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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOV 14 1995

*Daren E. Joffe*  
 EXECUTIVE SECRETARY

October 23, 1995

**To:** Board of Directors (Executive Committee--Action)  
**From:** Chairman of the Board  
**Subject:** Modifications to the Committee Structure

**RECOMMENDATIONS:**

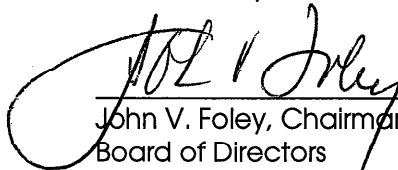
That the following changes be made in the committee structure along with implementing Administrative Code changes which are shown by strikeover and underlining on Attachment A.

- 1) The dissolution of the Special Committee on Eminent Domain Litigation, the Ad Hoc Committee on Owner-Controlled Insurance, the Ad Hoc Committee on Colorado River Issues, and State Water Contract Negotiations.
- 2) The consolidation of the Special Budget Committee with the Special Committee on Financial Policy into a nine member Special Budget and Financial Policy Committee. The Special Budget and Financial Policy Committee will be composed of three members from the Finance and Insurance Committee, three members of the Engineering and Operations Committee, two members of the Water Planning and Resources Committee and one member of the Organization and Personnel Committee. The Chairman of the Board shall appoint Committee members. The Special Budget and Financial Policy Committee shall submit recommendations to standing committees as appropriate and report to the Executive Committee.
- 3) The modification of the reporting requirements of several Special/Ad Hoc Committees as follows: a) The Special Committee on Water Quality and Environmental Compliance shall report to Engineering and Operations Committee; b) the Special Audit Committee shall report to the Executive Committee; c) the Bay/Delta Political Advisory Committee shall report to the Water Planning and Resources Committee; d) the Ad Hoc Committee on Agricultural Water Policy shall report to the Finance and Insurance Committee; e) the Ad Hoc Committee on Information Systems shall report to the Engineering and Operations Committee; f) the Facility Naming Ad Hoc Committee shall report to the Executive Committee; g) Section 135 Ad Hoc Committee shall report to the Executive Committee; h) the Special Goals and Objectives Committee shall report to the Executive Committee; i) the Special Committee on Department Head Compensation shall report to the Board; and j) the Integrated Resources Plan Steering Committee shall report to the Water Planning and Resources Committee.

4) The dissolution of Subcommittee on Travel and Inspection and the Vendor's Hearing Subcommittee. These Committees shall be reinstated by the Chair of the Board as the need arises.

It is also recommended that the Board consider the possible merger of the Land and Legal and Claims Committees.

Submitted by:



John V. Foley, Chairman  
Board of Directors

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**EXECUTIVE SUMMARY AND DETAILED REPORT:**

Metropolitan's Administrative Code provides for the creation of special committees to undertake special assignments on behalf of the Board. These special committees may exist indefinitely at the pleasure of the Board Chair. The Administrative Code also provides for the creation of ad hoc committees to undertake special assignments on behalf of the Board. These ad hoc committees may exist for a specified term or until its special assignments are completed, whichever comes first, also at the pleasure of the Board Chair.

The Board workshop on governance provided an opportunity to discuss improvement to the Board and Committee process. Accordingly as a first step, a review of Metropolitan's overall committee structure has revealed that some special and ad hoc committees have completed the tasks for which they were created and others perform functions which may be duplicative of one another. Moreover, many of the lines of reporting from special and ad hoc committees to standing committees have become obsolete or are unclear.

Therefore, I recommend the dissolution or merger of several ad hoc/special committees and a clarification of the lines of reporting from the remaining ad hoc/special committees to the standing committees. I also recommend the dissolution of the Subcommittee on Travel and Inspection and the Vendor's Hearing Subcommittee. However, these Subcommittees will be reinstated whenever the need arises. Where necessary, the Administrative Code should also be amended to reflect these modifications.

Responding to your expressed concerns over the difficulty of obtaining a quorum in attendance, the reduction of standing committees and the overlapping of committee meetings, I also recommend the Board discuss the merger of the Land and Legal and Claims Committees. It should be noted that such a merger would result in a committee membership which exceeds the maximum membership currently allowed in the Administrative Code (Section 2401(a)).

