

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING THE CITY ADMINISTRATOR, OR HIS/HER DESIGNEE, TO VOTE IN THE CENTRAL BASIN MUNICIPAL WATER DISTRICT'S BOARD ELECTIONS FOR THE APPOINTMENT OF DIRECTORS REPRESENTING WATER PURVEYORS AS SPECIFIED BY ASSEMBLY BILL 1794; AND AT HIS/HER DISCRETION NOMINATE A CITY EMPLOYEE TO RUN, AND IF ELECTED, HOLD OFFICE FOR A BOARD POSITION ON BEHALF OF THE CITY.**

WHEREAS, the Central Basin Municipal Water District (Central Basin) was established in 1952 as a water wholesaler that provides imported water to 47 retail water providers and one water wholesaler including: cities, mutual water companies, investor-owned utilities and private companies in southeast Los Angeles County; and

WHEREAS, Central Basin purchases imported water from Metropolitan Water District of Southern California (Met), and as such, is a Met member agency. In addition, Central Basin owns and operates a recycled water distribution system; and

WHEREAS, in 2015, the California legislature requested a State audit of Central Basin resulting in a State Auditor's report highlighting issues related to leadership and ethics within the Board that governs Central Basin; and

WHEREAS, while Central Basin had started to fulfill its responsibilities to respond to the auditor's report, permanent changes in governance were needed and called for in the State Auditor's report in order to achieve real long-term reform; and

WHEREAS, on September 21, 2016, AB 1794 was signed by Governor Brown to add technical expertise and oversight of Central Basin by adding three (3) new appointed Directors to the publicly elected five-member Board; and

WHEREAS, this reform allows the water purveyors to appoint three new Directors with technical expertise in managing a water system; and

WHEREAS, Assembly Bill 1794 expands the Central Basin Board to an eight-member board, with five publicly elected members and three appointed members from the water purveyors serviced by Central Basin; and

WHEREAS, beginning in 2022 and after redistricting, the Board will be restructured to a seven-member governing body with four publicly elected members and three appointed from the water purveyors; and

WHEREAS, Central Basin's General Manager will accept nominations for appointment of individuals to the Board of Directors from the water purveyors every four years under the following categories:

- A. One Director is selected by the top five (5) large water purveyors, with each having one vote. The five are Cal Water, Liberty Utilities, Golden State, and the Cities of Santa Fe Springs and Vernon.
- B. One Director is selected by all cities that are water purveyors of the District, with each city having one vote. This category includes the City of Commerce.
- C. One Director is selected by all of the water purveyors of the District, with the vote of each purveyor weighted based on its number of service connections. Those with the most connections include Golden State (40,373), Suburban Water (33,619), Liberty Utilities (27,836), Cal Water (26,790), Cities of Downey (23,249), Lakewood (20,340), Cerritos (15,752), South Gate (14,179), Whittier (11,453), Pico Rivera (9,675), and Lynwood (9,069). The City of Commerce can also vote in this category, but it's a weighted vote based on the number of service connections. The Commerce Water System has 1,206 service connections; and

WHEREAS, as a water purveyor of Central Basin, the City of Commerce is entitled to vote in categories "B" and "C" and may nominate an employee to run for a seat to serve on the Board of Directors. As such, staff recommends that the City Council authorize the City Administrator or his/her designee to vote in the District Board elections given the technical expertise requirement and knowledge of the regional technical staff available in the basin. Additionally, at his/her discretion, the City Administrator or designee may nominate a City employee to run and if elected, hold office for a Board position on behalf of the City of Commerce; and

WHEREAS, staff recommends that the City Council authorize the City Administrator, or his/her designee, to vote in the Central Basin Municipal Water District's Board elections for the appointment of Directors representing water purveyors as specified by Assembly Bill 1794 and at his/her discretion, nominate a City employee to run, and if elected, hold office for a Board position on behalf of the City.

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. The City Administrator, or his/her designee, is hereby authorized to vote in the Central Basin Municipal Water District's Board elections for the appointment of Directors representing water purveyors as specified by Assembly Bill 1794 and at his/her discretion, nominate a City employee to run, and if elected, hold office for a Board position on behalf of the City.

PASSED, APPROVED AND ADOPTED this 6<sup>th</sup> day of December, 2016.

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Ivan Altamirano, Mayor

ATTEST:

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Lena Shumway, City Clerk