

● **Board of Directors**  
**Budget, Finance and Investment Committee**

July 9, 2002 Board Meeting

**8-6**

**Subject**

Authorize \$477,966 for payments to the Six Agency Fund and Colorado River Association–Six Agency Committee for fiscal year 2002/03

**Description**

**Six Agency Committee** **\$454,000**

Created in 1950, the Six Agency Committee’s (Committee) primary function is to support the Colorado River Board (CRB) through the collection and administration of funds. The funds are used by CRB staff to secure the represented agencies’ rights and interests in Colorado River system water and power resources. Generally, these interests include:

- maintaining California’s share of Colorado River water resources;
- implementing joint cooperative programs among the Colorado River Basin states, Indian tribes, the federal government and others that protect California’s Colorado River water rights and water quality;
- formulating unified California policies and positions on Colorado River matters; and
- resolving issues among California agencies with Colorado River water and power contracts.

Metropolitan has contributed to the Six Agency Fund since its inception. The Committee, on which Metropolitan is represented, approved its budget on June 18, 2002. The Committee’s budget supports CRB staff, education and advocacy services in Washington, D.C., consulting services for special projects such as identifying property owners for the Lower Colorado Water Supply Project, and Lower Colorado River Multi-Species Conservation Program efforts. The Committee budget of \$1,287,804 would be funded using leftover money from last fiscal year and \$1,022,000 to be collected from the six entities. Metropolitan’s \$453,768 share increases over last year’s cost by about \$30,000 because of increases in funding for Colorado River Basin Salinity Control Forum support and Lower Colorado River Multi-species Conservation Program planning.

**Colorado River Association** **\$24,000**

Formed in 1946, the Colorado River Association (Association) is a nonprofit organization that functions as the public affairs entity of the Committee. It prepares news releases, newsletters and brochures for the CRB as well as supporting legal, travel and other expenses for CRB meetings. Metropolitan has been a member since the Association’s inception. The Association, on which Metropolitan is represented, has approved a FY 2003 budget of \$165,500. Metropolitan’s \$24,198 share is higher than the previous year by about \$11,000 due to funding for legal services and less carryover funding available.

The following table compares Metropolitan’s share of the contributions proposed for FY 2003 with FY 2002:

<b>Organization</b>	<b>FY 2002</b>	<b>FY 2003</b>
Six Agency Committee	\$423,576	\$453,768
Colorado River Association	<u>\$ 13,320</u>	<u>\$ 24,198</u>
<b>TOTAL</b>	<b>\$436,896</b>	<b>\$477,966</b>

## Contributions

Funding percentages for the entities comprising the Committee and the Association are longstanding negotiated values, last adjusted in 1980 based on the following factors: water quantity, salinity, hydropower, assessed valuation and the institutional value of the CRB to each agency. The funding percentages are as follows: Metropolitan (44.4 percent), Los Angeles Department of Water and Power (20.4 percent), Imperial Irrigation District (19.0 percent), Coachella Valley Water District (10.0 percent), Palo Verde Irrigation District (3.2 percent), and San Diego County Water Authority (3.0 percent). These contributions play an important role to protect Metropolitan's rights and interests in the water of the Colorado River system and the use thereof.

## Policy

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Metropolitan Water District Administrative Code § 11202(3) Payment of Dues and Participation in Projects or Programs Serving District Purposes.

**Six Agency Committee** - Aug. 11, 1980 and Sept. 6, 1961 Amendments and Jan. 5, 1950 Agreement by and between Palo Verde Irrigation District, Coachella Valley Water District, San Diego County Water Authority, Imperial Irrigation District, The Metropolitan Water District of Southern California and Department of Water and Power of the City of Los Angeles.

**Colorado River Association** - Nov. 9, 1993 Amendment and May 13, 1947 Agreement between Palo Verde Irrigation District, Coachella Valley Water District, San Diego County Water Authority, Imperial Irrigation District, The Metropolitan Water District of Southern California and Department of Water and Power of the City of Los Angeles.

## California Environmental Quality Act (CEQA)

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The CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves 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). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(4) and 15061(b)(3) of the State CEQA Guidelines.

## Board Options/Fiscal Impacts

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### Option #1

Adopt the CEQA determination and authorize the Chief Executive Officer to make payments of \$453,768 for the Six Agency Fund and \$24,198 for the Colorado River Association.

**Fiscal Impact:** Approximately \$478,000 from the Operations and Maintenance Fund under the General District Requirement budget. Sufficient funds are included in Metropolitan's FY 2003 Operations and Maintenance Fund.

### Option #2

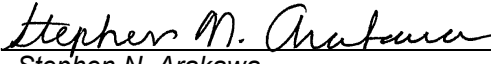
Adopt the CEQA determination and do not approve payment of one or both contributions.

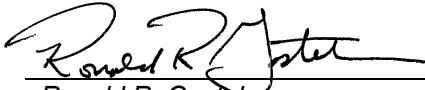
**Fiscal Impact:** Reduced use of budgeted funds.

**Staff Recommendation**

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Option #1

 6/27/2002  
Stephen N. Arakawa Date  
Manager, Water Resource Management

 6/27/2002  
Ronald R. Gastelum Date  
Chief Executive Officer

BLA #1484