

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

July 11, 2000 Board Meeting

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**8-8**

**Subject**

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State Water Contractors' Membership Dues and Contributions to the State Water Contractors' Bay/Delta Fund and Bay/Delta Urban Fund

**Description**

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Metropolitan has received an invoice due September 1, 2000 from the State Water Contractors (SWC) requesting payment of Metropolitan's proportionate shares of the SWC membership dues and contributions to the SWC Bay/Delta Fund and the Bay/Delta Urban Fund for FY 2000-2001.

State Water Contractors

The SWC is an association that furthers the interests of Metropolitan and 26 of the other State Water Project (SWP) contractors by pursuing the following:

- 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.

Specific objectives for the upcoming fiscal year address water rights and Bay/Delta related activities, energy restructuring contract issues, Department of Water Resources (DWR) information system development and management coordination with the new DWR administration.

The SWC budget provides funding for staff and retention of engineering, biological, and legal consultants to address the above-mentioned issues. On March 17, 2000, the SWC set its dues rate for 2000-2001 at \$0.25 per acre-foot of SWP entitlement. Based on this rate, Metropolitan's dues are \$502,875.

Bay/Delta Fund

Secondly, the SWC approved a separate 2000-2001 Bay/Delta Fund budget for ongoing legal, biological and engineering assistance associated with the State Water Resources Control Board's water rights hearings, Endangered Species Act (ESA) activities and associated technical studies and negotiations. By agreement, Metropolitan contributes 25 percent of the annual budget for this fund; therefore, Metropolitan's share of this annual budget is \$150,000.

Bay/Delta Urban Coalition

Lastly, the SWC's approved a 2000-2001 Bay/Delta Urban Fund to be collected from Bay/Delta Urban Coalition (BDUC) contractors for specific BDUC activities such as Bay/Delta ecosystem restoration, increased water supply reliability and drinking water quality protection. Negotiations between BDUC members resulted in Metropolitan being apportioned \$32,000.

Contributions

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

	<b>Metropolitan's Proposed Share <u>FY 2000-2001</u></b>	<b>Metropolitan's Share <u>FY 1999-2000</u></b>
SWC Dues:	\$502,875	\$502,875
Bay/Delta Fund:	\$150,000	\$150,000
Bay/Delta Urban Fund:	<u>\$ 32,000</u>	<u>\$ 32,000</u>
Total:	\$684,875	\$684,875

Provisions have been made in Metropolitan's 2000-2001 budget for the payment of SWC dues and the Bay/Delta Fund and Bay/Delta Urban Fund contributions.

**Policy**

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Administrative Code, Sections 11202 and 11203.

**Board Options/Fiscal Impacts**

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**Option #1**

Authorize the General Manager to make payment annually for SWC membership dues Bay/Delta Fund, and Bay/Delta Urban Fund as described above for the next five-fiscal years (2001-2005) so long as the total amount for each year does not exceed \$750,000. These funds are budgeted in Metropolitan's Operations and Maintenance budget for FY 2000-2001 and would continue to be budgeted for the following four years. The General Manager would report actual cost to the Board on an annual basis.

**Fiscal Impact:** Not to exceed \$750,000 annually.

**Option #2**

Authorize the General Manager to make payment of the SWC membership dues and contributions to the SWC Bay/Delta Fund and Bay/Delta Urban Fund for FY 2000-2001 in the amounts of \$502,875, \$150,000, and \$32,000 respectively, from Operations and Maintenance funds provided for in Metropolitan's 2000-2001 budget.

**Fiscal Impact:** \$684,875 in FY 2000-2001.

**Option #3**

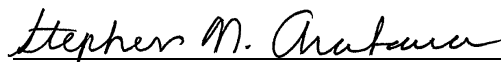
Do not approve payment of one or more of the proposed contributions.

**Fiscal Impact:** Unknown, but potentially substantial as Metropolitan's rights and interests of the State Water Project system and the use thereof may not be as effectively safeguarded and protected.

**Staff Recommendation**

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Option #1.



Stephen N. Arakawa  
Acting Manager, Water Resource Management

6/23/2000

Date



General Manager

6/27/2000

Date