



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-8

May 27, 1997

**To:** Board of Directors (Executive Committee—Action)  
(Water Planning and Resources Committee--Action)

**From:** *for* General Manager

*Edward G. Meese*

**Submitted by:** Debra C. Man, Chief  
Planning and Resources

*Stephen Antman per*

**Subject:** Payment of State Water Contractors' Membership Dues and Contributions to the State Water Contractors' Bay-Delta Fund and Bay-Delta Urban Fund for Fiscal Year 1997-98

## RECOMMENDATION

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It is recommended that your Board approve the payment of the State Water Contractors' membership dues and the contributions to the State Water Contractors' Bay-Delta Fund and Bay-Delta Urban Fund for fiscal year 1997-98 in the amounts of \$462,645.00, \$125,000.00, and \$74,485.43 respectively, from funds provided for in Metropolitan's 1997-98 budget.

## EXECUTIVE SUMMARY

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The State Water Contractors (SWC) was formed in 1982 as a non-profit mutual benefit corporation to further the common interests of its membership with respect to the State Water Project (SWP). It is composed of representatives of 27 SWP contractors including Metropolitan.

On March 20, 1997, the SWC Board of Directors (SWC Board) approved its 1997-98 budget which reduced the SWC dues rate from the 1996-97 fiscal year level of \$0.25 per acre-foot of each member's annual SWP entitlement to \$0.23 per acre-foot. Based on this lower rate, Metropolitan's dues are \$462,645. Secondly, the SWC Board approved a separate 1997-98 Bay-Delta Fund budget and requested a collection unchanged from the 1996-97 fiscal year. Metropolitan's share of this Bay-Delta collection is \$125,000. Lastly, the SWC Board approved a 1997-98 Bay-Delta Urban Fund contribution amount of \$96,166.34 to be

collected from Bay-Delta Urban Coalition (BDUC) contractors only for specific BDUC activities. Metropolitan's share of the Bay-Delta Urban Fund is \$74,485.43.

The SWC Board expects to adopt the attached statement of objectives for the 1997-98 fiscal year at their June 19, 1997 meeting. The SWC priority issues focus on Bay-Delta related activities, Department of Water Resources (DWR) planning activities, Monterey Agreement litigation and implementation, and SWC/DWR cooperative decision development.

Provision has been made in Metropolitan's 1997-98 budget for the payment of Metropolitan's SWC dues and for the payment of Metropolitan's share of the Bay-Delta Fund and Bay-Delta Urban Fund collection.

## **DETAILED REPORT**

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The State Water Contractors (SWC) was formed in 1982 as a non-profit mutual benefit corporation and is composed of representatives of 27 State Water Project (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, presenting the views of the SWC's membership to the Legislature, administrative agencies, and the public and conducting related studies on the SWP. To further these purposes in FY 1997-98, the SWC staff in coordination with Metropolitan and other SWC contractors developed the attached draft objectives. The SWC Board is expected to adopt these objectives at its June 19, 1997 meeting. The SWC budget provides funding for a staff of four, and retention of legal, engineering and biological consultants to address matters such as legal challenges to the Monterey Agreement Environmental Impact Report, a public information program, and continued involvement with Bay-Delta issues. Specific Bay-Delta activities will include collaborating with Ag/Urban interests to develop consensus technical input to the CALFED process, participating in the State Water Resources Control Board's Water Rights Hearings, and continuing involvement with the implementation of Category III non-flow projects.

On March 20, 1997, the SWC Board of Directors (SWC Board) approved its 1997-98 budget which reduced the SWC dues rate from the 1996-97 fiscal year level of \$0.25 per acre-foot of each member's annual SWP entitlement to \$0.23 per acre-foot. Based on this rate, Metropolitan's dues are \$462,645. Secondly, the SWC Board approved a separate 1997-98 Bay-Delta Fund budget and requested a collection unchanged from the 1996-97 fiscal year level in the amount of \$500,000 in contributions from all SWC member agencies. Metropolitan's share of this Bay-Delta collection is \$125,000. Lastly, the SWC Board approved a 1997-98 Bay-Delta Urban Fund contribution amount of \$96,166.34 to be collected from Bay-Delta Urban Coalition (BDUC) contractors only for specific BDUC activities. Metropolitan's share is \$74,485.43.

Provision has been made in Metropolitan's 1997-98 budget for the payment of Metropolitan's SWC dues and for the payment of Metropolitan's share of the Bay-Delta collection. 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.

