

# News Release



**Foothill Municipal Water District  
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**FOR IMMEDIATE RELEASE**

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## **Foothill Municipal Water District Board Approves Exemptions and Exclusions to Real Property Assessment**

Foothill Municipal Water District is considering a real property assessment to raise money to pay for capital improvements to the District's water system. The District's Board on February 16, 2010 approved exempting and excluding certain properties from the real property assessment should the District proceed with the assessment. To be excluded from the assessment, property owners must apply to the District based on the criteria below. Applications can be found at [www.fmwd.com](http://www.fmwd.com) or by calling the District at (818) 790-4036.

- Property owners may apply for the partial or whole exclusion of the following properties:
  - Lands with conservation easements,
  - Lands where owners certify that they will not develop the land, and
  - Lands where there are ordinances and general land use plans prohibiting development

If the property owner later develops the land, they will need to pay the retroactive parcel charge plus interest.

Other properties will be automatically excluded or exempted from the assessment. These include:

- Public agencies including the public schools in the service area.
- Lands owned by mutual water companies and privately regulated water companies
- Parcels having a charge less than \$1.00 annually.
- Property owners if the retail purveyor is completely independent of District will not be assessed.

Parcels exempt or excluded from the assessment will not be eligible to vote regarding the levying of the assessment. Parcels partially benefited will have the weighted voting based on the amount of benefit.

The District will not process exemptions and exclusions submitted after March 9, 2010.

The real property assessment is to help finance the Local, Reliable Water Supply Program. This program was necessitated by three years of drought in Northern California, eight years on the Colorado River watershed and a decision by a Federal Judge that severely restricted pumping in the Sacramento–San Joaquin Delta due to the diminishing population of the Delta Smelt and has had impacts to the Foothill area.

The Program calls for a goal to reduce by one-third to one-half the service area's dependence on imported supplies from the current average of 57%. This would be achieved through the development of recycled water, increased capture and recharge of stormwater and conservation to meet the legislative mandate of 20% conservation by 2020.

In addition to decreasing dependence on imported supplies, current system rehabilitation and improvements are also part of the Program. These include new backup

generators for electrical power at pump stations and rehabilitating pumps and reservoir storage.

Total cost of the Program is estimated at \$65 million with about half being funded through federal and state grants. The District plans to sell about \$20 million in 30-year revenue bonds for the first portion of the work. By financing the payback over 30 years with tax exempt revenue as opposed to paying for it with current water rates, the program is more affordable and fair since current customers will pay their share in the current years and future customers—who will also benefit from these projects—will pay their share in future years. To pay back the bond, the District is considering asking property owners to vote on a real property assessment. A vote is required by Proposition 218. The parcel charge identifies a unique benefit for each property and a specific assessment amount based on that specific benefit. Those customers receiving more benefits would pay more of the share of the financing through the property assessments. The votes would also be weighted to match the assessment.

The remainder of the revenues will come from State and Federal grants, MWD LRP rebates and Foothill MWD rates and charges for recycled water and imported water service.

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