

- **Board of Directors**

April 10, 2007 Board Meeting

8-19

Subject

Approve water policy principles for statewide water management

Description

In April 2006, the Board adopted Policy Principles to specifically apply to the Sacramento-San Joaquin River Delta. Those Principles govern Metropolitan's approach to Delta policy and were adopted in response to the events of the Jones Tract levee failure, Hurricane Katrina, and rapid declines in the populations of certain Delta fish species. Since that time, the Governor and the Legislature have expressed their intent to deal with a wide range of water policy issues that go beyond Delta issues. The proposed Water Policy Principles (Principles) (**Attachment 1**) are intended to guide Metropolitan in this broader debate on statewide water policy issues and supplement Metropolitan's Delta Principles.

At the end of 2007, it is expected that the Governor's Delta Visioning Process will be providing recommendations on a long-term Delta vision. It is clear that the Delta in its current state is broken and the practice of moving water through the old levees and rivers of the Delta is not sustainable. In the meantime, there is considerable debate in the Legislature on what the impacts of global warming are going to be on the state's water policy, the necessity and timing for dealing with storage and conveyance issues and other broader policy issues. During this period, there must be planning for a possible disaster on the Delta while a long-term vision is implemented. Finally, it is essential that Metropolitan continue to emphasize the need for supply diversification with an emphasis on conservation, water reuse, and local projects. The proposed Principles (**Attachment 1**) are intended to speak to all these issues.

Upon adoption of these Principles, Metropolitan would communicate its intent to the Governor and the Legislature to work aggressively towards adoption of a complete statewide water policy. Currently, there are a number of legislative proposals that address specific policy areas such as conveyance, storage, conservation, groundwater management or recycling. These individual bills will be brought to the Board for support or oppose positions based on these Principles, but the Board and staff will also use these Principles to urge the state to address water policy as broadly as possible.

California must address all aspects of water management to ensure we have a diverse portfolio of supplies if we are going to successfully accommodate the internal growth that is already occurring. The next two years are critical in determining whether California can adopt a water policy that will provide a sustainable supply of water into the future for the next generation of Californians. Metropolitan must play a leadership role in ensuring that a sound statewide water policy is adopted and these Principles will provide a foundation to that effort.

Policy

Board's existing Policy Principles on the Sacramento–San Joaquin Bay Delta and on conservation and water reuse

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The adoption of the proposed Policy Principles 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). Furthermore, 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 adoption of Policy Principles is not subject to CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the CEQA determination and the proposed Water Policy Principles (**Attachment 1**) for statewide water management.

Fiscal Impact: None

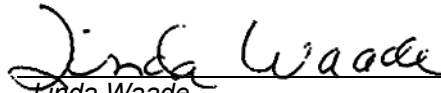
Option #2

Adopt the CEQA determination and revise the proposed Water Policy Principles (**Attachment 1**) for statewide water management.

Fiscal Impact: None

Staff Recommendation

Option #1


Linda Waade
Deputy General Manager, External Affairs

3/29/2007
Date


Jeffrey Kightlinger
General Manager

3/29/2007
Date

Attachment 1 – Proposed Water Policy Principles of The Metropolitan Water District of Southern California

BLA #5391

PROPOSED
WATER POLICY PRINCIPLES
OF THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

The Governor, the Legislature and California voters took action in 2006 to begin rebuilding California's aging infrastructure to address the needs of a new generation of Californians. Having addressed transportation, education, flood control and housing needs, it is time to provide for the growing water needs of our state. In adopting these Principles, Metropolitan intends to work closely with the Governor and Legislature and other stakeholders in developing a comprehensive statewide water policy.

- **Conservation, Recycling, Reclamation and Desalination** – Since the late 1980s, Southern California has invested heavily in water use efficiency and local resources to reduce its reliance on imported water. Metropolitan plans to meet future growth with these tools and without increasing imports of water. The state should adopt policies that support Best Management Practices for conservation and reuse that help meet regional growth throughout the state. The State Water Resources Control Board should provide guidance to Regional Boards for consistent permitting policies encouraging water recycling projects. Financial incentives are needed for conservation and water reuse projects that provide multiple benefits. Guidance is needed in the development of standards for ocean desalination. Finally, continued state emphasis on integrated regional water planning is necessary.
- **Water Conveyance** – Recent events have demonstrated the fragility of the levee system in the Delta. The Delta is the switchyard for California's water and California's water supply will be in jeopardy until a reliable way is found to convey water through or around the Delta. The Governor's Delta Vision process must address conveyance and implement solutions in a timely manner.
- **Bay-Delta Restoration** – The Bay-Delta is an area of incredible ecological significance to the entire state. California's water policy must include a commitment to environmental restoration of the Delta and to developing a sustainable, healthy Delta. Early restoration actions should be implemented while the Governor's Delta Vision process develops a long-term solution.
- **Emergency Preparedness** – While the Governor's Delta Vision process develops long-term recommendations and solutions for the Delta, the state needs to develop emergency plans that include pre-positioning of materials and equipment, hardening of critical levees and other steps to protect water supply in the event of a catastrophe.
- **Water Storage** – Storage is a valuable water management tool. The state should review viable surface and groundwater storage projects and provide financial assistance for statewide benefits to those projects that can be permitted and that have financial partners willing to pay for the local benefits.
- **Global Warming** – Climate change poses a significant threat to California's water supply. The state should continue to provide leadership on reducing greenhouse gases and adopt "no regrets" actions to reduce the impacts of climate change. State planning must take into account the potential effects of global warming to avoid investments in projects that may not be effective with changing hydrology as a result of global warming.
- **Beneficiaries Pay** – Metropolitan is prepared to pay its share of the costs for a new water future for California. The cost of water projects and their direct mitigation should be paid for by the ratepayers of those agencies that receive benefits from those projects in relationship to the benefits received. The state should provide financial assistance on projects for the general public benefits such as recreation, environmental restoration and enhancement, flood control, etc. Cost-sharing agreements must reflect an equitable allocation of costs among the multiple beneficiaries.
- **Source Protection** – Water quality is best maintained through a policy of source protection. The State Board should provide policy guidance to Regional Boards that requires protection of downstream water

quality through high permitting standards. Delta water quality must be improved to protect public health and manage salinity.

- **Water Markets** – Transfers between willing sellers and willing buyers are an efficient method of providing dry-year insurance for urban uses and the state should facilitate the permitting of such transfers. Reliable water conveyance facilities are a key component to a successful water market. The state can assist transfers by providing a framework for the orderly handling of any third-party impacts associated with such transfers.