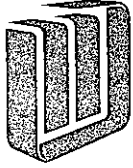


WITHDRAWN FROM AGENDA

8-7

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

April 28, 1992

To: Board of Directors (Executive Committee--Information)
 (Legal and Claims Committee--Information)
 (Special Committee on Legislation--Information)

From: General Manager and General Counsel

Subject: Proposed Amendments to the MWD Act

Report

At the April 1992 workshop in Pala Mesa, the Board requested a report cataloguing all changes contemplated in recent years to the Metropolitan Water District Act ("Act"). The attachments represent those changes considered during the last two years, including those presented at last year's Directors' workshop except those that have been specifically considered and rejected. In addition, language is included that would add connection and capacity charges authority to the Act (as opposed to relying on the still uncertain fate of amendments being proposed to AB 1875).

Board Committee Assignments

This letter is referred for information to:

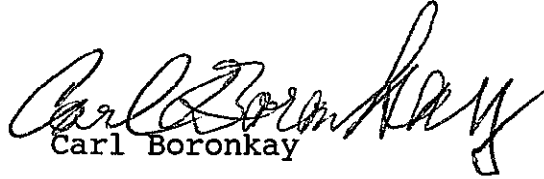
The Executive Committee because it concerns legislation affecting the District, pursuant to Administrative Code Section 2417(a);

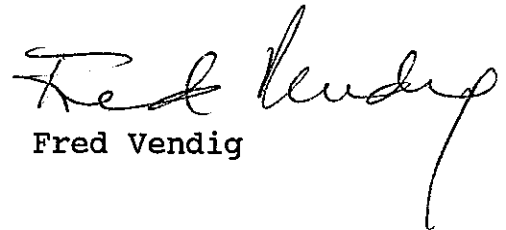
The Legal and Claims Committee because of its responsibility to study, advise, and make recommendations with regard to proposed amendments of the Metropolitan Water District Act, pursuant to Administrative Code Section 2461(f); and

The Special Committee on Legislation because it concerns a legislative matter that may affect the District, pursuant to Administrative Code Section 2581(a).

Recommendation

For information only.


Carl Boronkay


Fred Vendig

POSSIBLE AMENDMENTS TO THE METROPOLITAN WATER DISTRICT ACT

GROUP 1. THE BOARD QUORUM ISSUE

Alternative #1: (A quorum requires a majority of members and one-half of each major delegation)

Sec. 57. [Vote Required for Board Action - Quorum for Transacting Business]

(a) The affirmative votes of members representing more than 50 percent of the total number of votes of all members shall be necessary and, except as otherwise expressly provided, shall be sufficient to carry any order, resolution or ordinance coming before the board.

(b) A quorum necessary for the transaction of business at any meeting of the board exists whenever there are present at the meeting a majority of all members of the board, including at least one-half of the directors from each member public agency having more than four representatives serving on the board. Any regular or special meeting of the board at which a quorum is not present may be continued from time to time until a quorum is present to transact the business of the board.

Alternative #2: (A quorum is a majority of all directors)

Sec. 57. [Vote Required for Board Action - Quorum for Transacting Business]

(a) The affirmative votes of members representing more than 50 percent of the total number of votes of all members shall be necessary and, except as otherwise expressly provided, shall be sufficient to carry any order, resolution or ordinance coming before the board.

(b) A quorum necessary for the transaction of business at any meeting of the board exists whenever there are present at the meeting a majority of all members of the board. Any regular or special meeting of the board at which a quorum is not present may be continued from time to time until a quorum is present to transact the business of the board.

Alternative #3: (A quorum is a majority of all directors)

Sec. 57.1. [Quorum of Board]

Notwithstanding any other provision of this Act, a quorum of the board shall consist of a majority of the members of the board.

GROUP 2. DISSEMINATION OF INFORMATION

(Would clarify Metropolitan's authority to disseminate information intended to induce reduced water consumption)

Sec. 126. [Dissemination of Information]

A district may disseminate information concerning the activities of the district, and whenever it shall be found by two-thirds vote of the board to be necessary for the protection of district rights and properties, including the need to conserve water, the district may disseminate information concerning such rights and properties, including such need, and concerning matter which, in the judgment of the board, may adversely affect such rights and properties. Expenditures during any fiscal year for the purposes of this section shall not exceed one-half of one cent (\$0.005) for each one hundred dollars (\$100) of assessed valuation of the district.

GROUP 3. CONSERVATION INCENTIVES AND DISINCENTIVES

(Would clarify Metropolitan's right to structure programs such as the Incremental Interruptible Conservation Program. The changes are superimposed on Section 133 as supported for amendment by the Board's action on AB 573.)

Sec. 133. [Fixing of Water Rates]

(a) The board shall fix the rate or rates at which water shall be sold, which rate or rates shall not differ by reason of the beneficial use of the water. Such rates, in the discretion of the board, may differ with reference to different sources from which water shall be obtained by the district. The board, under conditions and on terms found and determined by the board to be equitable, may fix rates for the sale and delivery to member public agencies of water obtained by the district from one source of supply in substitution for water obtained by the

district from another and different source of supply, and may charge for such substitute water at the rate fixed for the water for which it is so substituted.

(b) The board may fix economic incentives or disincentives, or both, determined by the board to be necessary to induce conservation of water within the district's service area. Such incentives and disincentives may vary for different classes of service or within the same class of service, and may be combined with the rates determined pursuant to subsection (a) for purposes of determining total charges.

GROUP 4. CONNECTION AND CAPACITY CHARGE AUTHORITY

(Would provide authority to levy connection and capacity charges within the Metropolitan Water District Act, rather than relying on other laws, including possible passage of AB 1875. The language below is adapted from existing provisions of the County Water Authority Act.)

Sec. 134.1. [Limitation Period for Judicial Action Attacking Action Fixing Water Standby Availability Charge or Connection Charge]

Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance fixing and establishing either a water standby availability charge pursuant to Section 134.5, or a connection or capacity charge pursuant to Section 134.2, shall be commenced within 120 days after adoption of the resolution providing for the imposition of the charge.

Sec. 134.2. [Authority to Fix and Impose Connection Charges]

A district may fix and impose connection charges and capacity charges upon each member public agency, the area of which is included within the district, or upon the ultimate users of water delivered by the district to the member public agency. If imposed upon the ultimate users of water, a district may require the member public agency or the retailer which delivers the water to the ultimate user to collect the charges on behalf of the district. If a district requires collection, the district shall reimburse the collecting entity for

all reasonable costs incurred in collecting those charges. Prior to adopting a connection or capacity charge pursuant to this section, the board shall hold a noticed hearing. Notice shall be given pursuant to Section _____ of the Government Code.

GROUP 5. INVOLVEMENT IN GROUNDWATER BASIN PROGRAMS

(Would expressly authorize Metropolitan's involvement in programs to remediate groundwater basins. Note that changes shown as additional language are superimposed on the text of Section 130 as supported for amendment as part of the Board's action on AB 573.)

Sec. 130. [General Powers to Provide Water Services]

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 reasonable and beneficial uses and purposes. For the purposes of this Act, beneficial uses shall include, but not be limited to, domestic, municipal and agricultural uses.
- (d) Fix the rates for water, and the amount of any water standby availability service charge or assessment. Any 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 resell the water for any reasonable and beneficial purpose and participate in projects of public or private entities intended to reduce demands for water service in the district.
- (f) 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.

(g) Participate in projects of public or private entities designed to remove, reduce or prevent contamination of groundwater basins, to the extent that participation reduces water service demands on the district or increases the district's water supplies.

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