

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

July 11, 2006 Board Meeting

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**7-9**

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**Subject**

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Authorize \$456,320 for payments to the Six Agency Committee and \$26,048 for payment to the Colorado River Association for fiscal year 2006/07

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**Description**

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This letter seeks authorization to pay Metropolitan's share of the Six Agency Committee and Colorado River Association's costs for FY 2006/07. The funds would be used by Colorado River Board of California (CRB) staff and by the Colorado River Association. Metropolitan's share of the Six Agency Committee and Colorado River Association's total expenses is \$482,368, or 32 percent for fiscal year 2006/07.

**Purpose of Six Agency Committee and Colorado River Association**

The CRB provides the official representation for California before the United States and the other six Basin states and engages in activities in support of protecting and enhancing California and its agencies' rights and interests in the resources of the Colorado River. The state of California no longer offers co-funding for the CRB, a state agency within the Resources Agency, leaving funding entirely up to the six water agencies with seats on the board. The Six Agency Committee is a joint powers authority funded by the six agencies, and releases funds to the state to support CRB functions and to pay the salaries and expenses of the CRB employees.

The Colorado River Association is a voluntary, unincorporated organization of prominent citizens of Southern California. Its primary activities are in public relations and education on Colorado River matters. The Association advances the interests of the six agencies and the people of California in the waters of the Colorado River by conducting educational and informational campaigns.

In July 2005, Metropolitan's Board (i) approved a revised cost-sharing agreement for funding the Six Agency Committee and the Colorado River Association that sets Metropolitan's funding share at 32 percent, and (ii) approved an agreement to replace the Colorado River Association with the Colorado River Joint Powers Authority (JPA). Formation of the JPA is pending approval of one remaining agency.

**Recent Accomplishments**

Over the last fiscal year, accomplishments include:

Colorado River Board/Six Agency Committee

1. Development of the Basin states proposal for a coordinated strategy to operate Lake Mead and Lake Powell that includes providing for Metropolitan storage credits in Lake Mead.
2. Coordination of efforts of Metropolitan, the Office of the Attorney General, and other agencies in reaching a settlement and issuance of the March 27, 2006 Consolidated Decree of the U.S. Supreme Court in *Arizona v. California*.
3. Advancement of implementation of the Lower Colorado River Multi-Species Conservation Program with the Board's Executive Director serving as steering committee chair.
4. Support of efforts of the Colorado River Basin Salinity Control Forum with the Board's Executive Director serving as chair.

Colorado River Association

5. Organization of the June 2006 inspection trip of Upper Basin salinity control projects.
6. Collection of oral histories of Colorado River matters from Robert Will, Carl Boronkay, and William Claypool.

**Summary of Costs**

Details of the approved budget for FY 2006/07 for the Colorado River Board and Six Agency Fund and the Colorado River Association are provided in **Attachment 1** and **Attachment 2**, respectively. Also shown is a breakdown of each agency’s contribution along with percentage of the total. The following table is a summary of Metropolitan’s share of those approved budgets along with comparable values for FY 2005/06. The increase in the budget for the Colorado River Board from FY 2005/06 is due to the re-establishment of two CRB staff positions, a senior Hydraulic Engineer and an Office Technician, at a cost of \$128,000, and \$12,000 in increased operating expenses and equipment. The Six Agency Fund budget was increased by \$200,000 to fund consulting services in support of the Basin states preliminary proposal regarding Colorado River interim operations. Specifically, these additional funds are for preparation of an action plan for Colorado River system augmentation through weather modification and the initiation of a study for long-term augmentation of Colorado River water supplies. While the Colorado River Association budget for the fiscal year is slightly less than the FY 2005/06 budget, Metropolitan’s contribution increased as less funds were carried over into FY 2006/07 than were carried over in FY 2005/06.

<b>Fund</b>	<b>FY 2005/06</b>	<b>FY 2006/07</b>
Colorado River Board and Six Agency Fund	\$ 368,191	\$ 456,320
Colorado River Association Fund	\$ 9,136	\$ 26,048
<b>Total</b>	<b>\$ 377,327</b>	<b>\$ 482,368</b>

**Policy**

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Metropolitan Water District Administrative Code Section 11202 and Section 11203: Payment of Dues and Participation in Projects or Programs Serving District Purposes; Metropolitan Water District Act Section 126. This item is subject to a two-thirds vote requirement.

By Minute Item 46310, dated July 12, 2005, the Board approved a revision to the Six Agency Committee funding arrangement under which Metropolitan’s share is 32 percent.

