



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

6/8/2010 Board Meeting

8-4

Subject

Approve an amendment to a cost-sharing agreement for Colorado River Board funding; and authorize payment of \$605,632 for support of the Colorado River Board and Colorado River Authority of California for fiscal year 2010/11

Description

Authorization is requested for the General Manager to: (1) execute an amendment to the cost-sharing agreement for the Colorado River Board (CRB); and (2) pay for Metropolitan's related participation in CRB functions and in the Colorado River Authority of California's (Authority) educational and informational campaigns. Metropolitan is one of six California water agencies that share these expenses. Both the CRB and the Authority help protect and advance Metropolitan's Colorado River water supply interests.

Cost-Sharing Agreement

The six agency cost-sharing formula that was used during the last five years will expire on June 30, 2010. The six agencies propose that the formula used for the last year of that agreement continue for five years through June 30, 2015. Under the cost-sharing arrangement, urban agencies pay half of the total costs and the agricultural agencies pay the remaining half. Metropolitan contributes 32 percent of the total costs; the remaining urban share of 18 percent would be paid by San Diego County Water Authority (10 percent) and the city of Los Angeles (8 percent). [Attachment 1](#) shows the cost-sharing percentages among the six agencies.

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. CRB is funded entirely by the six California water agencies; no State funds are used. Each agency has a seat on the board, which also includes other members appointed by the Governor.

The Six Agency Committee is a joint powers organization comprised of the six California water agencies. It provides 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. In FY 2009/10, the CRB and the Six Agency Committee played key roles in developing scope of work and cost sharing for the Basin Studies program, in discussions with Mexico to develop a binational water management proposal, in contributing to weather modification projects in the Upper Colorado River Basin and helping reduce water loss by supporting tamarisk removal projects. In FY 2010/11, the CRB and the Six Agency Committee plan to advance implementation of the Basin Studies and continue with other activities carried over from FY 2009/10. Metropolitan's share of the FY 2010/11 expenses is \$588,960.

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 FY 2009/10, the Authority provided inspection tours for stakeholders that included the All-American Canal Lining Project; interviewed key water policy leaders regarding Colorado River issues; and archived the taped interviews of key personnel for future reference. In FY 2010/11, the Authority plans to hold an educational field visit for California water agencies to better understand Colorado River issues in the Upper Basin. Metropolitan's share of the FY 2010/11 expenses is \$16,672.

Summary of Costs

Details of the approved budget for FY 2010/11 for the CRB and the Authority are provided in [Attachment 2](#) and [Attachment 3](#), respectively. Shown in the attachments are breakdowns of each agency's contributions. Metropolitan's funding in FY 2009/10 and FY 2010/11 is summarized below.

Metropolitan Contributions

Fund	FY 2009/10	FY 2010/11
Colorado River Board/Six Agency Committee	\$ 577,728	\$ 588,960
Colorado River Authority of California	\$ 15,072	\$ 16,672
Total	\$ 592,800	\$ 605,632

The budget increase is attributable to increases in state employees' costs and California's share of the Basin Studies and weather modification programs.

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 40277, dated June 15, 1993, the Board authorized amending the agreement creating the Colorado River Association.

By Minute Item 46291, dated July 12, 2005, the Board authorized replacing the Colorado River Association with the Colorado River Joint Powers Authority.

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.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to:

- a. Execute the agreement’s amendment to extend the cost-sharing formula through June 30, 2015; and
- b. Make payment of \$605,632 for the Six Agency Committee and the Colorado River Authority of California for FY 2010/11.

Fiscal Impact: \$605,632 from the Operations and Maintenance Fund under the General District Requirement budget. \$600,000 have been budgeted in Metropolitan’s FY 2010/11 Operations and Maintenance Fund for the Six Agency Committee and the Authority. The unbudgeted difference of \$5,632 will be funded from savings in other operating costs.

Business Analysis: Provides continued representation of California in Colorado River matters by the CRB at present staffing levels and continues the educational and informational campaigns undertaken by the Authority

Option #2

Adopt the CEQA determination and, by a two-thirds vote, authorize the General Manager to:

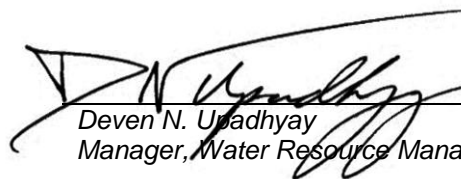
- a. Execute the agreement’s amendment to extend the current cost-sharing formula through June 30, 2015; and
- b. Make payment only for the Six Agency Committee for the amount of \$588,960 for FY 2010/11.

