



ACTION ITEM
January 21, 2015

TO: Public Affairs & Legislation Committee
(Directors Barbre, Hinman & Tamaribuchi)

FROM: Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: ANNUAL REVIEW OF LEGISLATIVE POLICY PRINCIPLES

STAFF RECOMMENDATION

Staff recommends the Public Affairs & Legislation Committee review and discuss the updated legislative policy principles and direct staff as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends adoption of the Legislative Policy Principles with amendments that are underlined & italicized.

DETAILED REPORT

At the December 2014 PAL Committee meeting, the Legislative Policy Principles were discussed and changes and suggestions were made by committee members. However, no formal action was taken. Below you will find last month's write-up (for information purposes only) along with the newly updated policy principles that incorporated comments from last month.

In September 2012, the Municipal Water District of Orange County Board of Directors adopted legislative policies principles. They were reviewed again in March 2014 (discussion only). The purpose of these principles is to assist District staff and its legislative advocates in the evaluation of legislation that may impact the District, its member agencies,

Budgeted (Y/N): n/a	Budgeted amount: None	Core <input checked="" type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount: n/a	Line item: n/a		
Fiscal Impact (explain if unbudgeted):			

the interests of Orange County, the Metropolitan Water District of Southern California and/or its member agencies. The principles establish guidelines to allow the District to respond to certain types of legislation in a timely manner while issues that are not clear or have complicated implications will be presented to the Board for further guidance.

Changes are shown as follows:

Additions are *italicized*

Deletions are ~~crossed through~~

December and January PAL Committee changes are *underlined and italicized*

IMPORTED WATER SUPPLY

It is MWDOC's policy to support legislation that:

- 1) Ensures the *development implementation* of a long- term state water plan that balances California's competing water needs and results in a reliable supply of high- quality water for Orange County.
- 2) Facilitates the implementation of the Bay Delta Conservation Plan, the co- equal goals of reliable water supply and ecosystem restoration, and related policies that provide long term, comprehensive solutions for the San Francisco Bay/Sacramento-San Joaquin River Delta that:
 - a) Provides reliable water supplies to meet California's short- and long- term needs;
 - b) Improves the ability to transport water across the Delta either for, or in supplement to, State Water Project deliveries;
 - c) Improves the quality of water delivered from the Delta;
 - d) Enhances the Bay-Delta's ecological health in a balanced manner that takes into account all factors that have contributed to its degradation;
 - e) Encourages cost-effective water-use- efficiency measures;
 - f) Employs sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem sustainability.
- 3) Funds a long-term, *comprehensive* Bay-Delta solution in a manner that equitably apportions costs to all beneficiaries.
- 4) Seeks to keep BDCP on schedule and prudently expedites the approval process for projects that will improve water reliability and security.
- 5) Provides funding for Colorado River water quality and supply management efforts.
- 6) *Provides conveyance and storage facilities that are cost-effective for MWDOC and its member agencies, while improving the reliability and quality of the water supply.*

7) *Authorizes and appropriates the federal share of funding for the long-term Bay Delta solution.*

8) *Authorizes and appropriates the ongoing state share of funding for the long-term Bay Delta solution.*

It is MWDOC's policy to oppose legislation that:

1) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/or quality of such water.

2) *Imposes water user fees to fund Bay Delta ecosystem restoration and other public purpose, non-water supply improvements in the Delta region.*

LOCAL WATER RESOURCES

It is MWDOC's policy to support legislation that:

1) Provides funding for, *and authorizes and/or facilitates the expanded use of*, water recycling, *potable reuse, conservation*, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects.

2) Recognizes that recycled water is a resource and should be permitted and managed as such.

~~3) Authorizes and/ or facilitates expanded use of local water resources including water recycling and brackish groundwater.~~

3) Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.

4) Reduces regulatory burdens on water recycling and brackish and ocean water desalination projects.

5) Supports ecosystem restoration, increased stormwater capture and sediment management activities at Prado Dam.

6) *Recognizes and supports the development of ocean desalination as a critical new water supply for the state and Orange County, specifically.*

7) *Authorizes, promotes, and provides incentives for indirect and direct potable reuse projects.*

8) *Recognizes that the reliability of supplies to the end user is the primary goal of water suppliers.*

It is MWDOC's policy to oppose legislation that:

- 1) Restricts a local governmental agency's ability to develop their local resources in a manner that is cost-effective, environmentally sensitive, and protective of public health.
- 2) Imposes barriers to the safe application of recycled water and continues to define recycled water as a waste.
- 3) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/ or quality of such water.
- 4) *Restricts or limits a local governmental agency's ability to establish local priorities for water resources planning decisions.*

WATER USE EFFICIENCY

It is MWDOC's policy to support legislation that:

