



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**8-8**

April 21, 1997

**To:** Board of Directors (Committee on Legislation--Information)  
**From:** General Manager J. R. Woodmanha  
**Subject:** Opposition to SB 926 (Ayala) and AB 928 (Thompson)--Amendments to MWD Act

**RECOMMENDATION:**

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It is recommended that the Board of Directors oppose SB 926 (Ayala) and AB 928 (Thompson), which would amend provisions of the Metropolitan Water District Act regarding appointment of and voting by directors.

**EXECUTIVE SUMMARY:**

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SB 926, introduced by Senator Ruben S. Ayala (Rancho Cucamonga), and AB 928, introduced and recently amended in whole by Assemblyman Bruce Thompson (Fallbrook), propose to significantly revise the provisions of the Metropolitan Water District Act (Act) dealing with appointment of directors and voting by directors.

Under these bills:

- The board of directors of metropolitan water districts would be limited to 15 directors.
- These directors would be appointed by the Governor and confirmed by the Senate.
- Existing directors would cease to serve in office upon Senate confirmation of all 15 gubernatorial appointees.
- Directors would be at-large directors, who would be required to reside within the territory of the metropolitan water district, but would not represent any particular member agency.
- Each of the fifteen directors would have a single vote.

These bills would deprive Metropolitan's member agencies of the right to direct representation which they now enjoy, and abolish proportional voting.

**DETAILED REPORT:**

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SB 926, a spot bill amending the Metropolitan Water District Act (Act), was introduced by Senator Ruben S. Ayala (Rancho Cucamonga). On April 16, 1997, amendments to this bill were introduced which significantly revised the provisions of the Act dealing with appointment of directors and voting by directors.

AB 928, as introduced by Assemblyman Bruce Thompson (Fallbrook), would have required Metropolitan to indemnify owners of lands near the Eastside Reservoir Project (ESRP) from adverse changes in groundwater conditions resulting from construction and operation of the ESRP. On April 17, 1997, Assemblyman Thompson, with Senator Ayala as principal co-author, amended the bill as a whole to incorporate language identical to the language of SB 926.

These bills would provide that the board of directors of metropolitan water districts be limited to 15 directors, who would be appointed by the Governor and confirmed by the Senate. Currently, directors are appointed by the member agencies which they represent. Existing directors would cease to serve in office upon Senate confirmation of all 15 gubernatorial appointees.

Under SB 926 and AB 928, directors would be required to reside within the territory of the metropolitan water district, but they would be at-large directors and would not be representing the interests of any particular member agency. Current provisions of the Act which provide for greater representation of member agencies with greater assessed value would be repealed.

Each of the fifteen directors would have a single vote. The Act's current provisions on weighted voting, with one vote for each \$10,000,000 (or "major fractional part" of \$10,000,000) of assessed valuation within a member agency, also would be repealed.

SB 926 and AB 928 would deprive Metropolitan's member agencies of the right to direct representation which they now enjoy, and abolish proportional voting.

AMENDED IN SENATE APRIL 16, 1997

SENATE BILL

No. 926

**Introduced by Senator Ayala**  
*(Principal coauthor: Assembly Member Thompson)*

February 27, 1997

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An act to amend ~~Section 47 of Sections 51, 56, and 64 of, to repeal Sections 52, 53, 54, and 60 of, and to repeal and add Section 55 of,~~ the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 926, as amended, Ayala. Metropolitan water districts.

~~The~~

~~Under the Metropolitan Water District Act prohibits any invalidity or irregularity in any proceeding that does not substantially and adversely affect the interests of the electors of a metropolitan water district, or any member public agency, from being held to invalidate the incorporation of the district, the member public agencies of a district each appoint a representative to serve as a board member of the district, and additional board members may be appointed by member public agencies based on a certain percentage of assessed valuation of property.~~

*This bill would instead provide that the board of the district shall consist of 15 board members. Each board member shall reside within the district. The bill would require each board member to be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate.*

The bill would provide that upon confirmation by the Senate of the 15 board members who received the initial gubernatorial appointments, those board members then serving on the district board shall cease to serve in that office and the newly appointed and confirmed board members shall commence upon their offices. The bill would provide for the filling of vacancies.