By Minute Item 40277, dated June 15, 1993, the Board authorized amending the agreement creating the Colorado River Association, and by Minute Item 46291, dated July 12, 2005, the Board authorized replacing the Colorado River Association with the Colorado River Joint Powers Authority.

**California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1 and Option #2:

Funding in accordance with the terms of the interagency agreements 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). For future, and not yet known, proposed projects associated with the Six Agency Committee and Colorado River Association, the appropriate lead agencies will be responsible for complying with all applicable federal and state environmental laws and regulations.

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).

CEQA determination for Option #3:

None required

## **Board Options**

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### **Option #1**

Adopt the CEQA determination and authorize the General Manager to make payments of \$456,320 for the Six Agency Fund and \$26,048 for the Colorado River Association for a total of \$482,368 for FY 2006/07.

**Fiscal Impact:** \$482,368 from the Operations and Maintenance Fund under the General District Requirement budget. Sufficient funds are included in Metropolitan's FY 2006/07 Operations and Maintenance Fund.

**Business Analysis:** Provides for continued representation of California in Colorado River matters by the Colorado River Board at present staffing levels and continues the educational and informational campaigns undertaken by the Colorado River Association.

### **Option #2**

Adopt the CEQA determination and authorize the General Manager to make payments totaling \$456,320 for the Six Agency Fund only for FY 2006/07.

**Fiscal Impact:** \$456,320 from the Operations and Maintenance Fund under the General District Requirement budget. Sufficient funds are included in Metropolitan's FY 2006/07 Operations and Maintenance Fund.

**Business Analysis:** Provides for continued representation of California in Colorado River matters by the Colorado River Board at present staffing levels. Would not provide for the costs of the Colorado River Association potentially resulting in cessation of educational and informational campaigns if the other five agencies do not elect to fund Metropolitan's 32 percent share.

### **Option #3**

Do not authorize the General Manager to make payments for the Six Agency Fund and the Colorado River Association for FY 2006/07 and direct staff to renegotiate the cost sharing agreement approved by your Board at its July 12, 2005 meeting.

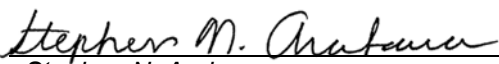
**Fiscal Impact:** Unknown. Metropolitan's share of costs under a new agreement are subject to negotiation. If a revised agreement cannot be negotiated, the potential loss of the function served by the Colorado River Board could result in additional Colorado River resources related costs to Metropolitan.

**Business Analysis:** Without a timely renegotiated cost sharing agreement, the ability of the Colorado River Board to represent California on Colorado River matters would be compromised due to funding distractions, and reduced staffing. Would not provide for the costs of the Colorado River Association, potentially resulting in cessation of educational and informational campaigns if the other five agencies do not elect to fund Metropolitan's 32 percent share.

**Staff Recommendation**

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Option #1

  
Stephen N. Arakawa  
Manager, Water Resource Management

6/16/2006

Date

  
Jeffrey Kightlinger  
General Manager

6/20/2006

Date

**Attachment 1 – Colorado River Board and Six Agency Fund**

**Attachment 2 – Colorado River Association Fund**

BLA #4581

## **Colorado River Board and Six Agency Fund**

### **Colorado River Board and Six Agency Committee**

#### **Metropolitan's share: \$456,320 (32 percent)**

Created in 1950, the Six Agency Committee's primary function is to support the CRB through the collection and administration of funds. The funds are used by CRB staff for purposes of:

- 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.

The participating agencies of the Six Agency Committee are the Coachella Valley Water District, Imperial Irrigation District, Los Angeles Department of Water and Power, Palo Verde Irrigation District, San Diego County Water Authority, and Metropolitan. Metropolitan has contributed to the Six Agency Fund since its inception. The Committee approved its budget for fiscal year 2006/07 on June 14, 2006. The CRB budget for fiscal year 2006/07 is shown below on the next page.

