



- Board of Directors  
*Communications and Legislation Committee*

12/13/2011 Board Meeting

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**8-2**

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**Subject**

Adopt Legislative Strategy for 2012

**Description**

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After consulting with Metropolitan member agencies in October 2011 and the Board Communications and Legislation Committee in October and November 2011, the following federal and state legislative priorities are submitted for your consideration and approval. The priorities for 2012 support Metropolitan's mission and incorporate its overall water supply reliability objectives:

**Federal Legislative Priorities**

*Bay-Delta and State Water Project Improvements*

- Support administrative and legislative action to maintain the Bay Delta Conservation Plan (BDCP) schedule to identify the necessary conveyance and ecosystem improvements in order to meet the coequal goals of water supply reliability and ecosystem restoration in the Delta.
- Pursue federal authorization and funding through the Water Resources Development Act for BDCP projects and initiatives, including emergency response and near-term Delta improvements.

*Colorado River Initiatives*

- Support funding authorization for continued implementation of the Lower Colorado River Multi-Species Conservation Plan.
- Encourage coordination between federal and state agencies to implement the Quantification Settlement Agreement.

*Regional Water Resource Management*

- Support legislation authorizing the U.S. Environmental Protection Agency (EPA) to provide grant funding to conduct research enabling water agencies to adapt to hydrologic changes.
- Support legislation authorizing EPA's *WaterSense* program and other federal incentive programs that promote Water Use Efficiency.
- Restore right of states and local governments to establish Property Assessed Clean Energy Programs (PACE).

*Water Quality*

- Support local jurisdiction over the use and storage of chlorine gas as treatment disinfectant. Support the authorization of U.S. EPA oversight of water system security through updated vulnerability assessments and site security plans.
- Support initiatives and federal funding to protect and improve water quality from various constituents including but not limited to chromium, nitrate, perchlorate, salinity, and uranium.

*Invasive Species*

- Support actions and funding for control and eradication of invasive species, including quagga mussels.

*Energy Initiatives*

- Promote legislation to authorize a long-term contract for hydropower generated at Hoover Dam for the benefit of Arizona, Southern California, and Nevada water users who rely on that source of power to minimize costs to consumers of local public utilities.
- Support legislation authorizing grant funding for energy efficiency, including programs to reduce greenhouse gases and develop renewable resources.
- Support legislation that provides renewable energy credits (RECs) for both small and large hydroelectric facilities, irrespective of the facility's nameplate generating capacity.
- Support legislation that would increase or remove the current 40 MW limitation on conduit hydroelectric facilities that can apply for an exemption from the Federal Energy Regulatory Commission's (FERC's) standard hydroelectric licensing provisions.

*Finance*

- Support tax-credit financing, tax-exempt municipal bonding and other funding mechanisms to reduce the cost of water projects.
- Monitor pension reform and Other Post-Employment Benefit (OPEB) proposals.

*Appropriations Priorities, Including Competitive Grant Programs*

- Environmental planning and early mitigation projects related to the Bay Delta Conservation Plan
- Water quality initiatives (chromium, nitrate, perchlorate, salinity, uranium, etc.)
- Invasive species control and eradication
- Ozone and solar retrofits
- Metropolitan Water District Area Regional Water Conservation Plan
- Lower Colorado River Multi-Species Conservation Plan
- Support ongoing funding for Title XVI projects

**State Legislative Priorities***Bay-Delta and State Water Project Improvements*

- Support administrative and legislative action to maintain the Bay Delta Conservation Plan (BDCP) schedule to identify the necessary conveyance and ecosystem improvements in order to meet the coequal goals of water supply reliability and ecosystem restoration in the Delta.
- Support administrative and legislative action and funding for advancing emergency response and near-term Delta improvements.
- Continue support for implementation of the 2009 Delta/water management legislative package to help ensure critical milestones are met in a timely manner. In light of changing circumstances, including the state's economy, which may likely impact passage of the \$11.14 billion bond on the November 2012 ballot, identify potential alternatives for financing the public's share of water infrastructure investments. Metropolitan's position on any modifications to the bond or alternative financing strategies are subject to board approval.

