

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

September 13, 2005 Board Meeting

---

**7-8**

---

**Subject**

Authorize increase in maximum amount payable to \$450,000 under the contract with EcoPlan Associates, Inc. for analysis, verification and liaison services for the Palo Verde Program

---

**Description**

To facilitate the implementation of the Palo Verde Irrigation District (PVID) Forbearance and Fallowing Program (Program), staff requests authorization to amend the existing contract with EcoPlan, an economic/agricultural consultant, to increase the maximum payable amount from \$240,000 to \$450,000. To meet 2005 water management objectives, an interim fallowing program was implemented prior to long-term program agreements. This increase is needed to support these efforts.

Previously, the Board authorized the Chief Executive Officer to enter into Program agreements and approved \$95.7 million for Program implementation. Out of the \$95.7 million, \$86.8 million were earmarked for signup payments, \$6 million for community improvement programs, and \$2.9 million for the setup costs of the Program, which is being used to support EcoPlan's and other consultants' services.

Delays in the adoption of the Quantification Settlement Agreement and subsequent protracted negotiations with PVID delayed the Program. To be assured that Program water supplies would be available this year, Metropolitan and PVID agreed to proceed with an interim fallowing program that became effective January 2005. Interim program water supplies would be utilized to meet Metropolitan's regional water supply and water quality blending needs.

EcoPlan assists Metropolitan by acting as a liaison with PVID and landowners, evaluating and processing applications, and verifying fallowed fields and acreage. Accomplishing the interim program will require up to an additional \$210,000 of consulting services. Staff recommends retaining the services and expertise of EcoPlan through December 2006, as this would be the most timely and cost-effective way to finish the interim land fallowing program and complete initiation of the long-term program. Changing consultants mid-process would cause implementation delays and additional cost to the Program.

**Future Steps:**

EcoPlan was selected through a competitive Request for Proposal process in July 2002. It was selected between two applicants as the more qualified firm, and has adequate staff resources to meet Metropolitan's current time requirements. Once the long-term program signups have been completed, additional consulting services would be needed for ongoing program management. A Request for Qualifications is scheduled to be issued in late 2005, and competitive selection of a consultant for subsequent services is expected in early 2006. Staff would manage an overlap of consultant services to ensure a smooth transition.

---

**Policy**

By Minute Item 44542, dated July 10, 2001, the Board approved Principles of Agreement for a Land Management, Crop Rotation, and Water Supply Program with Palo Verde Irrigation District, and appropriated \$500,000 for the preparation of environmental documentation and other preliminary activities for the Program.

By Minute Item 45053, dated Oct. 22, 2002, the Board authorized entering into agreements for the Palo Verde Irrigation District Land Management, Crop Rotation, and Water Supply Program and community improvement programs; and the expenditure of \$94.3 million to fund the implementation of the program.

By Minute Item 45517, dated Sept. 23, 2003, the Board approved the QSA and related agreements among Imperial Irrigation District, Coachella Valley Water District, San Diego County Water Authority, and Metropolitan. Under the QSA, Metropolitan could acquire Colorado River water from PVID during the Quantification period without objection by IID and/or CVWD.

By Minute Item 45743, dated May 11, 2004, the Board Authorized (1) an increase of \$1.4 million in Approp. 15400 and entering into contracts with four title companies; and (2) execution of agreements related to the Palo Verde Irrigation District Land Management, Crop Rotation, and Water Supply Program in accordance with revised principles.

### **California Environmental Quality Act (CEQA)**

---

CEQA determination for Staff Recommendation:

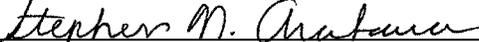
The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve 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 action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

### **Staff Recommendation**

---

Adopt the CEQA determination and approve contract increase to \$450,000 for EcoPlan's consulting services through December 2006.

  
 Stephen N. Arakawa  
 Manager, Water Resource Management

8/16/2005  
 Date

  
 Dennis B. Underwood  
 CEO/General Manager

8/22/2005  
 Date