Assessor at this time.

2.2.4 CD DATA

Since data ordered directly from each of the Counties may not always be complete, Willdan utilizes an information package provided by CD Data in addition to the products purchased directly from the respective Counties. The CD Data parcel information is updated and delivered to Willdan on a quarterly basis. This electronic parcel information is uploaded into the MuniMagic server along with the County Secured Rolls and can be electronically compared to the existing parcel information and can be used to update and/or enhance the existing parcel data.

3 Methods to Perform Parcel Data Research

Once the parcel changes and apportionments have been completed, where applicable, information from the County Secured Rolls and other media sources is used to update the necessary ownership and acreage information and taxable status. However, there are still thousands of newly created parcels that require additional research to determine their acreage, ownership and/or whether or not the parcels are assessable due to their physical characteristics. After compiling the lists of parcels that require additional research, a variety of methods can be employed to acquire the information needed to update the parcel information and submit the correct levy amounts where applicable:

3.1 County Website

Sometimes the County Assessor's Office has a website where parcel information and/or maps are available and can be purchased on-line and printed directly from the website or e-mailed to the requesting party. This is most common with San Diego County where the new parcel maps for the upcoming fiscal year are only available on-line through the County Assessor's Office.

3.2 Call Assessor's Office

In situations where the necessary parcel information is not available on the standard county media and maps are not available, calling the County Assessor's Office directly and requesting the information is required. This method is very limited since representatives from each of the County Assessor's Offices are only able to provide information on a maximum of three parcels per phone call. Be prepared to repeatedly call the county if this method is utilized.

3.3 Map Research

When new parcels can be identified but the acreage is not provided by the county secured rolls, it becomes necessary to view the Assessor Parcel Maps. In Orange County, these maps can be purchased and printed from the Parcelquest website which is powered by CD Data. For Riverside and San Bernardino Counties, the maps can be purchased from the counties through e-mailed requests. As previously noted, maps for San Diego County can be purchased through the County Assessor's website. For Los Angeles County, maps can be viewed and printed if necessary on the County Assessor's website.

3.4 Visit County Assessor's Office

When a list is comprised of thousands of parcels that require acreage information it is best to visit the Assessor's Office directly. Many of the Assessor's Offices have Map Books available to the public. It requires much preparation, but this is the fastest way to update the acreage information for thousands of parcels.

3.5 Los Angeles County Public Works

Since acreage information is not available on the Los Angeles County Secured Roll it is possible to purchase the necessary acreage information from the Public Works Department at the county. In order to purchase the information, Metropolitan must enter into an agreement to use the information for purposes associated with calculating the standby charges only and not making it available to any other users.

4 County Required Documentation

Each of the six counties requires that a certified copy of the Resolution Fixing and Adopting the Readiness-to-Serve Charge be submitted along with the electronic Levy Submittal. In addition to this Resolution, four of the counties require the following additional information:

4.1 San Diego County

- Fixed Charge Special Assessment (FCSA) Fund Number Requirement Questionnaire - June
- Certification of Fixed Charge Special Assessments - With original submittal around July 31
- Final Certification of Fixed Charge Special Assessments - Dated no later than August 10

4.2 Riverside County

- Proposition 218 Compliance Letter – July. Separate letters must be sent for Eastern and Western MWD.

4.3 San Bernardino County

- Fixed Charge Special Assessment (FCSA) Fund Number Requirement Questionnaire - June

4.4 Los Angeles County

- Agency Information Sheets – July
- Agreement for Billing of Direct Assessments – July
- Direct Assessment Web Access User Identification Form – July
- Direct Assessment Certification - August

5 Submitting Standby Charges to the Counties

After the uploads and research, the parcel changes are completed whereby the expired parcels are inactivated and the newly created parcels are activated for the upcoming fiscal year and updated with the necessary purveyor, zone, ownership, acreage and standby charge information. Then, for each of the recognized county fund numbers, the standby charges are submitted to each of the counties for all of the qualifying parcels. Specific requirements for the format of the levy data is included in the annual levy package sent out by each county to the public agencies submitting assessments/special taxes to the Auditor-Controller for inclusion on the property tax roll. Levy submittal due dates are included in the Estimated Annual Levy Timeline section. The following table reflects the standby charge levy submittal to each county by Fund Number:

