

CENTRAL BASIN MUNICIPAL WATER DISTRICT

SEPTEMBER 13, 2006 - Water Resources
 Vasquez, No Quorum
SEPTEMBER 25, 2006 - Board Meeting
 Prepared by: David Hill
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 Approved by: Art Aguilar

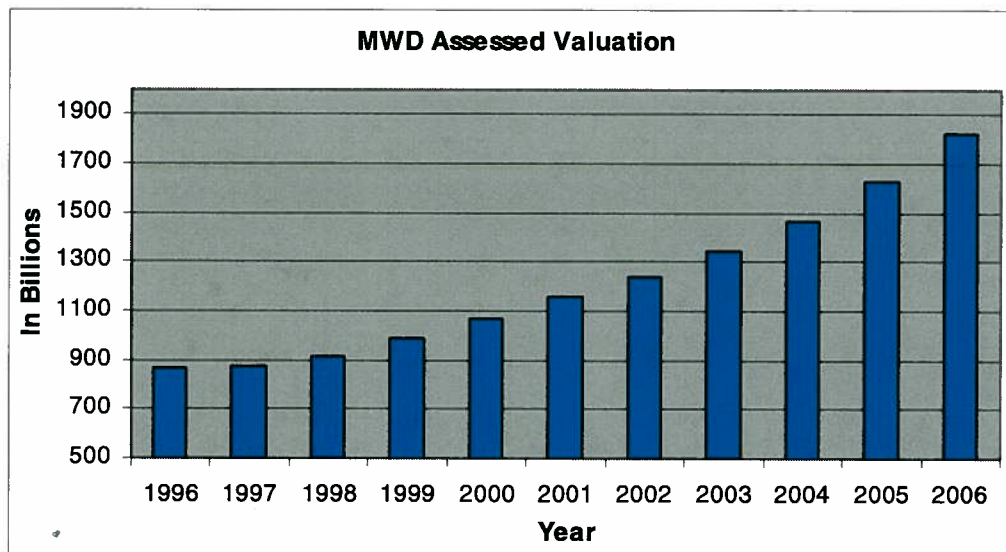
INFORMATION CALENDAR

CENTRAL BASIN'S ASSESSED VALUATION CHANGES

SUMMARY:

Each year, Metropolitan Water District (MWD) reviews the assessed valuation of all 26 member agencies. Assessed valuation is the key to current and future representation for all member agencies on the MWD Board of Directors, including the 1.5 million residents in the Central Basin Municipal Water District (Central Basin) service area. As shown below in Figure 1, the MWD service area has more than doubled (about 110%) in its assessed valuation over the last ten years from \$863 billion to \$1.8 trillion.

