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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-11

April 28, 1998

To: Board of Directors (Committee on Communications and Legislation--Action)

From: *fa* General Manager

Submitted by: John R. Maloy
Chief of Communications

Edward J. Meyer

J. Maloy

Subject: Oppose Assembly Bill 1919 (Thompson-Fallbrook) unless amended

RECOMMENDATION(S)

At the meeting of the Committee on Communications and Legislation held on April 21, 1998, the Committee voted to change the recommendation contained in the Board Letter dated April 20, 1998 (see attached), to read as follows:

Oppose Assembly Bill 1919 (Thompson-Fallbrook) unless amended to state that whereas the Metropolitan Water District of Southern California is addressing its governance issues, the Metropolitan Water District of Southern California is directed to review its governance and to provide a report to the Legislature by a date certain.

A hearing was held on April 22, 1998, before the Assembly Local Government Committee and amendments were accepted by the author and adopted by the Committee. The amendments are not yet available in print. They did not include those suggested by the Committee on Communications and Legislation.

KLT:sk

#10083



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

April 20, 1998

To: Board of Directors (Committee on Communication and Legislation--Action)

From: *for* General Manager

Submitted by: Chief of Communications

Subject: Support Assembly Bill 1919 (Thompson-Fallbrook)

Edward M. Moss III
J. Maloy

RECOMMENDATION(S)

Support Assembly Bill 1919.

DETAILED REPORT

Multiple bills in the last two years have been introduced to change the size of the Metropolitan Board and/or the method of its selection. Your Board has opposed those bills on the basis that local control and in particular the direct representation of the member agencies would be eliminated. Assembly Bill 1919, as recently amended by Assemblyman Thompson, appears to recognize the importance of local control and representation of the member agencies by providing for such representation on the proposed commission. AB 1919 as amended provides for the establishment of a 15-person Commission, which would by December 1, 2000 prepare a report regarding Metropolitan to the Legislature and the Governor addressing the following issues: determination of the entities or persons that the Board represents; recommendations regarding the number of members of the Board; what entities select and the method they use to select Board members; terms of service limitations, if any; whether Board members should be full or part time positions, compensated or not, and how votes should be allocated. Additionally, the Commission would make recommendations with regard to the establishment and content of a Code of Ethics and would make recommendations with regard to any other "governance" issue.

The Governor would select 13 of the 15 members of the Commission, with two members representing city member agencies, at least one must represent the City of Los Angeles, one member representing a county water authority, two representing municipal water districts, one representing cities within municipal water districts, one for public water districts within municipal water districts, one for private water companies within municipal water districts, one for water replenishment districts within municipal water districts, one for the southern California business community, one for the environmental community, one general public member, and the Director of Water Resources. The President pro tempore and Speaker of the Assembly each would be entitled to appoint one member. Commission members would be appointed on or before April 1, 2000.

The Commission would be required to meet at least twice and its report must be written, with the provision that minority reports may also be prepared. It is recommended that your Board support the bill as it will allow the various governance processes undertaken by your Board to continue and will provide an opportunity to your Board to make available the results of these processes to an independent Commission

KLT:sk
#9993

AMENDED IN ASSEMBLY APRIL 16, 199

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSIO

ASSEMBLY BILL

No. 1919

Introduced by Assembly Member Thompson

February 17, 1998

An act to ~~amend Section 51 of~~ *add Section 78* to the Metropolitan Water District Act (Chapter 209 of the Statute of 1969), relating to metropolitan water districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1919, as amended, B. Thompson. *Special Commission on the Metropolitan ~~water districts: board of directors: membership~~ Water District of Southern California.*

The

(1) *The Metropolitan Water District Act requires the powers, privileges, and duties of a metropolitan water distric to be exercised and performed by the members of the a board of directors of a metropolitan water district to be be appointed, as prescribed.*

This bill would ~~make a technical, nonsubstantive change in that provision~~ create the Special Commission on the Metropolitan Water District of Southern California, with a membership to be appointed as specified. The bill would require that special commission, on or before December 1, 2000, to submit to the Governor and the Legislature a written report containing findings and recommendations, as prescribed, regarding the governance of the Metropolitan Water District of Southern California. The bill would require

that metropolitan water district to reimburse the special commission for costs incurred in preparing the report, thereby imposing a state-mandated local program. The bill would require an unspecified entity to staff the special commission. The bill would specify related matters and make related legislative findings and declarations.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain cost mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 51 of the Metropolitan Water~~
- 2 SECTION 1. The Legislature finds and declares both
- 3 of the following:
- 4 (a) The Metropolitan Water District of Southern
- 5 California was first incorporated in December 1928. Since
- 6 then, the board of directors of the district has grown from
- 7 13 members to 51 members.
- 8 (b) It is desirable and necessary to create a special
- 9 commission to do all of the following:
- 10 (1) Identify the strengths and weaknesses of the
- 11 current governance structure of the Metropolitan Water
- 12 District of Southern California.
- 13 (2) Investigate alternatives to the current governance
- 14 structure of the Metropolitan Water District of Southern
- 15 California.
- 16 (3) Report to the Legislature the findings of the
- 17 special commission and recommendations for change.