County	City Code	County Fund No.	Purveyor/Member Agency	Rate per acre/parcel less than an acre
Riverside		68-5305	Eastern MWD	\$6.94
Riverside		68-5360	Western MWD of Riverside Co.	\$9.23
San Bernardino		WY19SW01	Inland Empire Utilities Agency	\$7.59
Ventura		0822	Calleguas MWD	\$9.58
San Diego		67-2701	San Diego CWA	\$11.51
San Diego		67-2704	San Diego CWA	\$11.51
San Diego		67-2714	San Diego CWA	\$11.51
San Diego		67-2716	San Diego CWA	\$11.51
San Diego		67-2718	San Diego CWA	\$11.51
San Diego		67-2719	San Diego CWA	\$11.51
San Diego		67-2722	San Diego CWA	\$11.51
San Diego		67-2724	San Diego CWA	\$11.51
San Diego		67-2729	San Diego CWA	\$11.51
San Diego		67-2731	San Diego CWA	\$11.51
San Diego		67-2737	San Diego CWA	\$11.51
San Diego		67-2740	San Diego CWA	\$11.51
San Diego		67-2745	San Diego CWA	\$11.51
San Diego		67-2748	San Diego CWA	\$11.51
San Diego		67-2749	San Diego CWA	\$11.51
San Diego		67-2751	San Diego CWA	\$11.51
San Diego		67-2760	San Diego CWA	\$11.51
San Diego		67-2764	San Diego CWA	\$11.51
San Diego		67-2771	San Diego CWA	\$11.51
San Diego		67-2775	San Diego CWA	\$11.51
San Diego		67-2830	San Diego CWA	\$11.51
San Diego		67-2831	San Diego CWA	\$11.51
San Diego		67-2832	San Diego CWA	\$11.51
San Diego		67-2840	San Diego CWA	\$11.51
San Diego		67-2850	San Diego CWA	\$11.51
San Diego		67-2851	San Diego CWA	\$11.51
San Diego		67-2852	San Diego CWA	\$11.51
Orange	820B	C7	Anaheim	\$8.55
Orange	820E	C7	Coastal MWD	\$11.60
Orange	820C	C7	Fullerton	\$10.71
Orange	820P	C7	MWD of Orange	\$10.09
Orange	820D	C7	Santa Ana	\$7.88
Los Angeles		310.11	Burbank	\$14.20
Los Angeles		315.06	Central Basin MWD	\$10.44
Los Angeles		335.06	Foothill MWD	\$10.28

County	City Code	County Fund No.	Purveyor/Member Agency	Rate per acre/parcel less than an acre
Los Angeles		310.21	Glendale	\$12.23
Los Angeles		310.26	Long Beach	\$12.16
Los Angeles		318.08	Las Virgenes MWD	\$8.03
Los Angeles		310.34	Pasadena	\$11.73
Los Angeles		310.37	San Fernando	\$7.87
Los Angeles		310.41	San Marino	\$8.24
Los Angeles		310.51	Torrance	\$12.23
Los Angeles		330.11	Three Valleys MWD	\$12.21
Los Angeles		310.16	Compton	\$8.92
Los Angeles		337.36	Upper San Gabriel Valley MWD	\$9.27

5.1 State Board of Equalization (SBE) Parcels

Since assessments cannot be levied on utility owned parcels via the County Secured Roll, it is necessary to submit the standby charges on these utility parcels in a different format under separate cover. The directions for submitting assessments on these utility parcels are included in the annual levy package sent out by each county to public agencies. Formats for submittal of the standby charges on the utility parcels can vary from electronic information on diskette to hard copy forms provided by the county. Usually, the assessments are grouped by SBE Number (one number is assigned to each utility company by the State Board of Equalization) and tax rate area.

5.2 Parcel Rejects

After submitting the assessment rolls to each of the counties, the counties will provide a list of parcels where the standby charges were not able to be applied to APN's. In this situation, additional research is required to determine whether or not the APN's have since subdivided or been assigned a new APN or if the parcels are considered non-taxable by the counties. Certain valid parcels will not receive tax bills from the counties and thereby the standby charges cannot be assessed for the current fiscal year. Where applicable, a revised list of parcels and standby charges are submitted to each county. Due dates for the final levy submittals for all parcels are included in the Estimated Annual Levy Timeline section.