**COLORADO RIVER BOARD AND SIX AGENCY FUND**

	<u>Current Year Authorized Budget FY 2005/06</u>		<u>Anticipated Expenditures FY 2005/06</u>		<u>Proposed Budget FY 2006/07</u>	
<b>A. COLORADO RIVER BOARD BUDGET</b>						
<b>Sources of Funding</b>						
State Share	\$ ----	0%	----		\$ ----	0%
Six Agency Share	\$ 1,253,000	100%	1,064,191		\$ 1,393,000	100%
<b>Colorado River Board Budget<sup>1</sup></b>	<b>\$ 1,253,000</b>		<b>1,064,191</b>		<b>\$ 1,393,000</b>	
<b>B. BUDGET REQUIREMENTS OF SIX AGENCY COMMITTEE</b>						
1. Support of Colorado River Board Budget	\$ 1,253,000		\$ 1,064,191		\$ 1,393,000	
2. Washington, D.C. Services	\$ 50,000		\$ 30,000		\$ 50,000	
3. Consulting Services/Special Projects	\$ 100,000		\$ 60,000		\$ 300,000	
4. Unscheduled Board Activities	\$ 10,000		\$ ----		\$ 10,000	
5. Computer Replacement, Maintenance & Supplies	\$ 6,000		\$ 3,500		\$ 6,000	
6. 3% Reserve for Contingency	\$ 25,000		\$ ----		\$ 25,000	
7. LCR MSCP						
A. MSCP Implementation	\$ 6,000		\$ ----		\$ ----	
B. Other Studies	\$ ----		\$ ----		\$ ----	
<b>Six Agency Committee Budget</b>	<b>\$ 1,450,000</b>		<b>\$ 1,157,691</b>		<b>\$ 1,784,000</b>	
<b>C. SOURCES OF FUNDING FOR SIX AGENCY COMMITTEE</b>						
8. Refund from State for FY 02/03					\$ (81,864)	
9. Estimated Carry-Over					\$ (172,809)	
10. Prior Assessment					\$ (103,327)	
11. Electric Utility Contribution (Item #7A)					\$ ----	
12. Transfer from Reserve Fund					\$ ----	
13. Assessments not Received					\$ ---	
<b>14. TOTAL CONTRIBUTION NEEDED</b>					<b>\$ 1,426,000</b>	

<sup>1</sup> The Board's Budget includes \$34,000 for Colorado River Basin Salinity Control Forum support in FY 2006/07.

**Colorado River Board and Six Agency Fund  
Budget for FY 2006-07**

Funding Contribution Among the Six Agencies

<b>Agency</b>	<b>Funding Commitment</b>	<b>Percent of Total</b>
Metropolitan	456,320	32.00
City of Los Angeles	142,600	10.00
Imperial Irrigation District	409,975	28.75
Coachella Valley Water District	231,715	16.25
Palo Verde Irrigation District	71,300	5.00
San Diego County Water Authority	114,080	8.00
Total	\$1,426,000	100.00

## Colorado River Association Fund

### Colorado River Association

#### Metropolitan's share: \$ 26,048 (32 percent)

Formed in 1947, the Six Agency Colorado River Association (Association) is a Joint Powers Authority that functions as the public affairs entity of the Six Agency Committee. It prepares news releases, newsletters and brochures, as well as sponsoring field inspections for legislative and congressional staff. Metropolitan has been a member since the Association's inception. Unlike the Six Agency Committee fund, the Association fund is not used to fund state employees' costs. The Association budget for fiscal year 2006/07 is shown below.

### COLORADO RIVER ASSOCIATION FUND

FY 2006/07 Budget

Account No. 1	Awards & Honoraria	\$ 300
Account No. 2	Miscellaneous Postage	\$ 1,000
Account No. 3	Miscellaneous Supplies and Services	\$ 5,000
Account No. 4	Travel, Conference Expenses, and Field Inspections for State and Federal Legislative Representatives	\$ 65,000
Account No. 5	Oral Histories, News Releases & Brochure, Printing	\$ 32,100
Account No. 6	Telephone	\$ 300
Account No. 7	Contingency Reserve	\$ 3,200
<b>ESTIMATED ASSOCIATION BUDGET</b>		<b>\$ 106,900</b>
<b>PRIOR ASSESSMENTS</b>		<b>\$ (25,500)</b>
<b>TOTAL CONTRIBUTION NEEDED</b>		<b>\$ 81,400</b>



**Colorado River Association Fund  
Budget for FY 2006-07**

Funding Contribution Among the Six Agencies

<b>Agency</b>	<b>Funding Commitment</b>	<b>Percent of Total</b>
Metropolitan	26,048	32.00
City of Los Angeles	8,140	10.00
Imperial Irrigation District	23,403	28.75
Coachella Valley Water District	13,228	16.25
Palo Verde Irrigation District	4,070	5.00
San Diego County Water Authority	6,511	8.00
Total	\$81,400	100.00