

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

May 14, 2002 Board Meeting

9-8

Subject

Pursue bipartisan support for federal CALFED reauthorization legislation

Description

Committee Action. A special meeting of the Communications, Outreach and Legislation Committee was held April 30, 2002, to update directors on pending CALFED reauthorization legislation in both the House and Senate. Following a staff presentation and Committee discussion, the consensus of the Committee was to recommend that the Metropolitan Board authorize the Chief Executive Officer to work in support of each of the authors of CALFED reauthorization legislation and to pursue bipartisan support for final language this year that includes Metropolitan's interests outlined in **Attachment 1**.

Background. In 1996, the Congress passed H.R. 4236, the California Bay-Delta Environmental Enhancement Act. This Act authorized \$430 million (\$143 million per year from fiscal year 1998-2000) for developing ecosystem restoration projects in the Bay-Delta watershed. In 2000, legislation drafted to extend the Act did not pass out of Congress. In 2001, separate legislation was introduced by Congressman Ken Calvert (R-Riverside), Chairman of the House Resources Subcommittee on Water and Power, Congressman George Miller, and Senator Dianne Feinstein to reauthorize the CALFED Bay-Delta Program. Over the last year, both Congressman Calvert and Senators Feinstein and Boxer have reintroduced amended legislation. Congressmember Grace Napolitano (D-Santa Fe Springs) has also drafted legislation that she plans to introduce through a House Resolution.

Current Pending Legislation. Currently there are three federal CALFED reauthorization bills pending. The following is a brief summary of these bills.

- Senate Bill S. 1768 (Feinstein/Boxer) -- Authorizes Stage 1 (years 2002 - 2007) of the CALFED Record of Decision; provides \$2.4 billion in federal funding for CALFED projects; creates a centralized governance board; and establishes a "trigger" that would require projects exceeding \$10 million to be separately authorized before money is appropriated.
- House Bill H.R. 3208 (Calvert) -- Authorizes implementation of the long-term CALFED program (years 2002-2032), a \$500 million per year competitive grants program, and a small reclamation loan program. The legislation also authorizes creation of a centralized CALFED governance structure, continued support and management of the Environmental Water Account, and water supply assurances for Central Valley Project (CVP) water users on the westside of the San Joaquin valley.
- House Bill H.R. 4657 (Napolitano) -- Authorizes the CALFED Record of Decision similar to the Senate version, but also adds provisions to specifically authorize financial assistance for Southern California and Bay Area reclamation and desalination projects, and limit federal cost sharing for CALFED projects to 25 percent of the total project cost or \$50 million.

Southern California Benefits. Stage One of the CALFED Bay-Delta Plan supports both the development of regional and local programs to improve water supply reliability, water quality, conservation, recycling, conjunctive use, desalination, and other objectives important to Metropolitan and our member agencies. In addition, the CALFED program:

- Provides significant near-term financial support for local investments;
- Mandates achievement of high water quality goals for source water improvement;

- Authorizes implementation and funding of new technology and source water quality improvement projects to meet future drinking water quality standards and reduce salinity of imported supplies from the State Water Project (SWP);
- Provides regulatory assurances for water users and fishery protection via the Environmental Water Account (EWA). The EWA contributes to ensuring no reduction in current or future SWP supplies to Metropolitan;
- Assists in the implementation and funding of water supply reliability projects including new storage, operational flexibility, enhanced conveyance, levee protection, water transfer, recycling, desalination, conservation, and conjunctive use projects. These projects would contribute toward meeting Metropolitan's Delta water supply reliability goal of an additional 200,000 acre-feet per year of dry-year yield by 2020;
- Assists in the implementation of a centralized governance structure that would ensure Southern California representation in the decision making and balanced funding and implementation in all program areas; and
- Supports state and federal cost sharing of all CALFED program elements.

Policy

The Board has adopted detailed policy principles regarding the CALFED Bay-Delta Program (Board letter 9-3, July 1999).

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, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Authorize the Chief Executive Officer to work in support of each of the authors of CALFED reauthorization legislation and to pursue bipartisan support for final language this year that includes Metropolitan's interests outlined in **Attachment 1**.

Fiscal Impact: None

Option #2

Take no position

Fiscal Impact: None

Staff Recommendation

Option #1



Timothy H. Quinn
Vice President, State Water Project
Resources

5/9/2002

Date



Ronald R. Gastelum
Chief Executive Officer

5/9/2002

Date

Attachment 1

Provisions central, consistent or problematic to Metropolitan's interests

In the three CALFED bills introduced, there are several provisions that can be identified as central, consistent or problematic to Metropolitan's interests. Those are delineated below.

Provisions central to Metropolitan's interests

- Authorization of CALFED Bay-Delta Program, including authorization for funding of conservation, water transfer, recycling, conjunctive use, and desalination projects benefiting Southern California.
- Creation of competitive grants program
- Promotion of regional partnerships
- Protection for water quality improvements
- Protection of Environmental Water Account and supply assurances
- Governance to assure balanced implementation

Provisions consistent with Metropolitan's interests

- Authorization process & modification of \$10 million trigger
- Environmental Water Account guidelines: Endangered Species Act priority and liability limits
- Banks 8,500 cfs cooperation
- Regulatory coordination & permit streamlining
- Environmental justice

Provisions that are problematic

- Westside assurances
- Colorado River restrictions