

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

November 8, 2005 Board Meeting

7-5

Subject

Authorize entering into a new agreement with the Department of Water Resources and related new agreements with other State Water Project contractors regarding the Municipal Water Quality Investigation Program

Description

Authority is requested to renew the Municipal Water Quality Investigation Program (Program) agreement with the Department of Water Resources and enter into related new agreements with other State Water Project contractors. Metropolitan benefits from this Program through DWR's efforts to monitor water quality for public health constituents and forecast changing conditions that affect drinking water actions that are not required within the underlying SWP contracts.

Background

Metropolitan has supported the Program since 1993 and the current Program agreement with DWR expires in December 2005. Sixteen SWP contractors that serve municipal customers - the Program beneficiaries - have separate uniform agreements with DWR regarding their financial participation (see [Attachment 1](#)) and form the Program Committee. Since 1993, Metropolitan's share of the annual Program cost of \$1.8 million has been approximately \$1.3 million based on related Table A contracted supplies. For the coming three years, an increased Program budget of \$2.2 million under the new agreement is proposed to address the increasing focus on SWP water quality.

In the recent past, the Program has been funded through SWP contract payments to DWR (\$1.6 million) as well as costs paid through the State Water Contractors dues for supplemental Program services provided by the SWC (about \$200,000 of the \$1.8 million annual Program cost). A new approach under consideration is to perform those supplemental services through the State Water Project Contractors Authority (the new SWP joint powers authority formed in 2003). This approach would require agreements among the SWPCA members and would permit reimbursement of supplemental services through SWP payments to DWR. This is a preferred financing mechanism for most participating SWP contractors. Staff will inform the Board if this approach proceeds.

Proposed Program Agreement Provisions

The provisions of the new agreement are:

- Agreement term: three years
- Maximum Metropolitan Program payment: \$1.6 million per year (approximately 73 percent based on Table amounts)
- Entities performing work: DWR and SWC (or SWPCA)
- Annual DWR budget approval: governed by the Program Committee (including Metropolitan)

Program Benefits

The Program ensures that comprehensive water quality monitoring and analyses are conducted and allows the 16 urban contractors to coordinate their supply issues, quality concerns, and SWP operational needs. Through close coordination, the importance of water quality to municipal water supplies can be brought to DWR's attention and DWR operations that enhance water quality can be effectively promoted. It should be noted that without this program, current contractual and Bay-Delta water quality objectives that govern SWP operations emphasize

compliance with salinity goals and do not consider other constituents of concern to urban State Project contractors - such as bromide and organic carbon.

The Program specifically benefits Metropolitan's real-time operations and long-term planning in the following areas:

Real-Time Operations. Program tools that monitor and predict water quality in the SWP assist Metropolitan in making real-time system operation decisions that optimize integration of SWP and Colorado River supplies. The Program assists Metropolitan's annual planning for storage, distribution and treatment to assure compliance with public health and water treatment regulations. The Program also guides Metropolitan in seeking helpful changes in SWP operations that balance water quality and water supply.

Long-Term Planning. Program activities help guide Metropolitan decisions regarding operations of the Bay-Delta; protection of source waters that are tributary to the Bay-Delta; effects of future drinking water standards; and SWP operational changes that affect water quality. Development of a SWP sanitary survey related to SWP contractors' treatment plant operations - which is required by state law - is also a periodic Program product.

Program Accomplishments

Recent Program accomplishments include:

- Expanded real-time collection and reporting of water quality data in the Bay-Delta and the SWP delivery system;
- Developed a prototype model that helps predict near- and long-term changes in SWP water quality and the timing of those changes;
- Supported decisions regarding CALFED water quality goals; the Central Valley Drinking Water Policy; in-Delta water storage; and Sacramento Regional County Sanitation District wastewater discharges that affect our drinking water.

Policy

Metropolitan Water District Administrative Code Sections 11202-3: Payment of Dues; Participation in Projects or Programs Serving District Purposes

By Minute Item No. 41073, the Board, at its Oct. 11, 1994 meeting, authorized entering into the MWQI agreement.

By Minute Item No. 42752, the Board, at its Dec. 9, 1997 meeting, authorized entering into a renewed MWQI agreement.

By Minute Item No. 44942, the Board, at its July 9, 2002 meeting, authorized entering into a renewed MWQI agreement.

California Environmental Quality Act (CEQA)

CEQA determination for Staff Recommendation:

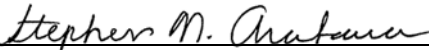
The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves the funding of studies, the agreements related to MWQI studies, and the minor operational changes to existing public facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of basic data collection and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies for both Class 1 and Class 6 Categorical Exemptions (Sections 15301 and 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under two Categorical Exemptions (Class 1, Section 15301 and Class 6, Section 15306 of the State CEQA Guidelines).

Staff Recommendation

Adopt the CEQA determination and authorize the CEO/General Manager to enter into a new Three-year Program agreement with DWR and related agreements with other SWP contractors.

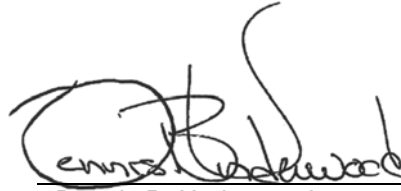
Fiscal Impact: About \$1.6 million annually through December 2008. Funds are included in Metropolitan's FY 2005/06 Operation and Maintenance Budget.



Stephen N. Arakawa
Manager, Water Resource Management

10/14/2005

Date



Dennis B. Underwood
CEO/General Manager

10/17/2005

Date

Attachment 1 – State Water Project Contractors That Are Expected to Participate In The Municipal Water Quality Investigation Program

BLA #3867

**State Water Project Contractors That Are Expected
To Participate In The Municipal Water Quality Investigation Program**

Participating SWP Contractor	Table A (acre-feet)*	Cost Allocation*
Alameda County Flood Control and Water Conservation District, Zone 7	76,126	3.19%
Alameda County Water District	42,000	1.76%
Antelope Valley-East Kern Water Agency	141,049	5.91%
Castaic Lake Water Agency	46,000	1.93%
Crestline-Lake Arrowhead Water Agency	5,800	0.24%
Kern County Water Agency	120,200	5.04%
Mojave Water Agency	30,000	1.26%
Metropolitan Water District of Southern California	1,570,375	65.80%
Napa County Flood Control and Water Conservation District	22,550	0.94%
Palmdale Water District	21,651	0.91%
San Bernardino Valley Municipal Water District	102,600	4.30%
San Gabriel Valley Municipal Water District	28,800	1.21%
San Geronio Pass Water Agency	7,000	0.29%
San Luis Obispo County Flood Control and Water Conservation District	25,000	1.05%
Santa Clara Valley Water District	100,000	4.19%
Solano County Water Agency	47,256	1.98%
Total:	2,386,407	100%

* Cost allocation is based on SWP contract Table A amounts (KCWA amount is based on Municipal and Industrial Table A component) and will vary from year to year (amounts shown are for 2006).