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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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Dennis E. Duff
EXECUTIVE SECRETARY

February 28, 1995

To: Board of Directors (Finance and Insurance Committee--Action)
(Water Problems Committee--Action)

From: General Manager

Subject: Payment of State Water Contractors' Membership Dues and
Contribution to the State Water Contractors' Bay-Delta Fund
for Fiscal Year 1995-96

Report

The State Water Contractors (SWC) was formed in 1982 as a non-profit mutual benefit corporation succeeding the Association of State Water Project (SWP) agencies and is composed of representatives of 27 SWP contractors, including Metropolitan. The SWC was created to further the common interests of its membership with respect to the SWP, including but not limited to: completing the SWP; assuring proper and effective operation of the SWP; protecting and acquiring necessary water rights for the SWP; reviewing legislation affecting the SWP; presenting the views of the SWC's membership to the Legislature, to administrative agencies, and to the public; and conducting related studies on the SWP.

On January 19, 1995, the SWC Board of Directors (SWC Board) approved its 1995-96 budget and established the SWC dues rate for this fiscal year at \$0.25 per acre-foot of each member's annual SWP entitlement. Based on this rate, Metropolitan's dues are \$502,875. The SWC Board also approved a separate 1995-96 Bay-Delta Fund budget and requested the collection of a total of \$500,000 in contributions from all SWC member agencies. Metropolitan's share of this Bay-Delta Fund contribution is \$125,000.

Metropolitan's 1995-96 dues of \$502,875, have increased by \$281,610 as compared to 1994-95 dues of \$221,265. These dues will provide for the supplement to the 1994-95 budget, meet our share of the 1995-96 budget, and provide for an operating reserve of approximately \$100,000 on July 1, 1996. The increased funds were necessary to supplement the 1994-95 budget to cover the costs of: the mediator used to reach consensus on the

Monterey Agreement; continued use of the mediator in preparation of contract amendments and other necessary documents to implement the Agreement; and preparation of the Monterey Agreement Environmental Impact Report.

Metropolitan's 1995-96 contribution to the Bay-Delta Fund is \$125,000, representing 25 percent of total requested contributions. This reflects an increase of \$87,500 as compared to 1994-95 dues of \$37,500. This increase reflects the more active role the SWC will play in the upcoming year in addressing Bay-Delta issues, and while higher than recent contributions, is consistent with levels experienced a few years ago. The contribution amount will provide for the supplement to the 1994-95 budget, provide a Bay-Delta Fund operating reserve of \$90,000, and meet the 1995-96 budget. This will furnish funds for ongoing legal, biological, and engineering assistance associated with the State Water Resources Control Board's Water Rights Hearings, Endangered Species Act activities, implementation of Category III non-outflow related projects, and associated technical studies and negotiations.

The due dates for the SWC dues and the Bay-Delta Fund contributions are September 1, 1995 and July 15, 1995, respectively. However, since the budget amounts included a supplement to the 1994-95 budget, and it is anticipated that the SWC fund will be in a deficit by April 1, 1995, contractors have been requested to pay these invoices as early as is convenient.

Funds for these services would normally be included in Metropolitan's 1995-96 Operations and Maintenance budget. However, due to the SWC's request for early payment of these funds, a transfer from Metropolitan's 1995-96 budget to the 1994-95 budget is now required. The General Counsel has reviewed this proposal and concurs with the funding recommendation. This action is categorically exempt under the provisions of the California Environmental Quality Act because it involves an activity that does not have a significant effect on the environment.

Recommendation

It is recommended that the Board authorize the General Manager to immediately pay the State Water

Contractors dues in the amount of \$502,875 for 1995-96 and contribute \$125,000 to the State Water Contractors' Bay-Delta Fund for 1995-96.

John R. Wodraska
General Manager

Submitted by:

By: Debra C. Man
Debra C. Man, Chief
Planning and
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MSV:cl

Concur:

for John R. Wodraska
John R. Wodraska
General Manager