

- **Board of Directors**
Water Planning and Stewardship Committee

July 8, 2008 Board Meeting

8-7

Subject

Authorize payment of \$579,908 for support of Colorado River Board and Colorado River Authority of California for fiscal year 2008/09

Description

Authorization is requested to fund Metropolitan's share of financial support for the Colorado River Board of California's (CRB) functions as well as the Colorado River Authority of California's (Authority) efforts to conduct educational and informational campaigns. Metropolitan is one of six California water agencies listed in [Attachment 1](#) that shares the expenses of both entities. Both functions help protect and advance Metropolitan's Colorado River water supply.

The CRB provides the official representation for California before the United States and the other six Basin states. CRB engages in activities that protect the interest and rights of the state of California, its agencies, and citizens, in the water and power resources of the Colorado River Systems. The CRB is a state agency within the California Resources Agency, where funding is provided entirely by the six California water agencies, with each agency having a seat on its board. Metropolitan has primary and alternate representatives on the board.

The Six Agency Committee is a joint powers authority funded by the six California water agencies and releases funds to the state to support CRB functions including the salaries of its employees, technical studies and travel. The Six Agency Committee also independently pays for certain related efforts such as weather modification program, computer upgrades, special projects, etc.

The Authority advances the six California water agencies and the people of California's interest in the waters of the Colorado River by supporting the CRB in the areas of public affairs, and educational and informational campaigns.

[Attachment 1](#) is a schematic describing the financial contributions from Metropolitan and the five other cost-sharing agencies.

Recent Accomplishments

Colorado River Board/Six Agency Committee

- Played a key role developing water management guidelines that were incorporated into the Bureau of Reclamation's Record of Decision (ROD) for Colorado River shortage guidelines operational strategies.
- Developed an interstate agreement that insulated California from shortages and ensured Metropolitan's ability to store water in Lake Mead, and participate in funding of the Drop 2 Reservoir Project.
- Testified in a congressional hearing on a bill that would further develop Colorado River supplies in the Upper Basin and on another bill that would ensure the long-term effective implementation of the Lower Colorado River Multi-Species Conservation Program.
- Provided funds for weather modification activities in the Upper Colorado River Basin to increase snowpack and reservoir levels.
- Provided funds to assess feasibility of reducing water losses through tamarisk removal and revegetation with native plants.

Colorado River Authority of California

- Conducted inspections of the All-American Canal Lining Project for stakeholders from California and the other Basin states.
- Videotaped key water policy leaders to develop an oral history of the Colorado River.

Objectives for Upcoming Fiscal Year

In fiscal year 2008/09, the Colorado River Board/Six Agency Committee objectives include:

- Advance water supply augmentation for the Colorado River Basin, including expansion of weather modification (cloud seeding) program, and study of potential implementation of tamarisk removal projects.
- Support negotiations to operate the Yuma Desalting Plant cost-effectively and develop benefit from the water conserved.
- Participate in the United States-Mexico cooperative process to explore, identify, and implement water conservation, shortage management, augmentation and environmental initiatives with binational benefits in environmental, agricultural and urban water use.
- Work with the agencies represented on the Colorado River Board to ensure continued reliable water supplies from Colorado River resources in light of the Governor's statewide drought declaration.
- Protect California's interests in the proposed projects to increase Upper Colorado Basin water use through the Navajo-Gallup Water Supply Project and the Lake Powell Pipeline.
- Continue implementation of an electronic data management system to preserve the Colorado River Board's files.

Summary of Costs

Details of the approved budget for FY 2008/09 for the CRB (paid through the Six Agency Fund) and the Authority are provided in **Attachment 2** and **Attachment 3**, respectively. Also shown in the attachments are breakdown of each agency's contribution along with the percentage of the total. Metropolitan's funding contributions to the Six Agency Fund and Authority Fund in FY 2007/08 and FY 2008/09 are summarized below. The FY 2008/09 funding contribution increase of 4.5% over the previous year is due to an increase in the Six Agency Fund's budget requirement for cooperative weather modification and tamarisk studies with the other Colorado River Basin states.

Metropolitan Contributions		
Fund	FY 2007/08	FY 2008/09
Colorado River Board/Six Agency Committee (Six Agency Fund)	\$ 540,544	\$ 564,900
Colorado River Authority of California (Authority Fund)	\$ 13,472	\$ 15,008
Total	\$ 554,016	\$ 579,908

Policy

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: Dissemination of Information (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)

CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (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 CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to make payments of \$564,900 to the Six Agency Fund and \$15,008 to the Colorado River Authority of California for a total of \$579,908 for FY 2008/09.

Fiscal Impact: \$564,900 to the Six Agency Fund and \$15,008 to the Colorado River Authority of California from the Operations and Maintenance Fund under the General District Requirement budget. Sufficient funds are included in Metropolitan's FY 2008/09 Operations and Maintenance Fund.

