



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

July 14, 2009 Board Meeting

8-6

Subject

Authorize payment of up to \$592,800 for support of Colorado River Board and Colorado River Authority of California for fiscal year 2009/10

Description

Authorization is requested to pay for Metropolitan's participation in (1) the Colorado River Board of California's (CRB) functions and (2) the Colorado River Authority of California's (Authority) educational and informational campaigns. Metropolitan is one of six California water agencies, listed in [Attachment 1](#), that share these expenses. Both the CRB and the Authority help protect and advance Metropolitan's Colorado River water supply interests.

Colorado River Board and Six Agency Committee

The CRB provides the official representation for California before the United States and the other Basin states. The 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 system. Although the CRB falls within the California Resources Agency, funding is provided entirely by the six California water agencies. Each agency has a seat on the Board. The Board also includes other members appointed by the Governor.

The Six Agency Committee is a joint powers organization funded by the six California water agencies. It 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 programs, computer upgrades, and special projects. The CRB and the Six Agency Committee played key roles in the Drop 2 Reservoir Project, contributed to weather modification projects in the Upper Colorado River Basin and helped reduce water loss by supporting tamarisk removal projects. Metropolitan's share of the expenses for fiscal year 2009/10 is \$577,728.

In fiscal year 2009/10, 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.
- Work with the Basin states and Reclamation in the development of the Inadvertent Overrun and Payback Policy and the Intentionally Created Surplus Policy procedures.
- 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.
- Monitor and ensure effective implementation of the Lower Colorado Multi-Species Conservation Program.

- Monitor and ensure effective implementation of the Glen Canyon Dam Adaptive Management Program California’s rights and interests in releases from Glen Canyon Dam.
- Continue implementation of an electronic data management system to preserve the Colorado River Board’s files.

Colorado River Authority of California

The Authority advances California’s interest in the waters of the Colorado River by conducting educational and informational campaigns. In the last year, the Authority provided inspection tours of the All-American Canal Lining Project for stakeholders; interviewed key water policy leaders regarding Colorado River issues; and archived the taped interviews of key personnel. Metropolitan’s share of the expenses for fiscal year 2009/10 is \$15,072.

Attachment 1 is a schematic describing the financial contributions arrangement from Metropolitan and the five other cost-sharing agencies.

Summary of Costs

Details of the approved budget for FY 2009/10 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. Metropolitan’s funding contributions to the Six Agency Fund and Authority Fund in FY 2008/09 and FY 2009/10 are summarized below. Metropolitan budgeted \$580,000 for both payments within the FY 2009/10 budget, leaving a difference of \$12,800. Metropolitan will meet the unbudgeted amount from savings in other operating costs.

Metropolitan Contributions		
Fund	FY 2008/09	FY 2009/10
Colorado River Board/Six Agency Committee (Six Agency Fund)	\$ 564,900	\$ 577,728
Colorado River Authority of California (Authority Fund)	15,008	15,072
Total	\$ 579,908	\$ 592,800

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

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 \$577,728 to the Six Agency Fund and \$15,072 to the Colorado River Authority of California for a total of \$592,800 for FY 2009/10.

Fiscal Impact: \$577,728 to the Six Agency Fund and \$15,072 to the Colorado River Authority of California from the Operations and Maintenance Fund under the General District Requirement budget. Metropolitan has budgeted \$580,000 for Six Agency Fund and the Authority. The unbudgeted amount of \$12,800 will be funded from savings in other operating costs.

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

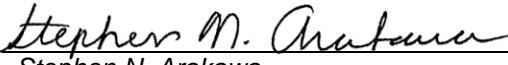
Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to only make payments totaling \$577,728 to the Six Agency Fund for FY 2009/10 and not authorize payments to the Colorado River Authority.

Fiscal Impact: \$577,728 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 2009/10 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 Colorado 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

