



● **Board of Directors**
Business and Finance Committee

6/8/2010 Board Meeting

7-4

Subject

Amend Metropolitan Water District Administrative Code to conform Real Property and Asset Management Committee duties and functions

Description

This letter proposes amending Metropolitan's Administrative Code to conform its provisions with the current Board committee structure. Specifically, the amendments update committee assignments to indicate those duties and functions that have been transferred from the Business and Finance Committee to the Real Property and Asset Management Committee when the committee was proposed by the Chair and approved by the Board in December 2008. The changes necessary to conform board action include:

1. Documenting the transfer of certain responsibilities over real property and recreation matters previously handled by the Business and Finance Committee to the Real Property and Asset Management Committee; and
2. Making other Administrative Code changes necessary to conform it with current Board Committee structure and to establish the Real Property and Asset Management Committee's usual meeting date.

The proposed amendments are set forth on [Attachment 1](#), with strikeouts showing deletions and underlining showing additions. [Attachment 2](#) shows the clean, unmarked version of the affected Administrative Code sections as they would read upon board approval. If approved, the changes to the Administrative Code would become effective immediately.

Policy

Metropolitan Water District Administrative Code Section 2441: Business and Finance Committee: Duties and Functions

Metropolitan Water District Administrative Code Section 2500: Special Committees: General

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed actions are not defined as a project under CEQA, because they involve continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #3:

None required

Board Options

Option #1

Adopt the CEQA determination and approve the changes to the Administrative Code set forth in **Attachment 1** to reflect the new structure of the Board’s committees.

Fiscal Impact: None

Business Analysis: To accommodate committee structure changes

Option #2

Adopt the CEQA determination and approve the changes to the Administrative Code set forth in **Attachment 1**, with modifications approved by the Board.

Fiscal Impact: None

Business Analysis: To accommodate committee structure changes

Option #3

Make no changes to the Administrative Code.

Fiscal Impact: None

Business Analysis: To accommodate committee structure changes

Staff Recommendation

Option #1



Karen L. Tachiki
General Counsel

5/26/2010
Date



Jeffrey Kightlinger
General Manager

5/26/2010
Date

Attachment 1 –The Administrative Code of The Metropolitan Water District of Southern California (showing additions and deletions)

Attachment 2 –The Administrative Code of The Metropolitan Water District of Southern California (changed provisions only)

Article 1

SPECIAL COMMITTEES

Sec.

2500. General

2501. Audit and Ethics Special Committee

2502. Real Property and Asset Management Committee

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§2502. Real Property and Asset Management Committee.

(a) The Real Property and Asset Management Committee shall hold regular meetings on the fourth Tuesday of each month

(b) Duties and Functions

The Real Property and Asset Management Committee shall study, advise, and make recommendations with regard to:

- (i.) Proposed amendments to the Metropolitan Water District Act and Code affecting the acquisition, ownership and sale of land by the District;
- (ii.) Proposed rules and proposals regarding business development opportunities for real property;
- (iii.) Policies for the acquisition of rights-of-way;
- (iv.) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;
- (v.) The incidental use of land in farming operations and otherwise;
- (vi.) The operation and maintenance of buildings;
- ~~(vii.) Policies regarding annexation and the requirements, procedures, terms, and conditions for annexations.~~
- (vii.) ~~(viii.)~~ The development, oversight and coordination of recreational facilities at Diamond Valley Lake and Lake Skinner; and
- (viii.) ~~(ix.)~~ The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes.

Article 4**BUSINESS AND FINANCE COMMITTEE**

Sec.

2440. Day of Regular Meeting

2441. Duties and Functions

§2440. Day of Regular Meetings.

The regular meetings of the Business and Finance Committee shall be held on the Monday preceding regular Board meetings.

§2441. Duties and Functions.

The Business and Finance Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations;
- (f) The determination of revenues to be obtained through sales of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;

(m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;

(n) The selling prices of water and conditions governing sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding the sale of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments; and,

(w) Policies regarding annexation and the requirements, procedures, terms and conditions for annexations.

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- (vi.) The operation and maintenance of buildings;
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