The bill would make related, conforming changes.

~~This bill would make technical, nonsubstantive changes in that provision.~~

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

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

1     ~~SECTION 1. Section 47 of the Metropolitan Water~~  
 2     SECTION 1. Section 51 of the Metropolitan Water  
 3     District Act (Chapter 209 of the Statutes of 1969) is  
 4     amended to read:  
 5     Sec. 51. (a) The board shall consist of ~~at least one~~  
 6     ~~representative from each member public agency~~ 15  
 7     members. ~~The representatives~~ Each board member shall  
 8     serve without compensation ~~from~~ and shall reside within  
 9     the district. ~~The~~ Each board member shall, ~~at the option~~  
 10    ~~of the agency, either be designated and appointed by the~~  
 11    ~~chief executive officer of the member public agency with~~  
 12    ~~the consent and approval of the governing body of the~~  
 13    ~~agency or be selected by a majority vote of the governing~~  
 14    ~~body of the agency be appointed by, and serve at the~~  
 15    pleasure of, the Governor, subject to confirmation by the  
 16    Senate.  
 17    (b) Upon confirmation by the Senate of all of the 15  
 18    board members who received the initial gubernatorial  
 19    appointments, those board members then serving on the  
 20    district board shall cease to serve in office and the newly  
 21    appointed and confirmed board members shall  
 22    commence upon their offices.  
 23    (c) Any vacancy in board membership shall be filled  
 24    by the Governor, subject to confirmation by the Senate.

1 SEC. 2. Section 52 of the Metropolitan Water District  
2 Act (Chapter 209 of the Statutes of 1969) is repealed.

3 ~~Sec. 52. In addition to one representative, any~~  
4 ~~member public agency may designate and appoint~~  
5 ~~several representatives not exceeding one additional~~  
6 ~~representative for each full 3 percent of the assessed~~  
7 ~~valuation of property taxable for district purposes within~~  
8 ~~the entire district that is within such member public~~  
9 ~~agency, in which event all such representatives present~~  
10 ~~at a meeting of the board of directors when a vote is taken~~  
11 ~~shall cast, or may abstain from casting, an equal share of~~  
12 ~~the total vote to which such member public agency is~~  
13 ~~entitled.~~

14 SEC. 3. Section 53 of the Metropolitan Water District  
15 Act (Chapter 209 of the Statutes of 1969) is repealed.

16 ~~Sec. 53. No incumbent representative shall be~~  
17 ~~deprived of his office by reason of an increase in the~~  
18 ~~amount of the assessed valuation required to authorize~~  
19 ~~the designation and appointment of additional~~  
20 ~~representatives, nor by reason of any decrease in the~~  
21 ~~assessed valuation of the member public agency which he~~  
22 ~~represents occurring after his assumption of office.~~

23 SEC. 4. Section 54 of the Metropolitan Water District  
24 Act (Chapter 209 of the Statutes of 1969) is repealed.

25 ~~Sec. 54. In lieu of the appointment of members to the~~  
26 ~~board pursuant to Sections 51 or 52 for an indefinite term~~  
27 ~~at the pleasure of the appointing power, a member public~~  
28 ~~agency may by ordinance provide that each~~  
29 ~~representative of that member public agency shall serve~~  
30 ~~for a term of four years commencing on the first day of~~  
31 ~~January of an odd-numbered year, and thereafter (1)~~  
32 ~~until the expiration of his term, or (2) until his successor~~  
33 ~~has been appointed and qualified, in accordance with the~~  
34 ~~following provisions:~~

35 ~~(a) The term of office of an incumbent representative~~  
36 ~~of a member public agency with only one representative~~  
37 ~~on the board on the effective date of such ordinance shall~~  
38 ~~expire on the next succeeding 31st day of December of an~~  
39 ~~even-numbered year following such effective date, or~~



1 thereafter when his successor has been appointed and  
2 qualified.