6/22/2009
Date



Jeffrey Lightlinger
General Manager

6/30/2009
Date

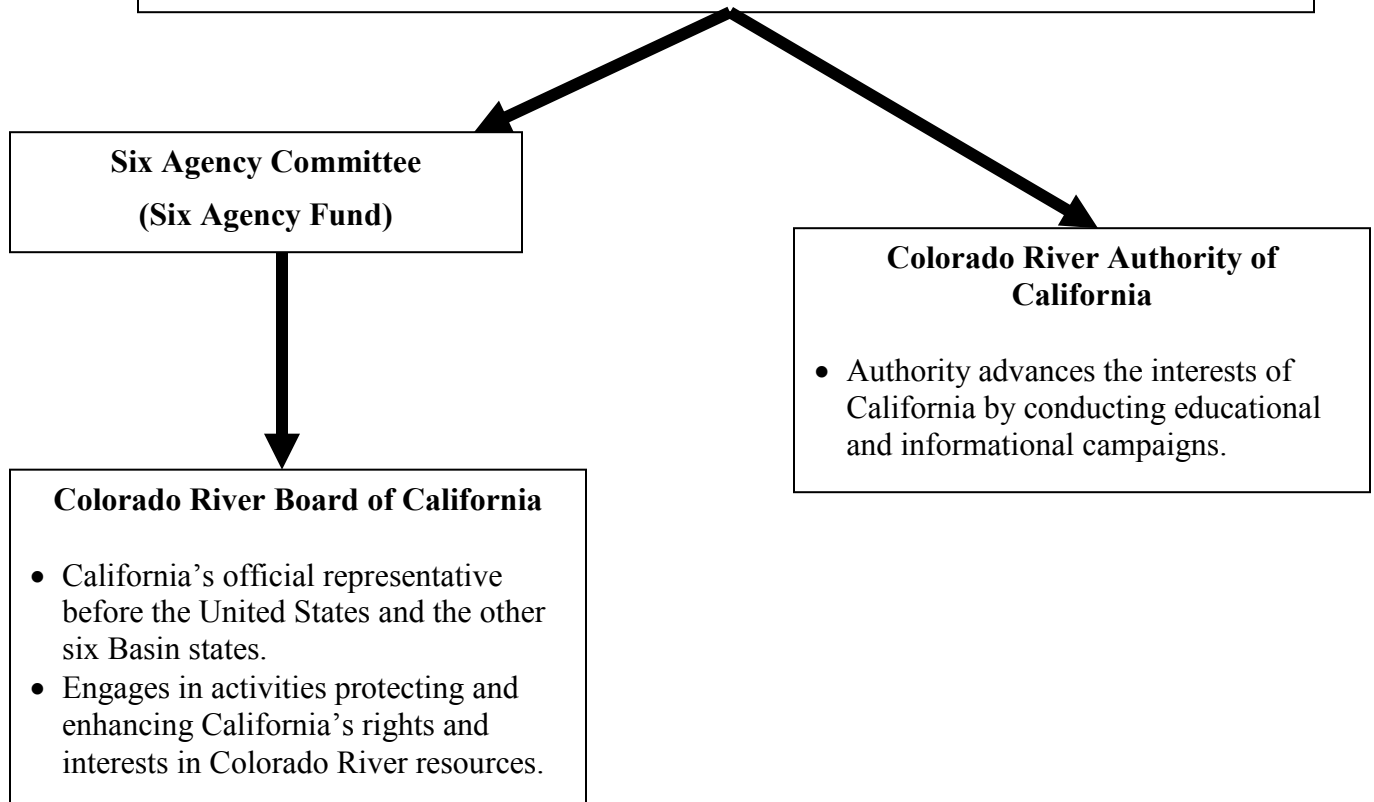
[Attachment 1 – Financial Pathways](#)

[Attachment 2 – Six Agency Fund](#)

[Attachment 3 – Colorado River Authority of California Fund](#)

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 Authority</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

- Authority 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: \$577,728 (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 2009/10 on June 10, 2009. The CRB and Six Agency Committee budget for fiscal year 2009/10 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 2008/09	Anticipated Expenditures FY 2008/09	Proposed Budget FY 2009/10
A. BUDGET REQUIREMENTS OF SIX AGENCY FUND			
1. Support of Colorado River Board Budget	\$ 1,614,000	\$ 1,490,160	\$ 1,627,000
2. Washington, D.C. Services	\$ 40,000	\$ 28,000	\$ 40,000
3. Consulting Services/Special Projects	\$ 350,000	\$ 231,915	\$ 350,000
4. Unscheduled Board Activities	\$ 10,000	\$ 400	\$ 10,000
5. Computer Replacement, Maintenance & Supplies	\$ 6,000	\$ 3,500	\$ 6,000
6. Reserve for Contingency	\$ 25,000	\$ ----	\$ 25,000
7. Basin States Tamarisk Study			
A. Six Agency Committee	\$ 100,000	\$ 44,000	\$ 100,000
B. Other Studies	\$ 200,000	\$ 176,000	\$ 600,000
Six Agency Committee Budget	\$ 2,345,000	\$ 1,973,975	\$ 2,758,000
B. SOURCES OF FUNDING FOR SIX AGENCY FUND			
8. Refund from State for FY 2005/06	(29,000)		\$ (5,600)
9. Estimated Carry-Over	(70,490)		\$ (123,840)
10. Prior Assessment	(280,196)		\$ (223,160)
11. Transfer from Reserve Fund			\$ ----
12. Basin States Assessments	(200,000)		\$ (600,000)
TOTAL CONTRIBUTION NEEDED FROM SIX AGENCIES FOR FY 2009/10			\$ 1,805,400

**Six Agency Fund
Budget for FY 2009/10**

Funding Contribution Among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan Water District	577,728	32.00
City of Los Angeles	144,432	8.00
Imperial Irrigation District	519,052	28.75
Coachella Valley Water District	293,378	16.25
Palo Verde Irrigation District	90,270	5.00
San Diego County Water Authority	180,540	10.00
Total	\$ 1,805,400	100.00

Colorado River Authority of California Fund

Colorado River Authority of California

Metropolitan's share: \$15,072 (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 2009/10 is shown below and funding needed from the six California water agencies is shown on page 2.

COLORADO RIVER AUTHORITY OF CALIFORNIA FUND FY 2009/10 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	\$ 300
Account No. 7	Contingency Reserve	\$ 5,000
ESTIMATED ASSOCIATION BUDGET		\$ 106,200
PRIOR ASSESSMENTS		\$ (59,100)
TOTAL CONTRIBUTION NEEDED		\$ 47,100

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

Funding Contribution Among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan	15,072	32.00
City of Los Angeles	3,768	8.00
Imperial Irrigation District	13,541	28.75
Coachella Valley Water District	7,654	16.25
Palo Verde Irrigation District	2,355	5.00
San Diego County Water Authority	4,710	10.00
Total	\$47,100	100.00