

July 2, 1993

REPORT TO THE HONORABLE
MAYOR AND CITY COUNCIL

SAN DIEGO AREA WASTEWATER MANAGEMENT DISTRICT WEIGHTED VOTE

The Board of Directors of the San Diego Area Wastewater Management District ("District") have proposed amendments to the San Diego Area Wastewater Management District Act ("Act") relating to weighted voting. The proposed amendments are specifically concerned with the method by which a member agency may call for a weighted vote, and the formula for calculating the number of votes necessary to carry or defeat an issue by way of a weighted vote.

1. Current Weighted Voting Structure

According to Section 301 of the Act, the District Board of Directors shall be comprised of seventeen (17) members of which three (3) shall be appointed by the City of San Diego, two (2) by the City of Chula Vista, two (2) by the County of San Diego, and one (1) each shall be appointed by each of the remaining member agencies. Section 314 of the Act provides that each Board member of the District, except for the City of San Diego, shall have one (1) vote on any motion, resolution, or ordinance. The three (3) Board members from the City of San Diego shall have two (2) votes each. Thus, when a roll call vote is taken, there are a total of twenty (20) votes on the Board of Directors; six (6) votes out of the twenty (20), thirty percent (30%) are allocated to the City of San Diego, with the balance of seventy percent (70%) allocated to the remaining member agencies.

Section 315 of the Act permits any Board member to call for a weighted vote; however, the call must be seconded by a Board member representing a different agency than that of the Board member making the call. The weighted vote may be used if the call is seconded by a Board member representing the City of San Diego, the City of Chula Vista or the County of San Diego, or if it is seconded by two (2) Board members representing any other member agency. According to the formula established in the Act, weighted voting shall be based on the average daily flow of wastewater discharged by all member agencies, except for the City of San Diego, into the facilities of the District. The formula

provides for a total of one hundred (100) possible votes, fifty (50) of which are allocated to the City of San Diego, irrespective of its average daily flow (which approximates 70-72% of the total flows). The remaining fifty (50) votes are allocated to the other member agencies based on their proportionate flow (although the County Water Authority has no wastewater flows, it has been allocated a weighted vote equivalent to that of the agency with the smallest flow).

2. Proposed Changes to Weighted Voting Structure

The proposed amendments to the weighted vote delete the requirement for a second to the call for the weighted vote in order for the vote to go forward. According to the amendments, as proposed by the Board, however, in order for a weighted vote to pass, two (2) conditions must be met. First, a simple majority of the members of the Board of Directors must vote in favor of the weighted vote motion, resolution, or ordinance. (That simple majority would be eleven (11) votes, or San Diego six (6), and at least five (5) other Board members.) Second, the vote also must be carried by Board members representing a majority of the wastewater flow into the system. Inasmuch as the City of San Diego represents approximately 70-72% of the wastewater flow into the sewerage system, the proposed amendment effectively would give the City the ability to veto any action proposed by way of a weighted vote. However, unless the City had the support of at least five (5) other Board members on any given issue, the City could not use the weighted vote to initiate any action.

The differences between the current legislation and the proposed amendments can best be illustrated by the following hypotheticals:

Hypothetical 1: The City of San Diego brings a motion for the construction of a new water reclamation plant. A regular roll call vote is taken and the motion is defeated. One of the City Board members then calls for a weighted vote.

(a) Current Legislation:

The call for the weighted vote must be seconded by a Board member representing a different member agency than the City of San Diego. If the City's motion is seconded and the weighted vote is taken, then the City of San Diego will be

allotted fifty (50) out of one hundred (100) possible votes. In order for the City to prevail on the motion, it must have the vote of at least one other member agency (51% of the votes).

(b) Proposed Amendments:

The call for the weighted vote does not have to be seconded by another member agency. The City is allotted six (6) votes out of a total of twenty (20) possible votes. In order for the City to prevail on the new weighted vote formula, it must have the votes of at least five (5) other members.

Hypothetical 2: Another member agency brings a motion for the construction of a new water reclamation plant. The City of San Diego is not in favor of building the plant and votes against the project in a regular roll call vote. The motion passes and a Board member from the City of San Diego calls for a weighted vote to be taken.

(a) Current Legislation:

The call for the weighted vote must be seconded by a Board member representing another member agency. If the City's motion is seconded, then the City will automatically prevail in defeating the project because it has fifty percent (50%) of the votes and a simple majority is necessary in order for the measure to pass.

(b) Proposed Amendments:

The call for the weighted vote does not have to be

seconded by another member agency. The City therefore will automatically prevail in defeating the project because it comprises the majority (approximately seventy percent (70%)) of the total wastewater in the system.

Attached for your review is a chart of the two (2) voting structures which illustrate the votes necessary for the City to prevail on any given matter. The chart further demonstrates the percentage of rate payers represented in order for the District to conduct business.

Respectfully submitted,

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Attachment

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