



## One Water and Stewardship Committee

Authorize Payments Totaling \$4.16 million  
to State Water Contractors

Item 8-2

September 11, 2023

Background Information

# State Water Contractors



## Established 1982



- 27 Members
  - 22 Urban contractors
  - 4 Agriculture contractors
  - 1 Urban and agricultural contractor
- 9 Board members

Background Information

# State Water Contractors



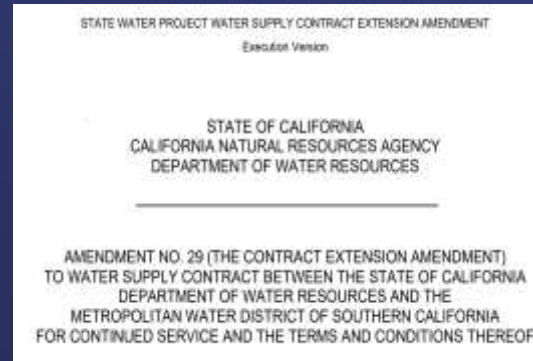
## Nonprofit Association

- Focus on policy, advocacy, and legal issues and project implementation
  - Pursue reliable and cost-effective management of the State Water Project (SWP)
  - Unified voice on SWP issues
  - Provide legal support

# Major Accomplishments in FY 2022/23

Background Information

## State Water Contractors



- Coordination with DWR SWP Financial Manager
- SWP contract extension
- Meeting renewable energy goals
- Infrastructure and affordability



# Major Objectives in FY 2023/24

Background Information

## State Water Contractors



Photo Credit: DWR



Photo Credit: DWR



Photo Credit: DWR

- Science and research engagement
- Infrastructure reliability and safety
- Cost affordability
- SWP storage

# Metropolitan's Payment to State Water Contractors



	MWD \$	Basis
 <p>Dues Fund \$4.08M</p>	\$2.07M	Table A and water delivery
 <p>Bay-Delta Fund \$3.58M</p>	\$1.09M*	Table A with credit for staff contributions
 <p>Delta Conveyance Project Fund \$0.85M</p>	\$0.45M	Presumed participation in project
 <p>Energy Fund \$0.42M</p>	\$0.29M	Energy use
 <p>Municipal Water Quality Investigation</p>	\$0.26M**	Table A of participating contractors

\* Net of 45 percent or approximately \$560,000 discount (excluding legal fees)

\*\* Based on MWD's FY 2023/24 budget

# Summary

- Important association providing effective representation in dealings with DWR, state legislature, courts, and regulators
- Requested payment authorization amounts are more than budgeted
  - SWC – \$4.16 million
  - MWD's approved budget – \$4.07 million
- Board approval by two-thirds vote required

## Alternatives Considered

- If Metropolitan continues to participate:  
(Option 1)
  - Delta science initiatives are magnified
  - Our participation leverages significant funding from other SWC members
- If Metropolitan doesn't continue to participate: (Option 2)
  - Partnership with other SWP contractors would be diminished
  - Rise in internal costs



# Director Question

1

**What discount did MWD receive for staff time last year?**

**What would our dues be without the discount?**

**Do the discounts correlate directly to the overlap?**

**Why not if they don't?**

- **Offset recognizes MWD's science-related efforts that supplement SWC efforts.**
- **MWD receives a 45% offset on the Bay-Delta fund dues (\$560,000).**
- **MWD dues would increase by \$560,000 without the offset**
- **Other contractors pay for this offset in their dues**

# Director Question

## 2 (a)

What is the specific overlap in research projects that Metropolitan participates and contributes to directly that the SWC is also involved with?

Science funded over 2 years

Topic	MWD Contribution	SWC Contribution	Others Contribution	Total	MWD Share
Delta Smelt	\$1.3	\$1.1	\$29.1	\$31.5	4%
Salmon	\$1.0	\$0.5	\$7.2	\$8.8	12%
Food web	\$0.2	\$0.1	\$1.5	\$1.8	12%
Longfin Smelt	\$0.2	\$0.2	--	\$0.4	46%
Modeling	\$0.3	--	--	\$0.3	100%
Fish Surveys	\$0.2	--	--	\$0.2	100%
Other	\$0.1	--	\$0.3	\$0.4	33%
<b>Total</b>	<b>\$3.4</b>	<b>\$2.0</b>	<b>\$38.1</b>	<b>\$43.5</b>	<b>8%</b>

# Director Question

## 2 (b)

### SWC science program will fund these new projects and approximately 40 active projects

ICF Jones & Stokes, Inc.	Testing and Quantifying a Conceptual Model for the Response of Longfin Smelt to Outflow
Anchor QEA	Evaluation of the Influence of State Water Project and Central Valley Project on Chinook Salmon and Steelhead Movements and Distribution in the South Delta
FISHBIO	Improving Understanding of Survival, Mortality and Habitat Use of Emigrating Salmonids Through Applications of Multistate Survival Models
Trout Unlimited	Central Valley and Delta Salmon Habitat Data Modeling and Management
UC Davis	Applying a Response Spectrum Model to Assess Spatial and Temporal Differences in Effects of Pesticide Mixtures on Juvenile Chinook Salmon in the Delta
San Francisco State	Cooling California Rivers: Developing a Spectral Physically Based Energy Balance Model to Predict and Manage River Temperatures for Salmon Under Current and Future Climates

