



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Action

- **Board of Directors**

Finance, Affordability, Asset Management, and Efficiency Committee

6/10/2025 Board Meeting

7-4

Subject

Authorize the General Manager to execute a funding agreement extension for support of the Colorado River Board of California, Six Agency Committee, and Colorado River Joint Powers Authority; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff is requesting authorization for the General Manager to execute a one-year extension to the current Six Agency Committee (SAC) cost-sharing agreement, which funds the Colorado River Board of California (CRB). California established the CRB in 1937 to protect the interests and rights of the state of California with respect to the water and power resources of the Colorado River system. Metropolitan and five other members of the CRB (also known as the SAC) make annual cost-sharing payments to the CRB to fund its operations, studies, and special projects. Typically, those six agencies also fund the Colorado River Joint Powers Authority (Authority), which advances California's interests in Colorado River water and power through educational and informational campaigns. The current agreement expires on June 30, 2025. The Board previously authorized payment for FY 2025/26 as part of the budget biennium. This action does not modify previously approved payments.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize a one-year extension to the funding agreement for support of the CRB, SAC, and Authority.

Fiscal Impact: None

Business Analysis: Allows Metropolitan to provide authorized payments to the CRB, SAC, and Authority.

Option #2

Do not authorize a one-year extension to the funding agreement for support of the CRB, SAC, and Authority.

Fiscal Impact: None

Business Analysis: Requires Metropolitan to renegotiate the cost-sharing formula and potentially seek additional board authorization to make payments to the CRB, SAC, and Authority.

Alternatives Considered

None

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 11102: Payment of Dues

Metropolitan Water District Administrative Code Section 11103: 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 May 13, 1947, agreement to provide for the appointment of alternate representatives on the Colorado River Association Six Agency Committee.

By Minute Item 46291, dated July 12, 2005, the Board authorized an agreement to create the Colorado River Joint Powers Authority.

By Minute Item 46310, dated July 12, 2005, the Board approved the new funding arrangement for the Colorado River Board based on the proposed cost-sharing percentage.

By Minute Item 50166, dated June 9, 2015, the Board approved executing the Six Agency Committee agreement's amendment to extend the cost-sharing formula through June 30, 2020.

By Minute Item 52019, dated June 9, 2020, the Board approved executing the Six Agency Committee agreement's amendment to extend the cost-sharing formula through June 30, 2025.

Related Board Action(s)/Future Action(s)

At the June 10, 2024, One Water Stewardship Committee and the June 11, 2024, Board of Directors meeting, Item 8-2 was approved, authorizing the General Manager to make payment of up to \$1,023,408 to the CRB, SAC, and Authority for fiscal year 2025/26.

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination(s) for Option #2:

None required

Details and Background

Background

Cost-Sharing Agreement Historical Changes

The CRB was established by the State of California by Act of its Legislature on July 1, 1937, to protect the interests and rights of the State of California with respect to the water and power resources of the Colorado River system. On January 5, 1950, the six agencies with original contracts for Colorado River water in California were interested in protecting their use of Colorado River water and power and entered into the first cost-sharing agreement.

At the inception of the CRB, the State fully funded its operation through the General Fund, but over time, the level of state funding has been reduced and eliminated altogether. Since the first funding agreement between the six agencies was entered into in 1950, there have been multiple amendments that have changed the cost-sharing percentages between the agencies. The history of changes in the cost-sharing percentages is shown in the following table.

Agency	January 5, 1950, Agreement	September 6, 1961, Amendment	August 11, 1980, Amendment	August 1, 2005, Amendment (July 1, 2005 – June 30, 2007)	August 1, 2005, Amendment (July 1, 2007 – June 30, 2010)
	Cost Share Proportion (%)				
Palo Verde Irrigation District (PVID)	1.00	1.00	3.20	5.00	5.00
Coachella Valley Water District (CVWD)	1.00	5.00	10.00	16.25	16.25
San Diego County Water Authority (SDCWA)	2.00	2.00	3.00	8.00	10.00
Imperial Irrigation District (IID)	20.00	19.00	19.00	28.75	28.75
Metropolitan Water District of Southern California (MWD)	46.00	44.50	44.40	32.00	32.00
Los Angeles Department of Water and Power (LADWP)	30.00	28.50	20.40	10.00	8.00

From 1950 to 2005, the cost-sharing percentages for MWD and LADWP decreased while they increased for IID, CVWD, PVID, and SDCWA.

In 2005, it was agreed that half of the funding would be contributed by the agricultural districts (PVID, IID, and CVWD) while the remaining half would come from the municipal water districts (SDCWA, MWD, and LADWP). On August 1, 2005, an amendment was signed by the six agencies to set up a new funding arrangement for the CRB, that has been in place since 2005, with the only change being in 2007 when the relative percentages for SDCWA and LADWP were swapped, bringing SDCWA's share to 10 percent and LADWP's to 8 percent.

Previous Cost-Sharing Agreement

Since the August 1, 2005, amendment expired on June 30, 2010, the agencies comprising the SAC have negotiated and renewed the cost-sharing agreement every five years with no changes. The cost-sharing percentages in the current agreement entered into on July 1, 2020, and terminating on June 30, 2025, are still the same as the last column in the table above.

New Cost-Sharing Agreement Terms

This agreement extends the funding percentages for the CRB, SAC, and the Authority for the next year at the same proportions as the July 1, 2020, amendment. However, there is a desire among the six agencies to explore alternative funding opportunities and to negotiate new cost-sharing percentages. The SAC has committed to working together over the next year to explore possible funding from the state and other partners and to develop new cost-sharing percentages, with the goal of having a new cost-sharing agreement for the period of July 1, 2026, to June 30, 2030.

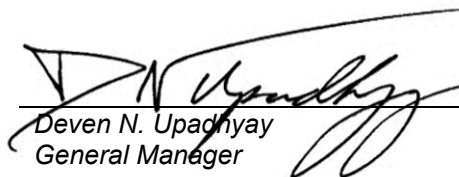
The total funding requests will vary each year of the agreement based on the overall CRB and SAC budgets. A 2025/26 fiscal year payment of \$1,023,408 was previously approved by the Board on June 11, 2024. Therefore, there is no budget impact associated with a one-year extension of the funding agreement for the CRB, SAC, and Authority. Staff will come back to the Board for authorization for future funding requests.



Brandon J. Goshi
Manager, Water Resource Manager

5/30/2025

Date



Deven N. Upadhyay
General Manager

5/30/2025

Date