

Date of Hearing: April 24, 2019

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT  
Cecilia Aguiar-Curry, Chair  
AB 1220 (Cristina Garcia) – As Amended March 28, 2019

**SUBJECT:** Metropolitan water districts.

**SUMMARY:** Makes changes to the membership requirements of the Metropolitan Water District (MWD) Board. Specifically, **this bill:**

- 1) Prohibits a member public agency from having fewer than the number of representatives that it had as of January 1, 2019.
- 2) Makes conforming changes to MWD's Act.

**EXISTING LAW:**

- 1) Establishes MWD as a quasi-municipal corporation for the purpose of developing, storing and distributing water for domestic and municipal purposes.
- 2) Allows public agencies to be included within MWD as a separate unit, and refers to them as member public agencies.
- 3) Requires that the MWD Board of Directors (Board) consist of at least one representative from each member public agency.
- 4) Authorizes each member public agency to appoint additional representatives to the Board not exceeding one additional representative for each 5% of the assessed valuation of property taxable for district purposes within the entire district that is within the boundaries of that member public agency.

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Metropolitan Water District.** MWD is a regional wholesaler in Southern California that delivers water to 26 member public agencies that in turn provide water to 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. MWD owns and operates an extensive water system, including the Colorado River Aqueduct, 16 hydroelectric facilities, nine reservoirs, 819 miles of large-scale pipes and five water treatment plants. In fact, MWD is the largest distributor of treated drinking water in the United States. MWD also helps its member agencies develop water recycling, storage, and other local resource programs.

MWD is governed by a 38-member Board, representing each of the district's 26-member agencies. The Board is responsible for establishing and administering MWD's policies and upholding the articles in MWD's Act. Each member agency is represented by one director on the Board, plus an additional director for each full 5% of assessed valuation. For example, the City of Los Angeles appoints five directors, one for belonging to MWD and four more for its 20.59% share.

Each year, MWD reviews the assessed property valuation of all 26 member agencies. Assessed valuation is the key to the current and future representation for all member agencies on the Board. MWD's service area has more than tripled in its assessed valuation over the last twenty years from \$863 billion to nearly \$3 trillion in 2019. However, this increase in assessed valuation is not consistent across MWD's service area. In fact, in the last fiscal year, Los Angeles's assessed valuation grew by 0.22%, while the San Diego County Water Authority's assessed valuation decreased by 0.07%. These changes create shifts in the makeup of MWD's Board.

- 2) **Central Basin Municipal Water District.** The Central Basin Municipal Water District (District) is a member agency of MWD. It was established in 1952 and provides imported water to retail water providers and one water wholesaler in southeast Los Angeles County. The District serves 1.6 million people from 24 cities and unincorporated areas, including all parts of Carson, East LA, Florence-Graham, La Habra Heights, and Lakewood.

The District currently has two directors on the MWD Board. However, the District's assessed valuation amount as a percentage of the MWD has been decreasing for several years. In the last fiscal year, the District's vote entitlement percentage dropped by 0.04%. This is partly due to the fact that developed urban areas within MWD are assessed at low economic bases, and see less of an increase in their property values. Undeveloped areas, however, see a larger increase in their property values because of their development potential.

- 3) **Bill Summary and Author's Statement.** This bill specifies that a member public agency in the MWD shall not have fewer than the number of representatives the member public agency had as of January 1, 2019. The bill also makes conforming changes to MWD's Act. This bill is sponsored by the author.

According to the author, "This bill ensures equitable representation among areas served by MWD. It provides assurance that communities are fairly represented and served by MWD. Balanced representation and an equal opportunity to participate in committees and decision-making meetings [are] conducted at MWD on key issues that impact the Central Basin service area, especially those in urban areas."

- 4) **Arguments in Support.** The City of Lakewood states that they support this bill, "because it would protect our region's voice by ensuring that the Central Basin Municipal Water District does not lose a seat on the MWD Board of Directors."
- 5) **Arguments in Opposition.** None on file.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Central Basin Municipal Water District  
Cities of Lakewood and Vernon  
Metropolitan Water District of Southern California  
Suburban Water Systems  
Tract 180 Water Company

**Opposition**

None on file

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