Business Analysis: Provides for continued representation of California in Colorado River matters by the Colorado River Board and continues the educational and informational campaigns undertaken by the Colorado River Authority of California.

Option #2

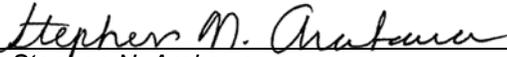
Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to make payments totaling \$564,900 to the Six Agency Fund only for FY 2008/09.

Fiscal Impact: \$564,900 to the Six Agency Fund from the Operations and Maintenance Fund under the General District Requirement budget. Sufficient funds are included in Metropolitan's FY 2008/09 Operations and Maintenance Fund.

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

Staff Recommendation

Option #1


Stephen N. Arakawa
Manager, Water Resource Management

6/24/2008

Date


Jeffrey Kightlinger
General Manager

6/24/2008

Date

Attachment 1 – Financial Pathways

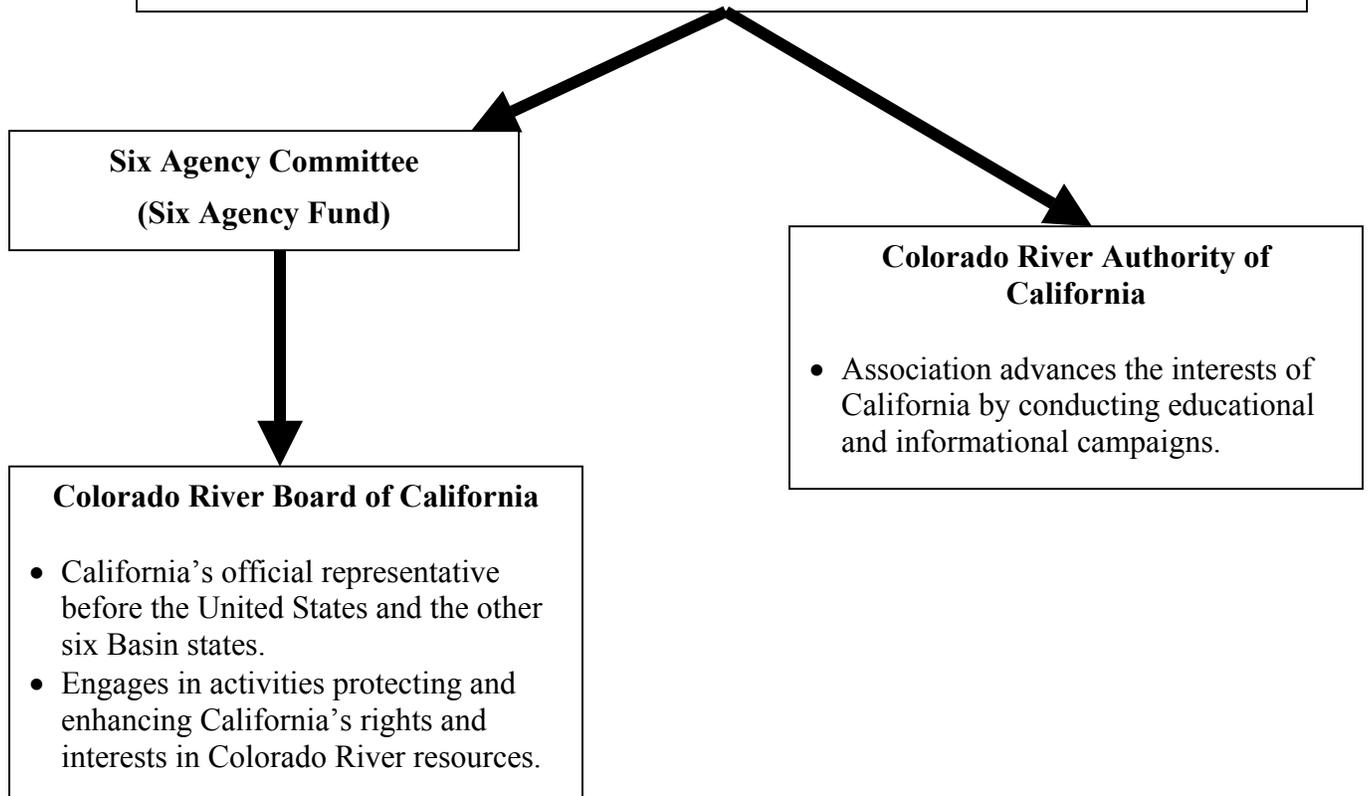
Attachment 2 – Colorado River Board and Six Agency Fund

Attachment 3 – Colorado River Authority of California Fund

BLA #6018

FINANCIAL PATHWAYS

Funding Source		
<p>IID (Cost Share @ 28.75%) Imperial Irrigation District</p>	<p>CVWD (Cost Share @ 16.25%) Coachella Valley Water District</p>	<p>PVID (Cost Share @ 5.00%) Palo Verde Irrigation District</p>
<p>MWD (Cost Share @ 32.00%) Metropolitan Water District of Southern California</p>	<p>SDCWA (Cost Share @ 10.00%) San Diego County Water Agency</p>	<p>City of LA (Cost Share @ 8.00%) City of Los Angeles (LADWP)</p>



**Six Agency Committee
(Six Agency Fund)**

Colorado River Authority of California

- Association advances the interests of California by conducting educational and informational campaigns.