# Director Question

3

## What are the specific dues that other contractors pay

- The total SWC dues are \$8.9M (MWD=\$3.9M; Others=\$5M)
  - The SWC budget includes carryover funds
- Top 8 contractor dues allocation
  - Kern County Water Agency (\$1.54 M)
  - Santa Clara Valley Water District (\$0.48 M)
  - Antelope Valley-East Kern Water Agency (\$0.39 M)
  - Coachella Valley Water District (\$0.35 M)
  - San Bernadino Valley MWD (\$0.28 M)
  - Santa Clarita Valley Water District (\$0.25 M)
  - Mohave Water Agency (\$0.22 M)
  - Other 19 participants (\$1.5 M)

FY 2023-24

# Director Question

4 (a)

## Who are the individual board members of the SWC and who do they represent?



- 27 of 29 State Water Project Contractors are members of the SWC
- The 27 agencies are divided into 8 classes
- SWC Board governed by 9 members, all senior managers or executives of their agency

### Board Approval Requires:

- A majority of directors if quorum exists
- Any director may call for reconsideration using proportionate Table A voting



# Director Question

## 4 (b)

### Who are the individual board members of the SWC and who do they represent?

- **Contractors are organized into eight classes**
  - **Class 1**      **Thomas Pate**      Solano County WA, Yuba City, Napa County FCWCD
  - **Class 2**      **Laura Hidas**      Alameda County Water District, Alameda Zone 7 Water Agency, Santa Clara Valley WD
  - **Class 3**      **Jacob Westra**      County of Kings, Dudley Ridge WD, Tulare Lake Basin WSD, Empire West Side ID, Oak Flat WD
  - **Class 4**      **Craig Wallace**      Kern County Water Agency
  - **Class 5**      **Ray Stokes**      Central Coast Water Agency, San Luis Obispo FCWCD

# Director Question

4 (c)

## Who are the individual board members of the SWC and who do they represent?

- **Contractors are organized into eight classes**
  - **Class 6**      **Brad Coffey**      **Metropolitan Water District**
  - **Class 7**      **Matt Stone**      **Santa Clarita Valley Water District**  
**Casitas Municipal Water District**
  - **Class 8**      **Peter Thompson**      **Antelope Valley East Kern,**  
**Robert Cheng**      **Coachella Valley Water District,**  
**Crestline-Lake Arrowhead WA,**  
**Desert WA, Mohave WA,**  
**Palmdale WD, Littlerock Creek ID,**  
**San Bernardino Valley MWD,**  
**San Gabriel Valley MWD,**  
**San Gorgonio Pass Water Agency**

# Director Question

5 (a)

What are the salaries/benefits paid to the staff hired by the SWC and what is the percentage of total income paid to consultants?

FY 2023-24

Fund	Salaries	Benefits	Total
Dues	\$1,254,000	\$660,000	\$1,914,000
Energy	\$181,000	\$64,000	\$245,000
Bay-Delta	\$189,000	\$65,000	\$254,000
Delta Conveyance	--	--	--
<b>Totals</b>	<b>\$1,624,000</b>	<b>\$789,000</b> <b>(32.7%)</b>	<b>\$2,413,000</b>

# Director Question

5 (b)

What are the salaries/benefits paid to the staff hired by the SWC and what is the percentage of total income paid to consultants?

FY 2023-24

Position	Salary Range
General Manager	\$234,000 - \$309,000
Dept. General Manager	\$202,000 - \$237,000
O&M/Power Engineer 1	\$170,000 - \$212,000
O&M/Power Engineer 2	\$186,000 - \$231,000
Science Manager 3	\$170,000 - \$199,000
Sr. Mgmt. Financial Analyst 3	\$154,000 - \$182,000
Controller	\$154,000 - \$182,000
Executive Assistant 3	\$83,000 - \$99,000
Office Manager 3	\$83,000 - \$99,000

# Director Question

5 (c)

What are the salaries/benefits paid to the staff hired by the SWC and what is the percentage of total income paid to consultants?

FY 2023-24

Category	Item	% of Total Budget
Labor	\$2,413,000	24%
Science Consultants	\$2,000,000	20%
Non-Science Consultants	\$1,547,000	15%
Legal expenses	\$2,160,000	21%
Office and Other	\$2,119,027	21%
<b>Total</b>	<b>\$10,239,027*</b>	<b>100%</b>

\*This amount is SWC budget



# Director Question

6

Is there any overlap in consultants hired by MWD and those hired by the SWC?

Ten Consultants are contracted with MWD & SWC	
34 North	Anchor QEA
Best, Best and Krieger	Cramer Fish Sciences
Humboldt State University	ICF Jones & Stokes
Kearns & West	Resource Management Associates
Tetra Tech	University of Calif., Davis

Of 446 consultants between SWC and MWD, 2 percent overlap

No current MWD staff are employed by or contracted with the SWC.

# Other Director Questions

## 7

### Are any MWD staff employed by or contracted with the SWC?

- **Current MWD Employees**
  - No MWD employees are employed by or under contract with the SWC
- **Former MWD Employees**
  - **Consultants (Independent or Contracted through Others)**
    - Five employees
  - **SWC Staff**
    - One employee

## Board Options

### Option #1:

By a two-thirds vote, authorize payments of up to \$4.16 million for participation in the State Water Contractors for FY 2023/24.

### Option #2:

Do not authorize payments for participation in the State Water Contractors for FY 2023/24.

Board  
Options

Staff Recommendation

Option #1

