



- Board of Directors
Water Planning and Stewardship Committee

6/9/2015 Board Meeting

8-9

Subject

Approve an amendment to a cost-sharing agreement for Colorado River Board funding; and authorize payment for up to \$875,782 for support of the Colorado River Board and Colorado River Authority of California for fiscal year 2015/16

Executive Summary

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) make this year's annual payment for Metropolitan's continued participation in activities of the CRB and the Colorado River Authority of California (Authority). The CRB was established in 1937 to protect the interests and rights of the state of California in the water and power resources of the Colorado River system. The Authority advances California's interests in Colorado River water and power through educational and informational campaigns. Metropolitan and five other members of the CRB make annual cost-sharing payments to the CRB and the Authority to fund their operations, studies, and special projects.

Details

Cost-Sharing Agreement

Authorization is requested for the General Manager to pay Metropolitan's participation share in CRB functions and for the Authority's 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 interests.

The six-agency cost-sharing formula that was used during the last ten years will expire on June 30, 2015. The six agencies propose that the current formula continue for five years through June 30, 2020. Under the cost-sharing arrangement, urban agencies pay half of the total costs and agricultural agencies pay the other half. Metropolitan contributes 32 percent of the total costs; the remaining urban share of 18 percent is 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 and **Attachment 2** is the 5-year amendment of the cost sharing agreement.

The Colorado River Board and Six Agency Committee

The CRB provides the official representation for California before the United States and the other Colorado River 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 agencies through the Six Agency Committee; 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 California Department of Water Resources and the California Department of Fish and Wildlife.

The Six Agency Committee is comprised of six California agencies. The agencies jointly provide funds to support CRB functions, technical studies, special projects and computer modeling and data inventory upgrades. In fiscal year (FY) 2014/15, the CRB and the Six Agency Committee played key roles in:

- Participating in next steps in implementing Phase I of the Colorado River Basin Water Supply and Demand Study (Basin Study), working toward offsetting long-term potential water demand and supply imbalances in the Colorado River Basin;
- Implementation of elements of Minute 319;
- Contributing to weather modification projects in the three Upper Colorado River Basin states of Colorado, Utah and Wyoming; and completing a study of the evapotranspiration of tamarisk (salt cedar) to estimate water losses;
- Participating in the Colorado River Basin Salinity Control Forum and Technical Workgroup, including participating as a Cooperating Agency for the Paradox Valley Unit replacement well environmental impact analysis;
- Participating in the Lower Colorado River Multi-Species Conservation Program;
- Participating in the Glen Canyon Dam Adaptive Management Program;
- Reviewing applications and addressing questions relating to the Lower Colorado Water Supply Project; and
- Monitoring ongoing Colorado River operations and activities.

In FY 2015/16, the CRB and the Six Agency Committee plan to continue to:

- Advance implementation of the Basin Study;
- Continue to implement Minute 319 and develop a subsequent long-term water management agreement under the auspices of Minute 319;
- Contribute to weather modification projects in the Upper Colorado River basin;
- Continue the study of tamarisk evapotranspiration; and
- Actively participate in ongoing Colorado River Basin programs.

The total funding request for the CRB and Six Agency Committee is \$2,680,820. Metropolitan's proportionate share of FY 2015/16 expenses is \$857,862.

Colorado River Authority of California

The Authority advances California's interests in the Colorado River by conducting educational and informational campaigns. In FY 2015/16, the Authority:

- Conducted a tour of the Lower Colorado River Multi-Species Conservation Program restoration areas;
- Hosted a reception for the Basin States Principals and representatives of Mexico in connection with the implementation of Minute 319; and
- Funded educational and informational activities relating to CRB functions and other Colorado River Basin programs.

In FY 2015/16, the Authority plans to:

- Conduct an inspection tour of areas of interest to Colorado River Authority members,
- Conduct an inspection tour of California's Colorado River Basin-related facilities; and
- Continue to support educational and informational opportunities for the CRB and others relating to California's interests in the Colorado River Basin.

The total budget for the Authority is \$56,000. Metropolitan's share of FY 2015/16 expenses is \$17,920.

Summary of Costs

Metropolitan's funding in FY 2014/15 and FY 2015/16 is summarized below.

