



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

12/10/2019 Board Meeting

8-5

Subject

Adopt State Legislative Priorities and Principles for 2020; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This board letter outlines the state 2020 legislative priorities and principles recommended by staff for the Board's consideration and adoption.

Details

Background

The state legislative priorities and principles for the second year of the 2019/2020 legislative session support Metropolitan's mission and focus on its overall water supply reliability and water quality objectives. By adopting these principles, the Board sets the policy direction for staff to direct Metropolitan resources to accomplish the policy goals of the Board.

The top state priorities for 2020 have been identified by staff in key policy areas in anticipation of legislative action in the upcoming session. The state legislative principles cover the following policy areas: Bay-Delta and State Water Project (SWP) improvements, climate change adaptation, energy sustainability, environmental planning and environmental compliance, infrastructure and public finance, infrastructure security, regional water resource management, watershed management, water system governance, and water quality.

The following 2020 state legislative priorities and principles are respectfully submitted for the Board's consideration and approval.

Metropolitan's Top State Priorities for 2020

- Work to ensure progress on Delta conveyance and EcoRestore, and support legislation to facilitate other habitat restoration projects that benefit endangered and threatened species in the Delta.
- Support legislation, consistent with board direction, to create a statewide program to identify and evaluate constituents of emerging concern in drinking water.
- Support legislation, consistent with board direction, to grant Metropolitan lead agency status under the Surface Mining and Reclamation Act.
- Support actions to initiate, expedite, and secure funding for the Regional Recycled Water Program and related projects.
- Support tax exemptions for water conservation or efficiency incentives for measures including, but not limited to, turf removal, local stormwater capture (e.g., rain barrels, cisterns), and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.

State Principles

Bay-Delta and State Water Project Improvements

- Support administrative/legislative action and state funding to advance Delta conveyance and ecosystem improvements in support of California's coequal goals of water supply reliability and Delta ecosystem restoration.

- Support administrative/legislative action and state funding to advance the Delta Emergency Freshwater Pathway, emergency response, ecosystem restoration, subsidence reversal, as well as near-term Delta improvements and expenditures to support fish monitoring activities in the Delta consistent with the coequal goals, California EcoRestore, and/or potentially the California Water Resilience Portfolio.
- 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 the public share of costs, including mitigation and rehabilitation, for multi-purpose SWP facilities.
- Support administrative/legislative action, state funding, and low-interest loan programs for new surface and groundwater storage statewide.
- Work within the current federal and state Endangered Species Acts to increase operational flexibility while maintaining regulatory and statutory protections for listed species.
- Support administrative/legislative action 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.
- Support policy initiatives that encourage use of the most current scientific data and analysis to provide enhanced flexibility for water project operations.

Climate Change Adaptation/Drought Resiliency

- Support administrative/legislative actions to provide state funding and incentives to implement Conservation as a California Way of Life in a manner that maintains flexibility and local control.
- Support implementation of the California Water Resiliency Portfolio, as consistent with Metropolitan goals and objectives, to ensure effective climate adaptation strategies and near-term actions to guide development of programs and investments to meet the state's long-term water infrastructure needs.
- Support administrative/legislative actions that provide funding and regulatory assistance for regions affected by drought and/or shifting climate conditions for both immediate and long-term water projects that aid in the development, storage, treatment, and delivery of water.
- Support administrative/legislative actions that protect SWP, Colorado River Aqueduct (CRA), and local water supplies from the impacts of climate change and enhance their long-term reliability.
- Support funding and administrative/legislative efforts to increase drought resiliency on the Colorado River and Bay-Delta Systems.
- Support administrative/legislative actions that assist the water industry to address the effects of wildfires and power outages, including the impacts of public safety power shutoff events. These actions may include but are not limited to, actions to provide funding for emergency responses and planning, improve clarity and workability of regulatory requirements, promote consistency and reduce regulatory duplication, while supporting public health and the environment.
- Support administrative/legislative actions that facilitate drought preparedness and drought response projects and programs while maintaining environmental protections.

