

- **Board of Directors**  
**Communications and Legislation Committee**

December 12, 2000 Board Meeting

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9-1

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**Subject**

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Approve State Legislative Proposals for 2001

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**Description**

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Metropolitan successfully advanced several initiatives during the last legislative session, most notably in securing \$69 million from Proposition 13 for projects designed to enhance water supply reliability and quality. Those projects included: \$4 million for the Desalination Research and Innovation Partnership (DRIP); \$20 million for the Water Quality Exchange Partnership; \$45 million for Water Supply Reliability; and a \$2.5 million launching facility grant and \$4.47 million loan for Diamond Valley Lake marina.

But the public concerns about water quality didn't end with the closing of the 1999-2000 legislative session – water quality is an issue that demands continued advocacy. With continuing attention, Metropolitan has a great opportunity to shape water policy within California for the coming years and positively effect change throughout the state.

Water quality is Metropolitan's top concern, as it is for our customers. Almost daily media reports about contaminants such as MTBE, perchlorate and chromium 6 have propelled water quality discussions to the forefront of public debate. At the heart of those debates are consumers' demands for safe, reliable and affordable drinking water. Our proposed initiatives attempt to address the growing public concern about water quality and reliability while providing real answers.

The following is a list of legislative proposals for potential sponsorship by Metropolitan:

**1. Promote the “Consumers’ Right to Safe Water” Bond**

It is proposed that Metropolitan promote a \$148 million water quality-focused general obligation bond measure for the June or November 2002 ballot to ensure safe drinking water for future generations and to restore consumer confidence in public drinking water supplies.

Propositions 204 and 13 provide limited funds for drinking water quality issues, and polling results have indicated voters are willing to pay for better water quality.

The proposed bond would fund research and development of desalination technologies and demonstration projects for pretreatment, salt removal and brine management in Southern California, coastal urban areas and the Central and Imperial Valleys. Demonstration projects can use equipment and facilities large enough to supply a retail water utility—typically, with a capacity of at least 1 million gallons per day. The bond would also fund four demonstration projects in Southern California and the Bay Area to study disinfecting methods for drinking water, including ultraviolet (UV) and ozone treatment.

Source protection, in the form of real-time monitoring of Colorado River and Bay-Delta supplies, would also be funded, as would a Los Angeles County storm water retention project. Funds would also be earmarked for the development of new treatment and management options for pathogens in Lake Perris

and each of the following contaminants: petroleum products (MTBE, BTEX); NDMA; perchlorate; radionuclides (radon, uranium, and radium); pesticides and herbicides; and heavy metals (arsenic, mercury, and Chromium 6). Water quality exchange programs between Southern California and Central Valley agricultural interests would also be included in the proposed bond.

An allocation would also be made to the University of California to evaluate traditional treatment methods.

The availability of state bond funds can leverage federal funds and research and development funds from Research Foundations for financing water quality protection programs.

## **2. Require Urban Water Management Plans to include information about source Water quality and impacts to water management**

It is particularly important to educate decision-making bodies at all levels of government about the importance of water quality to effective water management throughout the state to further the economic health of California.

California law requires urban water suppliers to prepare Urban Water Management Plans (UWMP) every five years. However, statutory requirements for UWMPs fail to include information regarding quality of source supplies and how that quality affects water management strategies, reliability of supplies and potential for water reclamation.

It has been suggested that Metropolitan sponsor legislation to require that UWMPs include information on the water quality of source supplies and its relationship to water management strategies and supply reliability.

## **3. Appropriate \$5 million from the general fund to evaluate centralized water treatment methods**

Only about one quarter of the consumers we serve in Southern California drink tap water exclusively; nearly 40% use bottled water and one-third use home treatment devices. Over the past few years, the number of consumers choosing alternatives to tap water has increased significantly. The primary reason our consumers are turning to alternatives to their tap water is taste and concerns about tap water's safety. There also appears to be a substantial willingness to pay for improved safety and taste, especially among specific ethnic groups.

Concurrently, water utilities are dealing with a significant number of new water quality issues such as arsenic, chromium 6, NDMA, bromate, disinfection byproducts, MTBE, radon, perchlorate, endocrine disrupters and other new issues that are certain to spring up over the next few years. We will also have to address the issue of aging infrastructure and pipelines. The net result is that we are at a crossroads as to how we can best provide the safe drinking water that our consumers want and at prices they can afford.

