



● **Board of Directors**
Communications and Legislation Committee

12/8/2015 Board Meeting

REVISED 8-4

Subject

Adopt Legislative Priorities for 2016

Executive Summary

This board letter outlines the state and federal 2016 legislative priorities recommended by staff for the Board's consideration and adoption.

Details

After consulting with Metropolitan member agencies in October 2015 and the Board Communications and Legislation Committee in November 2015, the following federal and state legislative priorities are submitted for the Board's consideration and approval. The priorities for 2016 support Metropolitan's mission and incorporate its overall water supply reliability and water quality objectives.

Bay-Delta and State Water Project Improvements

- Support administrative/legislative action and federal and state funding to keep the Bay Delta Conservation Plan/California WaterFix on schedule to advance conveyance and ecosystem improvements to help achieve the coequal goals of water supply reliability and Delta ecosystem restoration.
- Support administrative/legislative action and funding to advance emergency response, near-term Delta improvements and expenditures to support fish monitoring activities in the Delta consistent with the coequal goals, California EcoRestore, and the California Water Action Plan.
- 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, reporting, and enforcement provisions related to in-Delta diversions.
- Support state funding for public share of Delta ecosystem restoration costs.
- Support state funding for public share of costs, including mitigation and rehabilitation, for multi-purpose State Water Project (SWP) facilities.
- Support administrative/legislative action and funding to add surface and ground water storage statewide.
- Oppose administrative/legislative action that would unfairly shift procurement of renewable resources to the SWP, irrespective of transmission limitations, cost and portfolio availability.

Colorado River Initiatives

- Support continued federal funding authorization and coordination between states for continued implementation of the Lower Colorado River Multi-Species Conservation Plan.
- Encourage coordination between federal, state, and regional water agencies to implement the Quantification Settlement Agreement.
- Promote continued federal 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 U.S. Water Treaty with Mexico.

Drought Related Legislation

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

Federal Drought Related Legislation

- Reflect broad, bipartisan agreement.
- Provide funding and regulatory assistance for regions affected by the drought for both immediate and long-term water projects that aid in the development, storage, treatment and delivery of water.
- Provide funding and regulatory incentives for conservation and water use efficiency measures.
- Protect SWP and local water supplies and ensure SWP and local water supply reliability.
- Support funding for Colorado River drought resilience projects.
- Work within the current federal and state Endangered Species Acts to increase operational flexibility while ~~not weakening~~ **maintaining** protections for listed species.
- Provide direction and funding to improve information about listed fish and wildlife species and water project operations in the Delta, including data collection, scientific understanding, and real-time monitoring of listed Delta species.
- Encourage use of the most current scientific data and analysis to provide enhanced flexibility for water project operations.

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.

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 U.S. EPA's *WaterSense* program and other federal incentive programs that promote water use efficiency and energy efficiency.
- Support administrative/legislative action to promote recycled water, ~~and~~ stormwater, **and desalination** as water resources, without compromising the operational, financial, water quality, regulatory and customer interests of Metropolitan and other water and wastewater agencies.
- Monitor implementation of the 2014 Sustainable Groundwater Management Act.
- Ensure that surface water permanently stored underground is subject to appropriate review and approval by State Water Resources Control Board. Unchecked, diversion of water for underground storage, whether a new or existing appropriation, may adversely impact other beneficial uses of water for fish and wildlife, recreation, commerce or use by downstream diverters.

Water Quality

- Support administrative/legislative action to provide for the continued transport, delivery, storage, and use of chlorine gas for disinfection. Support authorizing U.S. EPA oversight of water system security through updated vulnerability assessments and site security plans.
- Support administrative/legislative action and funding to protect and improve water quality from unacceptable risks 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 administrative/legislative action 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.
- Support administrative/legislative action to ensure that all affected public water systems are consulted on proposed consolidations or extension of service area and that the consolidation or extension of service complies with all existing federal and state laws applicable to source waters. If water supplied by

wholesale water supplier is part of the supply for consolidated area, the area should also be consolidated with or annexed into wholesale supplier, in addition to any local retailer or other suppliers.

- Continue to support prohibition on body contact recreation at drinking water reservoirs to prevent water quality degradation or potential increases in treatment, infrastructure costs, and operational restraints at the facilities.

Environmental Planning and Environmental Compliance

- Support administrative/legislative actions to improve clarity and workability of the National Environmental Policy Act (NEPA), the California Environmental Quality Act, and eliminate duplicative NEPA/CEQA processes.
- Support administrative/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.
- Continue to monitor administrative/legislative actions to ensure Metropolitan's ability to reliably operate and maintain its facilities, infrastructure and real estate assets, including rights of way necessary to access Metropolitan's facilities. These actions include, but are not limited to, land conservation measures, such as the California Desert Wilderness Protection Act, and the U.S. EPA's rules for "Waters of the United States" and water transfers.
- Support administrative/legislative actions to consolidate review and oversight of anadromous species protection under the Department of Interior to eliminate duplication and increase efficiencies.
- Support administrative/legislative actions and funding for biological control, mitigation management, and elimination of invasive species, including, but not limited to, quagga mussels and striped bass.
- Support administrative/legislative actions pertaining to invasive species that are 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.
- Promote water-energy nexus administrative/legislative or regulatory activities that preserve Metropolitan's ability to pursue supply options and oppose constraints on supply development such as water resource loading orders based on energy intensity. Respond to and correct misperceptions about the amount of electricity in California used to transport, treat and deliver water.
- Support legislation that defines hydropower generation as renewable energy irrespective of a facility's nameplate generating capacity, and includes the provision of renewable energy credits for hydroelectric generation.
- Support legislation that removes barriers to and encourages energy sector investments in water conservation and energy management programs.
- Pursue allocation of Cap-and-Trade auction revenues and/or free allowances from the California Air Resources Board or other administering agencies for Metropolitan and Department of Water Resources/SWP, to be used for greenhouse gas reduction measures and related projects.
- Continue to support and promote integrated water resources portfolio planning.

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.

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 (WIFIA), 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 income tax exemptions for water conservation or efficiency incentives for measures including, but not limited to, turf removal, rain barrels, cisterns, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.
- Support “beneficiaries pay” approach as financing mechanism for statewide projects and programs.
- Oppose public goods charge or other charges 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.
- Monitor implementation of Proposition 1, the 2014 water bond to support consistency with Metropolitan board-adopted priorities, and influence how water bond dollars are spent, both through program development, including regulations and guidelines at the agency and department level, and through appropriation of bond funds in the state budget process.

Federal Appropriations Priorities

- Bay-Delta 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, or control 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 and WaterSMART.
- Climate change adaptation and mitigation research.
- Water Resources Development Act-based Environmental Infrastructure Account.

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 defined as a project and 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 defined as a project under CEQA and is not subject to CEQA, and

Adopt the revised Legislative Priorities for 2016.

Fiscal Impact: None

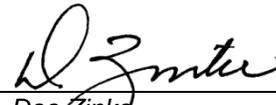
Option #2

Take no action.

Fiscal Impact: None

Staff Recommendation

Option #1



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12/8/2015

Date



Jeffrey Kightlinger
General Manager

12/8/2015

Date