

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

June 13, 2000 Board Meeting

9-5

Subject

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

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

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

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

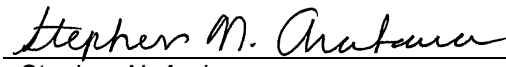
Take no action.

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

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

Committed Funds	Amount	Metropolitan Share	Cadiz Share
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
Subtotal	\$3,593,000.00	\$1,846,500.00	\$1,746,500.00
Additional Funds Required	Amount	Metropolitan Share	Cadiz Share
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
Subtotal	\$784,000.00	\$447,000.00	\$337,000.00
Total Project	\$4,377,000.00	\$2,293,500.00	\$2,083,500.00

FUNDING REQUEST

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