



- Board of Directors  
*Communications and Legislation Committee*

12/10/2013 Board Meeting

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**Revised 8-6**

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## **Subject**

Adopt Legislative Strategy for 2014

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## **Executive Summary**

This board letter outlines the state and federal 2014 legislative strategy recommended by staff for the Board's consideration and adoption.

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## **Details**

After consulting with Metropolitan member agencies in October 2013 and the Board Communications and Legislation Committee in October and November 2013, the following federal and state legislative priorities are submitted for your consideration and approval. The priorities for 2014 support Metropolitan's mission and incorporate its overall water supply reliability and water quality objectives.

### **Federal Legislative Priorities**

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

- Support administrative/legislative action and funding to keep 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, consistent with coequal goals.
- Promote Southern California Congressional delegation awareness and support for BDCP.

#### *Colorado River Initiatives*

- Support continued 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.
- Support funding for Colorado River drought resilience projects.
- Promote continued funding for the Colorado River Basin Salinity Control Program under the Departments of Agriculture and Interior.
- Protect and preserve Metropolitan's interest in water conservation programs enabled by the U.S. Water Treaty with Mexico.

#### *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.

*Water Quality*

- Support local jurisdictions' continued use and storage of chlorine gas as treatment disinfectant. Support authorizing U.S. EPA oversight of water system security through updated vulnerability assessments and site security plans.
- Support legislation, initiatives and funding to protect and improve water quality from various constituents, including but not limited to chromium 6, nitrate, perchlorate, salinity, uranium, MTBE and other gasoline additives, pharmaceuticals/personal care products, and other constituents of emerging concern.
- Support policies/administrative/legislative actions 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.

*Cybersecurity*

- Support national associations and coalition efforts to develop standard guidance and best management practices for consistent and ongoing actions to reduce vulnerabilities in process control systems for major water system providers.

*Environmental Planning*

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

*Invasive Species*

- Support administrative/legislative actions and funding for predation control, eradication and management of invasive species, including quagga mussels.
- Support administrative/legislative action that is consistent with, and in no way interferes with, existing interstate water transfers.

*Energy Sustainability*

- Encourage coordination to implement federal law that is consistent with Metropolitan's long-term contract for hydropower generated at Hoover Dam for the benefit of Arizona, Southern California and Nevada water users that rely on Hoover power to minimize costs to consumers.
- Support authorization for 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.

*Infrastructure and Public Finance*

- Support measures to reduce the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, and Water Resources Development Act (WRDA) legislation, including provisions for a Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts and other funding mechanisms.
- Monitor pension reform and Other Post-Employment Benefit proposals.

*Appropriations Priorities*

- BDCP planning and implementation funding for near-term projects, including near-term and emergency response projects.
- Farm Bill/USDA programs to support habitat projects in the Delta and agricultural water use efficiency.
- Colorado River Basin Salinity Control Program.
- Colorado River drought resiliency projects.
- Water quality protection initiatives (e.g., chromium 6, nitrate, perchlorate, salinity, uranium, pharmaceuticals/personal care products, etc.).
- Predator control and eradication of invasive species.
- Solar retrofits and other renewable energy and conservation projects.

- Water conservation and water use efficiency programs.
- Lower Colorado River Multi-Species Conservation Plan.
- Bureau of Reclamation Title XVI program.
- Climate change adaptation research.

### **State Legislative Priorities**

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

- Support administrative/legislative action and funding to keep BDCP on schedule to advance conveyance and ecosystem improvements to meet 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, consistent with coequal goals.
- Continue support for implementation of 2009 Delta/water management legislative package.
- Support funding for public share of Delta ecosystem restoration costs in future water bond and other bond priorities as adopted by Metropolitan's Board in March 2013. Future modifications to water bond subject to subsequent board consideration and approval.
- Support administrative/legislative action to add storage state-wide and 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/legislative action to reform seawater desalination permitting process to ensure less duplication, more transparency and efficiency.
- Support administrative/legislative action to promote recycled water as a water resource.

#### *Environmental Planning*

- Support administrative/legislative action to improve clarity and workability of the California Environmental Quality Act.
- Support administrative/legislative action for environmental compliance (e.g. air, water, hazardous materials and waste) that provide for regulatory compliance flexibility, promote consistency and reduce regulatory duplication.

#### *Invasive Species*

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

#### *Energy Sustainability*

- Support expanding definition to qualify state and local hydropower generation as renewable resource.
- Pursue allocations of Cap-and-Trade auction revenues or free allowances 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 jurisdictions' 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 6, nitrate, perchlorate, salinity, uranium and pharmaceuticals/personal care products.
- Support policies/regulations/legislation to protect surface water and groundwater supplies from energy development and other 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.
- Support legislation/administrative action that deters metal theft and protects critical public water infrastructure.

**State Legislative Proposal**

*CEQA Reform Proposal: Proposed CoSponsorship by Association of California Water Agencies (ACWA) and California Municipal Utilities Association (CMUA)*

- Recommend that ACWA and CMUA pursue exemption from CEQA for installation of new recycled water pipelines less than eight miles in length.
- Also recommend that ACWA and CMUA facilitate dialogue among its members to identify additional reforms that clarify and streamline CEQA, without further burdening public agencies or creating new litigation risks and that support goals of improving regulatory efficiency while preserving environmental protection.

**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).

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 that the proposed action is not subject to CEQA and adopt the Legislative Strategy for 2014.

**Fiscal Impact:** None

**Option #2**



Take no action.

**Fiscal Impact:** None

**Staff Recommendation**

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Option #1

 Dee Zinke Interim Deputy General Manager, External Affairs	12/4/2013 <i>Date</i>
 Jeffrey Lightlinger General Manager	12/4/2013 <i>Date</i>

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