*Colorado River Initiatives*

- Encourage coordination between federal and state agencies to implement the Quantification Settlement Agreement.

*Energy Sustainability*

- Support legislation to revise the state definition of “Eligible Renewable Energy Resource” to allow hydroelectric generation facilities that are an integral part of a facility constructed, operated, and maintained by a state or local government solely for water supply, and regulated by the Federal Energy Regulatory Commission (FERC) and the State Water Resources Control Board (SWRCB), to be eligible for Renewable Energy Credits (RECs) to meet state renewable energy goals.
- Pursue an exemption or exclusion for Metropolitan from the Cap-and-Trade regulation and instead propose and support alternative compliance mechanisms for greenhouse gas reductions for Metropolitan under some of the AB 32 Scoping Plan water sector (WET-CAT) measures.

*Water Quality*

- Support local jurisdiction over use/storage of chlorine gas as treatment disinfectant.
- Support initiatives and federal funding to protect/improve water quality from various constituents including but not limited to chromium VI, nitrate, perchlorate, salinity, and uranium.

*Invasive Species*

- Support actions and funding for control and eradication of invasive species, including quagga mussels.

*Finance*

- Support a “beneficiaries pay” approach as a financing mechanism for statewide projects and programs.
- Oppose de facto taxes levied solely on water agencies for funding broader public benefits.
- Monitor ongoing pension reform proposals as well as Other Post Employment Benefits (OPEB) reform initiatives for potential impacts on Metropolitan’s long-term pension liability.

**State Legislative Proposals***Monitoring Emerging Constituents in Ambient Groundwater*

- Submitted to WateReuse Association: Pursue sponsorship of legislation or administrative action to transfer monitoring for emerging contaminant from salt and nutrient management plans to the State Water Resources Control Board’s Groundwater Ambient Monitoring and Assessment Program (GAMA).

*Recycled Water – Permit Streamlining*

- Submitted to WateReuse Association: Pursue sponsorship of legislation or administrative action to clearly delineate defined schedule and pathway for securing recycled water permits from Regional Water Quality Control Boards and the Department of Public Health.

*Seawater Desalination – Permit Streamlining*

- Submitted to CalDesal Coalition: Pursue sponsorship of legislation to require the State Water Resources Control Board to establish task force to review all statewide permitting processes for planning, design, construction and operation of seawater desalination facilities. Task force would be also tasked with making recommendations to streamline, consolidate and coordinate permitting processes by all relevant state regulatory agencies.

*Hazardous Material Reporting Consistency*

- Submitted to the California Council for Economic and Environmental Balance: Pursue sponsorship of legislation to address inconsistencies relative to hazardous substance and hazardous material release reporting to various state regulatory agencies, such as the California Emergency Management Agency (Cal-EMA) and the local Certified Uniform Program Agencies (fire and/or local health departments).

The General Manager is authorized to take positions and/or engage in discussions on federal and state legislation that would advance the above 2012 legislative priorities.

The General Manager is also authorized to take positions and engage in discussions on legislation on which the Board has previously acted and/or adopted specific policy principles. Proposed legislation inconsistent with previous board action will be presented to the Board for review and consideration.

## Policy

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Supports Metropolitan's mission and incorporates its overall water supply reliability objectives

### California Environmental Quality Act (CEQA)

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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

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### Option #1

Adopt the CEQA determination and Legislative Strategy for 2012.

**Fiscal Impact:** None

### Option #2

Take no action.

**Fiscal Impact:** None

## Staff Recommendation

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Option #1

	11/30/2011
Linda Waade Deputy General Manager, External Affairs	Date
	12/1/2011
Jeffrey Kightlinger General Manager	Date