3 ~~(b) The appointing power of a member public agency~~  
4 ~~which has more than one representative on the board~~  
5 ~~shall designate the term of each such representative so~~  
6 ~~that to the extent possible the term of an equal number~~  
7 ~~of directors will expire on the next succeeding 31st day of~~  
8 ~~December of an even numbered year following the~~  
9 ~~effective date of such ordinance and on the 31st day of~~  
10 ~~December of the next succeeding even numbered year,~~  
11 ~~or thereafter when their successors have been appointed~~  
12 ~~and qualified.~~

13 ~~(c) A person appointed to fill a vacancy shall hold~~  
14 ~~office for the unexpired term of his predecessor.~~

15 ~~(d) Any director so appointed for a specified term may~~  
16 ~~be removed by the appointing power for cause.~~

17 ~~(e) The repeal of such ordinance shall not affect the~~  
18 ~~term of an incumbent representative appointed pursuant~~  
19 ~~to such ordinance.~~

20 *SEC. 5. Section 55 of the Metropolitan Water District*  
21 *Act (Chapter 209 of the Statutes of 1969) is repealed.*

22 ~~Sec. 55. Each member of the board shall be entitled~~  
23 ~~to vote on all questions, orders, resolutions and~~  
24 ~~ordinances coming before the board, and shall be entitled~~  
25 ~~to cast one vote for each ten million dollars (\$10,000,000),~~  
26 ~~or major fractional part thereof, of assessed valuation of~~  
27 ~~property taxable for district purposes in the member~~  
28 ~~public agency represented by him as shown by the~~  
29 ~~assessment records of the county and evidenced by the~~  
30 ~~certificate of the county auditor. However, each member~~  
31 ~~of the board shall have at least one vote but, no member~~  
32 ~~public agency shall have votes exceeding in number the~~  
33 ~~total number of votes of all other member public~~  
34 ~~agencies. As used in this section, "major fractional part"~~  
35 ~~means a fractional part larger than one-half.~~

36 *SEC. 6. Section 55 is added to the Metropolitan Water*  
37 *District Act (Chapter 209 of the Statutes of 1969), to read:*

38 *Sec. 55. Each board member shall have one vote.*

1 SEC. 7. Section 56 of the Metropolitan Water District  
2 Act (Chapter 209 of the Statutes of 1969) is amended to  
3 read:

4 Sec. 56. Any member of a governing body of a  
5 member public agency may be appointed ~~by that agency~~  
6 to the board of a district to serve as the agency's  
7 representative, except that in the case of agencies with  
8 several such representatives a majority of the members  
9 of the governing body of that agency may not be so  
10 appointed by that agency to serve as representatives on  
11 the board of the district by the Governor, subject to  
12 confirmation by the Senate. Any ~~director board member~~  
13 holding ~~such~~ dual offices shall not vote upon any contract  
14 between a district and the member public agency he or  
15 she represents ~~on the district's board.~~

16 SEC. 8. Section 60 of the Metropolitan Water District  
17 Act (Chapter 209 of the Statutes of 1969) is repealed.

18 ~~Sec. 60. Every member of the board of a district~~  
19 ~~formed pursuant to this act shall be subject to recall by the~~  
20 ~~voters of the public agency from which such member is~~  
21 ~~appointed in accordance with the recall provisions~~  
22 ~~applicable to such public agency.~~

23 SEC. 9. Section 64 of the Metropolitan Water District  
24 Act (Chapter 209 of the Statutes of 1969) is amended to  
25 read.

26 Sec. 64. No ordinance shall be adopted unless it shall  
27 have been introduced on a day previous to the time of  
28 ~~such~~ its adoption or unless it is adopted by unanimous  
29 vote of all the members of the board present ~~and there~~  
30 ~~are directors present from not less than three-fourths of~~  
31 ~~all the member public agencies who represent not less~~  
32 ~~than three-fourths of the total vote of the board.~~ In lieu  
33 of ~~such~~ a previous introduction or unanimous vote, any  
34 ordinance may be mailed by registered mail, postage  
35 prepaid, to each member of the board at least five days  
36 prior to the day upon which ~~such~~ the ordinance shall be  
37 presented for adoption.

