

RESOLUTION NO. 7476

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE REQUESTING THAT THE STATE OF CALIFORNIA JOINT LEGISLATIVE AUDIT COMMITTEE DIRECT THE STATE AUDITOR TO CONDUCT FULL MANAGEMENT AUDITS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT, WEST BASIN MUNICIPAL WATER DISTRICT, AND WATER REPLENISHMENT DISTRICT

WHEREAS, the Central Basin Municipal Water District ("CBMWD") delivers imported and recycled water to a portion of the Central Basin of Los Angeles County in southeast Los Angeles County including the City of South Gate; and

WHEREAS, the West Basin Municipal Water District ("WBMWD") delivers imported and recycled water to southwest Los Angeles County; and

WHEREAS, the Water Replenishment District ("WRD") manages groundwater for nearly four million residents in 43 cities of Southern Los Angeles County including the City of South Gate, and is the official Groundwater Level Monitoring Entity for the Central Basin and West Coast Basin; and

WHEREAS, in the past several years, each of the water districts has increased surcharge and/or assessment charges significantly, and these costs ultimately get passed on to water consumers through water rate increases; and

WHEREAS, surcharges are also imposed on water purchased for replenishment and therefore all entities that pump groundwater in both the Central and West Coast Basins pay that surcharge, whether or not they purchase water directly from CBMWD; and

WHEREAS, the CBMWD has increased its surcharges by 125% since 2009, and during that same period has more than doubled its surcharges on water purchased by customers, resulting in a \$90 per acre foot surcharge for Fiscal Year 2012; and

WHEREAS, the WBMWD has increased its surcharges by 132% since 2009 and during that same period has more than doubled its surcharges on water purchased by customers, resulting in a \$95 per acre foot surcharge for Fiscal Year 2012; and

WHEREAS, the WRD charges municipal and private water companies to pump water from underground aquifers and also for replenishing the water supply with water from the Metropolitan Water District; and

WHEREAS, the WRD increased the water replenishment charges from \$149 per acre-foot in 2007 to \$244 per acre-foot in 2011, with most of the increases seen in 2007 to 2012, yielding a 64% increase from 2007 over the last five years and these fees are passed onto residents and business owners; and

WHEREAS, the WRD approved pump tax increases of 19% in May 2011 and projected 18%, 14.5%, 6%, and 6% pump tax increases for years 2012-2013 through 2015-2016; and

WHEREAS, AB 187, which was signed into law in September 2011, establishes a high-risk governmental agency audit program; and

WHEREAS, the Central Basin Water Association, the Southeast Water Coalition, the West Basin Water Association, representing all retail water suppliers and groundwater producers in the 430-square mile area encompassing the Central and West Coast Basins of the Los Angeles Coastal Plain, have called for a comprehensive management audit of the District by the State Auditor;

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Joint Legislative Audit Committee identify the Central Basin Municipal Water District, West Basin Municipal Water District, and Water Replenishment District (collectively, "Water Districts") to be a high risk agency in accordance with the provisions of AB 187.

SECTION 2. That the Joint Legislative Audit Committee direct the State Auditor to conduct comprehensive audits of the Water Districts.

SECTION 3. That the Joint Legislative Audit Committee determine that the audit should include, but not be limited to, the following:

1. Thorough review of the Southeast Water Reliability Project, including an accounting of the expenses to date, and the status of actual and projected customers;
2. Review each Water District's staffing levels, with a detailed examination of public relations expenses versus technical staff expenses;
3. Evaluation of each Water District budget development and adoption process, and internal protocols for expenditures;
4. Evaluation of practices regarding each Water District process to analyze, assess and determine rates, taxes, surcharges and other charges and the relationship to the cost of providing service;
5. Evaluation of litigation expenses of each Water District, and the purpose and propriety of litigation;

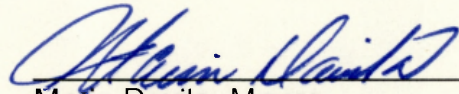
6. Evaluation of each Water District's contracting procedures and their respective compliance with state laws and regulations, and standards to insure transparency and accountability to the public.
7. Review of each Water District management procedures in comparison to public agency standards for Best Management Practices.

SECTION 4. City Clerk is hereby directed to forward a copy of the adopted Resolution to the Honorable Ricardo Lara, Chair, Joint Legislative Audit Committee, the Honorable Ron Calderon, and the Honorable Tony Mendoza.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

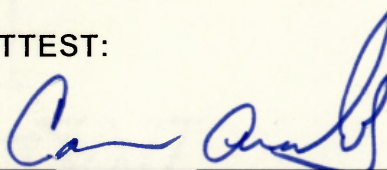
PASSED, APPROVED and ADOPTED this 14th day of February 2012.

CITY OF SOUTH GATE:



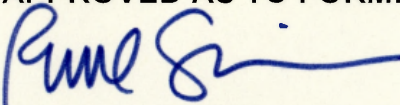
Maria Davila, Mayor

ATTEST:



Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:



Raul F. Salinas, City Attorney

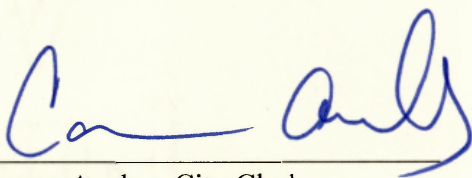
RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SOUTH GATE)

I, Carmen Avalos, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 7476 was adopted by the City Council at their Regular Meeting held on February 14, 2012, by the following vote:

Ayes: Council Members: Davila, De Witt, Hurtado, Gonzalez and Morales
Noes: Council Members: None
Absent: Council Members: None
Abstain: Council Members: None

Witness my hand and the seal of said City on February 22, 2012.



Carmen Avalos, City Clerk
City of South Gate, California