6 Estimated Annual Levy Timeline

Target Date	Project Tasks
March/April	Kick-off Meeting: To discuss the District, the levy process, exemption review status and overall expectations — Board Meeting dates, staffing changes, District Specific or Changes (including annexations, changes to the assessments particularly new or increased assessments) and the anticipated levy timeline.
March/April	As required by the Annual Resolution, Willdan provides Metropolitan with a Preliminary Parcel Detail Report for the Public Hearing
March/April	Metropolitan Board Meeting where the amount of the proposed standby charge, per parcel or per acre, applicable to eligible land within each electing member public agency is established for the upcoming Fiscal Year and that the proposed standby charge, if continued, be collected on the respective County Property Tax Rolls. Additionally, notice is given to the public and to each member public of The Metropolitan Water District of Southern California of the intention of Metropolitan's Board to consider and take action at its regular meeting held in May, to continue a water standby charge for the upcoming Fiscal Year.
March/April	Willdan orders Preliminary Secured Roll for the upcoming Fiscal Year for Riverside, San Bernardino and San Diego Counties.
May	Metropolitan Board Meeting where Metropolitan's Board shall consider and take action, on the General Manager's recommendation, to continue a water standby charge for the upcoming Fiscal Year under authority of Section 134.5 of the Metropolitan Water District Act on land within Metropolitan at the rates, per acre of land, or per parcel of land less than an acre specified in the upcoming Fiscal Year's Engineer's Report. Any such standby charge will be continued as a means of collecting the readiness-to-serve charge.
June	Willdan orders Parcel Change Databases and Final Secured Rolls from Los Angeles, Orange, Riverside, San Bernardino and San Diego Counties. For Ventura County, a specialized database is ordered the upcoming Fiscal Year. This is a listing of all the active parcels in Fund Number 8750, which the county assigned to Metropolitan.
June	Willdan provides FCSA Forms, Proposition 218 Compliance Letters and Agency Information Sheets to Metropolitan to be signed and forwarded to the respective counties.
June	Metropolitan provides Willdan with six (6) certified copies of the Resolution authorizing the levy of the upcoming Fiscal Year Standby Charges.
July	Willdan receives electronic parcel change databases and secured rolls from each of the respective counties and proceeds with updating the active parcels and corresponding information for the upcoming fiscal year.
July	First submittal of the Levy is due to Ventura County Auditor-Controller.
August	First submittal of the Levy is due to San Diego County Auditor-Controller.
August	Resolve rejects and submit final Levy to San Diego County Auditor-Controller.
August	First submittal of the Levy is due to Los Angeles, Orange, Riverside, and San Bernardino County Auditor-Controllers.
August	Resolve rejects and submit final Levy to Los Angeles, Orange, Riverside, and San Bernardino County Auditor-Controllers.
September	Verify applied amounts with each respective county and obtain list of non-taxable parcels (valid parcels that will not receive tax bills as determined by the County) rejected by the Counties.
October	Willdan provides Metropolitan with a detailed Parcel Listing of all active parcels and an Applied Levy Summary by Purveyor. The summary report will be used to determine the Estimated Standby Charge Revenue for the next Fiscal Year Engineer's Report.
October	Update MuniMagic to coincide with County applied reports (account for non-taxable and purged parcels) and provide a summary of final applied levy amounts to Metropolitan.

7 Taxpayer Inquiries

Willdan provides our toll free telephone number to each respective Auditor-Controller for inclusion on each Tax Bill, in order to facilitate our response to taxpayer's inquiries. The toll free number referenced on the Tax Bills is a direct line to the Property Owner Service Representatives and does not route through the Willdan operator. Currently, Willdan has four Property Owner Services Representatives dedicated to responding to taxpayer inquiries. These representatives are well trained in answering questions relating to the standby charges and are fluent in both English and Spanish. We have provided each of the Property Owner Services Representatives with information regarding the use the funds collected via the standby charge, which are used as a credit towards a member agencies readiness-to-serve charge. They are also aware that the use of the readiness-to-serve charge funds are for maintenance and repair of the capital improvements needed to bring the water directly from the source to each of the member agencies, whereby the member agencies have infrastructure in place to then distribute the water directly to the property owners or in some cases an additional water provider. When property owners or other individuals require additional information, Willdan's Senior Project Analyst, and Group Manager, talk with the individuals and provide further information in regards to the standby charge program.

Our Property Owner Services Representatives, Analysts and Project Managers keep a log of phone calls received, provided that a caller gives them an Assessor Parcel Number (APN). Since the Standby Charge is levied by APN, our software is designed to track notes at the Agency (Metropolitan) or individual APN level. There are several phone calls received where the individual requesting information does not provide an APN or they are just inquiring about how the charge is calculated for future reference. These phone calls are not logged into the MuniMagic system. The Phone Log Report will be sent to Metropolitan on a regular basis, or upon request.

