

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

July 11, 2000 Board Meeting

8-7

Subject

Contributions to the Six Agency Fund and Colorado River Association - Six Agency Committee

Description

Metropolitan will be receiving invoices from the Secretary of the Six Agency Committee and the Colorado River Association requesting payments of Metropolitan's share to the Six Agency Fund and the Association for Fiscal Year (FY) 2000-2001.

Six Agency Committee (Committee)

Created in 1950, the Committee's primary function is to support the Colorado River Board (CRB) through the collection and administration of funds. The funds are used by CRB staff for purposes that will secure the represented agencies' rights and interests in Colorado River system water and power resources. Generally, these interests include:

- Maintaining California's share of Colorado River water resources,
- Implementing joint cooperative programs among the Colorado River Basin States, Indian Tribes, the federal government and others that protect California's Colorado River water rights and water quality,
- Formulating unified California policies and positions on Colorado River matters,
- Resolving problems between California agencies with Colorado River water and power contracts.

Metropolitan has contributed to the Six Agency Fund since its inception. The Committee, on which Metropolitan is represented, approved its budget on June 14, 2000.

Colorado River Association (Association)

Formed in 1946, the Association is a nonprofit organization that functions as the public affairs entity of the Committee. It circulates a newsletter and performs other informational and public affairs functions. Metropolitan has been a member since the Association's inception. The Association, on which Metropolitan is represented, has approved its budget.

Contributions

Funding percentages for the six entities are longstanding negotiated values, last adjusted in 1980 based on the following factors: water quantity, salinity, hydropower, assessed valuation and the institutional value of the Colorado River Board to each agency. The funding percentages calculated for the six entities are as follows: Metropolitan (44.4 percent), Los Angeles Department of Water and Power (20.4 percent), Imperial Irrigation District (19.0 percent), Coachella Valley Water District (10.0 percent), Palo Verde Irrigation District (3.2 percent), San Diego County Water Authority (3.0 percent).

The following table compares Metropolitan's share of the contributions proposed for FY 2000-2001 with FY 1999-2000.

	Metropolitan's Proposed Share <u>FY 2000-2001</u>	Metropolitan's Share <u>FY 1999-2000</u>
Six Agency Fund Association	\$397,742	\$359,418
	<u>\$ 13,320</u>	<u>\$ 35,520</u>
	\$411,062	\$394,938

Policy

Administrative Code, Sections 11202 and 11203.

Board Options/Fiscal Impacts

Option #1

Authorize the General Manager to make annual payments for Metropolitan's share of the total contribution to the Six Agency Fund and Colorado River Association as described above for the next five fiscal years (2001-2005) so long as the total amount for each year does not exceed \$600,000. These contributions would be provided from Metropolitan's Operations and Maintenance budget. The General Manager would report the actual cost to the Board on an annual basis.

Fiscal Impact: Not to exceed \$600,000 annually.

Option #2

Authorize the General Manager to pay Metropolitan's expected share of the total contribution to the Six Agency Fund, approximately \$400,000 for FY 2000-2001. Authorize the General Manager to pay Metropolitan's share of the total contribution to the Colorado River Association in the approximate amount of \$14,000 for FY 2000-2001. These contributions would be provided from Metropolitan's Operations and Maintenance budget.

Fiscal Impact: approximately \$414,000.

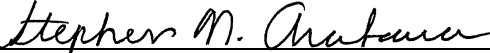
Option #3

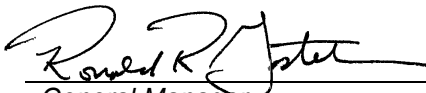
Do not approve payment of one or both contributions.

Fiscal Impact: Unknown, but potentially substantial as Metropolitan's rights and interests in the water of the Colorado River system and the use thereof may not be fully safeguarded.

Staff Recommendation

Option #1.


 _____ 6/23/2000
 Stephen N. Arakawa Date
 Acting Manager, Water Resource Management


 _____ 6/27/2000
 General Manager Date