



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

1/10/2017 Board Meeting

8-3

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**Subject**

Adopt CEQA determination and adopt State Legislative Priorities and Principles for 2017/18

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**Executive Summary**

This board letter outlines the state 2017/18 legislative priorities and principles recommended by staff for the Board's consideration and adoption.

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**Details**

After consulting with Metropolitan member agency legislative coordinators in October 2016, member agency managers in November 2016, and discussing the item at the Board's Communications and Legislation Committee in December 2016, staff submits the following state legislative priorities and principles for the Board's consideration and approval. Metropolitan's top state priorities for 2017 have been included in anticipation of legislative action in key policy areas during the first year of the 2017/18 session.

The state principles for the 2017/18 session support Metropolitan's mission and incorporate its overall water supply reliability and water quality objectives. By adopting these principles, the Board sets the policy direction for staff to direct resources both legislatively and administratively.

**Metropolitan's Top State Priorities for 2017**

- Work to ensure steady progress on California Water Fix and EcoRestore.
- Work proactively to advance state water infrastructure financing that reflects "beneficiary pays" principle, as opposed to a fee or assessment levied solely on water agencies for funding broader public benefits.
- Advance policies that promote, rather than penalize, new local water infrastructure projects, such as recycling, and provide funding for needed research to advance new technology.
- Work to advance state policy on water use efficiency that respects local investments while updating targets beyond 2020.

**State Principles**

*Bay-Delta and State Water Project Improvements*

- Support administrative/legislative action 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 shift procurement of renewable resources to the SWP, irrespective of transmission limitations, cost and portfolio availability.

#### *Drought-Related Legislation*

- Support administrative /legislative actions to respond to drought, including funding for immediate water supply improvements, while maintaining environmental protections.
- Support legislative efforts which recognize variations among communities, regions, and counties with respect to the capability of withstanding the impacts of drought.

#### *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*

- Continue to support and promote integrated water resources portfolio planning.
- Support administrative/legislative action to promote the development of recycled water (including indirect and direct potable reuse), stormwater, and desalination projects as water resources, without compromising the operational, financial and water quality, regulatory and customer interests of Metropolitan and other water and wastewater agencies.
- Support using water wisely in both urban and agricultural settings and strengthening local drought contingency planning.
- Ensure statutory or regulatory mandates for improving water use efficiency are fact-based and not a one-size-fits-all approach.

#### *Watershed Management*

- Support legislation, regulatory proposals and partnership-based programs that provide for the development and/or public funding of watershed management plans in Southern California, the Bay-Delta and Colorado River watersheds that provide broad public benefits, including water quality, water supply reliability and environmental improvements. Funding of watershed management programs should be based on the "beneficiaries pay" principle.

#### *Water Quality*

- Support administrative/legislative action to provide for the continued transport, delivery, storage, and use of chlorine gas for disinfection.
- Support administrative/legislative action and funding that is protective of public health, utilizes science, and incorporates benefit/cost analyses to protect and improve water quality from unacceptable risks from various constituents. Potential constituents include, but are not limited to arsenic, chromium 6, cyanotoxins, disinfection byproducts, lead, nitrate, perchlorate, perfluorinated compounds, pharmaceuticals/personal care products, uranium, and other constituents of emerging concern.
- Support administrative/legislative actions that are protective of source water quality, utilize current science and incorporate benefit/cost analyses to reduce salt and nutrient loading to source waters.

- 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 state laws applicable to source waters.

*Environmental Planning and Environmental Compliance*

- Support administrative/legislative actions to improve clarity and workability of CEQA, and eliminate other duplicative state 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.
- Protect Metropolitan's interests in 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.
- Support administrative/legislative actions and funding for biological control, mitigation management, and control of invasive species, including, but not limited to, quagga mussels and striped bass.
- Support administrative/legislative actions that require consideration of cost, local uses for recycled water, and available funding to implement programs that mandate reduction or reuse of ocean discharges.

*Energy Sustainability*

- Support efforts to ensure power costs to the State Water Project and Metropolitan are appropriate and proportional to the benefits received and that operations of the Colorado River Aqueduct are not adversely impacted.
- 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.
- 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 Cap-and-Trade compliance requirements, and greenhouse gas reduction measures and related projects.

*Infrastructure and Public Finance*

- Support measures to reduce the cost of financing water infrastructure planning and construction that funds water supply infrastructure, including water conduits, pipelines, canals, pumping, power and associated facilities.
- Support 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.
- Support legislation/administrative action that deters metal theft and protects critical public water infrastructure.
- Support legislation/administrative action that would provide funding or reimbursement for water utility infrastructure expenditures to improve redundancy and reliability.

## **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 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**

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### **Option #1**

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Adopt the State Legislative Priorities and Principles for 2017/18.

**Fiscal Impact:** None.

**Business Analysis:** Adoption of these legislative priorities and principles will support staff's ability to timely address concerns related to state legislation in 2017/18.

### **Option #2**

Take no action.

**Fiscal Impact:** None.

**Business Analysis:** Absence of these legislative priorities and principles could hinder staff's ability to timely address concerns related to state legislation in 2017/18.

**Staff Recommendation**

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Option #1



1/4/2017  
Date  
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Assistant General Manager/Chief External Affairs Officer



1/4/2017  
Date  
Jeffrey Nightlinger  
General Manager

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