



- Board of Directors
Water Planning and Stewardship Committee

7/10/2012 Board Meeting

8-1

Subject

Authorize payment up to \$570,485 for support of the Colorado River Board and the Colorado River Authority of California for fiscal year 2012/13

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 other half. Metropolitan contributes 32 percent of the total costs; the remaining urban share of 18 percent would be paid by the 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.

The amount requested is about \$69,000 less than the amount of \$639,000 budgeted by Metropolitan for fiscal year (FY) 2012/13 for this payment.

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 interests and rights of the state of California, and its agencies and citizens, in the water and power resources of the Colorado River system. The CRB is funded entirely by six California water agencies; no State funds are used. Each agency has a seat on the CRB, 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 with rights to Colorado River water. 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 2011/12, the CRB and the Six Agency Committee played key roles in:

- Developing the Colorado River Basin Water Supply and Demand Study's (Basin Study) scope of work and cost sharing for a study of long-term water potential demand and supply imbalances in the Colorado River Basin, and options and strategies to address those imbalances;
- participating in the binational discussions with Mexico to develop a water management proposal;
- contributing to weather modification projects in the Upper Colorado River Basin states; and
- supporting tamarisk management efforts to reduce water loss.

In FY 2012/13 the CRB and the Six Agency Committee plan to advance implementation of the Basin Study, continue participating in the binational discussions, and continue with other activities carried over from

FY 2011/12. The CRB and Six Agency Committee have prepared a draft budget. Metropolitan's share of the total estimated FY 2012/13 budget is \$547,349.

In January, Governor Brown renewed his budget proposal to eliminate the CRB. However, this year the proposal was backed by draft legislation that would have replaced the CRB with an advisory group selected by the Secretary of the Natural Resources Agency (Secretary). Under the Governor's 2012 proposal, the Secretary would also have taken the role and responsibilities of California's Colorado River Commissioner, a position now vested in the chairman of the CRB. The agencies represented on the CRB objected to the Governor's proposal and it was rejected by the budget subcommittees in both the Assembly and the Senate. Those votes put the issue to rest for this year.

Colorado River Authority of California

The Authority advances California's interests in the waters of the Colorado River by conducting educational and informational campaigns. In FY 2011/12, 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 2012/13, the Authority plans to hold a Lower Colorado River inspection trip 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 2012/13 budget is \$23,136.

Summary of Costs

Metropolitan's funding in FY 2011/12 and FY 2012/13 is summarized below.

Metropolitan Contributions

Fund	FY 2011/12	FY 2012/13 (est.)
Colorado River Board/Six Agency Committee	\$ 490,336	\$ 547,349
Colorado River Authority of California	\$ 47,392	\$ 23,136
Total	\$ 537,728	\$ 570,485

The budget increase for the CRB/Six Agency Committee is attributable to a potential increase in consulting services, focusing on the Basin Study that is scheduled to be completed in FY 2012/13. In anticipation of potential additional work requested by the Bureau of Reclamation, funds have been budgeted as a contingency for this follow up work. The budget decrease for the Authority is attributable to unspent funds from the prior fiscal year and is carried over to FY 2012/13 budget. Metropolitan has budgeted \$639,000 for participation on the CRB/Six Agency Committee and the Authority.

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 payment of up to \$570,485 for the CRB/Six Agency Committee and the Authority for FY 2012/13.

Fiscal Impact: Projected expenditures of up to \$570,485 from the FY 2012/13 budget.

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 payment to the CRB/Six Agency Committee and the Authority for FY 2012/13.

Fiscal Impact: Savings of \$570,485

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.

Staff Recommendation

Option #1

	6/21/2012
Deven N. Upadhyay Manager, Water Resource Management	Date

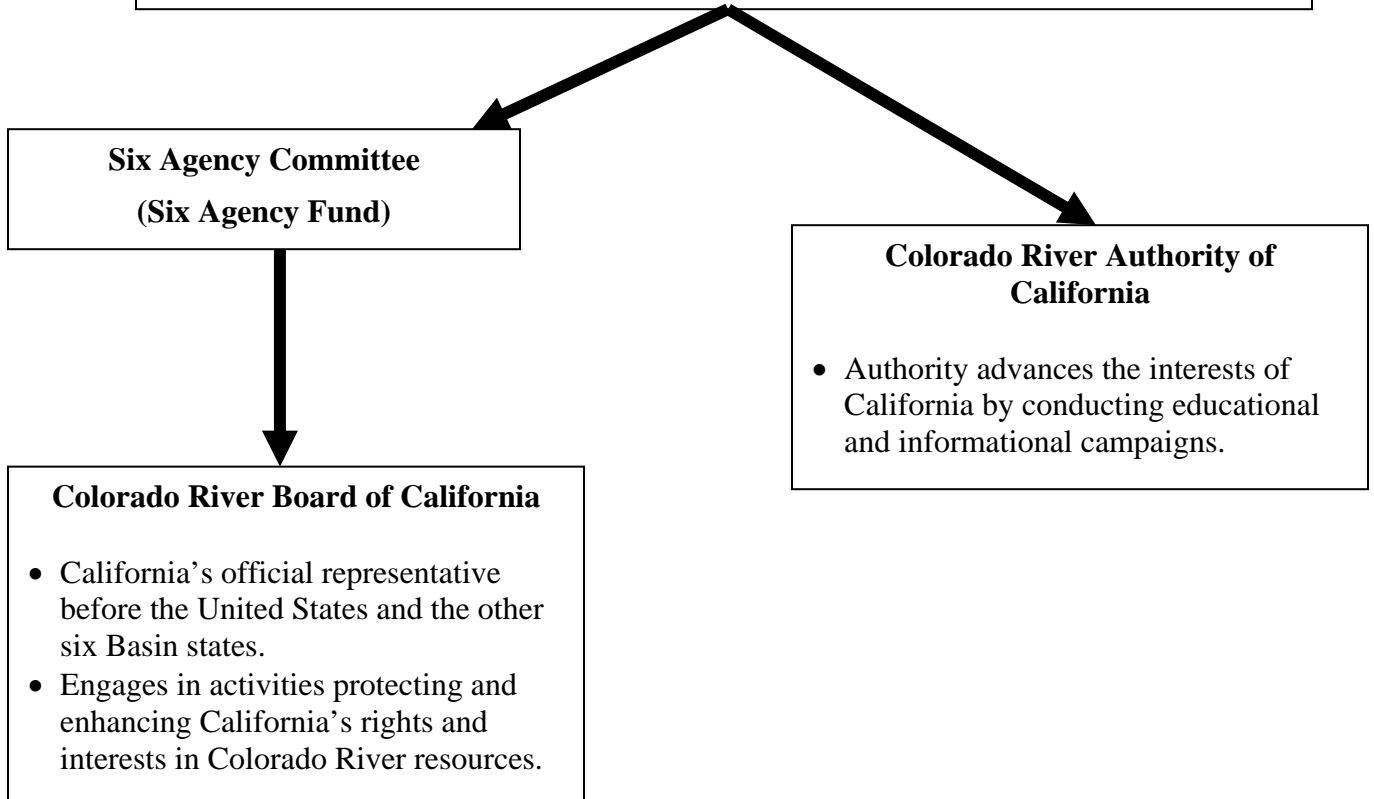
	6/26/2012
Jeffrey Kightlinger General Manager	Date

Attachment 1 – Financial Pathways

Ref# wrm12617638

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.