

MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

February 19, 1992

To: Board of Directors (Executive Committee--Action)
(Legal and Claims Committee--Action)
(Special Committee on Legislation--Action)
From: General Manager and General Counsel
Subject: Proposed Amendments to Metropolitan Water District Act in
Regard to Authorized Purposes and Powers of Metropolitan
(AB 573--Kelley)

Report

AB 573 (Kelley--Riverside) would amend the Metropolitan Water District Act to expand Metropolitan's power with regard to participation in reclaimed water programs. As introduced, the bill would enable Metropolitan to purchase reclaimed water and resell it within the District for any beneficial use, which, of course, would include agricultural uses. The bill would also enable Metropolitan to participate in projects of public and private entities designed to reduce water demands, and would thereby provide a statutory foundation for such programs as the Conservation Credits Program.

While the language of AB 573 is based on early concepts developed by Metropolitan's staff, it would be desirable to make certain clarifying changes which are shown in Attachment A. These changes would address the following concerns:

1. Metropolitan, through its Local Projects Program, is encouraging a greater effort to reclaim water for reuse. In connection with that effort, it would be desirable to clarify that Metropolitan is able to purchase reclaimed water and make that water available for any beneficial use **when to do so will result in the availability of additional water to serve municipal and domestic purposes within Metropolitan.** This can be accomplished by adding a new section 130(e) to the Metropolitan Water District Act to read as shown in the Attachment. Section 132 should also be amended as shown in the Attachment to specify that "surplus water" subject to interruption does not include water served under this new authority.

2. It is desirable to clarify Metropolitan's power to participate in demand reduction projects (e.g., the Conservation Credits Program) **that will result in the reduction in demands for municipal and domestic service.** Specifically excluded by such language would be demand reduction projects to reduce demands for agricultural service on the theory that such service is subject to interruption pursuant to Section 132 of the Metropolitan Water District Act. The Attachment proposes the addition of Section 130(f) to the Act to accomplish this objective.
3. Section 25 which expresses the purposes of the Metropolitan Water District should be amended so as to be consistent with the proposed amendments to Section 130.

A copy of AB 573 is attached to this letter.

Board Committee Assignments

This letter is being referred for action to:

The Executive Committee because of its responsibility to study, advise, and make recommendations with regard to legislation sponsored by the District or in any way affecting the District, pursuant to Administrative Code Section 2417(a);

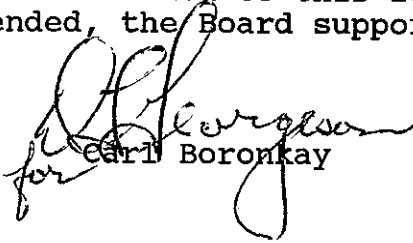
The Legal and Claims Committee because of its responsibility to study, advise, and make recommendations with regard to proposed amendments of the Metropolitan Water District Act, pursuant to Administrative Code Section 2461(f); and

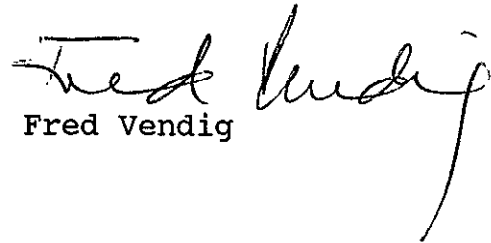
The Special Committee on Legislation because of its responsibility to review staff's recommendations for position on legislation, pursuant to Administrative Code Section 2581(b).

Recommendation

**EXECUTIVE COMMITTEE, LEGAL AND CLAIMS COMMITTEE AND SPECIAL
COMMITTEE ON LEGISLATION FOR ACTION.**

It is recommended that the Board authorize the General Manager to seek amendments to AB 573 substantially in the form attached to this letter as Attachment A, and that, as so amended, the Board support AB 573.


for Carl Boronkay


Fred Vendig

FV:jb:db
db:AB573.bd

Attachments

ATTACHMENT A

1. Amend Section 25 to provide as follows:

"Metropolitan water districts may be organized for the purpose of developing, storing, and distributing water for domestic and municipal purposes and for such other purposes as are authorized by Section 130 of this Act, and may provide, generate, and deliver electric power within or without the state for the purpose of developing, storing, and distributing water for such district."

