

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

February 13, 2001 Board Meeting

9-9

Subject

Authorize (1) increase in appropriation from \$2.3 million to \$2.515 million; (2) increase in maximum amount payable with P&D Consultants; and (3) amendment of cost sharing agreement with the Bureau of Land Management for the Cadiz Groundwater Storage and Dry-Year Supply Program

Description

At the July 1998 Board of Directors meeting, \$2.0 million was appropriated as Metropolitan's share of costs to prepare necessary technical studies and environmental documentation for the Cadiz Groundwater Storage and Dry-Year Supply Program (Program). A Draft Environmental Impact Report (EIR) was issued in November 1999. In June 2000, the Board of Directors approved an increase in Appropriation No. 15324 from \$2.0 million to \$2.3 million for additional environmental documentation and studies necessary to complete a Supplement to the Draft EIR (Supplement).

To date, all expenses incurred to prepare the Supplement have been paid under existing agreements whose scope of work was to prepare a Draft and Final EIR and did not include preparation of the Supplement. This letter requests authorization to increase the maximum amount payable of Agreement No. 21997 with P&D Consultants by \$45,000 from \$1.1 million to \$1.145 million, and to increase the maximum amount payable under the cost reimbursement agreement with the Bureau of Land Management (BLM) by \$160,000 from \$129,000 to \$289,000. Although this money has already been appropriated by the Board, because the contracts are over the General Manager's discretionary contract authority of \$250,000, Board authorization is necessary to amend these specific agreements.

At the time it approved the Principles of Agreement with Cadiz, the Board specified that the terms of the final Program should undergo an independent review. The General Manager retained the firm of Ernst & Young LLP and David Kennedy to provide that review. The General Manager has amended the agreement with Ernst & Young LLP to cover additional work requested relating to changes in the Program terms. The contract amount has been increased from \$135,000 to \$235,000. The projected cost to complete environmental documentation and financial analysis, including both total cost and Metropolitan's share, is 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 document, *California's Colorado River Water Use Plan* issued by the Colorado River Board of California.

Policy

Existing: Pursuant to Section 5108 of the Metropolitan Water District Administrative Code, no expenditure shall be made unless an appropriation has been approved by the Board for the purpose intended; Section 8115(a) requires Board authorization for contracts over \$250,000.

Board Options/Fiscal Impacts

Option #1

Authorize (1) increase in Appropriation No. 15324 from \$2.3 million to \$2.515 million; (2) increase in maximum amount payable with P&D Consultants; and (3) amendment of cost sharing agreement with the BLM for the Cadiz Groundwater Storage and Dry-Year Supply Program. Increases are needed to complete environmental and financial work required to finalize information and documents to support the EIR and Board discretionary decisions on this project.

Fiscal Impact: \$2.515 million.

Expenditures authorized under the capital investment program, existing Appropriation No. 15324.

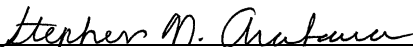

Option #2

Take no action

Fiscal Impact: \$0

Staff Recommendation

Option #1

 Stephen N. Arakawa Manager, Water Resource Management	1/26/2001 Date
 Ronald R. Jester General Manager	1/29/2001 Date

Attachment 1 - Cadiz Groundwater Storage and Dry-Year Supply Program Projected Cost for Appropriation No. 15324

BLA #715

**Cadiz Groundwater Storage and Dry-Year Supply Program
Projected Cost for Appropriation No. 15324**

Committed Funds	Amount	Metropolitan Share	Cadiz Share
Geoscience Agreement	\$1,650,000	\$825,000	\$825,000
P&D Agreement	\$1,145,000	\$572,500	\$572,500
Black & Veatch Agreements	\$525,000	\$262,500	\$262,500
Independent Financial Review	\$100,000	\$100,000	\$0
Federal Reimbursement Agreements	\$129,000	\$64,500	\$64,500
Draft EIR/EIS Printing	\$86,000	\$43,000	\$43,000
Outreach/Equipment	\$48,000	\$24,000	\$24,000
Water Resources Study	\$394,000	\$197,000	\$197,000
Air Quality Study	\$100,000	\$50,000	\$50,000
Supplemental/Final Printing	\$100,000	\$50,000	\$50,000
MWD Technical Review	\$85,000	\$85,000	\$0
MWD Project Agreement Review	\$25,000	\$25,000	\$0
Subtotal	\$4,387,000.00	\$2,298,500.00	\$2,088,500.00
Additional Funds Required	Amount	Metropolitan Share	Cadiz Share
Federal Reimbursement Agreements	160,000	\$80,000	\$80,000
Independent Financial Review	\$135,000	\$135,000	\$0
Subtotal	\$295,000.00	\$215,000.00	\$80,000.00
Total Project	\$4,682,000.00	\$2,513,500.00	\$2,168,500.00

FUNDING REQUEST

Program Name: Cadiz Groundwater Storage and Dry-Year Supply Program			
Source of Funds: General Fund			
Appropriation No.: 15324	Board Action No.: 3	Budget: \$2,515,000	
Requested Amount: \$215,000	Capital Program No.: 102985		
Total Appropriated Amount: \$2,515,000	Capital Program Page No.: N/A		
Total Program Estimate:	Program Category: Supply and delivery reliability		