



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: Central Basin Municipal Water District Restructure

MEETING DATE: February 21, 2017

RECOMMENDATION:

The City Council will consider this update report regarding the Central Basin Municipal Water District's Board elections for the appointment of Directors representing water purveyors as specified by Assembly Bill 1794; and consider the casting of the City's two ballots (one each) for John Oskoui as a City Representative and in the category of "All Water Purveyor" Mark Grajeda.

ANALYSIS:

On December 20, 2016, the City Council approved a resolution authorizing the City Administrator and Gina Nila, Deputy Director of Public Works Operations 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.

As previously reported to Council, 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. This reform allows the water purveyors to appoint three new Directors with technical expertise in managing a water system.

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. However, 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.

Central Basin's General Manager accepted nominations for appointment of individuals to the Board of Directors from the water purveyors under the following categories:

- A. One Director 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 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 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.

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. Central Basin mailed ballots on January 1, 2017 and were due by February 1, 2017. The results of the nominations process is as follows:

- 1. One nominee for the large water purveyor category, Vice President of Environmental Quality for Golden State Water Company, Mr. William Gedney;
- 2. One nominee for the municipal water purveyor category, Assistant City Manager for City of Downey, Mr. John Oskoui; and
- 3. Two nominees for the at-large category, General Manager for Pico Water District, Mr. Mark Grajeda and Director of Walnut Park Mutual Water Company, Mr. Michael Gomez.

The voting agencies cast their ballots and Central Basin will announce the results and new appointed Board Members at their water purveyor meeting scheduled on February 22, 2017. For the three newly appointed Board Members serving on behalf of water purveyors, these are non salaried positions. Initially, two will serve a 2-year term and one a 4-year term, which will be selected at random once the three appointments are made in order to stagger the service term and future appointments at different times.

ALTERNATIVES:

- 1. Approve staff recommendation
- 2. Disapprove staff recommendation
- 3. Provide further direction to staff

FISCAL IMPACT:

No adverse fiscal impact. Should Commerce staff serve on the Board in the future, Central Basin will send the salary equivalent to the City and not monetarily compensate the staff representing the City. This arrangement was voted on and agreed to by the water purveyors.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to a specific 2016 Strategic Goal to “create and pursue opportunities for collaboration and regional partnerships to maximize resources and address regional issue.”

Approved by: Maryam Babaki, Director of Public Works and Development Services

Prepared by: Gina Nila, Deputy Director of Public Works Operations

Reviewed by: VilkoDomic, Finance Director

Approved as to form: Eduardo Olivo, City Attorney

Respectfully submitted: Jorge Rifá, City Administrator