

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

October 16, 2001 Board Meeting

9-7

Subject

Authorize (a) entering into a cost-sharing agreement for consultant work for the completion of environmental documentation to facilitate the proposed Quantification Settlement Agreement and analysis and coordination with Salton Sea reclamation efforts; and (b) funding to Imperial Irrigation District in amounts not to exceed \$816,633

Description

Imperial Irrigation District's (IID) Draft Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the IID/San Diego County Water Authority (SDCWA) Water Conservation and Transfer Project (Project) and its Habitat Conservation Plan (HCP) for the Project is scheduled to be released for public review by December 6, 2001.

IID has requested Metropolitan, SDCWA and the Coachella Valley Water District (CVWD) to share in the cost of consultant work in:

- a. preparing the environmental documentation for elements of the proposed Project which facilitate consideration of the proposed Quantification Settlement Agreement (QSA), and
- b. analyzing and coordinating with Salton Sea reclamation efforts.

These analyses extend beyond that for the Project and encompass other QSA-related elements as well as evaluation and coordination with the Salton Sea reclamation efforts, all of which is necessary and beneficial to all four agencies involved in the QSA effort. Specifically, the environmental documentation work involves the integration of QSA-related elements into the impact analyses, such as Interim Surplus Criteria and Inadvertent Overrun and Payback policies, and the development and analysis of information needed for the other related environmental reviews. It has also been necessary for the four agencies to coordinate the QSA work with the work of the Bureau of Reclamation and the Salton Sea Authority on Salton Sea reclamation activities, and to conduct analyses of proposed reclamation alternatives and their effect on the QSA. This latter work is also important to the overall QSA environmental and endangered species acts compliance.

The environmental documentation serves also to advance the QSA Program Environmental Impact Report (EIR) and the Secretarial Implementation Agreement Environmental Impact Statement (EIS). The timely completion of these environmental documents is critical to meeting the deadline for the QSA becoming effective. Through participation in this effort, Metropolitan would receive early, current drafts of the Project EIS/EIR and related technical data, including access to hydrologic models and modeling results, and subsequent drafts and technical data. Receipt of these documents will assist in facilitating the timely review of information to be provided by IID for the QSA Program EIR and Secretarial Implementation Agreement EIS, and thus completion of those documents.

IID and SDCWA are currently cost-sharing the consultant work and legal fees on the environmental documents necessary to complete the proposed IID-SDCWA Transfer, which is expected to cost approximately \$6 million. The estimated cost of the additional consultant work for the elements related to the QSA is \$1.633 million. Metropolitan and SDCWA staffs have proposed an arrangement with IID to fund only a portion of this additional cost since there are benefits to all four agencies from this additional work. Under the proposed arrangement, Metropolitan and SDCWA would provide funding of \$816,633 and \$204,158, respectively, and IID and CVWD would fund the remaining portion of the additional costs. IID's Board of Directors has approved providing its

share of the cost under this proposed arrangement. Metropolitan's share represents 50 percent of the additional cost of \$1.633 million.

As part of the October 1999 Key Terms for Quantification Settlement, Metropolitan agreed to consider the assumption of post-QSA effective date mitigation costs beyond the environmental cost caps of others. It has been proposed by the staffs of IID and Metropolitan that such post-QSA effective date mitigation costs beyond the environmental cost caps of others would be shared in a ratio of 2/3 by IID and 1/3 by Metropolitan. Contingent upon resolution of these cost-sharing issues for QSA-related mitigation between IID and Metropolitan, funds would be released to IID as follows:

- Upon receipt of current drafts and technical data: \$510,395
- Upon release of the Water Transfer Draft EIS/EIR and HCP: \$306,237

Policy

By Minute Item 43767, dated October 18, 1999, the Metropolitan Board approved the use of the *Key Terms for Quantification Settlement Among the State of California, IID, CVWD, and MWD* (Key Terms) as the basis for completing a new QSA among the parties to the Key Terms.

CEQA

The proposed actions are not defined as projects under the California Environmental Quality Act (CEQA), because they involve continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are not subject to CEQA per Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

Board Options/Fiscal Impacts

Option #1

- Adopt the CEQA determination and contingent on resolution of cost sharing for QSA-related mitigation,
- a. authorize the Chief Executive Officer to enter into a cost sharing agreement with IID, CVWD, and SDCWA for completion of environmental documentation facilitating consideration of the QSA, and analysis and coordination with Salton Sea reclamation efforts in a form approved by the General Counsel; and
 - b. provide funding to IID in amounts not to exceed \$816,633.

Fiscal Impact: \$816,633.

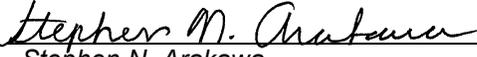
Option #2

Adopt the CEQA determination and direct the Chief Executive Officer to renegotiate the terms of the cost-sharing agreement.

Fiscal Impact: Additional cost for staff time to renegotiate the agreement.

Staff Recommendation

Option #1

 Stephen N. Arakawa Manager, Water Resource Management	10/10/01 <i>Date</i>
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 Ronald R. Gastelum Chief Executive Officer	10/11/01 <i>Date</i>
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BLA #1383