Fund	FY 2014/15	FY 2015/16 (est.)
Colorado River Board/Six Agency Committee	\$ 568,960	\$ 857,862
Colorado River Authority of California	\$ 22,921	\$ 17,920
Total	\$ 590,451	\$ 875,782

The increase for the CRB/Six Agency Committee is attributable primarily to filling vacant staff positions, and proposed funding of system conservation and efficiency improvements where users of Colorado River water are compensated for voluntary reductions in water use to create conserved water to benefit the overall Colorado River system including increasing water elevation levels in Lakes Mead and Powell and reduced salinity. The decrease for the Authority is attributable to using those funds for CRB/Six Agency Committee activities.

The CRB is scheduled to consider its budget at the June 10, 2015 board meeting. Metropolitan will be invoiced for its share of costs. Staff requests approval to pay the invoice of up to \$875,782 for funding the CRB and 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 that the proposed action is not subject to CEQA and, by a two-thirds vote, authorize the General Manager to:

- a. Execute the Six Agency Committee agreement’s amendment to extend the cost-sharing formula through June 30, 2020; and
- b. Make payment of up to \$875,782 for the CRB/Six Agency Committee and Authority for FY 2015/16.

Fiscal Impact: Projected expenditures of up to \$875,782 from the FY 2015/16 budget

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

Option #2

Do not authorize the General Manager to:

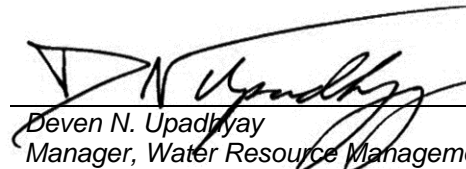
- a. Execute the agreement’s amendment to extend the current cost-sharing formula through June 30, 2020; and,
- b. Make payment to the CRB/Six Agency Committee and the Authority for FY 2015/16.

Fiscal Impact: Savings of up to \$875,782.

Business Analysis: Will not provide for continued representation of California in Colorado River matters by the CRB at present levels and would not provide funds for the Authority, which could result in cessation of educational and informational campaigns.