## ATTACHMENT A

### Article 3

#### **SPECIAL BUDGET AND FINANCIAL POLICY COMMITTEE**

##### **§ 2530. Membership.**

The Special Budget and Financial Policy Committee shall consist of ~~seven~~nine members appointed by the Chairman of the Board, after consultation with the ~~chairmen~~ of the Finance and Insurance Committee, the Engineering and Operations Committee, the Water Planning and Resources Committee, and the Organization and Personnel Committee, and shall serve at his pleasure. Three members of the Special Budget and Financial Policy Committee shall also be members of the Finance and Insurance Committee; ~~two~~three members shall be members of the Engineering and Operations Committee; ~~one~~two members shall be members of the Water Planning and Resources Committee; and one member shall be a member of the Organization and Personnel Committee.

##### **§ 2531. Duties and Functions.**

Reviews proposed annual budget and overall financial policy; ~~submits to the General Manager such recommendations as it may see fit; reports its actions and recommendations to other concerned committees, as appropriate including the Executive Committee.~~ The Special Budget Committee ~~may request the Executive Committee to refer the report and recommendations of the Special Budget Committee and any comments of the Executive Committee thereon to the Board for appropriate action~~ reports its actions and recommendations to the Executive Committee.

### Article 5

#### **SPECIAL COMMITTEE ON WATER QUALITY AND AND ENVIRONMENTAL COMPLIANCE**

##### **§ 2552. Relations with Standing Committees.**

~~Where appropriate, t~~The Special Committee on Water Quality and Environmental Compliance shall make reports:

(a) ~~— To the Executive Committee on matters related to proposed legislation or regulations affecting water quality and environmental compliance;~~

(b) ~~— To the Engineering and Operations Committee, on water quality matters related to water reclamation, reuse and underground storage;~~

(c) ~~— To the Engineering and Operations Committee on water quality and environmental compliance matters related to the operation and design of the District's storage, treatment and distribution facilities; and~~

(d) ~~— To the Finance and Insurance Committee on the financial consequences of water quality and environmental compliance issues or programs.~~

**Article 6**

**SPECIAL AUDIT COMMITTEE**

**§ 2561. Duties and Functions.**

(a) The Special Audit Committee shall study, advise, and make recommendations with regard to:

(1) All reports of the Auditor and external auditors, including the audited financial statements of the District.

(2) The Audit Department's Charter, annual work plan and annual budget.

(3) The selection of candidates for consideration by the Executive Committee to serve as the Auditor and the selection of the Assistant Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.

(4) Requests from the other executive officers or from other committees of the Board for audits and reviews not included in annual work plan.

(5) The Auditor's performance and compensation for purposes of evaluation by the Special Committee on Department Head Compensation pursuant to Section 2576.

(b) Except as otherwise provided in this section, the Special Audit Committee shall submit its recommendations and reports to such committees as it deems to have an interest in the subject of the recommendations and to the ~~Board~~; and may make recommendations to the ~~General Manager~~ the Executive Committee.

**Article 8.5**

**~~SPECIAL COMMITTEE ON FINANCIAL POLICY~~**

Sec.

~~2580. Membership~~

**~~§ 2585. Membership.~~**

~~\_\_\_\_\_ The Special Committee on Financial Policy shall consist of seven members selected at large by the Chairman of the Board.~~

**Article 9**

**AD HOC COMMITTEES**

**§ 2591. Bay/Delta Political Advisory Committee.**

(a) The Bay/Delta Political Advisory Committee shall consist of 11 members selected at large by the Chairman of the Board.

(b) The Bay/Delta Political Advisory Committee shall:

(1) Study, advise and make recommendations regarding the protection of the District's water supply from, and mitigation of the impacts of water development on, the Bay/Delta Estuary;

(2) Study, advise and make recommendations regarding comprehensive solutions to Bay/Delta Estuary problems which will benefit water supply reliability, water quality and environmental and other beneficial instream uses of the waters of the Bay/Delta Estuary;

(3) Study, advise and make recommendations regarding the Integrated Resource Planning Process; and

(4) Consider the effect of existing and proposed federal, state and local environmental, water supply and water conveyance statutes and regulations on the District's interest in the Bay/Delta Estuary.

(c) The Bay/Delta Political Advisory Committee shall report its advice and recommendations, as appropriate, to the Executive Committee and/or the Water Planning and Resources Committee.

#### Article 10

#### SPECIAL COMMITTEE ON EMINENT DOMAIN LITIGATION

Sec.