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

1 ~~Sec. 47. No invalidity or irregularity in any~~  
2 ~~proceeding that does not substantially and adversely~~  
3 ~~affect the interests of the electors of a district, or any~~  
4 ~~member public agency, shall be held to invalidate the~~  
5 ~~incorporation of the district.~~

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**- REVISED ATTACHMENT TO BOARD LETTER 8-8****AB 928 Metropolitan Water District of Southern California****BILL NUMBER: AB 928 AMENDED 04/21/97**

AMENDED IN ASSEMBLY APRIL 21, 1997

**INTRODUCED BY Assembly Member Thompson** ~~(Coauthors: Senators Ayala and Haynes)~~ *(Principal coauthor: Senator Ayala)***FEBRUARY 27, 1997**

An act to ~~add Part 9 (commencing with Section 560) to amend Sections 51, 56, and 64 of, to repeal Sections 52, 53, 54, and 60 of, and to repeal and add Section 55 of, the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to water, and declaring the urgency thereof, to take effect immediately.~~

**LEGISLATIVE COUNSEL'S DIGEST**

AB 928, as amended, B. Thompson. Metropolitan Water District of Southern California ~~+ Eastside Reservoir Project; groundwater; mitigation.~~

*Under the Metropolitan Water District Act, the member public agencies of a district each appoint a representative to serve as a board member of the district, and additional board members may be appointed by member public agencies based on a certain percentage of assessed valuation of property.*

*This bill would instead provide that the board of the district shall consist of 15 board members. Each board member shall reside within the district. The bill would require each board member to be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate.*

*The bill would provide that upon confirmation by the Senate of the 15 board members who received the initial gubernatorial appointments, those board members then serving on the district board shall cease to serve in that office and the newly appointed and confirmed board members shall commence upon their offices. The bill would provide for the filling of vacancies.*

*The bill would make related, conforming changes.*

~~(1) The Metropolitan Water District Act confers authority, and imposes duties, on metropolitan water districts, including the Metropolitan Water District of Southern California.~~

~~Under other existing law, the State Water Resources Control Board exercises jurisdiction over water rights and water quality.~~

~~This bill would require the Metropolitan Water District of Southern California to develop and implement a plan to mitigate the adverse effects of the district's Eastside Reservoir Project on groundwater resources in the vicinity of the project's west dam, as prescribed, thereby imposing a state mandated local program. The bill would require the state board to exercise jurisdiction over those mitigation activities, as specified.~~

~~(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs 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 no reimbursement shall be made from the State Mandates Claims Fund for costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.~~

~~(3) The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3 majority~~ . Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~yes~~ no .

~~SECTION 1. Part 9 (commencing with Section 560)~~

*SECTION 1. Section 51 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is amended to read:*

~~Sec. 51. (a) The board shall consist of at least one representative from each member public agency 15 members. The representatives Each board member shall serve without compensation from and shall reside within the district. The Each board member shall, at the option of the agency, either be designated and appointed by the chief executive officer of the member public agency with the consent and approval of the governing body of the agency or be selected by a majority vote of the governing body of the agency be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate .~~

*(b) Upon confirmation by the Senate of all of the 15 board members who received the initial gubernatorial appointments, those board members then serving on the district board shall cease to serve in office, and the newly appointed and confirmed board members shall commence upon their offices.*

*(c) Any vacancy in board membership shall be filled by the Governor subject to confirmation by the Senate.*

*SEC. 2. Section 52 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is repealed.*

~~Sec. 52. In addition to one representative, any member public agency may designate and appoint several representatives not exceeding one additional representative for each full 3 percent of the assessed valuation of property taxable for district purposes within the entire district that is within such member public agency, in which event all such representatives present at a meeting of the board of directors when a vote is taken shall cast, or may abstain from casting, an equal share of the total vote to which such member public agency is entitled.~~