Fiscal Impact: \$588,960 from the Operations and Maintenance Fund under the General District Requirement budget. \$600,000 have been budgeted in Metropolitan’s FY 2010/11 Operations and Maintenance Fund for the Six Agency Committee and the Authority.

Business Analysis: Provides for continued representation of California in Colorado River matters by the CRB at present staffing levels. Would not provide funds for the Authority, which could potentially result in cessation of educational and informational campaigns if the other five agencies do not elect to fund Metropolitan’s 32 percent share.

Staff Recommendation

Option #1



Deven N. Upadhyay
Manager, Water Resource Management

5/25/2010

Date



Jeffrey Kightlinger
General Manager

5/26/2010

Date

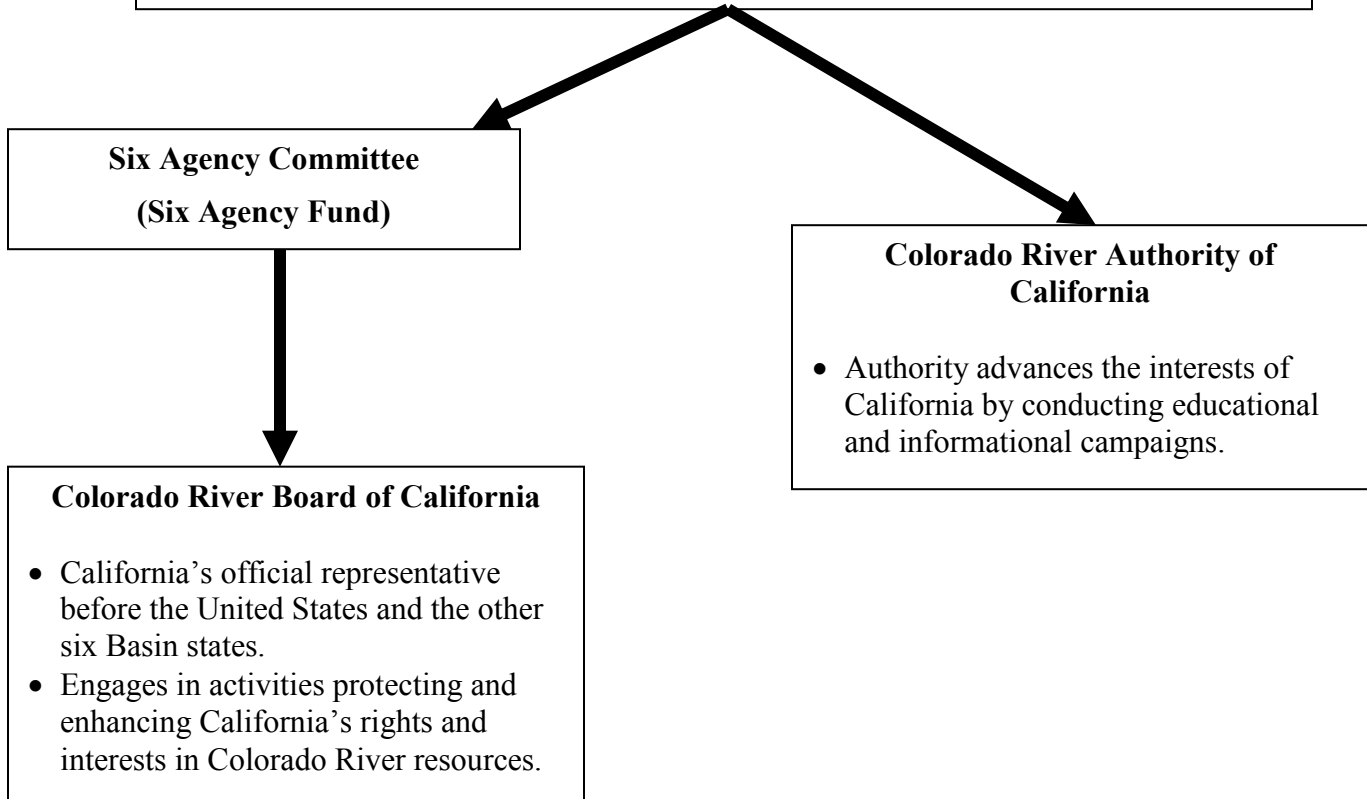
Attachment 1 – Funding Schematic

Attachment 2 – Colorado River Board Budget

Attachment 3 – Colorado River Authority Budget

FINANCIAL PATHWAYS

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



Six Agency Fund

Colorado River Board and Six Agency Committee

Metropolitan's share: \$588,960 (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 FY 2010/11 on May 12, 2010. The CRB and Six Agency Committee budget for FY 2010/11 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 2009/10	Anticipated Expenditures FY 2009/10	Proposed Budget FY 2010/11
A. BUDGET REQUIREMENTS OF SIX AGENCY FUND			
1. Support of Colorado River Board Budget	\$ 1,627,000	\$ 1,605,160	\$ 1,630,000
2. Washington, D.C. Services	\$ 40,000	\$ 28,000	\$ 40,000
3. Consulting Services/Special Projects	\$ 350,000	\$ 219,200	\$ 585,000
4. Unscheduled Board Activities	\$ 10,000	\$ 3,000	\$ 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	\$ 5,300	\$ 75,000
B. Other Studies	\$ 200,000	\$ 21,200	\$ 450,000
Six Agency Committee Budget	\$ 2,358,000	\$ 1,885,860	\$ 2,821,000
B. SOURCES OF FUNDING FOR SIX AGENCY FUND			
8. Refund from State for FY 2005/06	(5,600)		\$ (27,200)
9. Estimated Carry-Over	(123,840)		\$ (231,840)