1 SEC. 2. Section 78 is added to the Metropolitan Water
2 District Act (Chapter 209 of the Statutes of 1969), to read:

3 78. (a) As used in this section, the following terms
4 have the following meanings:

5 (1) "Board" means the board of directors of the
6 Metropolitan Water District of Southern California.

7 (2) "District" means the Metropolitan Water District
8 of Southern California.

9 (3) "Member of the board" means a member of the
10 board of directors of the Metropolitan Water District of
11 Southern California.

12 (4) "Member public agency" means a member public
13 agency of the Metropolitan Water District of Southern
14 California.

15 (5) "Special commission" means the Special
16 Commission on the Metropolitan Water District of
17 Southern California created by subdivision (b).

18 (b) There is hereby created the Special Commission
19 on the Metropolitan Water District of Southern
20 California.

21 (c) The special commission shall consist of 15
22 members, who shall be appointed on or before April 1,
23 2000, as follows:

24 (1) The Governor shall appoint 13 members as follows:

25 (A) Two members representing city member public
26 agencies, one of whom shall represent the City of Los
27 Angeles.

28 (B) One member representing county water
29 authority member public agencies.

30 (C) Two members representing municipal water
31 district member public agencies.

32 (D) One member representing cities within
33 municipal water district member public agencies.

34 (E) One member representing public water agencies
35 within municipal water district member public agencies.

36 (F) One member representing private water
37 companies within municipal water district member
38 public agencies.

- 1 (G) One member representing water replenishment
2 districts within municipal water district member public
3 agencies.
- 4 (H) One member representing the southern
5 California business community.
- 6 (I) One member representing environmental interest
7 groups.
- 8 (J) One member representing the general public.
- 9 (K) The Director of Water Resources.
- 10 (2) The President pro Tempore of the Senate shall
11 appoint one member.
- 12 (3) The Speaker of the Assembly shall appoint one
13 member.
- 14 (d) On or before June 1, 2000, the Director of Water
15 Resources shall call the first meeting of the special
16 commission. The members of the special commission
17 shall elect a chairperson at the first meeting.
- 18 (e) The special commission shall meet not less than
19 two times and, on or before December 1, 2000, prepare
20 and submit to the Governor and the Legislature a written
21 report in accordance with subdivision (f). The report
22 may include minority reports.
- 23 (f) The report required pursuant to subdivision (e)
24 shall do both of the following:
- 25 (1) Determine the entities or persons that the
26 members of the board represent in fact.
- 27 (2) Make recommendations regarding all of the
28 following:
- 29 (A) The optimal number of members of the board.
- 30 (B) The entities that should select members of the
31 board and a method by which the members of the board
32 should be selected.
- 33 (C) A term of service on the board and whether there
34 should be a limit on the number of terms a member of the
35 board may serve.
- 36 (D) Whether members of the board should serve full
37 or part-time.
- 38 (E) Whether compensation is appropriate, and, if so,
39 the recommended compensation.

1 (F) Allocation of votes among the member public
2 agencies. Alternative bases for allocation of votes may
3 include, but are not limited to, financial contribution,
4 historic water use, and population.

5 (G) Whether the board should be subject to a code of
6 ethics governing the behavior of the members of the
7 board, and, if so, the substance of that code.

8 (H) Any other issues relating to the governance of the
9 district.

10 (g) The district shall reimburse the special
11 commission for costs incurred by the special commission
12 in preparing the report required pursuant to subdivision
13 (e).

14 (h) ___ shall provide staffing for the special
15 commission.

16 SEC. 3. Notwithstanding Section 17610 of the
17 Government Code, if the Commission on State Mandates
18 determines that this act contains costs mandated by the
19 state, reimbursement to local agencies and school
20 districts for those costs shall be made pursuant to Part 7
21 (commencing with Section 17500) of Division 4 of Title
22 2 of the Government Code. If the statewide cost of the
23 claim for reimbursement does not exceed one million
24 dollars (\$1,000,000), reimbursement shall be made from
25 the State Mandates Claims Fund.

26 Notwithstanding Section 17580 of the Government
27 Code, unless otherwise specified, the provisions of this act
28 shall become operative on the same date that the act
29 takes effect pursuant to the California Constitution.

30 ~~District Act (Chapter 209 of the Statutes of 1969) is~~
31 ~~amended to read:~~

32 ~~Sec. 51. The board shall consist of at least one~~
33 ~~representative from each member public agency. The~~
34 ~~representatives shall serve without compensation from~~
35 ~~the district. Each representative shall, at the option of the~~
36 ~~agency, either be designated and appointed by the chief~~
37 ~~executive officer of the member public agency with the~~
38 ~~consent and approval of the governing body of the agency~~

1 ~~or be selected by a majority vote of the governing body~~
2 ~~of the agency.~~

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