

APPROVED
by the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

40843



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAY 10 1994

8-25

Karen E. Duff
EXECUTIVE SECRETARY

May 5, 1994

To: Board of Directors (Water Problems Committee--Action)
(Committee on Legislation--Action)

From: General Manager

Subject: Support of Proposition 178 Advocating Tax Exemptions for
Agricultural Water Conservation Devices

Report

Proposition 178 is to be considered by the general electorate in the primary election on June 7, 1994. It is a legislatively sponsored Constitutional Amendment to provide for an exclusion from property taxation of that portion of any improvement made to real property which consists of the installation of agricultural water conservation equipment, as defined by the Legislature. When considered by the California General Assembly, Proposition 178 was originally proposed to apply also to businesses and industry as well as agriculture. Metropolitan supported the bill as a reasonable and efficient incentive for installation of needed conservation equipment.

California voters have already approved similar exemptions for solar-energy devices, fire safety sprinkler systems, and retrofits for access for the disabled. Although Proposition 178 in its current form applies only to agricultural users, Metropolitan should nonetheless support Proposition 178 as a cost-effective way to help achieve water conservation in the agricultural sector. In addition, Proposition 178 would provide financial benefits for agricultural water users in Metropolitan's service area. In the future, Metropolitan should seek legislation to add the same property tax exemption benefit to business and industrial users who install conservation equipment.

Board Committee Assignments

This letter is referred for action to:

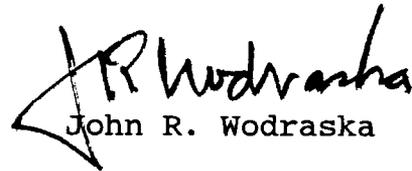
The Water Problems Committee because of its authority regarding policies on water conservation, pursuant to Administrative Code Section 248(i); and

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

Recommendation

COMMITTEE ON LEGISLATION AND WATER PROBLEMS COMMITTEES FOR ACTION.

It is recommended that your Board support Proposition 178 as proposed on the June 7, 1994 primary election ballot.


John R. Wodraska

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