



# Agenda Report

Date: June 25, 2001

**To:** City Council  
**Through:** Deregulation Committee  
**From:** City Manager  
**Subject:** Opposition to State Senate Bill 350 (Alpert) Metropolitan Water Districts

## Recommendation

It is recommended that the City Council support Metropolitan Water District's (MWD) opposition to State Senate Bill 350 as introduced by Senator Dede Alpert and amended by the Senate Local Government Committee.

## Bill Summary

Senate Bill 350 proposes to limit the MWD Board's discretion to manage its own reserves. The bill:

- 1) Requires MWD and its member agencies to adopt guidelines for the use of surplus funds by June 30, 2002; and
- 2) Authorizes the California Research Bureau (CRB) to evaluate the recent reorganization of the MWD Board, the regional and proportional equity in MWD's handling of finances under the current voting structure and any other issues deemed relevant by the CRB.

## Background

If member agencies have an issue with MWD governance, existing policy allows those member agencies to determine whether a change is in order. The City of Pasadena, as a member agency, supports the existing governance structure and opposes any legislation that eliminates local control of MWD governance.

## Fiscal Impact

Authorizing a State entity to scrutinize MWD and its member agencies' use of surplus funds threatens local control.

Respectfully submitted,

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