8 Exemption Review Process

Since it is Metropolitan's intent that the following lands be exempt from the pre-1997 water standby charge: (1) lands owned by the Government of the United States, the State of California, or by any political subdivisions thereof or any entity of local government; (2) lands permanently committed to open space and maintained in their natural state that are not now and will not in the future be supplied water; (3) lands not included in (1) or (2) above, which the General Manager, in his discretion, finds do not now and cannot reasonably be expected to derive a benefit from the projects to which the proceeds of the water standby charge will be applied, Metropolitan has incorporated an Exemption Review process. The following steps outline the exemption review process:

- 1) Willdan receives request from Metropolitan or Property Owner for an Exemption Application.
- 2) Willdan sends the requesting party the Exemption Application. The Exemption Applications are updated annually to include specific information as to when the applications need to be submitted; generally the applications need to be received by December 31st of the fiscal year in which the request is being submitted.
- 3) The Exemption Application is sent back to Willdan from either Metropolitan or directly from the property owner. At this time, Willdan sets up a hard copy exemption file and assigns a file number to the request. Additionally, Willdan adds the file number, owner, APN(s) and acreage information to an existing file that contains a listing of all the exemption files that Willdan has on-site at their corporate office in Temecula.
- 4) Application is reviewed and if additional information is needed, a correspondence letter is sent to the property owner listing the additional materials needed to complete the review of their Exemption Application. First, Willdan determines whether the exemption request is for (1) lands owned by the Government of the United States, the State of California, or by any political subdivisions thereof or any entity of local government; (2) lands permanently committed to open space and maintained in their natural state that are not now and will not in the future be supplied water; (3) lands not included in (1) or (2) above,

which the General Manager, in his discretion, finds do not now and cannot reasonably be expected to derive a benefit from the projects to which the proceeds of the water standby charge will be applied.

- 5) If a property is to be exempted because of public agency ownership, the property is exempted for all future years or until such property transfers to ownership other than that of a public agency. In most cases the tax bill for the fiscal year in which the public agency acquired the property has not been paid. Therefore, either the county will inform Metropolitan or Willdan that the assessment is being removed from the tax bill and shall be prorated or completely removed. Otherwise, Willdan can request that the assessment be removed from the current year tax bill. Each county handles these situations a bit differently and maintains their own requirements. An Exemption Agreement is not completed and recorded at the county for parcels exempted due to public agency ownership.
- 6) If a property is to be exempted because the land is being permanently committed to open space and maintained in a natural state that is not now and will not in the future be supplied water, the property is exempted for all future years or until the property is no longer committed to open space. When the property is being gifted or deeded to a public agency to maintain as open space, the current property owner may request a refund of the standby charges they have paid while the property was under their ownership. Willdan will verify that the property's tax bills are current prior to sending the two-page memorandum to Metropolitan with the reason for exemption and refund calculation. Additionally, Willdan forwards a letter to Metropolitan for signature that will be forwarded to the property owner containing information regarding the refund.
- 7) If the recommendation is to deny the exemption request and Metropolitan's General Manager supports the recommendation, Willdan will e-mail a letter to Metropolitan to be signed and forwarded to the property owner regarding the decision. Pursuant to the established appeals process, a property owner may file a written appeal with the Secretary of the Board requesting that the Business and Finance Committee consider such appeal and make recommendations to the Board to affirm or reverse the General Manager's determinations. The Board shall act upon such recommendations and its decision as to such appeals shall be final
- 8) If the recommendation from Willdan is to grant an exemption to the property, Willdan will e-mail a letter to Metropolitan to be signed and forwarded to the property owner along with Instructions for Filing a Water Standby Agreement with Metropolitan, Instructions for Providing Legal Descriptions and an Exemption Agreement to be executed and notarized.
- 9) Property owner sends required documentation and signed Agreement back to Metropolitan.
- 10) Metropolitan requests from Willdan an APN listing and corresponding acreages to be exempted. The information is then forwarded to Metropolitan to be incorporated into the Agreement.
- 11) The Right of Way Department verifies the legal description for the property to be exempted.
- 12) The Agreement is reviewed by Metropolitan's General Counsel and signed by General Counsel as to form.
- 13) The Agreement is then taken to the Chief Financial Officer for a notarized signature. Metropolitan then notifies Willdan that the Agreement has been fully executed. Willdan is requested to calculate the refund due to the property owner by fiscal year, provide a two-page memorandum along with the letter that Metropolitan will sign and forward to the property owner with the refund check.
- 14) Willdan updates the parcel information in MuniMagic to reflect the parcel's exemption status.