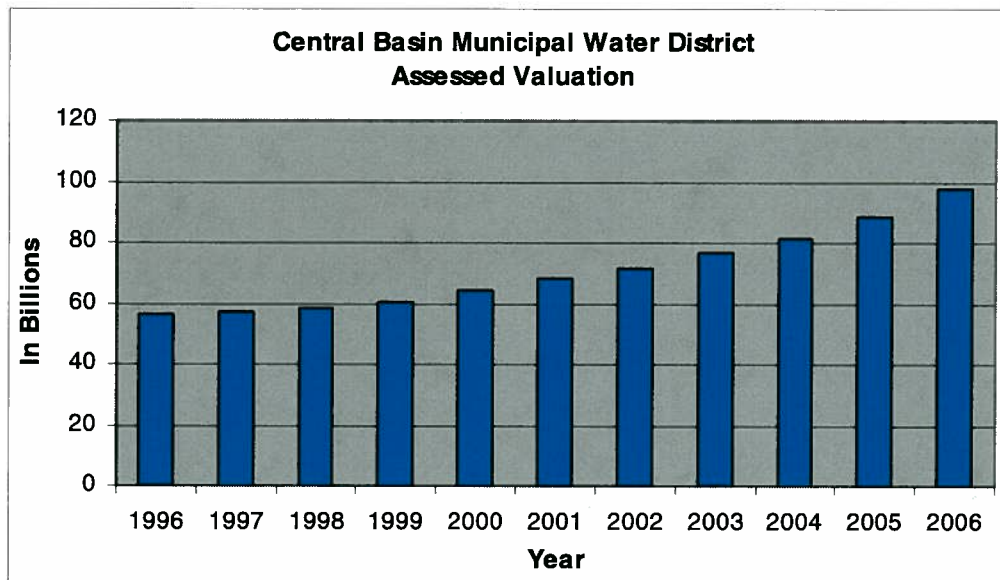
Figure 1



Representation on the MWD Board of Directors

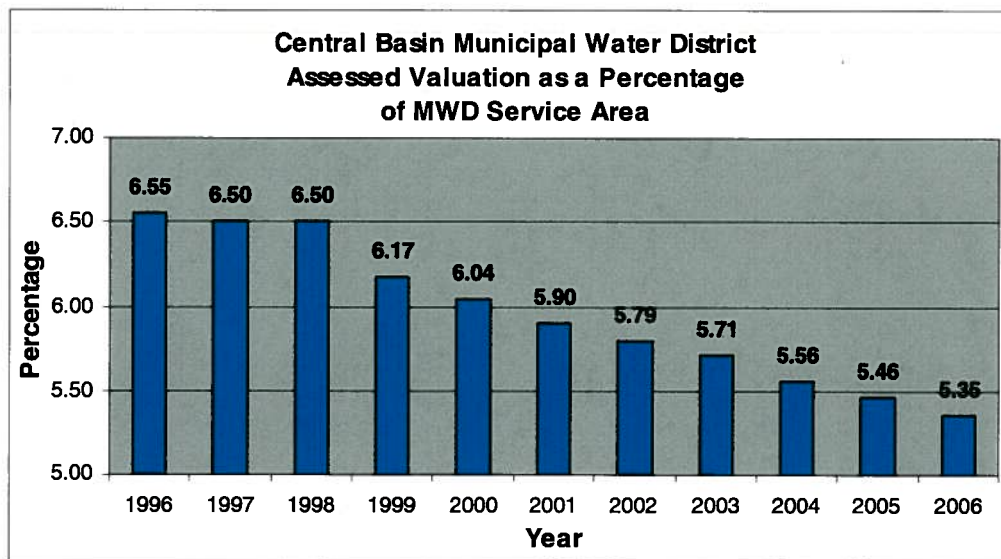
Representation is dictated by the Metropolitan Water District Act, which is then written into the MWD administrative code. The administrative code is periodically amended to reflect new policies or changes in existing policies that occur from time-to-time. Currently, each member agency is entitled to have at least one representative (Directorship) on the MWD Board of Directors. A member agency then receives an additional Directorship for each full 5% of its assessed valuation. As shown in Exhibit "A", Central Basin has a FY 2006-07 assessed valuation of \$97.5 billion. This equates to 5.35% of the total MWD service area assessed valuation. This means that Central Basin receives two Directorships, one for being a member agency and one for the first full 5%. Over the last ten years, Central Basin's assessed valuation has been steadily increasing from \$56 billion to \$97 billion as shown below in Figure 2.

Figure 2



At the same time, Central Basin's percentage of the total MWD valuation has been steadily decreasing as shown in Figure 3.

Figure 3



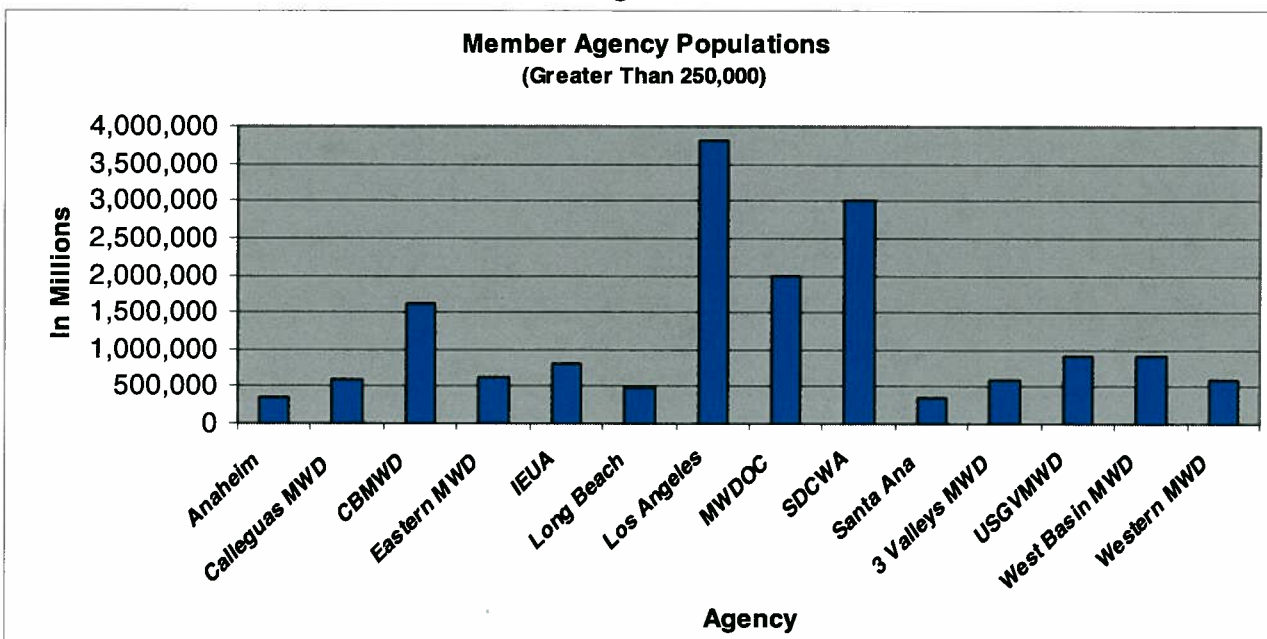
If the trend continues, it can be estimated that within the next three to four years, Central Basin may fall below the 5% threshold. If that occurs, Central Basin would lose one of its two Directorships on the MWD Board of Directors.