*SEC. 3. Section 53 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is repealed.*

~~Sec. 53. No incumbent representative shall be deprived of his office by reason of an increase in the amount of the assessed valuation required to authorize the designation and appointment of additional representatives, nor by reason of any decrease in the assessed valuation of the member public agency which he represents occurring after his assumption of office.~~

*SEC. 4. Section 54 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is*

*repealed.*

~~Sec. 54. In lieu of the appointment of members to the board pursuant to Sections 51 or 52 for an indefinite term at the pleasure of the appointing power, a member public agency may by ordinance provide that each representative of that member public agency shall serve for a term of four years commencing on the first day of January of an odd numbered year, and thereafter (1) until the expiration of his term, or (2) until his successor has been appointed and qualified, in accordance with the following provisions:~~

~~(a) The term of office of an incumbent representative of a member public agency with only one representative on the board on the effective date of such ordinance shall expire on the next succeeding 31st day of December of an even numbered year following such effective date, or thereafter when his successor has been appointed and qualified.~~

~~(b) The appointing power of a member public agency which has more than one representative on the board shall designate the term of each such representative so that to the extent possible the term of an equal number of directors will expire on the next succeeding 31st day of December of an even numbered year following the effective date of such ordinance and on the 31st day of December of the next succeeding even numbered year, or thereafter when their successors have been appointed and qualified.~~

~~(c) A person appointed to fill a vacancy shall hold office for the unexpired term of his predecessor.~~

~~(d) Any director so appointed for a specified term may be removed by the appointing power for cause.~~

~~(e) The repeal of such ordinance shall not affect the term of an incumbent representative appointed pursuant to such ordinance.~~

*SEC. 5. Section 55 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is repealed.*

~~Sec. 55. Each member of the board shall be entitled to vote on all questions, orders, resolutions and ordinances coming before the board, and shall be entitled to cast one vote for each ten million dollars (\$10,000,000), or major fractional part thereof, of assessed valuation of property taxable for district purposes in the member public agency represented by him as shown by the assessment records of the county and evidenced by the certificate of the county auditor. However, each member of the board shall have at least one vote but, no member public agency shall have votes exceeding in number the total number of votes of all other member public agencies. As used in this section, "major fractional part" means a fractional part larger than one half.~~

*SEC. 6. Section 55 is added to the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), to read:*

*Sec. 55. Each board member shall have one vote.*

*SEC. 7. Section 56 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is amended to read:*

~~Sec. 56. Any member of a governing body of a member public agency may be appointed by that agency to the board of a district to serve as the agency's representative, except that in the case of agencies with several such representatives a majority of the members of the governing body of that agency may not be so appointed by that agency to serve~~

~~as representatives on the board of the district by the Governor, subject to confirmation by the Senate . Any director-board member holding such dual offices shall not vote upon any contract between a district and the member public agency he or she represents on the district's board .~~

*SEC. 8. Section 60 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is repealed.*

~~Sec. 60. Every member of the board of a district formed pursuant to this act shall be subject to recall by the voters of the public agency from which such member is appointed in accordance with the recall provisions applicable to such public agency.~~

*SEC. 9. Section 64 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is amended to read:*

Sec. 64. No ordinance shall be adopted unless it shall have been introduced on a day previous to the time of ~~such~~ its adoption or unless it is adopted by unanimous vote of all the members of the board present and there are directors present from not less than three fourths of all the member public agencies who represent not less than three fourths of the total vote of the board . In lieu of ~~such~~ a previous introduction or unanimous vote , any ordinance may be mailed by registered mail, postage prepaid, to each member of the board at least five days prior to the day upon which ~~such~~ the ordinance shall be presented for adoption. \_\_\_\_\_

All matter omitted in this version of the bill appears in the bill as

introduced in the Assembly, February 27, 1997 (JR 11) \_\_\_\_\_



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