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Attachment

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**STATE WATER CONTRACTORS  
DRAFT OBJECTIVES FY 1997-98  
MAY, 1997**

*The draft FY 1997-98 Objectives are a mix of pro-active policy issues, monitoring and coordination functions, and existing and expanded management functions. Many of the issues (particularly with respect to Bay-Delta activities) overlap all areas. These objectives do not include much of the ongoing, repetitive work regarding coordination and monitoring of various activities.*

**PRIORITY I**

**1. BAY-DELTA ISSUES/PROCEEDINGS**

- a. **State Water Resources Control Board** - Participate in water rights proceedings to develop a sharing of responsibilities to meet the standards reflected in the December 15, 1994 Agreement. This includes continuing efforts to negotiate with upstream water interests prior to the hearings to reach settlement agreements.
- b. **CALFED Bay-Delta Program** - Continue to support development of long-term solutions to the problems of the Bay-Delta estuary through the Ag/Urban Policy Group effort (expected in June 1997 to expand to include environmental interests). This shall include promotion of a comprehensive solution package which costs are equitably apportioned and are affordable.
- c. **Bay-Delta Accord** -- work with other parties on the extension of the three-year December 15, 1994 Bay-Delta Accord.
- d. **Suisun Marsh Preservation Agreement** - Complete the current effort, along with parties to the Agreement, on an amendment which reflects the specific water management needs for managed wetlands in Suisun Marsh.
- e. **State and Federal Funding** - Work with other parties to assure that recently approved State (Proposition 204) and federal funding for Bay-Delta solutions is appropriately allocated, and in a timely manner.

- f. **Delta Wetlands.** Provide input as necessary regarding water rights and water supply/quality impacts in the upcoming State Water Resources Control Board hearings on the Delta Wetlands project.

## 2. PLANNING ACTIVITIES

- a. **Interim South Delta** - Work with DWR to complete final EIR/EIS with acceptable water supply and quality impacts, as well as an acceptable mitigation program.
  - b. **Restructuring** - Work closely with DWR management, including the new Planning Chief, to implement recommendations of the management consultant's report concerning staffing levels and program components.
3. **ENERGY** -- Monitor energy industry restructuring activities in the Federal Energy Regulatory Commission, the California Public Utilities Commission and other forums. Assist DWR in identifying and eliminating potential cost shifts to the State Water Project.
4. **CONTRACT ISSUES** - Continue implementation of the Monterey Agreement, including aggressive defense of the Planning & Conservation League (PCL) et. al. lawsuit. Identify implementation issues that may require further refinement in future contract amendments.

## 5. MANAGEMENT COORDINATION

- a. **Policy Discussions**
  - Continue efforts to improve cooperative SWC/DWR policy and financial decisions development.
  - Improve SWP budget review process.
  - Work with DWR management on strategic approaches to future SWP operations and maintenance.
  - Work with DWR management on long-term strategy for the Future Water Supply Program.
  - Work with DWR to review future SWP staffing levels.
- b. **Two-day Workshop** - Work with DWR management to arrange and hold two-day workshop (Rainbow).

## 6. INFORMATION SYSTEMS

- a. **Business Information System Development** -- Work closely with DWR in identifying approaches to correct deficiencies in development of the Business

Information System, considering potential options for use of available "canned" accounting program packages as part of an overall accounting system in addition to assuring that DWR pursues outside consulting services to advise on overall program development.

## PRIORITY II

### 1. ENDANGERED SPECIES ACT

- a. **Winter-Run Chinook Salmon**
  - Monitor SWP and CVP operations.
  - Work with DWR to improve estimates of adult run, minimize "take" and avoid water loss.
  - Continue to support genetic research and captive brood stock program.
- b. **Delta Smelt**
  - Monitor SWP and CVP operations.
  - Work with DWR to improve data on Delta smelt populations and distribution
  - Support delisting efforts.
- c. **Sacramento Splittail**
  - Work with other interested groups to preclude listing.
  - Monitor USFWS activity to list as threatened species.
- d. **Spring-run Chinook Salmon** - Participate before the Fish and Game Commission in their one-year review of Spring-run salmon as a candidate species under the California Endangered Species Act.
- e. **All Anadromous Fish Species** - Continue to participate in ACWA Anadromous Species Task Force, the draft CVPIA fish doubling plan (AFRP) and other anadromous fish activities.

### 2. BAY-DELTA MONITORING

- a. **Interagency Ecological Program (IEP)** - Continue to provide direction to IEP through the Management Advisory Group and participation as appropriate in the IEP project work teams.
- b. **Real-time Monitoring** - Continue to assist in the continued

development of a successful real-time program as required by December 15, 1994 Bay-Delta Accord.

