



- Board of Directors  
*Communications and Legislation Committee*

12/11/2012 Board Meeting

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**8-3**

## **Subject**

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Adopt Legislative Strategy for 2013

## **Executive summary**

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This board letter outlines the state and federal 2013 legislative strategy recommended by staff for the Board's consideration and adoption.

## **Details**

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After consulting with Metropolitan member agencies in October 2012 and the Board Communications and Legislation Committee in October and November 2012, the following federal and state legislative priorities are submitted for your consideration and approval. The priorities for 2013 support Metropolitan's mission and incorporate its overall water supply reliability objectives.

### **Federal Legislative Priorities**

#### *Bay-Delta and State Water Project Improvements*

- Support administrative/legislative action and funding to keep the Bay Delta Conservation Plan (BDCP) on schedule to advance conveyance and ecosystem improvements to meet the coequal goals of water supply reliability and Delta ecosystem restoration.
- Support administrative/legislative action and funding to advance emergency response and near-term Delta improvements, including carbon sequestration projects, consistent with coequal goals.
- Pursue authorization, funding, and infrastructure financing opportunities through the Water Resources Development Act for BDCP projects and initiatives, including emergency response and near-term Delta improvements.
- Pursue authorization and funding for Farm Bill/USDA programs to support habitat projects in the Delta and agricultural water use efficiency.

#### *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 U.S. 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 and ensure inclusion of water use efficiency improvements.

#### *Water Quality*

- Support local jurisdiction to provide for the continued 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 funding to protect and improve water quality from various constituents, including but not limited to chromium, nitrate, perchlorate, salinity, uranium, pharmaceuticals and personal care products.
- Support policies, legislation and regulations that protect surface water and groundwater supplies from energy development activities that may impair water resources. Covered energy development activities include, but are not limited to, enhanced oil and gas recovery techniques such as hydraulic fracturing.

#### *Environmental Planning*

- Support administrative/legislative actions to improve clarity and workability of the National Environmental Policy Act (NEPA).

#### *Invasive Species*

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

#### *Energy Sustainability*

- Encourage coordination to implement federal law that authorizes 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 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 megawatt limitation on conduit hydroelectric facilities that can apply for an exemption from the Federal Energy Regulatory Commission's standard hydroelectric licensing provisions.

#### *Infrastructure and Public Finance*

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

#### *Appropriations Priorities*

- Bay Delta Conservation Plan environmental planning and near-term projects, including carbon sequestration projects
- CalFed Bay-Delta Act projects to improve Delta ecosystem and water reliability
- Farm Bill/USDA programs to support habitat projects in the Delta and agricultural water use efficiency
- Colorado River Salinity Control Forum projects
- Water quality protection initiatives (e.g., chromium, nitrate, perchlorate, salinity, uranium, pharmaceuticals, personal care products, etc.)

- Invasive species control and eradication
- Solar retrofits
- Water conservation and water use efficiency programs
- Lower Colorado River Multi-Species Conservation Plan
- Bureau of Reclamation Title XVI program

### **State Legislative Priorities**

#### *Bay-Delta and State Water Project Improvements*

- Support administrative/legislative action and funding to keep the Bay-Delta Conservation Plan on schedule to advance conveyance and ecosystem improvements to meet the coequal goals of water supply reliability and Delta ecosystem restoration.
- Support administrative/legislative action and funding to advance emergency response and near-term Delta improvements, including carbon sequestration projects, consistent with coequal goals.
- Continue support for implementation of 2009 Delta/water management legislative package.
- Support funding for public share of Delta restoration costs in 2014 water bond. Further modifications to 2014 water bond subject to subsequent board approval.
- Support administrative/legislative actions to remove existing prohibition for state funding to raise Shasta Dam.

#### *Colorado River Initiatives*

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

#### *Regional Water Resources Management/Foundational Actions*

- Pursue administrative path to make seawater desalination permitting process less duplicative and more responsive, transparent and efficient.
- Cosponsor administrative/legislative actions to promote recycled water as a water resource, including consolidation and simplification of water recycling statutes and updates to ensure consistency with current regulations, building codes and terminology.

#### *Environmental Planning*

- Support administrative/legislative actions to improve clarity and workability of the California Environmental Quality Act.

#### *Invasive Species*

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

#### *Energy Sustainability*

- Support expanding definition to qualify state and local hydropower generation as renewable resource.
- Pursue allocation of Cap-and-Trade auction revenues from the California Air Resources Board or other administering agencies for Metropolitan and Department of Water Resources/State Water Project, to be used for greenhouse gas reduction measures and related projects.

#### *Water Quality*

- Support local jurisdiction to provide for continued use and storage of chlorine gas as a treatment disinfectant.

- Support initiatives and funding to protect/improve water quality from various constituents including but not limited to chromium, nitrate, perchlorate, salinity, uranium, pharmaceuticals and personal care products.
- Support policies, legislation and regulations that protect surface water and groundwater supplies from energy development activities that may impair water resources. Covered energy development activities include, but are not limited to, enhanced oil and gas recovery techniques such as hydraulic fracturing.

#### *Infrastructure and Public Finance*

- Support “beneficiaries pay” approach as financing mechanism for statewide projects and programs.
- Oppose de facto taxes levied solely on water agencies for funding broader public benefits.
- Monitor implementation of 2012 pension reform legislation and Other Post-Employment Benefits reform initiatives for potential impacts on Metropolitan’s long-term liability.

#### **Federal Legislative Proposal**

##### *Ocean Desalination Permitting*

##### *Proposed Sponsorship by Nationally Recognized Water Industry Association*

- Establish Federal Ocean Desalination Permitting Coordination Act with goal of improving federal permitting process for seawater desalination projects.
- Would require a lead federal agency to convene “permitting workgroup” of federal agencies for individual municipal seawater desalination projects above certain size.

#### **State Legislative Proposal**

##### *Water Use Efficiency Revolving Fund*

##### *Proposed CoSponsorship by Metropolitan and California Municipal Utilities Association*

- Establish “CalConserve” Revolving Loan Program as self-renewing source of funding for water use efficiency and water recycling projects in the public and private sector to increase long-term water savings potential.
- Loans would be available to urban and agricultural water suppliers to assist in compliance with SBX7-7 (Steinberg), the Sustainable Water Use and Demand Reduction Act of 2009 (20% X 2020).
- Would allow for capitalization through state and federal funding sources.

The General Manager is authorized to take positions and/or engage in discussions on federal and state legislation that would advance the above 2013 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 quality and 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). For specific projects that may require subsequent approval, a CEQA review will be

carried out and, if appropriate, environmental documentation for such projects will be prepared and processed in accordance with CEQA and 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 2013.

**Fiscal Impact:** None

**Option #2**

Take no action.

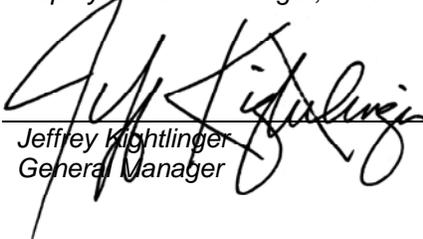
**Fiscal Impact:** None

**Staff Recommendation**

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Option #1

	11/29/2012
<hr style="width: 100%;"/>	<i>Date</i>
Linda Waade Deputy General Manager, External Affairs	

	11/29/2012
<hr style="width: 100%;"/>	<i>Date</i>
Jeffrey Kightlinger General Manager	