2595. Membership

2596. Duties and Functions

#### § 2595. Membership.

~~———— The Special Committee on Eminent Domain Litigation shall consist of seven members. The Chair shall be the chair of the Land Committee, and the Vice Chair shall be the Chair of the Legal and Claims Committee. The Chairman of the Board shall select the remaining members of the Special Committee, three of whom shall be members of the Land Committee and two shall be members of the Legal and Claims Committee.~~

#### § 2596. Duties and Functions.

~~———— (a) The Special Committee shall meet at the request of the General Counsel to consider and determine the amount of the final offer to be made in eminent domain litigation pursuant to section 1250.410 of the Code of Civil Procedure. The General Counsel shall request a meeting of the Special Committee when the final offer must be made prior to the next regularly scheduled meeting of the Board of Directors and a final offer in excess of the General Counsel's authority is requested.~~

~~———— (b) In the event that a quorum of the Special Committee cannot meet prior to the time the final offer must be made, the General Counsel, with the concurrence of the General Manager, is authorized to consider and determine the amount of the final offer, which shall be reported to the Board at its next regularly scheduled meeting.~~

## Chapter 1

### ADMINISTRATIVE MATTERS

#### § 5107. Annual Budget.

(a) There shall be prepared, under the direction of the General Manager, a proposed annual consolidated budget which shall be submitted to the Board no later than the date of the regular Board meeting in June immediately preceding the fiscal year to which the budget applies. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. Copies of the proposed budget shall be transmitted to all members of the Special Budget and Financial Policy Committee and to the Auditor at least 65 days in advance of said submittal to the Board and distributed to all other directors in the most cost effective manner.

### Article 2

#### ACQUISITION OF REAL PROPERTY

#### § 8221. Authority to Acquire Real Property; Appraisal.

The General Manager is authorized to acquire any real property which the General Manager determines to be required for District purposes as provided herein:

(a) When the acquisition price or the annual payment therefor is less than \$10,000, it shall have been determined by a qualified appraiser to be the fair market value thereof. If the acquisition price, including any option price paid, or annual payment is \$10,000 or more but less than \$500,000, the real property shall have been appraised prior to acquisition by a qualified appraiser.

(b) If the acquisition price or annual payment for any real property is \$500,000 or more, the real property shall have been appraised prior to acquisition by a qualified appraiser who shall be an independent appraiser, and, if deemed appropriate by the General Manager, by a second qualified appraiser.

(c) The acquisition price or annual payment shall not exceed the lesser of 110 percent of or \$250,000 over the appraised value of the property established by the single appraisal if only one appraisal is obtained, or by the higher of the two appraisals if two appraisals are obtained, unless otherwise approved by the Board. In addition, if an action has been filed by the District to acquire the property by eminent domain, then either the General Manager, by contract to purchase the property upon payment of the acquisition price as provided above, or the General Counsel, by stipulated judgment in an action to acquire the property upon such payment, may pay an amount equal to interest thereon that would be required to be paid if the property were otherwise acquired by judgment in condemnation under the California Eminent Domain Law.

(d) If the General Manager recommends adoption by the Board pursuant to Section 8225 of a resolution of necessity to acquire real property by eminent domain, the General Manager shall first make the offer required by law to purchase the real property. Such offer to purchase shall be made for a price equal to the appraised value of the property established by the single appraisal if only one appraisal is obtained, or by either the higher or the lower of the two appraisals if two appraisals are obtained. The appraisal based upon which the offer to purchase is made shall be the approved appraisal of the property.

(e) In any action in eminent domain filed by the District, or any inverse condemnation action filed against the District alleging a taking of real property, the General Counsel is authorized to acquire the property by stipulated judgment providing for payment of not more than the acquisition price which the General Manager is authorized to pay by Section 8221(c), unless otherwise authorized by the Board or ~~Special Committee on Eminent Domain Litigation~~, or under the provisions of Section 2596(b), together with interest thereon as provided in Section 8221(c).

(f) The General Manager, and the General Counsel in the event of litigation, is authorized to acquire any remainder, or portion of a remainder, in connection with acquisition of real property for District purposes whenever any appraisal obtained by the District of the required property establishes that the remainder or portion thereof will be left in such size, shape or condition as to be of little market value. The acquisition price of the real property, including the remainder, shall not exceed the limit set forth in paragraph (c) without prior approval by the Board.

(g) The General Manager is authorized pursuant to Government Code Section 27281 to accept deeds or grants of any real property acquired pursuant to this Section 8221 and cause the same to be recorded on behalf of the District.