2. Amend Section 130 to provide as follows:

"A district may do all of the following:

"(a) Acquire water and water rights within or without the state.

"(b) Develop, store, and transport water.

"(c) Provide, sell, and deliver water at wholesale for municipal and domestic uses and purposes.

"(d) Fix the rates for water, and the amount of any water standby availability service charge or assessment. Any such water standby availability service charge or assessment shall be deemed to be amounts paid by the member public agency to the district on tax assessments.

"(e) Purchase reclaimed water and provide, sell and deliver such water for any beneficial use for the purpose of making water that would otherwise be applied to such use available for municipal and domestic uses and purposes within the district.

"(f) Participate in projects of public or private entities for the purpose of reducing demands for service of water for municipal and domestic uses and purposes within the district.

"(g) Acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient to the exercise of the powers granted by this section."

3. Amend Section 132 to provide as follows:

"A district may provide, sell and deliver surplus water not needed or required for domestic or municipal uses within the district for beneficial purposes, but shall give preference to uses within the district. The supplying of such surplus water shall in every case be subject to the paramount right of the district to discontinue such supply in whole or in part, and to take and hold, or to provide, sell and deliver, such water for domestic or municipal uses within the district, upon one year's written notice to the purchaser or user of such surplus water.

"Such notice shall be given by the board whenever it shall be determined and declared by resolution adopted by a two-thirds vote of the board that such water is needed or required for domestic or municipal uses within the district. For purposes of this section, surplus water shall not include water acquired and served by the district pursuant to Section 130(e)."

FV:jb:db
AB573.bcl

CALIFORNIA LEGISLATURE—1991-92 REGULAR SESSION

ASSEMBLY BILL**No. 573**

Introduced by Assembly Member Kelley

February 15, 1991

An act to amend Sections 25, 130, and 132 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 573, as introduced, Kelley. Metropolitan water districts.

(1) Existing law authorizes metropolitan water districts to be organized for the purpose of developing, storing, and distributing water for domestic and municipal purposes. Existing law authorizes a metropolitan water district to take prescribed actions.

This bill would specify that a metropolitan water district may be organized for taking the prescribed actions. The bill would include within the prescribed actions the authority to purchase reclaimed water for resale within the district for beneficial purposes and to participate in projects of public or private entities to reduce demands for water service in the district.

(2) Existing law authorizes a metropolitan water district to provide, sell, and deliver surplus water not needed or required for domestic or municipal uses within the district for beneficial purposes.

This bill would specify that, for purposes of that provision, surplus water does not include reclaimed water acquired by the district pursuant to (1).

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

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

1 SECTION 1. Section 25 of the Metropolitan Water
2 District Act (Chapter 209 of the Statutes of 1969) is
3 amended to read:

4 Sec. 25. (a) Metropolitan water districts may be
5 organized for the purpose of developing, storing, and
6 distributing water for domestic and municipal purposes
7 and *for the purposes authorized by Section 130.*

8 (b) *A district may provide, generate, and deliver*
9 *electric power within or without the state for the purpose*
10 *of developing, storing, and distributing water for such*
11 *that district.*

12 SEC. 2. Section 130 of the Metropolitan Water
13 District Act (Chapter 209 of the Statutes of 1969) is
14 amended to read:

15 Sec. 130. A district may do all of the following:

16 (a) Acquire water and water rights within or without
17 the state.

18 (b) Develop, store, and transport waters.

19 (c) Provide, sell, and deliver water at wholesale for
20 municipal and domestic uses and purposes.

21 (d) Fix the rates for water, and the amount of any
22 water standby or availability service charge or
23 assessment. Any *such* water standby or availability
24 service charge or assessment shall be deemed to be
25 amounts paid by the member public agency to the
26 district on tax assessments.

27 (e) *Purchase reclaimed water and resell the water*
28 *within the district for any beneficial purpose and*
29 *participate in projects of public or private entities*
30 *intended to reduce demands for water service in the*
31 *district.*

32 (f) Acquire, construct, operate, and maintain any and
33 all works, facilities, improvements, and property
34 necessary or convenient to the exercise of the powers
35 granted by this section.

36 SEC. 3. Section 132 of the Metropolitan Water
37 District Act (Chapter 209 of the Statutes of 1969) is
38 amended to read: