



- Board of Directors
Water Planning and Stewardship Committee

7/12/2011 Board Meeting

8-2

Subject

Authorize a payment of \$537,728 for support of the Colorado River Board and Colorado River Authority of California for fiscal year 2011/12

Description

Authorization is requested for the General Manager to pay for Metropolitan's participation in Colorado River Board (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.

A cost-sharing agreement, which governs payments to the CRB is in effect 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 two public members appointed by the Governor and representatives of the Department of Water Resources and the Department of Fish and Game.

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 its staff, technical studies, and special projects, such as weather modification programs, and computer modeling and data inventory upgrades. In FY 2010/11, the CRB and the Six Agency Committee played key roles in (1) developing the Colorado River Basin Water Supply and Demand Study's scope of work and cost sharing, (2) participating in the bi-national discussion with Mexico to develop a water management proposal, (3) contributing to weather modification projects in the Upper Colorado River Basin states, and (4) supporting tamarisk management and control efforts to reduce water loss. In FY 2011/12 the CRB and the Six Agency Committee plans to advance implementation of the Basin Study, continue participating in the bi-national discussion, and continue with other activities carried over from FY 2010/11. The CRB and Six Agency Committee have prepared a draft budget. Metropolitan's share of the total estimated FY 2011/12 budget of \$1,587,000 would be \$490,336.

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 2010/11, the Authority provided an educational field visit for California water agencies to better understand Colorado River issues in the Upper Basin, interviewed key water policy leaders regarding Colorado River issues; and archived the taped interviews of key personnel for future reference. In FY 2011/12, the Authority plans to hold a Lower Colorado River tour for California and Congressional legislative staff, and continue to interview and archive key policy leaders' interviews on Colorado River issues for historical documentation. Metropolitan's share of the total estimated FY 2011/12 budget of \$148,100 would be \$47,392.

Summary of Costs

Metropolitan's funding in FY 2010/11 and FY 2011/12 is summarized below.

Metropolitan Contributions

Fund	FY 2010/11	FY 2011/12 (est.)
Colorado River Board/Six Agency Committee	\$ 588,960	\$ 490,336
Colorado River Authority of California	\$ 16,672	\$ 47,392
Total	\$ 605,632	\$ 537,728

The budget decrease for the CRB/Six Agency Committee is attributable to a reduction in consulting services. The budget increase for the Colorado River Authority is attributable to increases in costs associated with a proposed Lower Colorado River inspection tour for Congressional and State Representatives, and new research projects. Metropolitan has budgeted \$621,000 for participation on the CRB/Six Agency Committee and the Colorado River Authority.

In the Governor's Budget May Revision for next year, in a section entitled "Reducing State Government", the CRB, among other agencies, is proposed for possible elimination. The Senate Budget Committee has acted to not eliminate the CRB. California's six water agencies who comprise the CRB believe that there is a continuing need for this organization to represent California's interests and are developing alternatives should this proposal be resurrected at some future date.

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 make a payment of \$537,728 to the Six Agency Committee and the Colorado River Authority of California for FY 2011/12.

Fiscal Impact: Projected expenditures of \$537,728 are below the FY 2011/12 budget of \$621,000, resulting in a savings of \$83,272.

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

Do not authorize the General Manager to make a payment to the Six Agency Committee and the Authority for FY 2011/12.

Fiscal Impact: Savings of \$621,000 from the FY 2011/12 budget

Business Analysis: Will not provide 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

6/20/2011
Date


Jeffrey Kightlinger
General Manager

6/23/2011
Date

Attachment 1 – Financial Pathways Funding Schematic

FINANCIAL PATHWAYS

Funding Schematic

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>