Staff Recommendation

Option #1


 _____ 6/3/2015
 Deven N. Upadhyay Date
 Manager, Water Resource Management

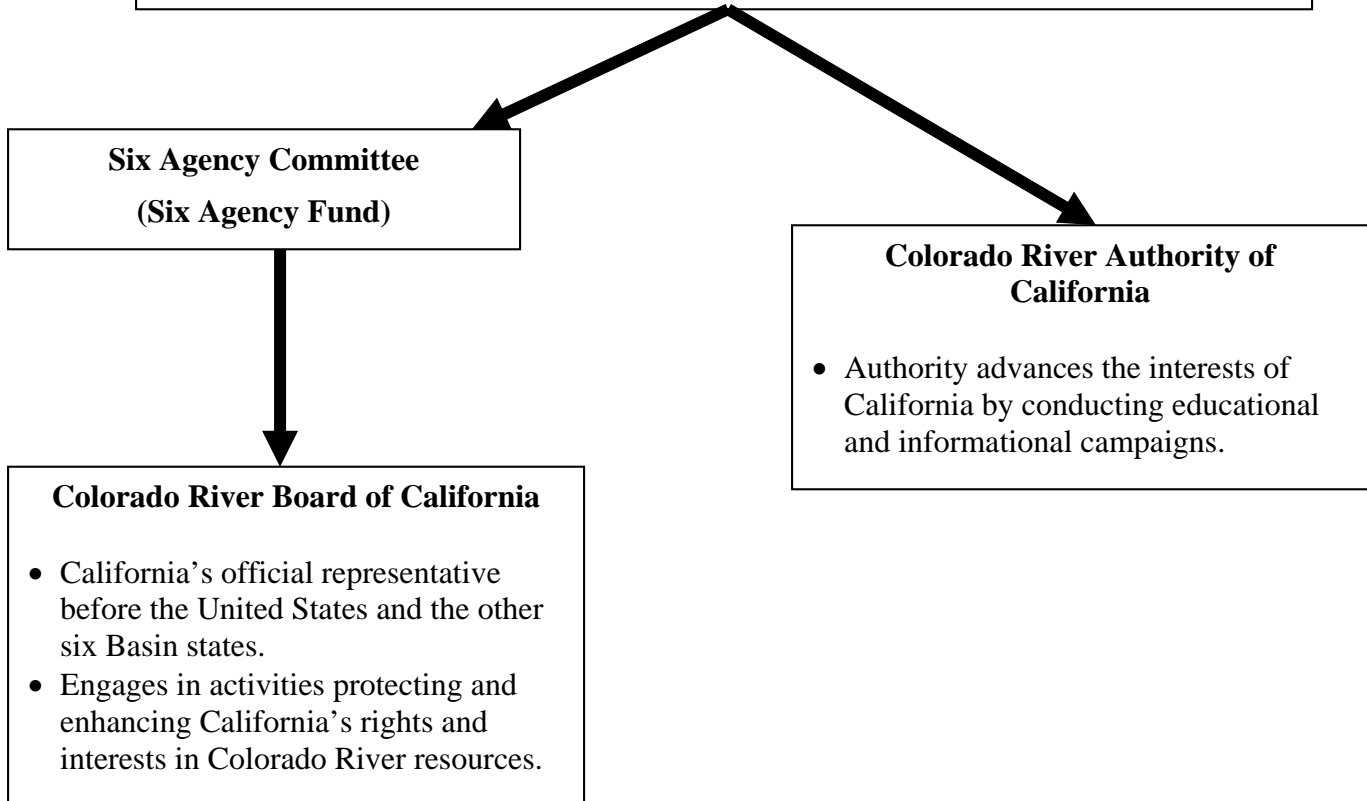

 _____ 6/3/2015
 Jeffrey Kightlinger Date
 General Manager

Attachment 1 – Financial Pathways Funding Source

Attachment 2 – Amendment to Cost Sharing Agreement

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.

AMENDMENT TO THAT CERTAIN AGREEMENT ENTERED INTO ON JANUARY 5, 1950, AS HERETOFORE AMENDED, AMONG PALO VERDE IRRIGATION DISTRICT, COACHELLA VALLEY WATER DISTRICT, SAN DIEGO COUNTY WATER AUTHORITY, IMPERIAL IRRIGATION DISTRICT, THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, AND DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

THIS AMENDMENT, entered into as of _____, 2015, by and among PALO VERDE IRRIGATION DISTRICT, COACHELLA VALLEY WATER DISTRICT, SAN DIEGO COUNTY WATER AUTHORITY, IMPERIAL IRRIGATION DISTRICT, THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES.

W I T N E S S E T H

WHEREAS, the parties hereto entered in an agreement, dated January 5, 1950, as amended (the "Agreement"), by the terms of which funds were made available for the purpose of protecting the rights and advancing the interests of the State of California, its agencies and citizens, with respect to the waters of the Colorado River system and the use thereof; and

WHEREAS, the parties hereto desire to amend the Agreement;

NOW, THEREFORE, IT IS AGREED by and among the parties hereto as follows:

Section 1. Amendment of Paragraph 1 of the Agreement. Paragraph 1 of the Agreement is hereby amended to read, in its entirety, as follows:

"1. That the Agencies will, from time to time, as the necessity therefore is determined by the executive committee hereinafter named, and if authorized so to do by their respective boards, deposit with the Controller of the Metropolitan Water District

of Southern California, one of the Agencies above named, as trustee, such sums of money as may in the judgment of the executive committee be required to carry out the purposes of this agreement. All sums so deposited shall be furnished by the Agencies as follows:

From July 1, 2015 through only June 30, 2020:

Palo Verde Irrigation District	5.00%
Coachella Valley Water District	16.25%
San Diego County Water Authority	10.00%
Imperial Irrigation District	28.75%
The Metropolitan Water District of Southern California	32.00%
Department of Water and Power of The City of Los Angeles	8.00%

From and after July 1, 2020:

As agreed to by the parties hereto (by amendment of this agreement) from time to time.

Section 2. Execution in Counterparts. This Amendment may be executed in any number of counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

Section 3. Deliver to the Trustee. A counterpart of this Amendment duly executed by each of the parties hereto shall be deposited with the trustee named in the Agreement.

Section 4. Effective Date. This Amendment shall become effective at such time as it is executed and delivered by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, as of the day and year first above written.

Attest:

PALO VERDE IRRIGATION DISTRICT

Secretary

By: _____

Attest:

COACHELLA VALLEY WATER DISTRICT

Secretary

By: _____

Attest:

SAN DIEGO COUNTY WATER AUTHORITY

Secretary

By: _____

Attest:

IMPERIAL IRRIGATION DISTRICT

Secretary

By: _____

Attest:

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Secretary

By: _____

Attest:

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

Secretary

By: _____