



- **Board of Directors**

- Legislation, Regulatory Affairs, and Communications Committee***

4/9/2024 Board Meeting

7-6

Subject

Express support for broadening Metropolitan's board priorities to include funding for Delta levee maintenance in the State of California's climate resiliency bond proposals, AB 1567 (Garcia-D) and SB 867 (Allen-D); the General Manager has determined that the action is exempt or otherwise not subject to CEQA

Executive Summary

As part of an ongoing collaborative effort, the Delta Counties Coalition (DCC) requested Metropolitan's support for \$250 million for the Delta Levee Maintenance Subventions Program (Subventions Program) in the State of California climate resiliency bond this session. Staff supports this recommendation, as it is consistent with Metropolitan's existing board policies regarding the Sacramento-San Joaquin Delta (Delta).

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Express support for broadening Metropolitan's Board priorities to include funding for Delta levee maintenance in the State of California's climate resiliency bond proposals, AB 1567 (Garcia-D) and SB 867 (Allen-D).

Fiscal Impact: Not applicable

Business Analysis: Supporting this request would authorize Metropolitan staff to work with the climate bond authors, stakeholders, and statewide associations to obtain desired amendments that will ensure available funding includes allocations for levee maintenance and repair.

Option #2

Take no action. Do not incorporate the Subventions Program funding in Metropolitan's Board priorities.

Fiscal Impact: Not applicable

Business Analysis: Funding for levee maintenance and repair may not be included in the proposed climate bond, leaving inadequate funding for needed levee maintenance to protect State Water Project supplies and Metropolitan's Delta islands.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 53500, dated January 9, 2024, the Board adopted the Legislative Priorities and Principles for 2024 with the revisions by staff and the committee members.

By Minute Item 53288, dated June 13, 2023, the Board agreed to express support, if amended, on two legislative bond proposals, 21-2292 Assembly Bill 1567 (Garcia) and Senate Bill 867 (Allen), to provide funding for water projects to address climate change impacts.

By Minute Item 53012, dated October 11, 2022, the Board adopted the Revision and Restatement of Bay-Delta Policies.

Related Board Action(s)/Future Action(s)

By Minute Item 53500, dated January 9, 2024, the Board adopted the Legislative Priorities and Principles for 2024 with the revisions by staff and the committee members.

By Minute Item 53288, dated June 13, 2023, the Board agreed to express support, if amended, on two legislative bond proposals, 21-2292 Assembly Bill 1567 (Garcia) and Senate Bill 867 (Allen), to provide funding for water projects to address climate change impacts.

By Minute Item 53012, dated October 11, 2022, the Board adopted the Revision and Restatement of Bay-Delta Policies.

Summary of Outreach Completed

Metropolitan held a series of meetings with the DCC, including providing an educational tour to improve collaboration on issues relating to the Delta.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (Pub. Resources Code, § 21065; State CEQA Guidelines Section 15378(b)(4).)

CEQA determination for Option #2:

None required

Details and Background

Background

Two State of California climate resiliency bond proposals introduced in 2023, AB 1567 (Garcia-D) and SB 867 (Allen-D), proposed \$15.995 billion and \$15.5 billion, respectively, to fund a wide variety of climate-related investments, including water projects and programs.

In June 2023, Metropolitan's Board of Directors approved four priority areas for advocacy on the climate bonds. These areas are: (1) recycled water, (2) regional and interregional conveyance, (3) dam safety, and (4) conservation. During the fall recess, Metropolitan and DCC initiated discussions which led to a special Metropolitan Board meeting with DCC representatives on January 17 to exchange ideas and identify areas of common interest in Delta water management and risk mitigation. In follow-up meetings, the Subventions Program was identified as a vital source of funding to protect and maintain levees that protect lives, property, and important infrastructure, and control river and estuarine habitat.

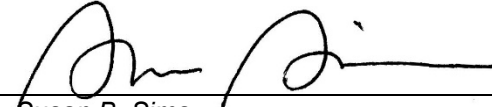
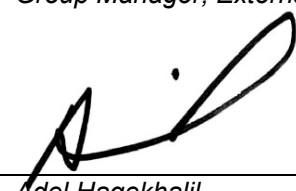
Of particular interest to Metropolitan is the ability to restore a "fresh water pathway" to move water through the Delta in the event of an earthquake or other major levee breach. Previous modeling has shown a severe earthquake in the Delta region could lead to multiple levee failures and draw in saltwater to the Delta from the San Francisco Bay, contaminating fresh water supplies. Metropolitan has long supported emergency preparations by the Department of Water Resources to restore a freshwater pathway within six months of such a failure to facilitate the continued delivery of State Water Project supplies to contractors, like Metropolitan. In addition, Metropolitan has supported ongoing funding for levee maintenance and improvements as a preventative measure.

Metropolitan owns four islands in the Delta along the SWP supply route from the Sacramento River to its pumping facilities in the south Delta. Maintaining levees is also important to protecting Metropolitan's properties.

DCC is requesting that Metropolitan support funding in the climate bonds for the Subventions Program. The Subventions Program is a cost-shared program managed by the Department of Water Resources that reimburses local maintenance agencies and reclamation districts for eligible maintenance and repair of the existing system of levees. Currently, DWR allocates an average of \$10 million a year in reimbursements, of which Metropolitan receives an average of \$500,000 a year from this program.

Climate Bond Status

The Legislature has until June 27 to pass a bond measure to qualify for the November 2024 ballot. Stakeholders are waiting for a clear signal from Governor Newsom and the Legislature on whether a climate bond will move forward this year. In the meantime, stakeholders are continuing to weigh in on priorities to shape the final possible outcome. Staff recommends incorporating the \$250 million request for the Subventions Program into Metropolitan's climate bond priorities.

 _____ Susan B. Sims Group Manager, External Affairs	4/5/2024 Date
 _____ Adel Hagekhalil General Manager	4/5/2024 Date