



- Board of Directors
Water Planning and Stewardship Committee

8/18/2015 Board Meeting

Revised 7-3

Subject

Authorize the process for Metropolitan to vote in Palo Verde Irrigation District elections

Executive Summary

Metropolitan presently owns over 22,000 acres of land within Palo Verde Irrigation District (PVID), having added the acquisition of land from Verbena LLC to the land purchased in 2001 from San Diego Gas & Electric Co. As a landowner, Metropolitan is entitled to vote in PVID elections and cast one vote for every acre of land it owns in PVID's service area. PVID's organizing law authorizes a public corporation to exercise its right to vote through the action of its board designating a person to vote by proxy on its behalf. It is recommended that the Chair, in consultation with the Board and the General Manager, be authorized to vote for Metropolitan. Such vote may be cast directly or by proxy. Adoption of a resolution delegating the voting authority would provide the written documentation required by PVID to establish the right of Metropolitan's proxy to vote.

Details

PVID is governed by a seven member board of trustees, who serve staggered three year terms. Elections are held the third Tuesday in September of each year. PVID may also hold special elections for other purposes. PVID's authorizing statute provides that any owner of land within PVID may vote in PVID elections and is entitled to cast one vote for every acre owned. Metropolitan presently owns over 22,000 acres of land in PVID. While Metropolitan has up to now abstained and not voted in PVID elections, it seems appropriate given the high level of Metropolitan investment in the Palo Verde Valley that Metropolitan at least be prepared to vote to safeguard Metropolitan's interests.

PVID's statutory election procedures require voting in person on the day of the election. Because landownership may involve multiple persons or entities other than natural persons (e.g., corporations, partnerships, trusts, joint tenancies), each voter is required to establish his or her right to vote on behalf of the landowner(s) for which the voter has a proxy. Corporate entities may cast their vote through any person authorized by their governing board to do so, provided that written documentation of the authorization is provided to PVID. "[A] proxy executed by an officer [of the corporate entity], attested to by its seal and duly acknowledged, shall constitute sufficient evidence of such authority, and shall be filed with the [PVID] board of election."

Metropolitan acts through its Board of Directors, but the Board may delegate its powers to the General Manager (MWD Act § 67). Administrative Code Section 6410 provides a delegation to the General Manager of Metropolitan's executive, administrative, and ministerial powers not specifically reserved to the Board. Exercise of Metropolitan's voting rights in PVID is within this general delegation of authority. Adoption of a resolution specifically authorizing the exercise of this voting right on behalf of Metropolitan would provide the written confirmation for PVID's board of election. Staff recommends adoption of a resolution ([Attachment 1](#)) granting specific authority to the Chair to cast Metropolitan's votes, directly or by execution of a proxy, in PVID elections. In exercising this authority, the Chair would consult with the Board and the General Manager as time permits, before acting and would report back to the full Board on what votes were taken, if any.

Policy

Metropolitan Water District Act Section 67 and Administrative Code Section 6410: Delegation of executive and administrative powers to the General Manager

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:

The proposed action is not defined as a project under CEQA because the proposed action involves continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines) and organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2), 15378(b)(5), and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required.

Board Options

Option #1

Adopt the CEQA determination that the proposed project is not defined as a project and is not subject to CEQA, and

Adopt the resolution as contained in [Attachment 1](#) authorizing the Chair, in consultation with the Board and the General Manager as time permits, to cast, directly or by proxy, Metropolitan's votes in PVID elections.

Fiscal Impact: There is no financial cost to exercising the right to vote in PVID elections.

Business Analysis: Voting in PVID elections allows Metropolitan to exercise its statutory rights to participate in the selection of the trustees that govern PVID affairs that may affect Colorado River water supplies.

Option #2

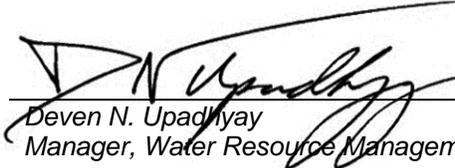
Do not authorize the exercise of Metropolitan's voting rights in PVID.

Fiscal Impact: There is no financial cost to forego exercise of the right to vote in PVID elections.

Business Analysis: Metropolitan would not utilize its statutory voting rights, but would continue to engage with PVID's trustees on issues that may affect Colorado River water supplies.

Staff Recommendation

Option #1


Deven N. Upadhyay
Manager, Water Resource Management

8/18/2015
Date


Jeffrey Kightlinger
General Manager

8/18/2015
Date

Attachment 1 – Resolution of the Board of Directors of the Metropolitan Water District of Southern California authorizing the Chair to cast Metropolitan’s votes in elections of the Palo Verde Irrigation District

Ref# wrm12638904

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA

RESOLUTION _____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AUTHORIZING THE CHAIR TO CAST METROPOLITAN'S VOTES
IN ELECTIONS OF THE PALO VERDE IRRIGATION DISTRICT

WHEREAS, The Metropolitan Water District of Southern California ("Metropolitan") is the owner of real property located within Palo Verde Irrigation District ("Irrigation District");

WHEREAS, the Palo Verde Irrigation District Act (Cal. Stats. 1923, ch. 452, as amended) authorizes the owners of real property to vote in any general or special election of the Irrigation District;

WHEREAS, the vote of a corporate property owner in Irrigation District elections may be cast by any person authorized by the corporation's board of directors, as evidenced by a written authorization attested by the corporate seal and duly acknowledged;

WHEREAS, Metropolitan's Board of Directors has the power under the Metropolitan Water District Act (Cal. Stats. 1969, ch. 209, as amended) to delegate its executive, administrative and ministerial powers to an officer of Metropolitan, and has exercised that authority in Metropolitan Administrative Code section 6410 by delegating to the General Manager those powers not specifically reserved to the Board;

WHEREAS, Metropolitan's Board of Directors desires to specifically authorize the Chair, in consultation with the General Manager as time permits, to cast Metropolitan's votes in any future Irrigation District election, directly or by use of a proxy;

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That in accordance with the Palo Verde Irrigation District Act, the Chair of The Metropolitan Water District of Southern California, in consultation with the Board of Directors and the General Manager as time permits, is authorized to cast the votes to which Metropolitan is entitled pursuant to law in any election, general or special, including the election of trustees, held by the Palo Verde Irrigation District.

Section 2. That the Chair is authorized to grant a proxy to any employee or agent to cast Metropolitan's votes in the manner directed by the Chair in any election, general or special, including the election of trustees, held by the Palo Verde Irrigation District.

Section 3. The Board Executive Secretary of The Metropolitan Water District of Southern California is directed to deliver to the Palo Verde Irrigation District a sealed and acknowledged copy of this resolution evidencing the authority granted herein.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held August 18, 2015.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California