Energy Sustainability

- Support efforts to ensure power costs to the SWP and Metropolitan are appropriate and proportional to the benefits received and that operations of the SWP and CRA are not adversely impacted.
- 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.
- Support administrative/legislative action and state funding to assess opportunities and constraints related to the SWP and its potential contributions to achieving the state's climate goals, without impacting the primary purpose of the SWP.

- Oppose administrative/legislative actions that would impose new renewable resource procurement requirements that impact the SWP or CRA facilities, irrespective of transmission limitations, cost, and portfolio availability.
- Support authorization for state grant funding for energy efficiency and storage, 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 administrative/legislative actions that provide state funding from the Greenhouse Gas Reduction Fund and other similar funds for allowances under the Cap-and-Trade Program to Metropolitan and Department of Water Resources (i.e., State Water Contractors) and other water programs and projects.
- Ensure any expansion or regionalization of the western electric power grid does not adversely impact Metropolitan or the State Water Contractors.
- Work to ensure that administrative/legislative actions seeking to enhance or expand hydropower at existing dams do not adversely impact those dams, either financially or operationally, or entities with rights to the power from the existing resources that directly or indirectly impact Metropolitan's service area.

Environmental Planning and Environmental Compliance

- Support administrative/legislative actions for environmental compliance (e.g., air, water, hazardous materials and waste, and health and safety) that provide for regulatory compliance flexibility, improve clarity and workability of the requirements, and promote consistency and reduce regulatory duplication while supporting public health and the environment.
- 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 state funding for control and mitigation of invasive species, including but not limited to, quagga mussels and striped bass.

Infrastructure and Public Finance

- Support measures to reduce the cost of financing water infrastructure planning, construction and rehabilitation, and funding for water supply infrastructure, including water conduits, pipelines, canals, pumping and power plants, and associated facilities.
- Support administrative/legislative actions that promote stormwater as a beneficial resource and facilitate the funding and permitting of stormwater capture projects to augment local and regional water supplies without compromising the operational, financial, regulatory, and customer interests of local and regional water agencies.
- Support "beneficiaries pay" approach as financing mechanism for statewide projects and programs.
- Support administrative/legislative actions to increase issuance of revenue bonds for Clean Water State Revolving Fund and Drinking Water State Revolving Fund low-interest loans to reduce state funding backlog; and reduce the lien parity, limitations on future bond issuance, mandatory bond reserve requirements, and other burdensome loan application requirements for agencies with high credit ratings (AA or better).
- Oppose public goods charge or other charges levied on water agencies for funding broader public benefits.
- Support administrative/legislative actions that would provide state funding or reimbursement for water utility infrastructure expenditures to improve redundancy and reliability.
- Support state funding for the research and development of technology innovation programs in the water sector and expanded coordination with community technology associations.

Infrastructure Security

- Support administrative/legislative actions that would provide state funding or reimbursement for enhanced physical and cybersecurity for water and power infrastructure.
- Support trade associations and coalition efforts to develop standard guidance and best management practices for consistent and ongoing actions to reduce cyber vulnerabilities in process control systems for major water system providers.
- Support administrative/legislative actions that allow state and local governments to reasonably restrict hobbyist or commercial drone operations over private property and critical infrastructure.
- Support actions that maintain the ability for public agencies to use drones for governmental purposes.
- Support administrative/legislative actions that deter metal theft and protect critical public water infrastructure.

