

- **Board of Directors**
Asset, Real Estate and Infrastructure Policy Committee

February 12, 2002 Board Meeting

9-6

Subject

Approve grant agreement with the Foundation for the Southern California Water Education Center for \$2 million

Description

This letter seeks approval of a grant agreement with the Foundation for the Southern California Water Education Center. This grant agreement includes the transfer of \$2 million that Metropolitan's Board has already appropriated for predevelopment of the Water Education Center to the Foundation for the Southern California Water Education Center, a non-profit corporation previously created by the Board of Directors. Although these funds have already been appropriated by the Board, because the grant agreement exceeds the CEO's authority, Board approval is required for execution of the agreement.

At its June 12, 2001 meeting, Metropolitan's Board of Directors appropriated \$2 million for predevelopment activities related to the Southern California Water Education Center (Center), a museum facility to be located near Diamond Valley Lake. Those activities were to include programming design, project planning, preparation of environmental documentation, entitlements and applications, as well as infrastructure and facility design. Overall, the Center was conceived as an approximately 26,000-square-foot facility to be located on a 10-acre parcel near the East Dam area of Diamond Valley Lake. The Center will house exhibits and programs designed to educate the public on issues concerning water resource management and the environment.

In October 2001, Metropolitan's Board created the Foundation for the Southern California Water Education Center (Foundation), an independent non-profit entity, to support and facilitate fund-raising and other support functions for the Water Education Center. With the Board's approval of the grant agreement, Metropolitan will transfer the funds to the Foundation. The Foundation intends to proceed, working cooperatively with Metropolitan, with predevelopment activities including preliminary infrastructure and facility design.

The grant agreement with the Foundation governs how funds would be disbursed to the Foundation and provides Metropolitan with audit rights to assure that all funds are used as authorized by Metropolitan's Board.

Policy

Metropolitan Water District Administrative Code § 8115: Board approval required for certain contracts over \$250,000

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed project is categorically exempt under the provisions of CEQA. The proposed activities, i.e., to transfer money for the planning, study, preliminary design, and preparation of environmental documentation for the proposed project, will consist of basic data collection and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. As such, the proposed project qualifies under a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed project qualifies under a Categorical Exemption (Class 6, Section 15306 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required.

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and approve transfer of funds to the Foundation for the Southern California Water Education Center.

Fiscal Impact: Transfer of \$2 million of funds appropriated for the construction of the Southern California Water Education Center.

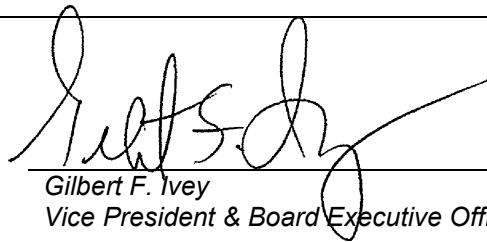
Option #2

Do not approve transfer of funds.

Fiscal Impact: None

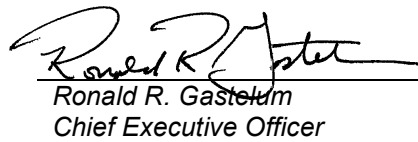
Staff Recommendation

Option #1



Gilbert F. Ivey
Vice President & Board Executive Officer

1/30/2002
Date



Ronald R. Gastelum
Chief Executive Officer

1/31/2002
Date