**3. WATER PURCHASES**

- a. **"Real Water: Assessment** - Assist DWR in analysis of impacts on stream flow from water transfers involving ground water.
- b. **Supplemental Water Purchase Program (SWPP)**
  - Assist DWR in completing SWPP EIR process and developing a program for 1998.
  - Finalize draft SWPP agreement among DWR and participating SWP contractors.

**4. PLANNING**

- a. **Future Water Supplies Development** - Work with DWR on reconnaissance level conjunctive use studies, support implementation of useful demonstration projects. Continue participation in the Opt-in pilot program as well as development of a longer-term program.

**5. AUDIT & FINANCE**

- a. **Budget** - Review SWP budget and provide recommendations on program objectives, content and funding.
- b. **Replacement Accounting System** - Work toward the implementation of an alternative method to fund SWP replacements ("Pay as you Go").

**6. OPERATIONS & MAINTENANCE**

- a. **SWP Daily Operations** - Monitor DWR operations to respond to 1995 SWRCB Water Quality Control Plan and changes in ESA Biological Opinions.
- b. **SWP Equipment Replacement Policy** - Work with DWR in reviewing maintenance policies and developing procedures to access approaches to identify the timing and need for major facility replacement.
- c. **Oroville Recreation Advisory Committee (ORAC)** - Participate in ORAC and continue to review development of FERC-required recreation facilities at Oroville.

- d. **Arroyo Pasajero**
  - Provide input in development and selection of long-term plan for Arroyo Pasajero.
  - Provide input to Salt/Cantua Streamgroup Reconnaissance Study.
- e. **SWP Control System** - Monitor implementation of new SWP control system.
- f. **Operations Studies** - Review DWR long-term operations studies including development of water budget for operations of SWP supply facilities.
- g. **Coordinated Operations Agreement (COA)** - Assist DWR in five-year update of the SWP/CVP COA (Water sharing formula with 1995 WQCP and ESA Biological Opinions).
- h. **Recreation Costs** - Work with DWR management on a strategy to recover any outstanding obligations from the General Fund for recreation capital and O&M costs which have been paid for by Project revenues. This shall include any SWP revenues which may be allocated for Oroville recreation O&M in the 1997-98 budget for the Department of Parks and Recreation.

## 7. **WATER QUALITY**

- a. **Pump-in Programs** - Work with DWR to establish a policy for acceptance of non-project water into the California Aqueduct.
- b. **Municipal Water Quality Investigations Program (MWQI)** - Participate with DWR in implementation of the MWQI and develop a cost sharing method for extension of the program after 1997.
- d. **Review CALFED and CUWA water quality issues.**

## 8. **INFORMATION SYSTEMS**

- a. **Computer System Development** - Monitor and expedite completion of Cost Allocation and Repayment Analysis (CARA), Water Delivery Data System (WDDS) and other information development activities.
- b. **Information System Policies** - Review DWR information systems policies and provide recommendations on revisions as appropriate.



- c. **State Information Policies** - Assist DWR in response to State policies on information systems.

### PRIORITY III

#### 1. ENERGY

- a. **Geothermal Program** - Monitor status of DWR's efforts to dispose of the Bottlerock and South Geysers plants.
- b. **Contractors' Use of SWP Power** - Work to develop contractual/institutional ability of SWP contractors to utilize SWP power within their service areas.

2. **PUBLIC RELATIONS** - It is anticipated that the California Water Clearinghouse will move toward an ever increasing work load to support the preferred alternative put forward in the CALFED process. Extensive outreach to key audiences will continue as the Clearinghouse moves from support of a process to support of a product. In conjunction with Clearinghouse activities, the SWC Public Affairs Advisory Committee will work to more clearly define the SWP impacts of a successful CALFED process and develop support from key constituencies of SWC goals. Additional specific programs will likely include working with Oroville recreation interests to better promote Lake Oroville; development of the SWP history program project; a better coordinated media response program to counter inaccurate information concerning SWP issues.

#### 3. GENERAL MANAGEMENT

- a. **SWC Home Page** - Continue development of the SWC World Wide Web "home page", including provisions for password protection to allow posting of information not for public distribution. Offer training to individual member agencies as needed.
- b. **Increased Use of Audio/Video Equipment** - Continue to promote use of video conference facilities and telephone conference calls for meetings to save travel expenses and time.