

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

October 17, 2000 Board Meeting

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**8-5**

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**Subject**

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Adopt Resolution to accept funds from Proposition 13, The Safe Drinking Water, Clean Water, Watershed Protection and Flood Control Act of 1999 (Water Bond), Article 4, Interim Water Reliable Supply and Water Quality Infrastructure and Management Program

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**Description**

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The Governor's Annual Budget Act released in May 2000 appropriated to the Department of Water Resources (DWR) local assistance grant funds from Proposition 13. In June 2000, the Senate and Assembly approved a budget bill for fiscal year 2000-01. Allocated in this budget is \$69 million to help finance Metropolitan projects.

The \$69 million allocated to Metropolitan are appropriated as follows: (1) \$45 million to help finance Southern California Water Reliability Projects targeting groundwater conjunctive-use projects within Metropolitan's service area, (2) \$20 million to help finance the San Joaquin Valley Agricultural and Southern California Urban Interests Water Quality Exchange Partnership, and (3) \$4 million for Desalination Research and Innovation Partnership (DRIP).

DWR requires the Board of Directors to formally adopt a resolution to accept the grant, and designate a representative to sign the letter agreement and a Project Director to be Metropolitan's representative to administer the projects. If the Board does not adopt this resolution, Metropolitan will not be eligible to receive these funds.

The \$45 million designated for Southern California Water Reliability Projects within Metropolitan's service area will be used to develop conjunctive-use programs that conform with the Groundwater Conjunctive Use Principles set forth by Metropolitan's Board in January 2000. This will ensure that the funds will be used to improve the water supply reliability for the entire region by creating additional dry-year yield.

Metropolitan will disburse the \$45 million through a simplified competitive process using approaches used in the Local Resources Program (LRP) process of 1998. Metropolitan will solicit proposals from its member agencies that contribute to the region's overall water supply reliability through an increase in dry-year supply. Projects that are selected by a committee of staff and one or more independent experts will be submitted for final approval by the Board. Metropolitan will finalize a specific conjunctive-use program agreement with the respective member agency for the selected projects and funds will be disbursed on a reimbursable basis. A semi-annual status report will be submitted to DWR and the Board. Metropolitan will also continue to pursue negotiations with interested parties for conjunctive use programs that conform to the Board's Groundwater Conjunctive Use Principles. Programs that are not selected for the initial Proposition 13 funds would be eligible for future state and federal funds. Proposals submitted by potential participants will be valid for two years.

The \$20 million allocated to help finance the San Joaquin Valley Agricultural and Southern California Urban Interests Water Quality Exchange Partnership (Partnership) will be used to improve the quality of water supplies Metropolitan receives through the California Aqueduct. Proposition 13 money will fund projects based on a consensus process through the partnership between Metropolitan and the Friant Water Users Authority. Initial expenditures include:

- Reconnaissance studies to determine alternative investment strategies with the greatest potential to balance the water supply, water quality, and environmental objectives of the Partnership;
- Feasibility studies to assure the technical and economic feasibility of key project components; and

- Construction of initial demonstration projects and key infrastructure.

The \$4 million allocated for the DRIP will be a consensus-based distribution by and to the DRIP partners. DRIP is a consortium of Northern and Southern California public, state and federal agencies and academic institutions organized to develop cost-effective, advanced water treatment technologies for desalination and disinfection with ultraviolet light (UV) technology. Proposition 13 funds will be used to conduct the following major DRIP activities:

- Demonstration of large-scale RO technology for Colorado River water;
- Demonstration of large-scale UV technology for Colorado River water and other brackish water sources;
- Optimization of operating parameters for solids removal;
- Pilot studies for desalination of brackish groundwater, municipal wastewater, and agricultural drainage water;
- Pilot studies for membrane scale control and biofouling control; and
- Pilot studies for brine treatment.

**Policy**

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Action by the Board on January 11, 2000, Board Letter 9-5, establishing principles for negotiation and implementation of groundwater storage programs within Metropolitan’s service area.

Action by the Board on July 23, 1999, Board Letter 9-3, adopting the Statement of Needs for the CALFED Bay-Delta Program directing staff to seek state and federal funding for Southern California projects in water quality, water recycling, water conservation, groundwater banking and watershed management programs.

**Board Options/Fiscal Impacts**

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**Option #1**

Adopt the attached resolution (**Attachment 1**) to accept the grant, designating the General Manager as Metropolitan's representative to sign the letter of agreement and Project Director for the administration of the projects and liaison with DWR for submission of required documents.

**Fiscal Impact:** Receipt of a total of \$69 million of funding from the state through DWR for groundwater storage programs, water quality exchanges, and desalination research and innovation partnerships.

**Option #2**

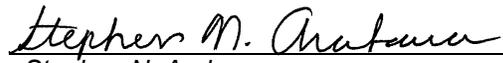
Do not adopt a resolution to receive state funding through DWR.

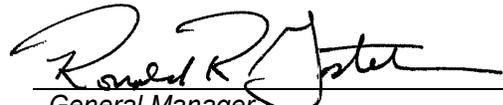
**Fiscal Impact:** The \$69 million Proposition 13 funding will not be disbursed to Metropolitan.

**Staff Recommendation**

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Option #1.

 9/21/2000  
 Stephen N. Arakawa Date  
 Manager, Water Resource Management

 9/27/2000  
 General Manager Date

**Attachment 1**

RESOLUTION \_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT  
TO SAFE DRINKING WATER, CLEAN WATER,  
WATERSHED PROTECTION AND FLOOD PROTECTION ACT  
(PROPOSITION 13, CHAPTER 9, ARTICLE 4)

WHEREAS, the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Proposition 13, Chapter 9, Article 4) and the Governor's Budget Act of 2000, Chapter 52, Statutes of 2000, appropriated to the Department of Water Resources local assistance grants to The Metropolitan Water District of Southern California payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that this District hereby adopts to accept funding totaling \$69 million allocated from Proposition 13 and designate the General Manager as its representative to sign the letters of agreement and Project Director for the administration of the projects and liaison with Department of Water Resources for submission of required documents.

BE IT FURTHER RESOLVED that the Executive Secretary is hereby directed to file forthwith certified copies of this resolution with the Department of Water Resources to fulfill State requirement for the receipt of Proposition 13 funding.

I HEREBY CERTIFY, that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held October 17, 2000.

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Executive Secretary  
The Metropolitan Water District  
of Southern California