Regional Water Resource Management

- Continue to support and promote integrated water resources portfolio planning by advocating for clear, concise, and streamlined regulations/policies that are easily understandable to the regulated community and public.
- Support administrative/legislative actions and state funding to expedite the development of recycled water (including potable reuse), groundwater, stormwater, and desalination projects as water resources, without compromising the operational, financial, water quality, regulatory, and customer interests of Metropolitan and other water and wastewater agencies.
- Support administrative/legislative actions that encourage strategies to increase recycled water use among agricultural, industrial, and urban sectors and across geographic regions.
- Advance policies that promote, rather than penalize, new local water infrastructure projects, such as recycling, and provide state funding for needed research to advance new technology.
- Support administrative/legislative actions that would require any future programs that mandate specific reductions or reuse of ocean discharges consideration of the following: a cost-benefit analysis, current use and demand for recycled water, location and site constraints for reuse of ocean discharges, and available state funding.
- Support administrative/legislative actions that facilitate the adoption of uniform water recycling criteria for direct potable reuse through raw water augmentation by December 31, 2023. These actions include, but are not limited to: a) advocating for clear, concise, and streamlined regulations/policies that are easily understandable to the regulated community and public; b) enhanced funding for the planning, development, and implementation of local and regional potable reuse projects; and c) fully funding initiatives to fill research gaps and advance the science to promote the further development of potable reuse.
- Support administrative/legislative action to promote voluntary on-site water treatment systems if they maintain compliance with Title 22 and do not impact municipal water recycling systems.
- Support legislation, funding, and regulatory incentives that promote conservation and water-use efficiency in both urban and agricultural settings and ensure its equitable implementation in both urban and agricultural contexts.
- 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 state funding of watershed management plans in Southern California, the Bay-Delta and Colorado River watersheds that provide broad public benefits, including improved water quality and water supply reliability, reduced wildfire risks, and other environmental improvements. State funding of watershed management programs should be based on the “beneficiaries pay” principle. Consistent with Metropolitan’s Policy Principle on Watershed Management, oppose weakening of watershed protections.

Water Quality

- Support administrative/legislative actions that utilize current science and reflect appropriate benefit/cost analyses to protect public health and to protect and improve water quality from unacceptable risks of various constituents. These actions may include, but are not limited to: following the tenets of the federal Safe Drinking Water Act when setting any regulatory limit; utilizing current occurrence and health effects data; providing adequate implementation schedules and funding for treatment and mitigation measures to comply with any new regulatory standards; applying the “polluter pays” principle to address contamination; and, when appropriate, using the Toxic Substances Control Act to help control the use of chemicals in commerce.
- Support administrative/legislative actions to secure funding to help public water systems defray the cost of monitoring and/or remediation of per- and polyfluoroalkyl substances in drinking water supplies, including “polluter pay” provisions that allow for full cost-recovery by drinking water and wastewater providers.
- Support administrative/legislative actions that protect source water quality, utilize current science, and incorporate cost/benefit analyses to reduce salt and nutrient loading to source waters.
- Support administrative/legislative actions to improve supply chain reliability for water treatment chemicals and achieve tax-exempt status for all water treatment chemicals.
- Support administrative/legislative actions that enhance regulatory streamlining, including oversight for the transportation, storage, and use of gaseous chlorine, and also protection of public health and the environment.
- Support continued U.S. Environmental Protection Agency oversight of water system security through updated vulnerability assessments and site security plans.
- Support administrative/legislative actions that improve opportunities for water system staff training and certification.

Water System Governance

- Support administrative/legislative actions that improve governance of non-compliant water systems and provide assistance for consolidations that increase their technical, managerial, or financial capacity.
- Support administrative/legislative actions that reform or create water financing mechanisms to provide water systems with voluntary options for financing low-income rate assistance programs.
- Support administrative/legislative action to ensure that all affected public water systems are consulted on proposed consolidations or extension of service area.

Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

The proposed action is also 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).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the State Legislative Priorities and Principles for 2020.

Fiscal Impact: None

Business Analysis: Adoption of these legislative priorities and principles will support staff's ability to address concerns in a timely way related to state legislation in 2020.

Option #2

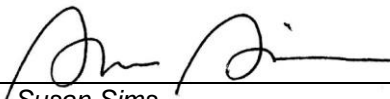
Take no action.

Fiscal Impact: None

Business Analysis: Absence of these legislative priorities and principles could hinder staff's ability to address concerns in a timely way related to state legislation in 2020.

Staff Recommendation

Option #1



Susan Sims
Manager, External Affairs

12/4/2019
Date



Jeffrey Kightlinger
General Manager

12/4/2019
Date