10. Prior Assessment	(223,160)		\$ (271,460)
11. Transfer from Reserve Fund	----		\$ -
12. Basin States Assessments	(200,000)		\$ (450,000)
TOTAL CONTRIBUTION NEEDED FROM SIX AGENCIES FOR FY 2010/11			\$ 1,840,500

**Six Agency Fund
Budget for FY 2010/11**

Funding Contribution Among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan Water District	588,960	32.00
City of Los Angeles	147,240	8.00
Imperial Irrigation District	529,144	28.75
Coachella Valley Water District	299,081	16.25
Palo Verde Irrigation District	92,025	5.00
San Diego County Water Authority	184,050	10.00
Total	\$ 1,840,500	100.00

Colorado River Authority of California Fund

Colorado River Authority of California

Metropolitan’s share: \$16,672 (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 FY 2010/11 is shown below and funding needed from the six California water agencies is shown on page 2.

COLORADO RIVER AUTHORITY OF CALIFORNIA FUND
FY 2010/11 Budget

	Funded FY 2009/10	Anticipated Expenditures FY 2009/10	Budget FY 2010/11
Awards & Honoraria	\$ 300	\$ 100	\$ 300
Miscellaneous Postage	\$ 1,000	\$ 42,000	\$ 1,000
Miscellaneous Supplies and Services	\$ 1,000	\$ 10,000	\$ 1,000
Travel, Conference Expenses, and Field Inspections for State and Federal Legislative Representatives	\$ 74,000	\$ -	\$ 74,000
Oral Histories, News Releases & Brochure, Printing	\$ 24,600	\$ -	\$ 24,600
Telephone	\$ 300	\$ -	\$ 300
Contingency Reserve	\$ 5,000	\$ -	\$ 5,000
ESTIMATED ASSOCIATION BUDGET	\$106,200	\$52,100	\$ 106,200
PRIOR ASSESSMENTS			\$ (54,100)
TOTAL CONTRIBUTION NEEDED			\$ 52,100

**Colorado River Authority of California Fund
Budget for FY 2010/11**

Proposed Funding Contribution among the Six Agencies

Agency	Funding Commitment	Percent of Total
Metropolitan	16,672	32.00
City of Los Angeles	4,168	8.00
Imperial Irrigation District	14,979	28.75
Coachella Valley Water District	8,466	16.25
Palo Verde Irrigation District	2,605	5.00
San Diego County Water Authority	5,210	10.00
Total	\$52,100	100.00