It has been proposed that Metropolitan sponsor legislation that would appropriate \$5 million from the State General Fund to the University of California (UC) for a two-year study to evaluate what is the best way to provide safer drinking water in the future. This stand-alone legislation would also be accompanied by a request for an appropriation from the state budget. The \$5 million evaluation program will also be included as a program within the water quality bond referenced above.

Options to be evaluated by UC include traditional centralized treatment and distribution of drinking water, bottled water and home treatment systems. UC would report its findings back to the Legislature, enabling subsequent policy decisions on how best to spend the billions of dollars needed to ensure

drinking water quality in the future. Having UC perform the study guarantees that the results are beyond reproach and that the biases of the drinking water utilities, bottled water suppliers, and home treatment system manufacturers are screened out.

**4. Appropriate \$350,000 in general fund revenue for resolution of water quality concerns at Lake Perris**

Lake Perris is a 130,000 acre-foot terminal reservoir on the State-owned State Water Project (SWP) system. The lake's primary purpose is water supply, with recreation and fish and wildlife secondary. Recreation at the lake was initially developed in the 1970s with body contact activities and boating as principle attractions. Recreation at Lake Perris generates over a million user-days each year and represents one-quarter of the total recreation at all SWP facilities. At the same time, contamination from recreation activities has constrained the usefulness of Lake Perris for water supply. The lake is contaminated by MTBE from power watercrafts leaking fuel, and from pathogens caused by body contact recreation.

A task force has been formed that includes Metropolitan and the State Departments of Water Resources; Parks and Recreation; Boating and Waterways; and Fish and Game. Over the next year, the task force will examine the conflicts between Lake Perris operations for water supply, recreation and fish and wildlife purposes and anticipate developing a reservoir-operating plan that will reconcile conflicting uses. It is expected that there will be cost implications associated with modification of recreation activities as an outcome of the task force that will need to be implemented by the State that would exceed state agency budget allocations.

It is proposed that Metropolitan sponsor legislation that would appropriate \$350,000 from the State General Fund to the Department of Parks and Recreation for financing investigations and solutions for MTBE contamination and pathogen risk in FY 2001-2002. A companion budget funding request would also be required.

**5. Appropriate \$6 million in general fund revenue to encourage additional water conservation through financial incentives and better technology**

Water-use efficiency in Southern California significantly reduces the need for additional diversions from the Sacramento-San Joaquin Bay/Delta and the Colorado River.

Since the 1990s, urban water agencies have been aggressively pursuing conservation in the residential market. The water conservation community is now looking to focus its sights beyond the residential market to the commercial and industrial markets to reach anticipated future conservation goals. The objective is to encourage investments in conservation by commercial and industrial customers.

It has been suggested that Metropolitan seek state funding for research and development of new water conservation technologies. The \$6 million funding would be allocated among projects that would:

- Partnerships with universities to explore the feasibility and effectiveness of new landscape design and maintenance practices and to develop new low-water use plants;
- Pilot projects to determine waters savings from implementation of irrigation system technologies for large landscapes;
- Demonstration projects to install in new construction and analyze water savings from the gray water systems;
- Expand Metropolitan's Innovative Conservation Program (ICP), which was created to test and evaluate new and innovative water conservation technologies; and

- Expand funding for product testing to determine the performance, water savings and longevity of new 1.6 gallon per flush toilets.

Funding from the state budget would also be required for this initiative.

**Policy**

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None

**Board Options/Fiscal Impacts**

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**Option #1**

Authorize staff to pursue sponsorship of all five legislative proposals as outlined above.

**Fiscal Impact:** None

**Option #2**

Authorize staff to pursue sponsorship of specific legislative proposals from the list as outlined above.

**Fiscal Impact:** None

**Option #3**

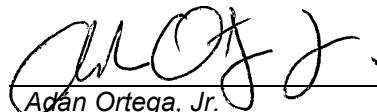
Direct staff not to seek sponsorship of any legislative proposals as outlined above.

**Fiscal Impact:** None

**Staff Recommendation**

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Option 1



*Adán Ortega, Jr.*  
Sr. Executive Assistant to the General Manager  
and Group Manager, External Affairs

12/5/2000

Date



*Ronald R. Jester*  
General Manager

12/5/2000

Date