



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

12/10/2019 Board Meeting

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**8-6**

**Subject**

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Adopt Federal 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**

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

**Details**

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**Background**

The federal principles for the second year of the 116th Congress (2019/20) support Metropolitan's mission and focus on 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 relevant policy goals of the Board.

The top federal priorities for 2020 have been identified by staff in key policy areas in anticipation of legislative action in the upcoming congressional session. The federal legislative principles cover the following policy areas: Bay-Delta and State Water Project (SWP) improvements, Colorado River initiatives, energy sustainability, environmental planning and environmental compliance, federal drought-related legislation, infrastructure, and public finance, infrastructure security, regional water resource management, watershed management, and water quality.

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

**Metropolitan's Top Federal Priorities for 2020**

- Support legislative reauthorization and extension of the CALFED Program to continue federal funding of scientific research and habitat restoration in the Sacramento - San Joaquin Delta.
- Maintain funding for water science and data collection, including streamflow monitoring, water quality, salinity control, source protection, and ecosystem research.
- Secure funding/financing for water infrastructure, efficiency, and restoration projects.
- 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.

**Federal Principles**

*Bay-Delta and State Water Project Improvements*

- Support administrative/legislative action and federal 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 funding to advance the Delta Freshwater Emergency Pathway, emergency response, ecosystem restoration, subsidence reversal, near-term Delta improvements, and expenditures to support fish monitoring activities in the Delta consistent with California's coequal goals, California EcoRestore, and/or potentially the California Water Resilience Portfolio.
- Support administrative/legislative action, 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.

#### *Colorado River Initiatives*

- Support federal funding appropriations and coordination among states for continued implementation of the Lower Colorado River Multi-Species Conservation Program.
- Support federal funding for Colorado River System water conservation projects to offset the effects of extended drought conditions.
- Promote continued federal funding and coordination between states for the Colorado River Basin Salinity Control Program under the Departments of Agriculture and Interior, including programs implemented by the Bureau of Reclamation and the Bureau of Land Management.
- Support federal funding appropriations for a replacement of USBR's Paradox Valley salinity control project to continue removing salt load to the Colorado River.
- Protect and advance Metropolitan's interest in binational water conservation programs.

#### *Climate Change Adaptation/Drought Resiliency*

- 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 federal funding to assess opportunities and constraints related to the CRA and associated facilities and their potential contributions to achieving the state's climate goals, without impacting the primary purpose of the facilities.

- 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 federal grant funding for energy efficiency and storage projects, 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.
- Ensure any expansion or regionalization of the western electric power grid does not adversely impact Metropolitan or the State Water Contractors.
- Support efforts to improve federal hydropower relicensing for existing facilities, including SWP resources.
- 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 regulatory compliance flexibility, improve clarity and workability of the requirements, and promote consistency and reduce regulatory duplication, while protective of 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. These actions include, but are not limited to, land conservation measures (i.e., the California Desert Protection Act), "Waters of the United States" and water transfers.
- Support administrative/legislative actions and funding for control and mitigation 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 do not interfere with existing interstate water transfers.
- Support administrative/legislative actions to consolidate review and oversight of anadromous species protection under the Department of the Interior to eliminate duplication and increase efficiencies.

#### *Infrastructure and Public Finance*

- Support measures to reduce the cost of planning, financing, construction, and rehabilitation of water infrastructure projects, such as dams, water conduits, pipelines, canals, pumping and power plants, and associated facilities. Potential financing mechanisms may include but are not limited to, tax-credit financing, tax-exempt municipal bonds, an expanded Water Infrastructure Finance Innovation Act (WIFIA), Water Resources Development Act (WRDA), or Environmental Infrastructure Accounts.
- 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).
- Support administrative/legislative actions that would provide federal funding or reimbursement for water utility infrastructure expenditures to improve redundancy and reliability.

- Support federal 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 federal 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 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 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 encourage strategies to increase recycled water use among agricultural, industrial, and urban sectors and across geographic regions.
- Support development, funding, and implementation of the National Water Reuse Action Plan while protecting local flexibility and encouraging federal coordination, research, and innovation. Support identification of specific federal agency actions and timelines to foster implementation.
- Support legislation, funding, and regulatory incentives that promote conservation, water-use efficiency in both urban and agricultural settings, and ensure equitable implementation in both urban and agricultural contexts.

#### *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 and water supply reliability, reduced wildfire risks, and other environmental improvements. 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 actions that, when setting a federal maximum contaminant level and/or Advisory Level, protect the water quality of the Colorado River by considering all occurrence and health effects data, and California’s regulatory standard or guidance levels for that same constituent.
- 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 (EPA) 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.

### **Federal Appropriations Priorities for 2020**

The following federal appropriations are respectfully submitted for the Board’s consideration and approval.

Metropolitan supports funding which benefits the region and the district service area for the following initiatives:

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

- Bay-Delta planning and implementation funding for near-term projects, Emergency Freshwater Pathway, and emergency response projects
- Bay-Delta science activities that are necessary to enhance and restore the Bay-Delta ecosystem and provide greater water supply reliability
- Farm Bill/U.S. Department of Agriculture programs to support habitat, subsidence reversal projects, and agricultural water-use efficiency and source water protection projects in the Delta or in the Colorado River Basin

#### *Colorado River Initiatives*

- Colorado River Basin Salinity Control Program
- Colorado River drought resiliency projects
- Moab Uranium Mill Tailings Remedial Action Project
- Lower Colorado River Multi-Species Conservation Program
- Federal authorization and appropriation of funds to implement the Salton Sea restoration solutions in partnership with state and local entities

#### *Water Quality*

- Water quality protection initiatives (including, but not limited to, chromium 6, nitrate, perchlorate, salinity, uranium, cyanotoxins, 1, 2, 3-TCP, PFAS, and constituents of emerging concern)
- Biological controls, mitigation management, or control of invasive species

#### *Infrastructure and Public Finance*

- Bureau of Reclamation Title XVI and WaterSMART programs, and EPA, WIFIA, and Water Infrastructure Improvements for the Nation (WIIN) programs
- WRDA-based Environmental Infrastructure Account

*Climate Change Adaptation, Water-Energy Nexus and Innovation*

- Climate change adaptation and mitigation research, including support for authorizing legislation to provide EPA grant funding for programs such as the Water Research Foundation to conduct research enabling water agencies to adapt to hydrologic changes
- Solar retrofits and other renewable energy and conservation projects
- Appropriations for funding the research and development of innovation programs in the water sector

*Regional Water Resource Management*

- Water conservation and water-use efficiency programs such as the EPA WaterSense program, and other water resource projects
- Desalination and salinity management research, including funding for the Brackish Groundwater National Desalination Research Facility through the Water Desalination Act of 1996

**Policy**

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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)**

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**CEQA determination 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**

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**Option #1**

Adopt the Federal 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 fashion related to federal 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 fashion related to federal legislation in 2020.

**Staff Recommendation**

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Option #1



Susan Sims  
Manager, External Affairs

12/4/2019  
Date



Jeffrey Knightlinger  
General Manager

12/4/2019  
Date

Ref # ea12671474