

● **Board of Directors**
Communications and Legislation Committee

December 9, 2008 Board Meeting

7-8

Subject

Approve increased dues for continuing memberships in the Association of California Water Agencies, WateReuse Association, and Western Electricity Coordinating Council

Description

Metropolitan's Administrative Code Section 11202 authorizes each department head to join organizations whose purposes serve the interests of Metropolitan, provided that new memberships with annual dues of \$3,000 or more are approved by the Board. Existing memberships must be brought back to the Board for approval, if: (a) annual dues increase by 10 percent, or (b) the increase amounts to \$3,000 or more. Three organizations in which Metropolitan currently has memberships require board approval because increased dues exceed the threshold.

INCREASED MEMBERSHIPS:

Association of California Water Agencies [\$31,928.80]

Association of California Water Agencies (ACWA) is California's largest and oldest coalition of water agencies. ACWA provides a forum for exchange and dissemination of information and knowledge to support or oppose legislation, both at federal and state levels. ACWA's dues are calculated based on an organization's operations and maintenance expenses as reported to the State Controller's office. Because Metropolitan's operation and maintenance costs increased, ACWA's dues increased from \$24,378 to \$31,928.80, an increase of \$7,540.40.

WateReuse Association of California [\$7,000]

WateReuse Association (WRA) is a nationwide association committed to promoting water recycling issues. WRA provides Metropolitan an avenue to promote and improve the efficiency of water recycling, a fundamental building block of Southern California's regional integrated resource plan. WRA dues increased from \$5,000 to \$7,000, a 40 percent increase. The increase dues cover the expenses for increased activities on water recycling and desalination in upcoming years. This is only the second dues increase in the last 10 years.

Western Electricity Coordinating Council [\$41,150]

The Western Electricity Coordinating Council (WECC) is responsible for ensuring the reliability of the interconnected electric transmission network in the western United States and Canada, and a portion of northern Mexico. WECC is part of a nationwide system of reliability councils created after the Northeast Blackout of 1965. As a result of Congressional enactment of the Energy Policy Act of 2005, WECC has transitioned from an organization that established voluntary operating guidelines with voluntary membership fees to a regulatory compliance and enforcement agency authorized by the Federal Energy Regulatory Commission (FERC) to enforce electric utility compliance with mandatory reliability requirements. In addition to its new enforcement responsibility, for which FERC has authorized cost recovery as statutory cost assessments, WECC will continue to perform its prior coordinating functions, including the WECC Market Interface Committee, day-to-day interconnected system operation, and long-range transmission planning.

In 2008/09, the following WECC assessments total \$41,150 consisting of:

1. WECC annual basic membership dues of \$5,000;
2. Unscheduled flow mitigation assessment of \$2,300; and

3. Metropolitan's percentage allocation of WECC's control area assessment to the California Independent System Operator varies annually based on energy consumption and is expected to be approximately \$33,850.

Policy

Metropolitan Water District Administrative Code Section 11202: Payment of Dues

Metropolitan Water District Administrative Code Section 11203: Participation in Projects or Programs Serving District Purposes

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Funding for the proposed memberships 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 these memberships, 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 #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to pay the above-listed expected membership dues/assessments for fiscal year 2008/09.

Fiscal Impact: Up to \$80,078.80

Business Analysis: ACWA, WRA, and WECC are strategic business partners in the water resources community.

Option #2

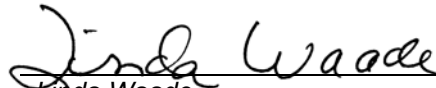
Do not authorize the General Manager to pay the above-listed expected membership dues/assessments for fiscal year 2008/09.

Fiscal Impact: Saving up to \$80,078.80

Business Analysis: Loss of strategic business partners

Staff Recommendation

Option #1


Linda Waade
Deputy General Manager, External Affairs

11/25/2008
Date


Jeffrey Kightlinger
General Manager

11/25/2008
Date

BLA #6359