- 1) ~~Requires the installation and use of retail water meters and billing based on a volumetric use.~~
- 1) Furthers the statewide goal of a 20% reduction in per capita water use by 2020 as set forth in SBx7-7, enacted in November 2009.
- 2) *Would allow flexibility and options for compliance in achieving statewide water reduction goals.*
- 3) ~~Sets cost-effective~~ *Seeks to improve water* efficiency standards for water-using devices.
- 4) Provides loans and grants to fund incentives for water conserving devices or practices.
- 5) Advances and ensures accurate reporting of the implementation of water efficiency measures of the Best Management Practices (BMPs) for the California Urban Water Conservation Council's Memorandum of Understanding.
- 6) Increases landscape water use efficiency and promotes Commercial, Institutional and Industrial (CII) water use efficiency programs.
- 7) *Requires individual metering ~~connections~~ to be built in new construction of multiple unit ~~commercial or~~ residential buildings.*
- 8) *Encourages stakeholders to investigate and develop regionally appropriate statewide landscape water conservation standards and regulations that incorporate local land use and climate factors.*
- 9) *Provides incentives, funding, and other assistance where needed to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.*

10) *Provides incentives, funding, and other assistance where needed to facilitate water use efficiency partnerships with the energy efficiency sector.*

11) *Recognizes past investments in water use efficiency measures, especially from the demand hardening perspective.*

It is MWDOC's policy to oppose legislation that:

1) Fails to ensure balance in the implementation of water efficiency practices and requirements for both urban and agricultural use.

2) *Would repeal cost-effective efficiency standards for water-using devices.*

WATER QUALITY

It is MWDOC's policy to support:

1) Legislation that protects the quality of surface water and groundwater.

2) Funding that helps agencies meet state and federal water quality standards.

3) The establishment and/ or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.

It is MWDOC's policy to oppose:

1) Legislation that could compromise the quality of surface water and groundwater supplies.

2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration for cost effectiveness.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MET)

It is MWDOC's policy to support legislation that:

1) ~~Implements a rate structure that is consistent with MWDOC board-adopted policy.~~

It is MWDOC's policy to oppose legislation that:

1) Compromises the existing governance structure and the representation of member agencies on the Metropolitan Water District Board of Directors.

2) *Would restrict MET's rate-making ability.*

WATER TRANSFERS

It is MWDOC's policy to support legislation that:

- 1) Encourages and facilitates voluntary water transfers.
- 2) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third- parties to the transfer including those with interests in the facilities being used.
- 3) Legislation that encourages transfers which augment existing water supplies, especially in dry years.

It is MWDOC's policy to oppose legislation that:

- 1) Undermines the operations and maintenance of the conveyance system.
- 2) Interferes with the financial integrity of a water utility and compromises water quality.
- 3) *Increases regulatory or procedural barriers to water transfers at the local or state level.*

WATER INFRASTRUCTURE FINANCING

It is MWDOC's policy to support legislation that:

- 1) Employs a "beneficiary pays" principle that establishes a clear nexus between the cost paid to the direct benefit received. Likewise, those who do not benefit from a particular project or program should not be required to pay for them.
- 2) Establishes grants or other funding opportunities for local and regional water infrastructure projects.
- 3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure investments.
- 4) *Would reduce the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, Water Resources Development Act (WRDA), Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts and other funding mechanisms.*

It is MWDOC's policy to oppose legislation that:

- 1) Establishes a fee or tax that does not result in a clear benefit to the District, its member agencies, and their customers.

2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

ENERGY

It is MWDOC's policy to support legislation that:

- 1) Facilitates the development and expansion of clean, renewable energy in California, including hydropower.
- 2) *Supports water supply reliability as the primary focus of water agencies and energy intensity of water supplies as a secondary factor.*
- 3) *Recognizes the role and value of the water industry investment in water use efficiency and therefore recognizes WUE efforts towards greenhouse gas reduction, including funding such activities.*
- 4) Recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32).

It is MWDOC's policy to oppose legislation that:

- 1) Grants preferential consideration to certain types of clean, renewable energy projects over others, resulting in those preferred projects receiving advantages for state funding, project permitting, and regulatory compliance.

FISCAL POLICY

It is MWDOC's policy to support legislation that:

- 1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.

It is MWDOC's policy to oppose legislation that:

- 1) Is inconsistent with the District's current investment policies and practices.
- 2) Pre-empts the District's ability to impose or change water rates, fees, or assessments.
- 3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.
- 4) Impairs the District's ability to provide services to its member agencies and ensure full cost recovery.
- 5) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.

6) *Would impose mandated costs or regulatory constraints on the District or its member agencies without reimbursement.*

GOVERNANCE

It is MWDOC's policy to support legislation that:

1) Advances good government practices and public transparency measures in a manner that do not take a "one-size fits all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

It is MWDOC's policy to oppose legislation that:

1) Advances local government reform measures by imposing unnecessarily broad burdens upon all local governments, particularly when there is no demonstration of rampant and wide-spread violations of the public trust.

2) Shifts state programs, responsibilities and costs to local governments without first considering funding to support the shift.

3) Seeks to limit or rescind local control.

4) *Reduces or diminishes the authority of the District to govern its affairs.*

5) Imposes new costs on the District and the ratepayers absent a clear and necessary benefit.

6) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

PUBLIC EMPLOYEE PENSION REFORM

It is MWDOC's policy to support legislation that:

1) Seeks to contain or reform public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.