

- **Board of Directors**  
**Water Planning and Resources Committee**  
**Budget and Finance Committee**

June 13, 2000 Board Meeting

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9-5

## **Subject**

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Approve Increase in Appropriation Number 15324 from \$2 million to \$2.3 million for the Cadiz Groundwater Storage and Dry-Year Supply Program for Preparation of Supplemental Environmental Documentation

## **Description**

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In November 1999, Metropolitan and the United States Department of the Interior, Bureau of Land Management (BLM) issued a joint Draft EIR/EIS for public review. The document was circulated for a 90-day review period, which was subsequently extended by Metropolitan for two weeks, ending on March 8, 2000. A total of 52 comment letters were received.

During the comment period, the BLM requested that the United States Geological Survey (USGS) review the environmental document and supporting technical study for water resources. The USGS concluded that natural recharge estimates, and therefore the amount of water available for export from the Cadiz-Fenner watershed, were lower than those presented in the technical studies. In addition, other federal agencies commented on potential impacts to water resources and air quality in the area. Specifically, the National Park Service (NPS) commented that the proposed project could potentially impact water resources underlying the Mojave National Preserve, located north of the project area and sharing the same groundwater basin. The Environmental Protection Agency commented that the project would require an air conformity determination to meet federal standards for air quality.

To address these concerns, a Supplemental Draft EIR/EIS will be prepared and issued for public review. This supplemental document will be focused on addressing the groundwater resources issues raised during circulation of the Draft EIR/EIS. Metropolitan and the BLM have been developing a groundwater management and monitoring plan in coordination with the USGS, NPS, and the County of San Bernardino to address water resources issues. It is anticipated that the additional technical studies and supplemental environmental documentation will be completed in July 2000. Final environmental documentation for the proposed project is expected to be completed in October 2000.

In addition to preparation of technical studies and supplemental environmental documentation, Metropolitan proposes to perform an independent review of the proposed project's financial agreement and groundwater modeling study. Independent consultants would be hired for these tasks.

At the July, 1998 Board of Directors meeting, \$2 million was appropriated as Metropolitan's share of costs to prepare necessary studies and environmental documentation. Cadiz also provides \$2 million for a total of \$4 million to be spent on technical studies, the pilot program and the environmental documentation. This current request is for an increase of \$300,000 in appropriation number 15324 to complete the supplemental environmental documentation, related technical studies and review of the Cadiz Groundwater Storage and Dry-Year Supply Program. This unanticipated expenditure was not outlined in the original scope of work for the project. The total budget planning through EIR completion is estimated at \$4,377 million. Metropolitan and Cadiz have agreed to share costs necessary to prepare the technical and environmental studies. Metropolitan would pay for costs necessary for its independent review of the project. The projected costs to complete work are presented in [Attachment 1](#).

This Program, along with the other Colorado River conservation, storage, and transfer projects, will assist Metropolitan in meeting the objectives of the October 15, 1999 *Key Terms for Quantification Settlement Among the State of California, IID, CVWD, and MWD* and the May 11, 2000 draft documents, *California's Colorado River Water Use Plan* issued by the Colorado River Board of California.

**Policy**

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Existing: Pursuant to Section 5108 of the Administrative Code, no expenditure shall be made unless appropriation has been approved by the Board for the purpose intended.

**Board Options/Fiscal Impacts**

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**Option #1**

Board approve additional funding for technical studies and completion of a Supplemental Draft EIS for the Cadiz Program.

**Fiscal Impact:** \$300,000

**Option #2**

Take no action.

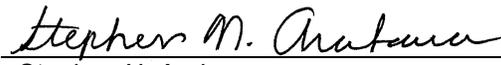
**Fiscal Impact:** \$0

1. Potential lost opportunity to transfer water or store surplus Colorado River water under California's Colorado River Water Use Plan.
2. Potential loss of up to \$50 million available funding from State DWR administered funding available as approved by Proposition 13 for completion of California's Colorado River Water Use Plan.
3. Potential lost opportunity cost of available State General Funds under California Water Code, Section 12560-65 for this Program.

**Staff Recommendation**

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Option #1.

  
 Stephen N. Arakawa  
 Acting Manager, Water Resource Management

5/26/2000  
 Date

  
 Ronald R. Jester  
 General Manager

5/26/2000  
 Date

**Attachment 1**

**Table 1**  
**Cadiz Groundwater Storage and Dry-Year Supply Program**  
**Projected Cost for Appropriation Number 15324**

<b>Committed Funds</b>	<b>Amount</b>	<b>Metropolitan Share</b>	<b>Cadiz Share</b>
Geoscience Agreement	\$1,650,000	\$825,000	\$825,000
P&D Agreement	\$1,100,000	\$550,000	\$550,000
Black & Veatch Agreements	\$525,000	\$262,500	\$262,500
Financial Review	\$100,000	\$100,000	\$0
Federal Reimbursement Agreements	\$84,000	\$42,000	\$42,000
Draft EIR/EIS Printing	\$86,000	\$43,000	\$43,000
Outreach/Equipment	\$48,000	\$24,000	\$24,000
<b>Subtotal</b>	<b>\$3,593,000.00</b>	<b>\$1,846,500.00</b>	<b>\$1,746,500.00</b>
<b>Additional Funds Required</b>	<b>Amount</b>	<b>Metropolitan Share</b>	<b>Cadiz Share</b>
Water Resources Study	\$394,000	\$197,000	\$197,000
Air Quality Study	\$130,000	\$65,000	\$65,000
Federal Reimbursement Agreements	\$45,000	\$22,500	\$22,500
Supplemental/Final Printing	\$60,000	\$30,000	\$30,000
P&D Agreement Amendment	\$45,000	\$22,500	\$22,500
Technical Review	\$85,000	\$85,000	\$0
Project Agreement Review	\$25,000	\$25,000	\$0
<b>Subtotal</b>	<b>\$784,000.00</b>	<b>\$447,000.00</b>	<b>\$337,000.00</b>
<b>Total Project</b>	<b>\$4,377,000.00</b>	<b>\$2,293,500.00</b>	<b>\$2,083,500.00</b>

## **FUNDING REQUEST**

<b>Program Name:</b> Cadiz Groundwater Storage and Dry-Year Supply Program			
<b>Source of Funds:</b> General Fund			
<b>Appropriation No.:</b> 15324	<b>Board Action No.:</b> 2	<b>Budget:</b> \$2,300,000	
<b>Requested Amount:</b> \$300,000		<b>Capital Program No.:</b> 102985	
<b>Total Appropriated Amount:</b> \$2,300,000		<b>Capital Program Page No.:</b> N/A	
<b>Total Program Estimate:</b>		<b>Program Category:</b> Supply and delivery reliability	