Analysis

Although Central Basin's valuation has been steadily increasing over the last ten years, it has not grown as fast as other member agency service areas. Examples are Eastern MWD (.37%) and Western MWD (.31%). Within the next several years, it is very likely that these two agencies will each be adding a new Directorship, even though their populations is well below

that of Central Basin's. As shown in Figure 4, Central Basin has the fourth highest population of the 26 member agencies. The three largest agencies each have 4 Directorships, next is Central Basin and West Basin Municipal Water District with two directorships each. All the remaining member agencies have one Directorship.

Figure 4



Conclusion

Under the current rules for representation, and if the downward trend in assessed valuation percentage continues, Central Basin will likely lose a Directorship within the next few years. This would make Central Basin the largest member agency (in terms of population) with only one representative.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by the Water Resources Committee on September 13, 2006 due to a lack of quorum. Director Vasquez suggested this item be agendaized to the September 25, 2006 Board meeting as information for discussion.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

Exhibit "A" - MWD Assessed Valuations

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EXHIBIT “A”

**The Metropolitan Water District of Southern California
Assessed Valuations, and Vote and Director Entitlement of Member Public Agencies
As of August 15, 2006**

Member Agency	FY 2005/06 Assessed Valuation Amount Certified	FY 2006/07 Assessed Valuation Amount Certified	FY 2005/06 Percent of Total	FY 2006/07 Percent of Total	Percent of Total Increase (Decrease)	FY 2005/06 Vote Entitlement	FY 2006/07 Vote Entitlement	Vote Entitlement Percentage Increase
Anaheim	\$ 28,218,013,326	\$ 32,282,004,276	1.74%	1.77%	0.03	2,822	3,228	14.39%
Beverly Hills	15,338,383,681	16,638,018,026	0.94%	0.91%	(0.03)	1,534	1,664	8.47%
Burbank	14,015,670,968	15,454,104,891	0.86%	0.85%	(0.01)	1,402	1,545	10.20%
Calleguas MWD	65,341,331,950	73,436,909,859	4.02%	4.03%	0.01	6,534	7,344	12.40%
Central Basin MWD	88,737,365,066	97,532,753,278	5.46%	5.35%	(0.11)	8,874	9,753	9.91%
Compton	2,594,440,891	2,987,336,448	0.16%	0.16%	0.00	259	299	15.44%
Eastern MWD	45,218,447,180	57,513,669,408	2.78%	3.16%	0.37	4,522	5,751	27.18%
Foothill MWD	10,028,083,311	11,035,376,617	0.62%	0.60%	(0.02)	1,003	1,104	10.07%
Fullerton	11,928,438,126	13,157,603,648	0.73%	0.72%	(0.01)	1,193	1,316	10.31%
Glendale	17,715,582,687	19,605,305,473	1.09%	1.08%	(0.01)	1,772	1,961	10.67%
Inland Empire Utilities Agency	61,036,557,670	70,359,756,158	3.76%	3.86%	0.11	6,104	7,036	15.27%
Las Virgenes MWD	15,232,161,629	16,823,850,654	0.94%	0.92%	(0.01)	1,523	1,682	10.44%
Long Beach	29,634,196,904	33,544,881,639	1.82%	1.84%	0.02	2,963	3,354	13.20%
Los Angeles	308,392,757,330	342,013,582,941	18.98%	18.77%	(0.21)	30,839	34,201	10.90%
MWD of Orange County	277,437,158,470	308,354,996,125	17.07%	16.92%	(0.15)	27,744	30,835	11.14%
Pasadena	15,239,637,670	16,927,406,785	0.94%	0.93%	(0.01)	1,524	1,693	11.09%
San Diego County Water Authority	298,205,837,846	334,755,097,718	18.35%	18.37%	0.02	29,821	33,476	12.26%
San Fernando	1,193,845,564	1,324,721,035	0.07%	0.07%	(0.00)	119	132	10.92%
San Marino	3,279,057,044	3,511,759,272	0.20%	0.19%	(0.01)	328	351	7.01%
Santa Ana	17,215,294,421	19,320,528,113	1.06%	1.06%	0.00	1,722	1,932	12.20%
Santa Monica	18,015,717,194	19,620,862,428	1.11%	1.08%	(0.03)	1,802	1,962	8.88%
Three Valleys MWD	40,203,728,887	44,306,628,433	2.47%	2.43%	(0.04)	4,020	4,431	10.22%
Torrance	17,761,369,545	19,133,699,327	1.09%	1.05%	(0.04)	1,776	1,913	7.71%
Upper San Gabriel Valley MWD	57,322,875,658	63,437,252,888	3.53%	3.48%	(0.05)	5,732	6,344	10.68%
West Basin MWD	106,798,567,912	117,540,207,072	6.57%	6.45%	(0.12)	10,680	11,754	10.06%
Western MWD	59,114,481,994	71,910,533,217	3.64%	3.95%	0.31	5,911	7,191	21.65%
TOTAL ASSESSED VALUATIONS WITHIN METROPOLITAN	\$ 1,625,219,002,924	\$ 1,822,528,845,729	100%	100.00%		162,523	182,252	12.14%