

DATE ISSUED: May 6, 2003

REPORT NO. 03-095

ATTENTION: Rules, Finance and Intergovernmental Relations Committee  
Agenda of May 7, 2003

SUBJECT: Report from the San Diego County Water Authority's City  
delegation on the Quantification Settlement Agreement

#### SUMMARY

Issue – The revised Colorado River Quantification Settlement Agreement (QSA) will be jeopardized without an appropriation of \$200 million of state funds. Without a timely settlement of the QSA, the San Diego region risks a shortage of imported water supplies, an increased cost of water, and continued disagreements among Colorado River Basin water agencies as relates to allocation entitlements.

Manager's Recommendation(s) – 1) Adopt a resolution supporting the appropriation of \$200 million in state funding consistent with the QSA; 2) support legislation providing relief from the California Fully Protected Species statutes for the QSA; and, urge all members of the San Diego region's California legislative delegation to support the same.

Other Recommendation(s) – none.

Fiscal Impact – Adoption of the attached resolution will have no direct fiscal impact to the City of San Diego. However, failure to implement the QSA would likely result in significant reductions of Colorado River water made available to the City of San Diego by its imported water suppliers. Other imported water sources may be available but are considered by City staff to be more expensive and more risky.

## BACKGROUND

On March 12, 2003, California's Colorado River agencies and representatives from Governor Davis' office reached agreement on a revised 2003 QSA. The revised QSA accomplishes the original QSA objectives necessary to restore surplus Colorado River water from the Interim Surplus Guidelines and implement a package of water transfers and other water supply projects, including the Imperial Irrigation District (IID)/San Diego County Water Authority (CWA) water transfer. The revised package calls for state funding of \$200 million and authorization for the limited take of species listed as "fully protected" under California law. Legislation is required for each of these purposes to execute the revised QSA.

## DISCUSSION

The revised 2003 QSA requires \$200 million in state funds to be allocated towards conservation, environmental and other projects supporting the CWA/IID water transfer. Funds for this purpose may come from Proposition 50, a \$3.4 billion water bond passed by the voters in November 2002. Senate Bill 117, (Machado, D-Linden) has been introduced to appropriate \$200 million from Proposition 50 to satisfy this QSA requirement.

The revised 2003 QSA also requires authorization for the limited take of some species listed among California's fully protected species. In return for limited relief from these statutes, the QSA will provide significant benefits to the Salton Sea. These include a requirement that the QSA programs will not have a material impact to the projected salinity level of the Salton Sea for 15 years. This 15-year period will allow sufficient time for the state and federal governments to identify, adopt, fund and begin implementing a reclamation plan for the Sea. Additionally, the legislation will require the implementation of an adaptive management program for species at the Salton Sea and the lower Colorado River. This will be accomplished through a combined Habitat Conservation Plan/Natural Community Conservation Plan. Without this significant package of benefits, the future of the Salton Sea would be in even greater doubt. This QSA requirement could be resolved through the passage of SB 317, (Kuehl, D- Santa Monica), a bill similar to SB 482 of 2002, which was enacted into law, but was suspended when the QSA was not executed by Dec. 31, 2002.

The QSA provides statewide benefits by obtaining additional Colorado River water for urban Southern California, relieving pressure on alternative Bay-Delta water resources and the State Water Project (SWP). Benefits of the QSA are both near-term, by reinstating Interim Surplus Guidelines, and long-term by resolving longstanding disputes regarding Colorado River water use among the Colorado River basin water agencies and through the implementation of numerous water transfer and water supply projects.

ALTERNATIVE(S)

(1) Do not adopt the attached resolution; (2) Adopt an amended resolution.

Respectfully submitted,

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Richard Mendes  
Utilities General Manager

MENDES / CCP

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment: Resolution supporting the Colorado River QSA