



- Board of Directors
Communications and Legislation Committee

12/9/2014 Board Meeting

8-3

Subject

Adopt Legislative Priorities for 2015/16

Executive Summary

This board letter outlines the state and federal 2015/16 legislative priorities recommended by staff for the Board's consideration and adoption.

Details

After consulting with Metropolitan member agencies in October 2014 and the Board Communications and Legislation Committee in November 2014, the following federal and state legislative priorities are submitted for your consideration and approval. The priorities for 2015/16 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 or 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 or legislative action and funding to advance emergency response and near-term Delta improvements, consistent with coequal goals.

Colorado River Initiatives

- Support continued funding authorization and coordination between states 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.
- Promote continued funding and coordination between states 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 Water Treaty between the United States and Mexico.

Drought Related Legislation

- Support administrative or legislative actions to respond to drought, including funding for immediate water supply improvements, while maintaining environmental protections.

Regional Water Resource Management

- Support legislation authorizing the U.S. Environmental Protection Agency (EPA) to provide grant funding for programs such as the Water Research Foundation 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 and energy efficiency.

Water Quality

- Support local jurisdictions' continued use and storage of chlorine gas as treatment disinfectant. Support authorizing 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, various fuels and their additives, pharmaceuticals/personal care products, and other constituents of emerging concern.
- Support policies and administrative or 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 coalitions' 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 and Environmental Compliance

- Support administrative or legislative actions to improve clarity and workability of the National Environmental Policy Act (NEPA), and eliminate duplicative NEPA and state California Environmental Quality Act (CEQA) processes.
- Support administrative or legislative actions for environmental compliance (e.g., air, water, hazardous materials and waste) that provide for regulatory compliance flexibility, promote consistency and reduce regulatory duplication.
- Support administrative or legislative actions, including those related to the California Desert Wilderness Protection Act, to ensure the reliability and continuity of Metropolitan's system operations and real estate assets, including rights of way necessary to access Metropolitan's facilities.
- Support administrative or legislative actions, including those that address EPA's proposals related to the Clean Water Act definition of "waters of the United States," to ensure reliability and continuity of Metropolitan's water transfers, and water supply facilities and infrastructure.
- Support administrative or legislative actions to consolidate the review and oversight of anadromous species protection under the Department of Interior to eliminate duplication and increase efficiencies

Invasive Species

- Support administrative or legislative actions and funding for biological controls, mitigation management, and elimination of invasive species, including, but not limited to, quagga mussels and striped bass.
- Support administrative or legislative actions pertaining to invasive species that are consistent with, and in no way interfere 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.
- Promote water/energy nexus legislative or regulatory activities that preserve Metropolitan's ability to pursue a wide variety of supply options and oppose constraints on supply development such as water resource loading orders based on energy intensity. 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, an expanded Water Infrastructure Finance Innovation

Act, or similar financing mechanism that funds new water supply infrastructure, including water conduits, pipelines, canals, pumping, power and associated facilities, the Environmental Infrastructure Accounts and other funding mechanisms.

- Support Bureau of Reclamation's Title XVI and WaterSMART programs.
- 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 projects in the Delta or in the Colorado River basin.
- 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.).
- Biological controls, mitigation management and elimination of invasive species.
- Solar retrofits and other renewable energy and conservation projects.
- Water conservation and water use efficiency programs and water resource projects.
- Desalination and salinity management research, including funding for the Brackish Groundwater National Desalination Research Facility through the Desalination Reauthorization Act of 1996.
- Lower Colorado River Multi-Species Conservation Plan.
- Bureau of Reclamation Title XVI program.
- Climate change adaptation and mitigation research.

State Legislative Priorities

Bay-Delta and State Water Project Improvements

- Support administrative or legislative action and funding to keep the BDCP on schedule to advance conveyance and ecosystem improvements to meet the coequal goals of water supply reliability and Delta ecosystem restoration.
- Support administrative or legislative action and funding to advance emergency response, near-term Delta improvements and expenditures to support fish monitoring activities in the Delta consistent with coequal goals.
- Continue support for implementation of state policies adopted as part of the 2009 Delta Reform Act and water management package, including clarification of the monitoring and enforcement provisions related to in-Delta diversions.
- Support state funding for public share of Delta ecosystem restoration costs.
- Support administrative or legislative action to add storage statewide and to remove existing prohibition for state funding to raise Shasta Dam.
- Oppose administrative or legislative action that would unfairly shift procurement of renewable resources to the State Water Project, irrespective of transmission limitations, cost and portfolio availability.

California Water Action Plan

- Support implementation of the Brown Administration's comprehensive water strategy, consistent with Metropolitan's goals and objectives, to ensure effective drought management and near-term actions to guide development of programs and investments to meet the state's long-term water infrastructure needs.

Colorado River Initiatives

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

Regional Water Resources Management/Foundational Actions

- Support effective administrative solutions to improve the permitting process for proposed seawater desalination projects in California while complying with all existing environmental regulations, as initiated by AB 2595 (Hall, 2012).
- Support administrative or legislative action to promote recycled water as a water resource, without compromising the operational, financial, water quality, regulatory and customer interests of Metropolitan and other drinking water agencies.

Groundwater Management

- Monitor implementation of the 2014 Sustainable Groundwater Management Act, including subsequent legislation to address expedited adjudications and designation of groundwater recharge as a beneficial use.

Environmental Planning

- Support administrative or legislative action to improve clarity and workability of CEQA.
- Support administrative or 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 or legislative actions and funding for biological control, mitigation management and elimination of invasive species, including, but not limited to, quagga mussels and striped bass.

Energy Sustainability

- Support expanding definition to qualify state and local hydropower generation as renewable resource.
- Pursue allocation 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.
- Promote water/energy nexus legislative or regulatory activities that preserve the Metropolitan's ability to pursue a wide variety of supply options and oppose constraints on supply development such as water resource loading orders based on energy intensity.
- Continue to support and promote integrated water resources portfolio planning.

Water Quality

- Support local jurisdictions' continued use and storage of chlorine gas as a treatment disinfectant.
- 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, various fuels and their additives, pharmaceuticals/personal care products, and other constituents of emerging concern.
- Support policies and regulations or 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 or administrative action that deters metal theft and protects critical public water infrastructure.
- Monitor implementation of the 2014 water bond, Proposition 1, and influence how water bond dollars are spent, both through program development — including regulations and guidelines at the agency and department level — and through the appropriation of bond funds through the state budget process.

Policy

Supports Metropolitan’s mission and incorporates its overall water quality and supply reliability objectives.

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

Option #1

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and adopt the Legislative Strategy for 2015/16.

Fiscal Impact: None

Option #2

Take no action.

Fiscal Impact: None

Staff Recommendation

Option #1



Dee Zinke
Deputy General Manager, External Affairs

12/1/2014
Date



Jeffrey Kighlinger
General Manager

12/1/2014
Date