Colorado River Board of California

- California's official representative before the United States and the other six Basin states.
- Engages in activities protecting and enhancing California's rights and interests in Colorado River resources.

Six Agency Fund

Colorado River Board and Six Agency Committee

Metropolitan's share: \$564,900 (32 percent)

Created in 1950, the Six Agency Committee's primary function is to support the Colorado River Board (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 Six Agency Committee's participating agencies 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 The Metropolitan Water District of Southern California. Metropolitan has contributed to the Six Agency Fund since its inception. The Committee approved its budget for fiscal year 2008/09 on June 11, 2008. The CRB and Six Agency Committee budget for fiscal year 2008/09 is shown on the next page and funding needed from the participating six agencies is shown on page 3.

Six Agency Fund			
	Funded Budget FY 2007/08	Anticipated Expenditures FY 2007/08	Proposed Budget FY 2008/09
A. BUDGET REQUIREMENTS OF SIX AGENCY FUND			
1. Support of Colorado River Board Budget	\$ 1,607,000	\$ 1,536,510	\$ 1,614,000
2. Washington, D.C. Services	\$ 40,000	\$ 28,000	\$ 40,000
3. Consulting Services/Special Projects	\$ 400,000	\$ 210,000	\$ 350,000
4. Unscheduled Board Activities	\$ 10,000	\$ 8,830	\$ 10,000
5. Computer Replacement, Maintenance & Supplies	\$ 6,000	\$ 4,000	\$ 6,000
6. Reserve for Contingency	\$ 25,000	\$ ----	\$ 25,000
7. Basin States Tamarisk Study			
A. Six Agency Committee	\$ 100,000	\$ 50,000	\$ 100,000
B. Other Studies	\$ 200,000	\$ 200,000	\$ 600,000
Six Agency Committee Budget	\$ 2,388,000	\$ 2,037,340	\$ 2,745,000
B. SOURCES OF FUNDING FOR SIX AGENCY FUND			
8. Refund from State for FY 2005/06	(47,000)		\$ (29,000)
9. Estimated Carry-Over	(159,809)		\$ (70,490)
10. Prior Assessment	(291,991)		\$ (280,196)
11. Transfer from Reserve Fund			\$ ----
12. Basin States Assessments	(200,000)		\$ (600,000)
TOTAL CONTRIBUTION NEEDED FROM SIX AGENCIES FOR FY 2008/09			\$ 1,765,314

**Six Agency Fund
Budget for FY 2008/09**

Funding Contribution Among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan Water District	564,900	32.00
City of Los Angeles	141,225	8.00
Imperial Irrigation District	507,528	28.75
Coachella Valley Water District	286,864	16.25
Palo Verde Irrigation District	88,266	5.00
San Diego County Water Authority	176,531	10.00
Total	\$ 1,765,314	100.00

Colorado River Authority of California Fund

Colorado River Authority of California

Metropolitan's share: \$15,008 (32 percent)

Formed in 1947, the Colorado River Authority of California 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 Authority's inception. Unlike the Six Agency Committee fund, the Authority fund is not used to fund state employees' costs. The Authority's budget for fiscal year 2008/09 is shown below and funding needed from the six California water agencies is shown on page 2.

COLORADO RIVER AUTHORITY OF CALIFORNIA FUND FY 2008/09 Budget

Account No. 1	Awards & Honoraria	\$ 300
Account No. 2	Miscellaneous Postage	\$ 1,000
Account No. 3	Miscellaneous Supplies and Services	\$ 1,000
Account No. 4	Travel, Conference Expenses, and Field Inspections for State and Federal Legislative Representatives	\$ 74,000
Account No. 5	Oral Histories, News Releases & Brochure, Printing	\$ 24,600
Account No. 6	Telephone	\$ 600
Account No. 7	Contingency Reserve	\$ 5,000
ESTIMATED ASSOCIATION BUDGET		\$ 106,200
PRIOR ASSESSMENTS		\$ (59,300)
TOTAL CONTRIBUTION NEEDED		\$ 46,900

**Colorado River Authority of California Fund
Budget for FY 2008/09**

Funding Contribution Among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan	15,008	32.00
City of Los Angeles	3,752	8.00
Imperial Irrigation District	13,484	28.75
Coachella Valley Water District	7,621	16.25
Palo Verde Irrigation District	2,345	5.00
San Diego County Water Authority	4,690	10.00
Total	\$46,900	100.00